

Board of Director’s Meeting Minute

Meeting Date/Time: May 18, 2023 - 6:30 – 9:00pm

Members: Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Chris Allen, Simi Barr, Rich Chang, Elisabeth Gerber, Susan Pollay, Monica Ross-Williams, Kyra Sims

Location: Ann Arbor District Library (4th Floor)
Virtual attendance available via Zoom

Chairwoman Mozak called the meeting to order at 6:30 pm

Agenda Item
1. OPENING ITEMS
<p>1.1 Approve Agenda</p> <p>Mr. Barr motioned to approve the agenda, seconded by Ms. Pollay.</p> <p>All in favor of approving the agenda:</p> <p style="margin-left: 40px;">Mr. Mike Allemang: Yes (Attending Virtually) Mr. Chris Allen: Yes Mr. Simi Barr: Yes Mr. Rich Chang: Yes Dr. Elisabeth Gerber: Yes Mr. Jesse Miller: Yes Ms. Susan Pollay: Yes Monica Ross-Williams: Yes Kyra Sims: Yes Chairwoman Kathleen Mozak: Yes</p> <p>The approval of the agenda passed unanimously.</p> <p>1.2 Public Comment</p> <p>No Public Comment</p> <p>1.3 General Announcements</p> <p>While staff worked to resolve minor technical difficulties with sound, Board members and staff introductions were made to the Board’s newest member, Dr. Elisabeth Gerber.</p>
2. CONSENT AGENDA
<p>2.1 Board Meeting Minutes March 16, 2023</p> <p>2.2 Retreat Minutes April 26, 2023</p> <p>2.3 Committee Meeting Summaries</p> <p>2.4 Investment Account Access Authorizations</p>

Chairwoman Mozak noted a minor amendment was needed for the 3/23/23 Governance Committee notes in which “Executive Team” instead of “Governance Committee” was used under item 1.3. No other changes were noted.

Mr. Chang motioned to accept the above-mentioned amendment to the Consent Agenda, seconded by Mr. Barr.

All in favor of accepting the amendment to the Consent Agenda:

Mr. Mike Allemang: Yes (Attending Virtually)

Mr. Chris Allen: Yes

Mr. Simi Barr: Yes

Mr. Rich Chang: Yes

Dr. Elisabeth Gerber: Yes

Mr. Jesse Miller: Yes

Ms. Susan Pollay: Yes

Monica Ross-Williams: Yes

Kyra Sims: Yes

Chairwoman Kathleen Mozak: Yes

The acceptance of amendment to the Consent Agenda passed unanimously.

Ms. Pollay motioned to approve the Consent Agenda, seconded by Ms. Ross-Williams.

All in favor of approving the Consent Agenda:

Mr. Mike Allemang: Yes (Attending Virtually)

Mr. Chris Allen: Yes

Mr. Simi Barr: Yes

Mr. Rich Chang: Yes

Dr. Elisabeth Gerber: Yes

Mr. Jesse Miller: Yes

Ms. Susan Pollay: Yes

Monica Ross-Williams: Yes

Kyra Sims: Yes

Chairwoman Kathleen Mozak: Yes

The approval of the Consent Agenda passed unanimously

3. SPECIAL ITEMS

3.1 Audit Presentation

Ms. Reed introduced guest Gen Mojares, one of the auditors from UHY who prepared the annual audit. Ms. Mojares presented the FY 2022 Audit report to the Board, noting there was one noted material weaknesses due to an accounting error that was corrected. She shared there were no other significant deficiencies and stated it was a clean audit. Upon the audit conclusion, the finance team met the filing deadline with MDOT.

Board members thanked the audit and finance teams for their efforts during the entire audit process.

4. OWNERSHIP LINKAGE

4.1 Ownership Linkage Task Force Updates

Mr. Chang shared that the first outreach of the OLTF had been made with the Mayor of Ann Arbor.

5. MONITORING

5.1 Monitoring Task Force Update

Mr. Allemang shared that the Monitoring Task Force is suggesting 2-3 policies should be thoroughly reviewed each year. The reviews would take place at the committee level before being brought before the Board. The Task Force is working on a more formal recommendation proposal to present to the Board which would include a comprehensive outline of the above-mentioned suggestions.

