

## Board of Director's Meeting Agenda

**Meeting Date/Time:** July 18, 2024 - 6:30pm – 9:00pm

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

**Location:** Riverside Arts Center, Ypsilanti (4<sup>th</sup> Floor)

Virtual attendance available via [Zoom](#) Passcode: 983308

Agenda Item	Info Type	Details	Page #
<b>1. OPENING ITEMS</b>			
1.1 Approve Agenda	D	Mozak	
1.2 Public Comment	O		
1.3 General Announcements	O		
1.3.1 Low-No Grant Success	O	Carpenter	
<b>2. CONSENT AGENDA</b>			
2.1 Board Meeting Minutes June 20, 2024	D		3
2.2 Committee Meeting Summaries	D		9
2.3 FY25 Committee / Board Meeting Dates	D		16
<b>3. OWNERSHIP LINKAGE</b>			
3.1 Open Dialogue Task Force Updates	O	Chang	Verbal
<b>4. MONITORING</b>			
4.1 Governance Process Policies (3.0-3.4)	M	Mozak	19
4.2 Update: CEO Approach to Reports	O	Carpenter	36
4.3 Environmental Sustainability (2.11)	M	Carpenter	40
<b>5. POLICY</b>			
5.1 Policy Language Discussion (2.11)	O	Mozak	Verbal
5.2 Safety Policy	O	Miller	60
<b>6. BOARD EDUCATION / DISCUSSION</b>			
<b>7. OPERATIONAL UPDATES</b>			
7.1 YTC Updates	O	Yang	62
7.2 Business Plan	O	Carpenter / Kamau	79
7.3 Draft Budget Preview	O	Reed	80
7.4 Advocacy Agenda	O	Pfeifer	87
7.5 CEO Report	O	Carpenter	92
<b>8. EMERGENT ITEMS</b> <span style="color: red;">Agenda addition: CEO Employment Agreement - pg. 133</span>			
<b>9. CLOSING ITEMS</b>			
9.1 Action Item Recap	O	Carpenter / Holt	
9.2 Topics for Next Meetings Draft Budget FY24 Q3 Financial Report Treatment of Staff (2.2) Asset Protection (2.7) Falls on Buses Future: Training/Discussion on Reasonableness		Thursday, August 15, 2024	
9.3 Public Comment	O		
9.4 Adjournment			

\* M = Monitoring, D = Decision Preparation, O = Other

***If additional policy development is desired:***

Discuss in Board Agenda Item 3.0 Policy Monitoring and Development. It may be appropriate to assign a committee or task force to develop policy language options for board to consider at a later date.

**Emergent Topics**

Policy 3.1.3 places an emphasis on distinguishing Board and Staff roles, with the Board focusing on “long term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.” Policy 3.1.3.1 specifies that that Board use a structured conversation before addressing a topic, to ensure that the discussion is appropriately framed:

1. What is the nature of the issue? Is the issue within the scope of the agency?
2. What is the value [principle] that drives the concern?
3. Whose issue is this? Is it the Board’s [Policy, 3.0 and 4.0] or the CEO’s [running the organization, 1.0 and 2.0]?
4. Is there already a Board policy that adequately covers the issue? If so, what has the Board already said on this subject and how is this issue related?  
Does the Board wish to change what it has already said?

## Board of Director's Meeting Minutes

**Meeting Date/Time:** June 20, 2024 - 6:30pm – 9:00pm

**Members Present:** Kathleen Mozak (Chair), Mike Allemang (Treasurer), Jesse Miller (Secretary), Chris Allen, Simi Barr, Rich Chang, Julie Grand, Susan Pollay

**Members Absent:** Kyra Sims (Excused), Monica Ross-Williams

**Location:** Ann Arbor District Library (4<sup>th</sup> Floor)  
Virtual attendance available via Zoom

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

### Agenda Item

#### 1. OPENING ITEMS

##### 1.1 Approve Agenda

Chairwoman Mozak requested the agenda be amended to add 6.1 Policy Development and adjust the agenda items under 6.0 accordingly.

Mr. Chang motioned to approve the amended agenda, seconded by Mr. Barr.

All in favor of approving the amended agenda:

Mr. Mike Allemang: Yes  
Mr. Chris Allen: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to approve the amended agenda passed unanimously.

##### 1.2 Public Comment

Robert Pawlowski noted state budget discussions were in negotiations, potential challenges with transit funding increases and overall funding concerns if organizations and communities aren't actively advocating for transit.

##### 1.3 General Announcements

Ms. Dina Reed introduced the new Finance Manager – Andy Huber.

Chairwoman Mozak shared that Mr. Simi Barr and Mr. Rich Chang had had been reappointed in May by the City of Ann Arbor for 5-year board terms (each).

Chairwoman Mozak also recognized the significance of Juneteenth and TheRide's commitment to honoring the day for both employees and the community that is served.

## **2. CONSENT AGENDA**

### **2.1 Board Meeting Minutes May 16, 2024**

### **2.2 Committee Meeting Summaries**

### **2.3 Investment Account Access**

### **2.4 Contract Award Authorization**

Mr. Miller motioned to accept the Consent Agenda, seconded by Mr. Allemang.

All in favor of approving the Consent Agenda:

Mr. Mike Allemang: Yes  
Mr. Chris Allen: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to accept the Consent Agenda passed unanimously.

## **3. EMERGENT ITEMS**

Chairwoman Mozak shared that the July Board meeting coincides with the start of the annual Art Festival and the Governance Committee is asking if the Board would like to still hold the meeting at the library, hold it at 2700 S. Industrial (main office) or at the Riverside Arts Center in Ypsilanti.

Mr. Chang motioned to move the July Board Meeting location to the Riverside Arts Center in Ypsilanti, seconded by Mr. Allen.

All in favor of moving the July Board Meeting location to the Riverside Arts Center in Ypsilanti:

Mr. Mike Allemang: Yes  
Mr. Chris Allen: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to approve moving the July Board Meeting location to the Riverside Arts Center in Ypsilanti passed unanimously.

#### **4. OWNERSHIP LINKAGE**

##### **4.1 Open Dialogue Task Force Updates**

Mr. Chang provided Board members with an update on a recent ODTF meeting. He noted the meeting was productive and the group is continuing to work toward developing a clear purpose, future millages and local impact. They also discussed how the Board Ends cover those topics with further discussion continuing at the next meeting.

Board members also discussed the role of Board advocacy with local moral / legal owners. It was noted that with a new Governance consultant, the topic of ownership might be revisited for better clarity.

#### **5. MONITORING**

##### **5.1 Governance Process Policies (3.5-3.8)**

Chairwoman Mozak shared an overview of the survey for the monitoring of the Board's Governance Process Policies (3.5-3.8). She noted overall survey comments provided high marks in most areas for the Board. Board members did note that training (for prospective/new and current members) continues to need to be enhanced and the Governance Committee is continuing to look at ways to offer continuing educational/training opportunities.

#### **6. POLICY**

##### **6.1 Policy Development (Governance Process Policies (3.5-3.8))**

Board members shared the challenge of evaluating board compliance of Governance Process Policies (3.5-3.8) using the current survey format of "always/most of the time/some of the time/never" as response answers. Chairwoman Mozak noted that the Governance Committee is testing new response answers which the Board will reevaluate along with the survey results at the July Board meeting.

##### **6.2 Safety Policy**

Mr. Miller shared that the Service Committee had been tasked with developing policy to address concerns about the topic of public safety. After several months of Service Committee discussions and with guidance from the Governance Consultant, he shared suggested draft language for a new Ends policy.

Board members considered the suggested use of "riders" or if "traveling public" was a more encompassing term. After a discussion it was determined that Board members agreed that the policy belonged under the Ends policies. The topic will return to the Service Committee regarding language of "rider" or "traveling public" to determine which creates less policy language ambiguity.

##### **6.3 Board Job Description – wording**

Chairwoman Mozak outlined that at the May Board meeting, Mr. Chang had raised concerns with language used in policy 3.2 as it relates to the Board's job description. The Governance Committee reviewed and brought forth suggested wording changes.

Mr. Barr motioned to approve the language change for policy 3.2 to "Accordingly, the Board has direct responsibility for:", seconded by Mr. Allemang.

All in favor of approving the language change for policy 3.2 to “Accordingly, the Board has direct responsibility for.”

Mr. Mike Allemang: Yes  
Mr. Chris Allen: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to approve the language change for policy 3.2 to “Accordingly, the Board has direct responsibility for” passed unanimously.

### **6.3 6.4 3.7.2b Executive Committee – wording**

As the Governance Committee was reviewing policy 3.2, they also determined that policy 3.7.2 (A)(b) might need language revision as it was in contradiction to the bylaws. The suggested policy wording change is the removal of “Task force appointments.”

Mr. Chang motion to approve the elimination of policy 3.7.2(A)(b) language “Task force appointments,” seconded by Mr. Miller.

All in favor of approving the elimination of policy 3.7.2(A)(b) language “Task force appointments”:

Mr. Mike Allemang: Yes  
Mr. Chris Allen: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to approve the elimination of policy 3.7.2(A)(b) language “Task force appointments,” passed unanimously.

Updates to the policy manual will be made.

## **7. BOARD EDUCATION / DISCUSSION**

### **8. OPERATIONAL UPDATES**

#### **8.1 Business Plan**

Mr. Carpenter and Ms. Kamau presented ([pg. 92](#)) an introduction of the FY25 Draft Corporate Business Plan ([pg. 37](#)). The annual plan provides information on both short and long-term priorities / projects to help shape the budget.

Staff answered questions related to a Fare Strategy Review, Bus Network Review, overall project sequencing, D2A2 and RTA,. Board members thanked staff for the work in putting together the plan.

Board members were asked to submit feedback by July 10<sup>th</sup> and Board member questions would be responded to directly.

## 8.2 Budget Process Updates

Ms. Reed provided a budget process update presentation ([pg. 116](#)) that included an informational timeline for the FY25 budget process. The budget preview shows a preliminary balanced budget with a small surplus. She shared the key assumptions in the budget process include: operating full service levels, new millage funding will be received, Pandemic Relief Funds will be fully expended, no anticipated fare changes, no major increase in ridership and reliance on capital funding for operations has been eliminated.

At the conclusion of her presentation, Treasurer Mike Allemang encouraged Board participation beyond the Finance Committee in asking questions / making suggestions during the budget process.

## 8.3 Advocacy Agenda

Mr. Pfeifer, presented ([pg. 132](#)) a draft Advocacy Agenda which summarizes a broad strategic plan for the influence of policy decisions to help the organization reach its goals. He spoke of four areas of focus - funding, major projects / policy initiatives, transit-supportive outside policies and deregulation – and the continued need to build and maintain positive community relationships.

Mr. Pfeifer and Mr. Carpenter fielded Board questions/comments related to advocacy for future millages, parking near transit corridors, advocacy groups, and the role of Board members. Board members thanked staff for the work and questions/feedback can be submitted until July 10<sup>th</sup>.

## 8.4 FY24 Q2 Service Report

Mr. Brooks shared the FY24 Q2 Service report. Highlights included a 14% improvement in average miles between road calls, on time performance increased to 80%, boarding from FY23 Q2 to FY24 Q2 saw an increase of 50k rides and Gold-Ride denials are continuing to decrease.

## 8.5 CEO Report & ZEB Updates

Mr. Carpenter shared that TheRide committed to purchasing a Throne bathroom system with the City of Ann Arbor (who have installed several around Ann Arbor) and it is being installed in Ypsilanti.

Mr. Yang provided an update on ridership for the Washtenaw Express route – 350 daily riders are using the new service.

## 9. CLOSING ITEMS

### 9.1 Action Item Recap

July Board Meeting will be held at the Riverside Arts Center in Ypsilanti, Governance Committee will discuss increased focus on training / orientation for board members, Safety Policy will go back to the Service Committee for continued discussion, two updates to the Board Policy Manual (3.2 and 3.7.2(b)), Corporate Business Plan and Advocacy Agenda feedback to be submitted by July 10<sup>th</sup>.

## **9.2 Topics for Next Meetings**

Business Plan  
Draft Budget Review  
Governance Process Policies (3.0-3.4)  
Asset Protection (2.7)  
Environmental Sustainability (2.11)  
Falls on Buses

## **9.3 Public Comment**

Robert Pawlowski encouraged the organization to partner with / meet with other transit committees to discuss advocacy training and opportunities. He thanked staff for the work promoting the Washtenaw Express route as it is a positive enhancement for those who travel along the Washtenaw corridor.

## **9.4 Adjournment**

Mr. Miller motioned to adjourn the meeting, seconded by Ms. Pollay.

All in favor of adjourning the meeting:

Mr. Mike Allemang: Yes  
Mr. Chris Allen: Yes  
Mr. Simi Barr: Yes  
Mr. Rich Chang: Yes  
Ms. Julie Grand: Yes  
Mr. Jesse Miller: Yes  
Ms. Susan Pollay: Yes  
Chairwoman Kathleen Mozak: Yes

The motion to adjourn the meeting passed unanimously.

Chairwoman Mozak adjourned the meeting at 9:30 pm.

Respectfully Submitted by Deborah Holt



## Governance Committee Meeting Notes

**Meeting Date/Time:** Thursday, June 27, 2024 – 9:00am-11:00am

**Members Present:** Kathleen Mozak (Chair), Mike Allemang, Jesse Miller, Rich Chang

**Staff:** Matt Carpenter, Dina Reed, Forest Yang, George Brooks, Jeff Pfeifer, Rosa-Maria Kamau, Deb Holt

**Location:** REMOTE – Via Zoom

Chairwoman Mozak called the meeting to order at 9:03am.

Agenda Item
<p><b>1. OPENING ITEMS</b></p> <p><b>1.1 Agenda (Additions, Approval)</b></p> <p>Chairwoman Mozak switched the order of 3.0 Policy Monitoring Development and 4.0 Strategy &amp; Operational Updates: CEO.</p> <p><b>1.2 Communications</b></p> <p>Mr. Carpenter shared that the State of Michigan budget passed, and staff will be reviewing and passing along an overview of relevant information to the Board in the near future.</p>
<p><b>2. BOARD DEVELOPMENT</b></p> <p><b>2.1 Recruitment / Training / Attendance</b></p> <p>Chairwoman Mozak shared recent updates related to meeting with community members who have expressed interest in future board participation. She noted board members have indicated an interest in more on-going Policy Governance Training – Governance Consultant Susan Radwan has indicated she could provide brief training at an upcoming board meeting. The committee also reviewed FY24 board attendance and monitoring survey participation.</p> <p><b>2.2 Task Force Coordination (ODTF)</b></p> <p>Mr. Chang has been in communication with the Governance Consultant regarding conversations with other municipal organizations who participate in Policy Governance. He is also working on the next steps with ODTF outreach planning and progress.</p>

## **2.3 Board Budget**

Committee members reviewed a proposed FY 25 board budget - it was noted that the budget had been increased last year but overall spending had decreased. Ms. Reed fielded questions related to the budget process. The committee will continue the discussion at their July meeting.

## **2.4 FY25 Committee / Board Meeting Dates**

Committee members discussed proposed meeting dates for the FY25 year – they agreed to place the proposed meeting dates on the July Consent Agenda for board review / approval.

## **3. 4.0 POLICY MONITORING & DEVELOPMENT**

### **3.1- 4.1 Governance Process Policies (3.0-3.4)**

The committee reviewed and discussed survey feedback for Governance Process Policies (3.0-3.4) and noted overall favorable responses.

#### **3.1.1 4.1.1 Governance Process Policies Survey Wording (Always, Sometimes, Never)**

The Committee noted only one person provided input related to the revised survey response wording. There will be further discussion with the entire board at the July Board meeting.

## **4. 3. STRATEGY & OPERATIONAL UPDATES: CEO**

### **4.1 3.1 Business Plan and 4.2 3.2 Advocacy Agenda**

Mr. Carpenter and Mr. Pfeifer fielded questions from committee members related to the Business Plan and Advocacy Agenda which were both presented at the June Board meeting. Board members have been asked to provide input by July 10<sup>th</sup> and will be given opportunities for in-depth discussion with staff on the Business Plan and Advocacy Agenda at July committee meetings.

#### **4.3 3.3 CEO Expenses**

Mr. Carpenter shared his recent CEO expenses and comparisons to prior years.

## **5. CLOSING ITEMS**

### **5.1 Committee Agendas**

Mr. Miller requested the addition of the Advocacy Agenda after 3.1 Business Plan – no other changes were noted for the Service Committee agenda. Mr. Allemang also requested placing the Draft Budget Preview as 3.1, Business Plan as 3.2 and the addition of 3.3 Advocacy Agenda. The Committee recommended adding Board Training to the August Board agenda and adding Board / Committee meeting dates to Consent Agenda for July. No other changes noted.

## **5.2 Action Item Recap**

Board budget planning – continue discussion at July Governance  
July Consent Agenda – Add FY25 Board / Committee Meeting dates  
July Governance Committee – add enhanced discussion on training opportunities  
Add Advocacy agenda as an agenda item for Service & Finance Committee agendas.  
Add Training/Discussion on Reasonableness for future Board agenda item

## **5.3 Topics for Next Meeting**

ZEB Updates  
Annual Plan of Work  
Equity  
Board Budget (D)  
Governance Coach discussion  
Future: Parliamentary Procedure, Park & Ride Updates

## **5.4 Adjournment**

Chairwoman Mozak thanked the committee and staff and adjourned the meeting at 11:09am.