5.2 Cash & Investments (2.6)

Ms. Reed provided an outline of the Cash & Investments (Policy 2.6) monitoring report, highlighting specific instances of evidence that was provided to demonstrate compliance in areas of cash checking in money market balances and investment management.

Mr. Allemang thanked Ms. Reed for her work on the monitoring report. The Finance Committee had reviewed and recommended that the Board accept the monitoring report as (A) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations.

Ms. Ross-Williams motioned to accept the monitoring report as (A) seconded by Ms. Gerber.

All in favor of accepting the monitoring report as (A):

Mr. Mike Allemang: Yes (Attending Virtually)

Mr. Chris Allen: Yes

Mr. Simi Barr: Yes

Mr. Rich Chang: Yes

Dr. Elisabeth Gerber: Yes

Mr. Jesse Miller: Yes

Ms. Susan Pollay: Yes

Monica Ross-Williams: Yes

Kyra Sims: Yes

Chairwoman Kathleen Mozak: Yes

The motion to accept the Cash & Investments (Policy 2.6) monitoring report as (A) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations was passed unanimously.

5.3 Communications & Support to the Board (2.9)

Mr. Carpenter introduced the monitoring report for Communications & Support to the Board (Policy 2.9) and outlined the overall areas the report covers. He noted that he is reporting the monitoring report as partially compliant. An area of non-compliance was in the financial notification sub-policy, which he requested additional time for review as he wanted to confirm his original response interpretation. He also requested additional time to report findings for the sub-policy on whistleblower procedures. Overall, the survey results from the board were positive.

Mr. Carpenter fielded several Board member requests for clarification regarding the financial notification sub-policy and whistleblower procedures on the non-compliant areas of the monitoring report. He agreed to look further into those sub-policies and provide clarification and compliance by September.

Mr. Miller motioned to accept the monitoring report as (B) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations, except for the CEO's stated non-compliance with item(s) 2.9.21.5 and 2.9.2.3, which the Board acknowledges and accepts the proposed date of September for compliance. is making reasonable progress towards compliance, seconded by Ms. Sims.

All in favor of accepting the Communications & Support to the Board (Policy 2.9) monitoring report as B:

Mr. Mike Allemang: Yes (Attending Virtually)

Mr. Chris Allen: Yes

Mr. Simi Barr: Yes

Mr. Rich Chang: Yes

Dr. Elisabeth Gerber: Yes

Mr. Jesse Miller: Yes

Ms. Susan Pollay: Yes

Monica Ross-Williams: Yes

Kyra Sims: Yes

Chairwoman Kathleen Mozak: Yes

The motion to accept the Communications & Support to the Board (Policy 2.9) monitoring report as B) a reasonable interpretation for all policy items and that the evidence demonstrates compliance with the interpretations, except for the CEO's stated non-compliance with item(s) 2.9.21.5 and 2.9.2.3, which the Board acknowledges and accepts the proposed date of September for compliance is making reasonable progress towards compliance, was passed unanimously.

5.4 Governance Process Policies (3.5-3.8)

The Board discussed their self-monitoring of Governance Process Policies (3.5-3.8). Chairwoman Mozak noted that there had been a focus from members surveyed on board education and new member orientation. The Governance Committee and Chair are going to be reviewing the board budget to ensure those two areas received have adequate funding. Newer board members shared their insight and suggestions for improvement on the orientation process.

6. POLICY

6.1 Follow up: Reasonableness and Policy 1.1.1

Mr. Miller shared with the Board that he had recently been reappointed to represent the City of Ypsilanti for another 5-year term. He then provided an overview of questions that had come from the Board in February when they had reviewed the Ends monitoring report – specifically with sub policy 1.1.1 regarding qualifications for the fare deal program. Mr. Carpenter was asked to find additional information regarding all the qualifications beyond just Medicare for the fare deal program. The Service committee received the additional information and determined the additional information answered the questions raised and there was no need to change policy language or do any further work on policy 1.1.1.