Respectfully Submitted by Deborah Holt

## Service Committee Meeting Notes

**Meeting Date/Time:** July 2, 2024, 9:00am – 11:00am

**Members Present:** Simi Barr, Rich Chang, Susan Pollay

**Members Absent:** Jesse Miller (EA)

**Staff:** Matt Carpenter, Dina Reed, Forest Yang, George Brooks, Jeff Pfeifer, Rosa-Maria Kamau, Deb Holt

**Location:** [REMOTE – Via Zoom](#)

Mr. Chang called the meeting to order at 9:01 am.

Agenda Item
<b>1. OPENING ITEMS</b>
<p><b>1.1 Agenda (Additions, Approval)</b></p> <p>Mr. Chang is filling in for Mr. Miller as Chair for the meeting. No additions or changes noted to the agenda.</p> <p><b>1.2 Communications</b></p> <p>No communications.</p>
<b>2. POLICY MONITORING &amp; DEVELOPMENT</b>
<p><b>2.1 Public Safety Policy Update</b></p> <p>The committee and Governance consultant Sue Radwan thoroughly discussed language to use in defining “for whom” the policy would be directed towards. The conversation encompassed focusing on what staff can maintain/control and how a broad policy will be beyond staff scope.</p> <p>Mr. Chang will share notes with Mr. Miller who will determine the next steps.</p> <p><b>2.2 Update: CEO Approach to Reports</b></p> <p>Mr. Carpenter outlined updates to the monitoring report process which will help in addressing non-compliance reporting for long-range goals that are in progress but not yet completed. The reports will now include interim targets and show compliance is in progress, explanation / details from CEO for non-compliance to provide the board with more insight, and cross referencing to the Business plan for Means.</p> <p><b>2.3 Environmental Sustainability (2.11)</b></p> <p>Mr. Carpenter introduced the Environmental Sustainability monitoring report which was monitored for the 1<sup>st</sup> time since the policy was created. He fielded questions from the committee related to clarifying information and compliance projections provided within the report.</p>

### **3. STRATEGY & OPERATIONAL UPDATES: CEO**

#### **3.1 Business Plan**

Mr. Carpenter shared that the Business Plan was introduced at the June Board meeting and he and staff are receiving feedback / questions until July 10<sup>th</sup>. Committee members conducted a brief discussion on several items within the plan.

#### **3.2 Draft Budget Review Update**

A draft of the preliminary budget is currently in progress.

#### **3.3 Advocacy Agenda**

No committee input on draft Advocacy Agenda – Board members can submit feedback until July 10<sup>th</sup>.

#### **3.4 ZEB Updates**

No new updates on ZEB.

### **4. CLOSING ITEMS**

#### **4.1 Action Item Recap**

Mr. Chang will share notes on Safety Policy w/ Mr. Miller who will determine the next steps, resend survey link for Environmental Sustainability policy, Corporate Business Plan / Advocacy Agenda feedback due by July 10<sup>th</sup>.

#### **4.2 Topics for the Next Meeting**

ZEB Updates  
Treatment of Staff (2.2)  
Draft Budget Review

#### **4.3 Adjournment**

Mr. Chang thanked the committee and staff and adjourned the meeting at 10:28am.

Respectfully Submitted by Deborah Holt

## Finance Committee Meeting Notes

**Meeting Date/Time:** July 12, 2024, 2024, 9:00am – 11:00am

**Members Present:** Mike Allemang (Chair/Treasurer), Chris Allen, Julie Grand

**Members Absent:** Kyra Sims (EA), Monica Ross-Williams

**Staff:** Matt Carpenter, Dina Reed, Forest Yang, George Brooks, Jeff Pfeifer, Andy Huber, Rosa-Maria Kamau, Deb Holt

**Location:** REMOTE – Via Zoom

Mr. Allemang called the meeting to order at 9:04am

Agenda Item
<b>1. OPENING ITEMS</b>
<p><b>1.1 Agenda (Additions, Approval)</b></p> <p>Mr. Allemang suggested moving 2.1 to after 3.3 Advocacy Agenda. No other changes / additions noted.</p> <p><b>1.2 Communications</b></p> <p><b>1.2.1 ZEB Updates</b></p> <p>Mr. Carpenter shared an overview of the ZEB grant awarding and noted additional details will be shared at the Board meeting.</p>
<b>2. POLICY MONITORING &amp; DEVELOPMENT</b>
<p><b>2.1 Update: <del>CEO Approach to Reports</del></b></p> <p><i>Move to Agenda item 3.4</i></p>
<b>3. STRATEGY AND OPERATIONAL UPDATES</b>
<p><b>3.1 Business Plan</b></p> <p>Mr. Carpenter shared that several Board members provided input and staff are working to update and finalize details within the plan.</p> <p><b>3.2 Draft Budget Preview</b></p> <p>Ms. Reed shared a preview of the draft budget. She was able to provide a draft schedule of projected operating revenues and expenses for FY2025. She shared that they are continuing to firm up projections on the revenue side of the budget. State operating</p>

assistance is being budgeted conservatively at 29%. The FY25 Budget Book is being put together and will be shared in August and include longer term budget plans and trends.

Committee members thanked Ms. Reed for her detailed information within the issue brief and there was discussion related to competitive solicitation for utilized services, ridership projections and impacts to revenue, and inflationary factors with budgeted expenses.

### **3.3 Advocacy Agenda**

Mr. Pfeifer and Mr. Carpenter shared that they have received Board comments and will be incorporating the feedback into the draft advocacy agenda. The updated version will be shared with the Board at the July Board meeting.

### **3.4 Update: CEO Approach to Reports**

Mr. Carpenter shared updates to the monitoring report process that were made to help with addressing non-compliance reporting for long-range goals that are in progress but not yet completed. The reports now have interim targets to show in-progress compliance and include more details from CEO about non-compliance to provide the board with more insight. The reports will also use the Business Plan to cross-reference Means.

Committee members provided positive input on the changes.

## **4 CLOSING ITEMS**

### **4.1 Action Item Recap**

Ms. Reed will be providing a Budget Preview presentation at the Board meeting, Business Plan & Advocacy Agenda will be updated and shared at the July Board meeting, ZEB updates will now be moved to Operational Updates when there is information to be shared as monthly updates are no longer needed.

### **4.2 Topics for Next Meeting**

Draft Budget  
Q3 Financial Report  
Asset Protection (2.7)

### **4.3 Adjournment**

Mr. Allemang thanked the committee and staff and adjourned the meeting at 10:17 am.

Respectfully Submitted by Deborah Holt

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## Board and Committee Meeting Dates: FY2025

**Meeting: Board Meeting**

**Meeting Date: July 18, 2024**

<b>INFORMATION TYPE:</b>
Decision Preparation
<b>BACKGROUND:</b>
The Governance Committee reviews proposed dates for the upcoming fiscal year committee and board meeting dates and times. The proposed meeting dates and times will then go before the board for their review and approval.
<b>ATTACHMENTS:</b>
1. FY25 Board and Committee Meeting Date Calendar



# 2024-2025

# Board/Committee Meetings

October '24						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

November '24						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December '24						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

January '25						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February '25						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	

March '25						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

April '25						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May '25						
S	M	T	W	T	F	S
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4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June '25						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July '25						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August '25						
S	M	T	W	T	F	S
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3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September '25						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Governance Committee
Service Committee
Finance Committee
Board Meeting

### **Service Committee**

Tuesday, 10/1/24 - 9-11am  
Tuesday, 11/5/24 - 9-11am  
Tuesday, 12/3/24 - 9-11am  
Tuesday, 1/7/25 - 9-11am  
Tuesday, 2/4/25 - 9-11am  
Tuesday, 3/4/25 - 9-11am  
Tuesday, 4/1/25 - 9-11am  
Tuesday, 4/29/25 - 9-11am \*\*  
Tuesday, 6/3/25 - 9-11am  
Tuesday, 7/1/25 - 9-11am  
Tuesday, 8/5/25 - 9-11am  
Tuesday, 9/2/25 - 9-11am

*Meetings are 1st Tuesday unless otherwise noted \*\**

### **Finance Committee**

Tuesday, 10/8/24 - 3-5pm  
Tuesday, 11/12/24 - 3-5pm  
Tuesday, 12/10/24 - 3-5pm  
Tuesday, 1/14/25 - 3-5pm  
Tuesday, 2/11/25 - 3-5pm  
Tuesday, 3/11/25 - 3-5pm  
Tuesday, 4/8/25 - 3-5pm  
Tuesday, 5/6/25 - 3-5pm \*\*  
Tuesday, 6/10/25 - 3-5pm  
Tuesday, 7/8/25 - 3-5pm  
Tuesday, 8/12/25 - 3-5pm  
Tuesday, 9/9/25 - 3-5pm

*Meetings are 2nd Tuesday unless otherwise noted \*\**

### **Board Meeting**

Thursday, 10/17/24 - 6:30-9pm  
Thursday, 11/21/24 - 6:30-9pm  
Thursday, 12/19/24 - 6:30-9pm  
Thursday, 1/23/25 - 6:30-9pm \*\*  
Thursday, 2/20/25 - 6:30-9pm  
Thursday, 3/20/25 - 6:30-9pm  
Thursday, 4/17/25 - 6:30-9pm  
Thursday, 5/15/25 - 6:30-9pm  
Thursday, 6/19/25 - 6:30-9pm  
Thursday, 7/24/25 - 6:30-9pm \*\*  
Thursday, 8/21/25 - 6:30-9pm  
Thursday, 9/18/25 - 6:30-9pm

*Meetings are 3rd Thursday unless otherwise noted \*\**

### **Governance Committee**

Thursday, 10/24/24 - 9-11am  
Thursday, 11/26/24 - 9-11am  
Thursday, 1/2/25 - 9-11am \*\*  
Thursday, 1/30/25 - 9-11am \*\*  
Thursday, 2/27/25 - 9-11am  
Thursday, 3/27/25 - 9-11am  
Thursday, 4/24/25 - 9-11am  
Thursday, 5/22/25 - 9-11am  
Thursday, 6/26/25 - 9-11am  
Thursday, 7/31/25 - 9-11am\*\*  
Thursday, 8/28/25 - 9-11am  
Thursday, 9/25/25 - 9-11am

*Meetings are 4th Thursday unless otherwise noted \*\**

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## Governance Process Policies (Policies 3.0 - 3.4)

**Governance Committee Meeting Review Date: June 27, 2024**

**Board of Directors Meeting Review Date: July 18, 2024**

<b>RECOMMENDED ACTION(S):</b>
Monitoring
<b>BACKGROUND:</b>
<ul style="list-style-type: none"><li>This survey provides a platform for Board self-assessment on Policies 3.0 – 3.4 of the Governance Process Policies – as such, it does not include a monitoring report from the CEO. Each Board member is invited to participate in a survey gauging how well the Board complied with its set policies.</li></ul>
<b>ATTACHMENTS:</b>
1. Governance Process Policies (3.0 – 3.4) Worksheet Results

**WORKSHEET RESULTS:**

**Governance Process Policies (Policies 3.0-3.4)**

**Participants: 7 Board Members**

Chris Allen, Mike Allemang, Simi Barr, Rich Chang, Julie Grand, Kathleen Mozak, Susan Pollay

Performance on reasonable interpretation and verifiable evidence		
	Yes / No / No activity this reporting period	If you indicated NO, please identify your concerns
<p><b>Policy 3.0 GLOBAL GOVERNANCE PROCESS</b>            The purpose of the Board, on behalf of the residents and workers of the member jurisdictions and government jurisdictions with whom we have service agreements (Ownership), and as stewards of the future, is to see to it that the Ann Arbor Area Transportation Authority (AAATA) (a) achieves appropriate results for appropriate persons at an appropriate cost, and (b) avoids unacceptable actions and situations.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.1 GOVERNING STYLE</b>            The Board will govern lawfully, observing the principles of the policy governance, with an emphasis on</p>	<p>Yes – 5            No - 2</p>	<ul style="list-style-type: none"> <li>There are times that Board members struggle with (b), (d) and (e). While the Board is making progress, we need to be more mindful of our roles and the way we govern to prevent such actions in the future. While the CEO may choose to seek the Boards advice on operational</li> </ul>

<p>(a) the best interests of the entirety of the ownership and stewardship of the agency,          (b) outward vision rather than an internal preoccupation,          (c) encouragement of diversity in viewpoints,          (d) strategic leadership more than administrative detail,          (e) clear distinction of Board and chief executive roles,          (f) collective rather than individual decisions,          (g) future rather than past or present, and          (h) proactivity rather than reactivity.          On any issue, the Board must ensure that all divergent views are considered in making decisions, yet may not require the CEO to act without majority approval from a quorum of the Board.</p>		<p>Continued ...</p> <p>matters, it is the CEO's decision in how to use that advice within the context of the Ends and the EL's.</p> <ul style="list-style-type: none"> <li>• I believe we fall short in b, d, g ad h.</li> </ul>
<p><b>Policy 3.1.1</b>          The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives.</p>	<p>Yes - 7</p>	

<p><b>Policy 3.1.2</b> The Board will encourage a diversity of viewpoints and work to ensure all views are heard. The Board may use the expertise of individual members to enhance the ability of the Board as a body. However, the Board will not allow dominant personalities or individual agendas to usurp the Board's broader perspective, collective responsibilities or values.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.1.3</b> The Board will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives. The Board's major policy focus will be on the intended long term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.</p>	<p>Yes - 5 No - 2</p>	<ul style="list-style-type: none"> <li>• There are Current policies, like 2.10 Construction, where the language was deliberately written to be less broad in order to make the expectations of the Board clearer in this area.</li> <li>• Not all polices can be broad. "Broad" is subjective. For example, the construction policy has very strict guidelines such as dollar amount.</li> </ul>
<p><b>Policy 3.1.3.1</b> The Board will only allow itself to address a topic after it has answered these questions:  1. What is the nature of the issue? Is the issue within the scope of the agency?</p>	<p>Yes - 4 No - 3</p>	<ul style="list-style-type: none"> <li>• We are getting better at this. Over the last year, the Board has listened to owner concerns and developed new policies based on the 4 criteria. The Board devised and implemented 2.11 Environmental Sustainability and the SC is working on a Public Safety Policy. However, we need to continue to make this a priority so that we may govern more effectively.</li> </ul>

<p>2. What is the value that drives the concern?</p> <p>3. Whose issue is this? Is it the Board's or the CEO's?</p> <p>4. Is there already a Board policy that adequately covers the issue? If so, what has the Board already said on this subject and how is this issue related? Does the Board wish to change what it has already said?</p>		<ul style="list-style-type: none"> <li>• Not every topic we discuss fits into this recipe, which I think is a-ok. No issue here with this.</li> <li>• I don't believe this is often done, although these words are frequently in printed materials.</li> </ul>
<p><b>Policy 3.1.4</b> The Board must provide the strategic leadership for the AAATA and recognizes that its greatest contribution to long-range planning is an explication of its vision for the AAATA through creating ends policies with a long-range perspective. The Board also recognizes that the operational planning of the AAATA to meet Board end policies is a staff function, and organizational performance on ends will be closely monitored by the Board. Accordingly, the Board will periodically review its ends policies to ensure alignment with its owners and the long-range demands of the AAATA.</p>	<p>Yes - 7</p>	<ul style="list-style-type: none"> <li>• The Ends Policy monitoring report was reviewed earlier this year. In 2025 the Board will do a deep dive to review the Ends Policy from a policy making standpoint. This is in alignment with the Boards current policy review schedule in appendix 'A' of the policy manual. However, Ends policies maybe reviewed as needed outside that schedule.</li> </ul>

<p><b>Policy 3.1.5</b> The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability. Although the Board can change its governance process policies at any time, it will observe them scrupulously while in force.</p>	<p>Yes – 5 No – 1 No activity this reporting period – 1</p>	<ul style="list-style-type: none"> <li>• Firstly, while there have been no disciplinary actions taken this past year, it should be noted that there are deficits in this policy. Specifically, Board members are appointed to the Board by 3 municipalities (legal owners) and there is not a clear process of how the Board would 'enforce whatever discipline is needed to govern with excellence.' Secondly, "Although the Board can change its governance process policies at any time, it will observe them scrupulously while in force." This seems policy language seems unsuited to be in this paragraph and may possibly be it's own policy.</li> <li>• Due to how our board seats are via appointments from government bodies, discipline is not really possible since accountability is not enforceable.</li> </ul>
<p><b>Policy 3.1.6</b> Continual Board development will include orientation of new Board members in the Board's governance process, periodic Board discussion of process improvement and timely identification of quality candidates to be recommended for appointment by our municipal partners.</p>	<p>Yes – 5 No – 1 No Activity this reporting period – 1</p>	<ul style="list-style-type: none"> <li>• There has been a significant change in how Board members are being on-boarded, and the process is currently under review for improvement. The CGO and Governance Committee along with the CEO have vetted and met with potential candidates and will continue to create a candidate pool for consideration as board positions open up.</li> <li>• New board member onboarding process seems to still be figured out (COVID made that a challenge). We also cannot enforce new board members attend orientation. We and staff are really not able to identify and push for candidates.</li> </ul>
<p><b>Policy 3.1.7</b> The Board will allow no officer, individual or committee of the Board to hinder or be an excuse for not fulfilling its</p>	<p>Yes - 7</p>	



governance commitments.		
<p><b>Policy 3.1.8</b> The Board will monitor its process and performance according to its established schedule. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board-Management Delegation categories, following the monitoring schedule in Appendix A.</p>	Yes - 7	
<p><b>Policy 3.2 BOARD JOB DESCRIPTION</b> Specific job outputs of the Board, as an informed agent of the ownership, are those that ensure appropriate organizational performance. Accordingly, the Board has direct responsibility to create:</p>	Yes – 6 No - 1	<ul style="list-style-type: none"> <li>Content is missing after "Accordingly, the Board has direct responsibility to create:"</li> </ul>
<p><b>Policy 3.2.1</b> The authoritative linkage between the ownership and the operational organization. Other work groups will be used in an ad hoc capacity</p>	Yes – 4 No – 2 No Activity to Report this reporting period - 1	<ul style="list-style-type: none"> <li>This is a work in progress. The ODTF is currently developing strategies to become more involved in linking with our legal and moral ownership.</li> <li>Our ownership doesn't fully follow/understand policy governance. As a result, they often times go to the CEO instead of going through the board first. I think this is fine and there really isn't a way for us to adequately solve this, especially since it becomes an issue every time there is a change in legal</li> </ul>