Board members thanked Mr. Carpenter and the Service Committee for their follow up in clarifying the questions raised on policy 1.1.1.

7. BOARD EDUCATION/DISCUSSION

8. OPERATIONAL UPDATES

8.1 Business Plan

Mr. Carpenter presented the FY24 Business Plan ([pg. 108](#)) which contains organizational priorities and projects that help shape the annual budget. Included in the plan is a Gantt Chart that provides an overview of multi-year projects and service planning. Board members asked questions pertaining to specific projects within the Business Plan – specifically related to both transit centers and ridership. Chairwoman Mozak encouraged Board members to review the plan in detail and communicate any questions / thoughts directly to Mr. Carpenter.

8.2 Budget Timeline

Ms. Reed shared with the Board a projected timeline for the FY24 budget process which will lead up to the final presentation for the Board to approve during the September Board meeting.

Mr. Allemang shared with newer Board members that the previous year's budget process documents were available online and would be a helpful overview in understanding the annual process.

8.3 Q2 Financial Report

Ms. Reed presented to the Board the Q2 Financial report, highlighting revenues and expenses are on track for the 2nd quarter and operating within budget. Special notes include a \$5.6 million surplus of revenue over expenses which is in line with the budget. Federal pandemic relief funds continue to be used with the remaining to last into FY24. At that time, the increased property taxes based on the new millage will begin to be collected. The operating reserve is on target and the net position is stable with required reserves being maintained. She included a chart to show the cash flow schedule as it had been requested by the Finance Committee.

At the request of Chairwoman Mozak, Ms. Reed outlined how additional funding from the CARES Act, CRRSAA funding and ARP funds is obligated toward specific projects and plans. She also answered Board questions related to the operating reserve and how end of year surplus partially fund that reserve.

8.4 Title VI Preview

Mr. Yang provided the Board with a preview of Title VI Plan in progress. Title VI is related to discrimination and equity and the plan is required for federal funding eligibility along with being a part of several Board policies. The draft plan is expected to go for public review in October, followed by Board review and approval.

8.5 CEO Report

Mr. Carpenter provided the Board with highlights of the CEO Report that included April and May. Notably, ridership continues to increase and is in line with national recovery. Ypsilanti Transit Center renovations are in progress and the building had been reopened after several days of closure due to work being done. He also shared that several Operations/Fleet staff had been making in-person visits to transit agencies in the region who are using alternative propulsion technology.

9. EMERGENT ITEMS

No emergent items noted.

10. CLOSING ITEMS

10.1 Action Item Recap

Mr. Carpenter will be following up with Communication & Support to the Board policies 2.9.21.5 and 2.9.2.3.

10.2 Topics for Next Meetings

Financial Conditions (2.5)
Q2 Service Report
Governance Process Policies (3.0-3.4)
Asset Protection (2.7)
Policy Development: Review of 2.1

10.3 Public Comment

Mr. Jim Mogensen commented on agenda item 6.1 and the challenges with fare deal and Medicaid eligibility complexities and recent Medicaid eligibility coverage loss to low-income members of the community. He is currently working with the Food Policy Council and they are reviewing grocery route rides to ensure access to affordable food options for riders. He also expressed interest in participating and providing insight in the Title VI plan as he has experience in the federal process.

Mr. Robert Pawlowski commented on garage expansion planning and the need to look for property in the area. He also noted he is participating in gathering feedback from riders and has heard the need for partnerships with the RTA for monthly or yearly services passes.

10.4 Adjournment

Ms. Ross-Williams motioned to adjourn the meeting, seconded by Mr. Miller.

All in favor of adjourning the meeting:

Mr. Mike Allemang: Yes (Attending Virtually)
Mr. Chris Allen: Yes
Mr. Simi Barr: Yes
Mr. Rich Chang: Yes
Dr. Elisabeth Gerber: Yes
Mr. Jesse Miller: Yes
Ms. Susan Pollay: Yes
Monica Ross-Williams: Yes
Kyra Sims: Yes
Chairwoman Kathleen Mozak: Yes

Chairperson Mozak adjourned the meeting at 9:19pm.

Respectfully Submitted by Deborah Holt