		Continued ...  ownership seats (e.g. mayor, city council).
<p><b>Policy 3.2.1.1</b> Members shall maintain effective ambassadorship and coordinated advocacy with member municipalities.</p>	<p>Yes – 4 No – 2 No Activity to Report this reporting period - 1</p>	<ul style="list-style-type: none"> <li>This area has been problematic. The ODTF has met with one municipality and have been trying to engage with the other 2. How do we as a Board 'maintain effective ambassadorship and coordinated advocacy with member municipalities' if those municipalites only wish to engage with the CEO on operational matters.</li> <li>This is still a work in progress, in particular with the ODTF.</li> </ul>
<p><b>Policy 3.2.2</b> Strategic leadership and vision of the organization through its policymaking.</p>	<p>Yes – 6 No - 1</p>	<ul style="list-style-type: none"> <li>I think a lot of this is currently dictated by staff, so more bottom up than top down. Hopefully the eventual ODTF outcomes will provide a more balanced approach to this.</li> </ul>
<p><b>Policy 3.2.3</b> Written governing policies that address the broadest levels of all organizational decisions and situations. A. Ends: Organizational products, impacts, benefits, outcomes, recipients; and their relative worth in cost or priority (what good for which recipients at what cost). B. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.</p>	<p>Yes – 5 No - 2</p>	<ul style="list-style-type: none"> <li>Current policies, like 2.10 Constuction, use language that was deliberately written to be less broad in order to make the expectations of the Board clearer in this area.</li> <li>An important element of the board's work is to be proactive, rather than reactive. Yet there isn't a process in place for how the board is to conceive, carry out and monitor its strategic efforts, including maintaining effective ambassadorship and coordinated advocacy with member municipalities.</li> </ul>

<p>C. Governance Process: Specification of how the Board conceives, carries out and monitors its own task.</p> <p>D. Board-Management Delegation: How power is delegated and its proper use monitored; the CEO role, authority and accountability.</p>		
<p><b>Policy 3.2.4</b> Assurance of successful organizational performance on Ends and Executive Limitations</p>	<p>Yes - 7</p>	
<p><b>Policy 3.2.5</b> Assurance of CEO performance includes evaluation of organizational performance on Ends and Executive Limitations.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.2.6</b> Annual performance review and appropriate adjustment of CEO salary.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.2.7</b> Approval of the annual budget developed and recommended by the CEO.</p>	<p>Yes - 7</p>	<ul style="list-style-type: none"> <li>It's not clear why the board approves the annual budget since it was determined to be a staff document.</li> </ul>

<p><b>Policy 3.2.8</b> A contract with the CEO that will stipulate compensation, benefits and other terms and conditions for the CEO.</p>	<p>Yes – 6 No activity this reporting period - 1</p>	<ul style="list-style-type: none"> <li>I'm assuming there is a contract with the CEO, but I've never been given the opportunity to review it.</li> </ul>
<p><b>Policy 3.2.9</b> Approval of rider fare increases and millage rates assessed by the Authority.</p>	<p>Yes – 2 No activity this reporting period - 5</p>	<ul style="list-style-type: none"> <li>NOTE: Is this just increases? We should also be involved in approving decreases since that affects revenue. Yep, I have been asking for 'zero fare' but I still think we should be involved in approving that.</li> </ul>
<p><b>Policy 3.2.10</b> Approval of real estate acquisition, encumbrance, or disposal.</p>	<p>Yes – 3 No activity this reporting period - 4</p>	
<p><b>Policy 3.2.11</b> Approval of collective bargaining goals and tentative collective bargaining agreements.</p>	<p>Yes – 3 No activity this reporting period - 4</p>	
<p><b>Policy 3.2.12</b> Approval of the use of funds from the Capital Reserve.</p>	<p>Yes – 3 No activity this reporting period - 4</p>	
<p><b>Policy 3.3 BOARD CODE OF CONDUCT</b> The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.</p>	<p>Yes – 6 No – 1</p>	<ul style="list-style-type: none"> <li>I put "no" because of my definition of some of these terms, such as ethical and appropriate decorum. Ethical and decorum, for me, means: doing our duties such as attending meetings and partaking in monitoring reports.</li> </ul>
<p><b>Policy 3.3.1</b> Members must demonstrate loyalty to the ownership of the AAATA, unconflicted by loyalties to the CEO or</p>	<p>Yes - 7</p>	

<p>staff, other organizations, or any personal interest as consumers.</p>		
<p><b>Policy 3.3.2</b> Members must avoid conflicts of interest with respect to their legal duties of care and loyalty.</p>	<p>Yes – 7</p>	<ul style="list-style-type: none"> <li>Overall, this is an interesting question because what constitutes a conflict of interest? This is something that came up in ODTF/governance in regards to when board members are approached by partners/moral owners with topics that are considered outside our responsibility in policy governance. The "line in the sand" can be blurry...</li> </ul>
<p><b>Policy 3.3.2.1</b> There will be no self-dealing or business by a member with the organization. Members will, each January, disclose in writing their involvements with other organizations, with vendors, or any associations which might be or might reasonably be seen as being a conflict.</p>	<p>Yes - 7</p>	<ul style="list-style-type: none"> <li>However, I can't remember when I last filled out and signed a conflict of interest form? (My memory is bad, so I could definitely be forgetting)</li> </ul>
<p><b>Policy 3.3.2.2</b> When the Board is to decide upon an issue, about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from not only the vote, but also from the deliberation by leaving the room.</p>	<p>Yes – 4 No activity this reporting period - 3</p>	
<p><b>Policy 3.3.2.3</b> Board members will not use their Board position to obtain employment or financial benefit in the</p>	<p>Yes - 7</p>	<ul style="list-style-type: none"> <li>This is a question (like some others) where "no activity this reporting period" would also apply. But, I selected "Yes" because it is something we follow.</li> </ul>

<p>organization for themselves, family members, or close associates.</p>		
<p><b>Policy 3.3.3</b> Board members may not attempt to exercise individual authority over the organization.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.3.3.1</b> Members' interaction with the CEO or with staff must recognize the lack of authority vested in individual members except when explicitly authorized by the Board. While individual members should share their perspectives and advice with the CEO, they shall not give (or imply) direction to the CEO or any staff.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.3.3.2</b> Members' interaction with public, press or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board positions.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.3.3.3</b> Except for participation in Board deliberation about whether reasonable interpretation of Board policy has been achieved by the CEO, members will not</p>	<p>Yes - 7</p>	

express individual judgments on performance of the CEO or other staff.		
<b>Policy 3.3.4</b> Members shall conduct themselves in a calm, professional and respectful manner. Members shall not intimidate or harass other Board members, staff or members of the public.	Yes - 7	
<b>Policy 3.3.5</b> Members will respect the confidentiality appropriate to issues of a sensitive nature.	Yes - 7	
<b>Policy 3.3.6</b> Members will be properly prepared for Board deliberation.	Yes - 7	
<b>Policy 3.3.7</b> Members will support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.	Yes - 7	<ul style="list-style-type: none"> <li>The board speaks as one.</li> </ul>
<b>Policy 3.3.8</b> Members will follow the rule of "no surprises" and shall keep the CGO and CEO informed in advance of intended actions that could be perceived as conflicting with current policy and direction of the organization.	Yes – 6 No activity this reporting period - 1	

<p><b>Policy 3.3.9</b> When serving on other Boards, members remain accountable to the AAATA Board for their actions and statements regarding transit-related issues.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.4</b> <b>AGENDA PLANNING</b> To accomplish its job products with a governance style consistent with Board policies, the Board will follow an annual agenda cycle which: (a) completes a re-exploration of Ends Policies annually, (b) continually improves Board performance through Board education and enriched input and deliberation, and (c) re-examines for relevance the underlying values that support existing policy.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.4.1</b> The cycle will conclude each year so that administrative planning, strategic planning and budgeting can be based on accomplishing a one-year segment of the Board's most recent statement of long-term Ends.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.4.2</b> The cycle will start with the Board's development of its agenda for the next year.</p>	<p>Yes – 6 No - 1</p>	<ul style="list-style-type: none"> <li>I am not aware that the board has developed an agenda for the next year, beyond a schedule of monitoring reports. Neither have we figured out a way to</li> </ul>



<p>A. Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged in the first quarter, to be held during the balance of the year.</p> <p>B. Governance education, and education related to Ends determination, (e.g. presentations by researchers, demographers, advocacy groups, staff, etc.) will be arranged in the first quarter, to be held during the balance of the year.</p>		<p>Continued ...</p> <p>meet with / get input from ownership representatives or have we set forward our educational program/syllabus for the year.</p>
<p><b>Policy 3.4.3</b> Throughout the year, the Board will attend to consent agenda items as expeditiously as possible.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.4.4</b> CEO monitoring will be on the agenda if reports have been received since the previous meeting, if plans must be made for direct inspection monitoring, or if arrangements for third-party monitoring must be prepared.</p>	<p>Yes - 7</p>	
<p><b>Policy 3.4.5</b> A Board member may recommend or request</p>	<p>Yes – 6 No - 1</p>	<ul style="list-style-type: none"> <li>We have requested new agenda items sooner than two days, and the CGO has been flexible to consider adding. These</li> </ul>

<p>an item for Board discussion by submitting the item to the CGO no later than two days before the Board meeting.</p>		<p>Continued ...</p> <p>were pressing items that needed to be considered. Nothing wrong here, overall.</p>
<p><b>Policy 3.4.6</b> Information that is neither for monitoring performance nor for Board decisions will be avoided or minimized and always noted as such.</p>	<p>Yes – 6 No - 1</p>	<ul style="list-style-type: none"> <li>• We try!</li> <li>• There are frequently more "O" than "M" or "D" on the board agenda. O is certainly not being avoided - maybe minimized. This policy should be re-written.</li> </ul>
<p><b>Policy 3.4.7</b> CEO remuneration will be decided during the month of June after a review of monitoring reports received in the last year.</p>	<p>Yes – 5 No – 1 No activity this reporting period - 1</p>	<ul style="list-style-type: none"> <li>• I had to look up "remuneration". Overall, we haven't done it yet since we are now in June.</li> <li>• Not done 6/23 nor is being done this month.</li> </ul>
<p><b>Policy 3.4.8</b> Individual meeting agendas will generally follow the format below: 1) Opening Items a. Approve Agenda b. Public Comment c. General Announcements 2) Consent Items a. Approval of Minutes b. Mandatory Approvals 3) Policy Monitoring and Development a. Policy Monitoring b. Other Board Reports &amp; Ownership Linkages c. Board's Annual Plan of Work Item &amp; Ends Policies 4) Strategy and Operational Updates 5) Board Development</p>	<p>Yes - 7</p>	<ul style="list-style-type: none"> <li>• That is the basic outline of the revised agenda format. We did forget to do the "policy changes" discussion agenda item, however. That was recently brought up by a board member and the assumption is that we will do that step moving forward when applicable.</li> </ul>

<p>a. Governance Policy Monitoring          b. Board Education          6) Emergent Business          7) Closing Items          a. Topics for Next Meetings          b. Public Comment          c. Board Assessment of Meeting          d. Adjournment</p>		
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**Additional context questions**

**1. ADDITIONAL CONTEXT ON OVERAL POLICY (OPTIONAL)**

N/A

**2. FEEDBACK ON REVISED SURVEY RESPONSE SELECTIONS (OPTIONAL)**

- The previous method of answering 'Always. Sometimes...Rarely" was a challenging way to define compliance with the 3.0 policies. The pilot of "Yes, No, and No Activity" was implemented based on the original Carver template. While the pilot method of responding made some answers easier to arrive at, I found that it was still lacking. Perhaps a hybrid of the 2 methods i.e. "Yes, No, No Activity This Period" would benefit from the addition of "Making improvement". Finally, the comment box to address concerns if one answered 'No" might also be used for any additional comments.

**3. APPROXIMATELY HOW MANY MINUTES DID IT TAKE YOU TO FILL OUT THS FORM?**

20, 60, 15, 50, 35, 50

## Monitoring Report Refinements

Meeting: Board Meeting

Meeting Date: July 18, 2024

<b>INFORMATION TYPE</b>
Other
<b>RECOMMENDED ACTION(S)</b>
Receive for information
<b>ISSUE SUMMARY</b>
The CEO has learned some new approaches to writing interpretations and evidence for monitoring reports. These new approaches may change how board members judge the reports. The CEO wants to make sure the change in direction is understood.
<b>BACKGROUND</b>
<p>The Board has previously noted frustrations with earlier monitoring reports, such as long timeframe that result in non-compliance for years or targets that seem unambitious. At the same time, staff have been frustrated having to report non-compliance while making progress, and difficulties establishing clear targets. It has also been difficult to discuss How the CEO intends to improve performance because Means aren't supposed to be discussed during monitoring.</p> <p>Susan Radwan has made suggestions that have resulted in important changes to address these issues:</p> <ul style="list-style-type: none"> <li>- <b>Interim Targets:</b> Rather than only providing long-term targets, compliance can be gauged against short-term, interim steps. Short-term steps can be better quantified in some cases, allowing more precise targets in the interpretation. This allows ambitious long-term goals and reporting compliance on progress.</li> <li>- <b>Explanations:</b> In the event of non-compliance (ie missed target), the CEO is allowed to provide an <u>explanation</u> (eg outside factors, etc) as well as more detail about how compliance will be achieved. Previously, the CEO believed they could not say these things. This allows more confidence to report under-performance and set more ambitious targets.</li> <li>- <b>Cross Reference to Business Plan for Means:</b> More information about How compliance will be improved can be referenced in the Business Plan, where Means and activities can be discussed directly without distracting the monitoring function of the Board.</li> </ul> <p>More detail about these changes and how the Board can respond to them in surveys is contained in the attachment.</p>
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
4.4 Monitoring CEO Performance, Board discussions

IMPACTS OF RECOMMENDED ACTION(S)
<ul style="list-style-type: none"> <li>• Budgetary/Fiscal: N/A</li> <li>• Social: N/A</li> <li>• Environmental: N/A</li> <li>• Governance: Refinement of monitoring process</li> </ul>
ATTACHMENTS
<ol style="list-style-type: none"> <li>1. New approach to Writing Interpretations for Monitoring Reports</li> <li>2. Impact of Monitoring Report Changes on Board Decisions</li> </ol>

## Attachment 1: New approach to Writing Interpretations for Monitoring Reports

### Big Picture

The Board’s policies should be driving the agency’s performance. Part of the goal of monitoring is so that the Board can see that the agency is achieving the outcomes described in their policies. (Not *How* those outcomes are being achieved, only *whether they are*. Otherwise, the Board may get inadvertently pulled back into micromanaging activities.) A goal of monitoring is that this connection between expectations and reported progress be as clear as possible.

### Challenge

Many policies describe outcomes that may not be fully achieved for a long time (eg increase ridership), if ever (social equity), or are never actually concluded (ensure staff safety). If a CEO’s interpretations set the bar too high (eg all bus stops are wheelchair accessible *today*), they may be reporting non-compliance for many years, which is demoralizing and doesn’t reveal progress that may be occurring. If they set the bar too low, they can report compliance sooner and avoid the perception of failure but may also frustrate the Board’s larger vision for outcomes. Staff may also inadvertently set targets they know they can achieve to avoid reporting non-compliance, leading to less ambitious targets.

It is tempting to use activities (ie Means) as part of interpretations and evidence (ie “we will do A, B & C). But if the CEO introduces activities into monitoring, they are inviting the board to micromanage future activities. If the board demands to see activities in monitoring (ie “you must do A, B & C to be deemed reasonable”), they have only found a more convoluted way to micromanage Means.

### Opportunities

#### Interim Targets

The middle ground between too high and too low can be addressed by setting interim targets in the context of a more ambitious goal. For example:

- Long term goal: All bus stops will be wheelchair accessible by 2030.
- Short term objectives: The agency will make at least 10 bus stops accessible each year. (This is the annual target against which compliance is determined.)
- In the rationale, the CEO would need to explain why both the long- and short-term objectives made sense and represent a reasonable degree of achievement (eg Ten is the most we can afford or get permits for).
- The Board would need to judge whether both long- and short-term targets meet the concept of “any reasonable interpretation”.

To make monitoring work, the decision about compliance is attached to the short-term goal only. In this case, an *annual* monitoring report using this interpretation could provide evidence as to whether the agency made at least 10 bus stops accessible. If it did, they would be compliant with the standard that the full Board accepted as reasonable.

#### Explanations (NEW)

In the case of under-performance or non-compliance, the CEO can now provide an explanation in the monitoring report *and the board can decide if the explanation is reasonable and acceptable* as part of their acceptable of the report. There can be many legitimate external and internal reasons for not reaching expected targets (eg pandemics, labor shortages, recessions, etc) and the board needs to be prepared to seriously consider them. This makes it easier for the CEO to set higher targets – they know they will have a chance to explain if those aren't met. This creates a safe space for truth telling and can help facilitate more ambitious targets.

#### Cross Referencing the Learn About Activities (Means)

The Board may be naturally curious about *How* the CEO intends to go about achieving the targets. This is reasonable but should be part of Communication and Support to the Board or Planning, not the monitoring process. Separating these two elements (monitoring What have been achieved vs How it is being done) helps the board stay focused on outcomes. At TheRide, we can redirect the How discussions to our annual Business Plan document. The Environmental Sustainability report and the corresponding tasks in the business plan illustrate this connection in FY2025 documents.

#### Implications

If expanded to cover all policies, this approach will ensure staff activities are focused on achieving board policy goals but will compel staff to generate more proactive lists of initiatives tied to interim milestones for each policy. Requiring this degree of forethought years or decades in advance will force a proactiveness aligned with the Board goals. But will also require a higher degree of organization and will reduce spontaneity.

For example, the Environmental Sustainability monitoring report presents an interpretation that shows interim targets for declining emissions until they are eliminated. There is an explanation for why there are no specific targets as yet. The 2025 Business Plan illustrates the distinct initiatives that will be undertaken to reduce emissions

## Attachment 2: Impact on Board Decisions

- Long- and short-term targets are parts of the interpretation. Review provided interim and overall compliance timelines as part of the interpretation and use that in addition to other provided measures/standards, and rationale to determine if the interpretation as a whole is reasonable.
- Explanations are part of the evidence. Where evidence does not demonstrate compliance, the Board will review the explanation provided and may choose to accept CEO stated non-compliance and compliance timeline or fail to accept the provided explanation all together and document the desired follow up action within a certain timeframe.

The Board will document these decisions through a motion. Below are the current Board motions and potential scenarios that may be realized following these monitoring report changes.

**Scenario 1: The Board has assessed a monitoring report for policy x.x. and finds all policy interpretations to be reasonable except for policy x.x.x for which the measures and standards provided are reasonable, but the timeline provided is NOT reasonable.**

**Potential motion: C2**

The Board has assessed the monitoring report for policy x.x and finds that the interpretation provided in policy items x.x.x is not reasonable. The Board expects an interpretation update that includes *revised timelines by the next monitoring period.*

**Scenario 2: The Board has assessed a monitoring report for policy x.x and finds all policy interpretations to be reasonable and their evidence compelling except for policy x.x.x for which the CEO reports non-compliance and provides an explanation, and for which the Board accepts policy x.x.x as non-compliant but does NOT find the explanation compelling.**

**Potential motion: Modified C3**

The Board has assessed the monitoring report for policy x.x and finds that the interpretation provided in policy items x.x.x is reasonable, but the evidence does not demonstrate compliance, further the Board does not find the provided explanation to be compelling. The Board expects *evidence demonstrating compliance by Date xx/xx/xxx*

(Note: The goal here is not to get a compelling explanation of non-compliance but to be compliant)

**Note:** It is possible for one monitoring report to have a mixture of the provided template motion options. The Board is free to modify these options to come up with a motion that best describes their position and, expectations where follow up is required.

**Monitoring Report:  
Environmental Sustainability (Policy 2.11)  
Monitoring Period: Jan 2023- Dec 2023**

**Service Committee Meeting Review Date: July 2<sup>nd</sup>, 2024  
Board of Directors Meeting Review Date: July 18<sup>th</sup>, 2024**

<b>INFORMATION TYPE</b>
Monitoring
<b>RECOMMENDED ACTION(S)</b>
<p>That the Board review this monitoring report and consider accepting it as:</p> <ul style="list-style-type: none"> <li>(A) a reasonable interpretation for <b>all</b> policy items and that the evidence demonstrates compliance with the interpretations.</li> <li>(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) x .x, which the Board acknowledges and accepts the proposed dates for compliance.is making reasonable progress towards compliance.</li> <li>(C) 1. For policy items x.x.x – there is evidence of compliance with a reasonable interpretation  2. For policy items x.x.x – the interpretation is not reasonable  3. For policy items x.x.x – the interpretation is reasonable, but the evidence does not demonstrate compliance  4. For policy items x.x.x – the Board acknowledges and accepts the CEO’s stated non-compliance and the proposed dates for compliance</li> </ul>
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
<p>The Board developed this policy and adopted it on 8/17/23. The monitoring period for this report is 1/1/2023- 12/1/2023. Since the monitoring period pre-dates when the policy was adopted, there were no pre-existing targets by which the agency could compare and provide a degree of compliance in this report. The agency is currently working on developing those targets and tools to provide reliable data. This report provides timelines on when targets and tools to determine future compliance can be expected – most of which will occur in FY 2025.</p> <p>Monitoring Reports are a key Policy Governance tool to assess organizational/CEO performance in achieving Ends (1.0) within Executive Limitations (2.0). A Policy-Governance-consistent Monitoring Process is:</p>



1. CEO sends Monitoring Report to all board members
2. At Board meeting, board accepts Monitoring Report through majority vote (or if not acceptable, determines next steps)

### ISSUE SUMMARY

TheRide's Board of Directors establish policies that define what methods are unacceptable to use to achieve expected results, called Executive Limitations. This monitoring report provides the CEO's interpretations of those policies, evidence of achievement, and an assertion on compliance with the Board's written goals. As with other monitoring reports, the Board decides whether the interpretations are reasonable, and the evidence is convincing.

Per Appendix A of the Board Policy Manual, this report was scheduled for monitoring in April and was submitted in July.

I certify that the information is true and complete, and I request that the Board accept this as indicating an acceptable level of compliance.

**CEO's Signature**








**Date**

June 18, 2024

### ATTACHMENTS

1. Monitoring report for Environmental Sustainability (Policy 2.11)

## Table of Contents

POLICY TITLE: ENVIRONMENTAL SUSTAINABILITY	Page#	Compliance
2.11 The CEO will not cause or allow organizational practices or activities that are inconsistent with achieving environmental sustainability.	4	
Further, without limiting the scope of the above statement by the following list, the CEO shall not:		
2.11.1. Operate without measures to minimize, reduce, and eliminate emissions including greenhouse gasses and air pollutants.	5	
2.11.2. Allow organizational operations that are inconsistent with the achievement of carbon neutrality.	7	
2.11.3. Operate without processes that minimize material and energy consumption and provide for proper disposal of waste.	8	
2.11.4. Allow operations which do not minimize harmful local ecological impact.	9	

 Fully Compliant    
  Partially Compliant    
  N/A

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## Preliminary CEO Interpretations and Evidence

**2.11** The CEO will not cause or allow organizational practices or activities that are inconsistent with achieving environmental sustainability.

**Degree of Compliance: Partial Compliance**

### Interpretation

#### Measure/Standards & Achievement

The Board has fully defined environmental sustainability in the policies below. Therefore, compliance with this policy will be achieved when all lower-level policies are compliant.

#### Rationale

This is reasonable because compliance with lower-level policies constitutes compliance with this policy.

### Evidence

**Source of Data:** Lower-level policies

**Date of data review:** 06/05/2024 as verified by the Corporate Strategy and Performance Officer

#### **Data**

Only Policy 2.11.4 is compliant.

Staff are currently developing targets and tools to provide realistic data and timeframes for the other policies. A first complete monitoring report can be expected in the next monitoring period.

**2.11.1.** The CEO shall not...Operate without measures to minimize, reduce, and eliminate emissions including greenhouse gasses and air pollutants.

**Degree of Compliance: N/A**

**Interpretation**

I interpret this policy to mean that the agency will make reasonable efforts to reduce and eventually eliminate all gaseous emissions that are known to influence climate change including methane, chlorofluorocarbons (CFC), particulates, and all greenhouse gases that are (1) *directly* created by agency operations (i.e., tailpipe emissions) and (2) *indirectly* through supplies and materials used by the agency.

Measure/Standards & Achievement

Compliance *in the next monitoring period* will be demonstrated when:

- A. TheRide has a reasonably accurate way of estimating its GHG emissions over time.
- B. The following table is populated with interim milestones, targets and dates.

	<b>Buses (Tailpipe)</b>	<b>Bus Fuel Production</b>	<b>A Ride Buses</b>	<b>Other Vehicles</b>	<b>Facilities</b>
<b>2024 (actual)</b>	TBD/mile	TBD	TBD/mile	TBD	TBD
<b>2025 (projected)</b>	TBD/mile	TBD	TBD/mile	TBD	TBD
<b>2030 (projected)</b>	TBD/mile	TBD	TBD/mile	TBD	TBD
<b>2035 (projected)</b>	TBD/mile	TBD	TBD/mile	TBD	TBD
<b>2040 (projected)</b>	TBD/mile	TBD	TBD/mile	TBD	TBD
<b>2045 (projected)</b>	0/mile	0	0	0	0

*\*Excludes carbon which is addressed below.*

*Note: To see a list of the actions to be taken to make these reductions, please see the annual Corporate Business Plan.*

Rationale

This is reasonable because:

- A. Having a reliable method of measuring emissions is an essential first step that will help drive and track our performance over time until emissions are

eliminated. A reliable cost-estimating tool will also be important when making cost/benefit calculations.

- B. Setting realistic milestones allows the agency to plan accordingly and make longer-term investments. Realistic expectations and the 20-year timeline are important as the agency has limited resources and numerous other priorities. We need to ensure there is no negative impact on the provision of services or the agency's fiscal health, and that adequate time is allowed for cost-effective technologies to emerge.

### Evidence

**Source of Data:** N/A

**Date of data review:** 06/05/2024 as verified by the Corporate Strategy & Performance Officer

### Data

This is a new policy and with future target timelines and hence there is no compliance data to report. Compliance tracking will begin in the next monitoring period.

**2.11.2.** The CEO shall not...Allow organizational operations that are inconsistent with the achievement of carbon neutrality.

**Degree of Compliance: N/A**

**Interpretation**

I interpret this policy to mean that the agency will make reasonable efforts to reduce and eventually eliminate all direct and indirect carbon emissions generated by agency operations. Total elimination is expected by 2045.

Measure/Standards & Achievement

Compliance in the next monitoring period will be demonstrated when:

- A. TheRide has a reasonably accurate way of estimating its carbon emissions over time.
- B. The following table is populated with interim milestones, targets and dates.

	<b>Buses (Tailpipe)</b>	<b>Bus Fuel Production</b>	<b>A Ride Buses</b>	<b>Other Vehicles</b>	<b>Facilities</b>
<b>2024 (actual)</b>	7,000	TBD	TBD/mile	TBD	TBD
<b>2025 (projected)</b>	TBD/mile	TBD	TBD/mile	TBD	TBD
<b>2030 (projected)</b>	TBD/mile	TBD	TBD/mile	TBD	TBD
<b>2035 (projected)</b>	TBD/mile	TBD	TBD/mile	TBD	TBD
<b>2040 (projected)</b>	TBD/mile	TBD	TBD/mile	TBD	TBD
<b>2045 (projected)</b>	0	0	0	0	0

*Note: To see a list of the actions to be taken to make these reductions, please see the annual Corporate Business Plan.*

Rationale:

- A. Having a reliable method of measuring carbon emissions is an essential first step that will help drive and track our performance over time until emissions are eliminated. A reliable cost-estimating tool will also be important when making cost/benefit calculations.
- B. Setting realistic milestones allows the agency to plan accordingly and make longer-term investments. Realistic expectations and the 20-year timeline are important as the agency has limited resources and numerous other priorities.

We need to ensure there is no negative impact on the provision of services or the agency’s fiscal health, and that adequate time is allowed for cost-effective technologies to emerge.

**Evidence**

**Source of Data:** N/A

**Date of data review:** 06/05/2024 as verified by the Corporate Strategy & Performance Officer

**Data**

This is a new policy with future target timelines and hence there is no compliance data to report. Compliance tracking will begin in the next monitoring period.

**2.11.3.** The CEO shall not... Operate without processes that minimize material and energy consumption and provide for proper disposal of waste.

**Degree of Compliance:** N/A

**Interpretation**

I interpret this policy to mean that the agency will reduce the amount of material and energy consumed to the lowest practical levels while ensure services and organizational health; and ensure refuse and assets that are no longer needed are disposed of such that it minimizes environmental harm in a cost-effective manner.

Measure/Standards

Compliance with this policy will be demonstrated when the use of 1) bus fuels [e.g., diesel, etc.], 2) electricity and natural gas and physical products are reduced to the greatest degree practical, and 3) all remaining physical waste is disposed of in a manner that minimizes damage to the environment.

Compliance *in the next monitoring period* will be achieved when:

- A. The following table is populated with interim milestones, targets and dates.
- B. TheRide establishes optimum operating thresholds for electricity and natural gas.
- C. TheRide establishes an optimum target for miles per gallon for diesel fuel in buses. In 2023, this target was 4MPG. Such targets will evolve to incorporate new fuels in the future.
- D. The following interim milestones with the appropriate targets dates and data sets are finalized.

	Miles per Gallon of diesel fuel	Natural Gas use	Electricity Use (kwh)	Tonnage of waste
<b>2024 (actual)</b>	4 miles/gallon	TBD	TBD	TBD
<b>2025 (projected)</b>	TBD	TBD	TBD	TBD
<b>2030 (projected)</b>	TBD	TBD	TBD	TBD
<b>2035 (projected)</b>	TBD	TBD	TBD	TBD
<b>2040 (projected)</b>	TBD	TBD	TBD	TBD
<b>2045 (projected)</b>	0 Diesel Use	TBD	TBD	TBD

Note: To see a list of the actions to be taken to make these reductions, please see the annual Corporate Business Plan. Targets may change as the agency’s infrastructure grows or incorporates new technologies.

**Rationale**

The approach and timeframe provided above is reasonable because:

- a. Setting realistic milestones allows the agency to plan accordingly and make longer-term investments. Realistic expectations and the 20-year timeline are important as the agency has limited resources and numerous other priorities. We need to ensure there is no negative impact on the provision of services or the agency’s fiscal health, and that adequate time is allowed for cost-effective technologies to emerge.
- b. The efforts listed above will likely address more than 99% of the agency’s consumables and waste.
- c. Using miles per gallon as an efficiency target for gauging overall consumption is reasonable as long as diesel is the predominant fuel type as we cannot run without it. A target of 4MPG for diesel use buses is reasonable because based on data from the Federal Highway Administration, the average fuel economy of a transit bus is 3.4MPG. 4MPG indicates that the agency strives to perform well above industry average.



**Evidence**

**Source of Data:** Fleet and Facility operational data.

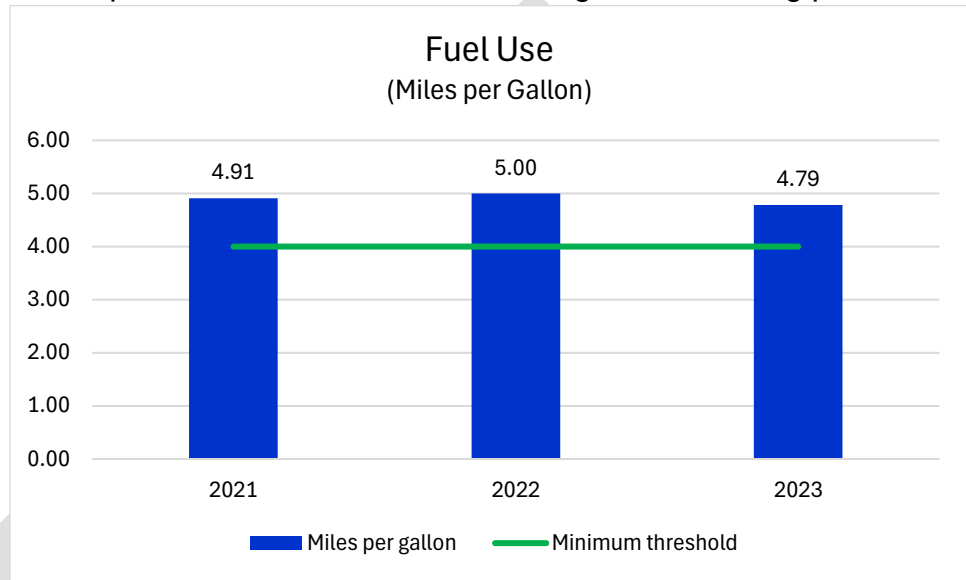
**Date of data review:** 06/05/2024

**Data**

- A. A method of tracking will be available in the next monitoring period
- B. Optimum minimum operating thresholds and timelines will be available in the next monitoring period.
- C. Fuel and energy consumption were as shown below during the monitoring period.

**Fuel use:**

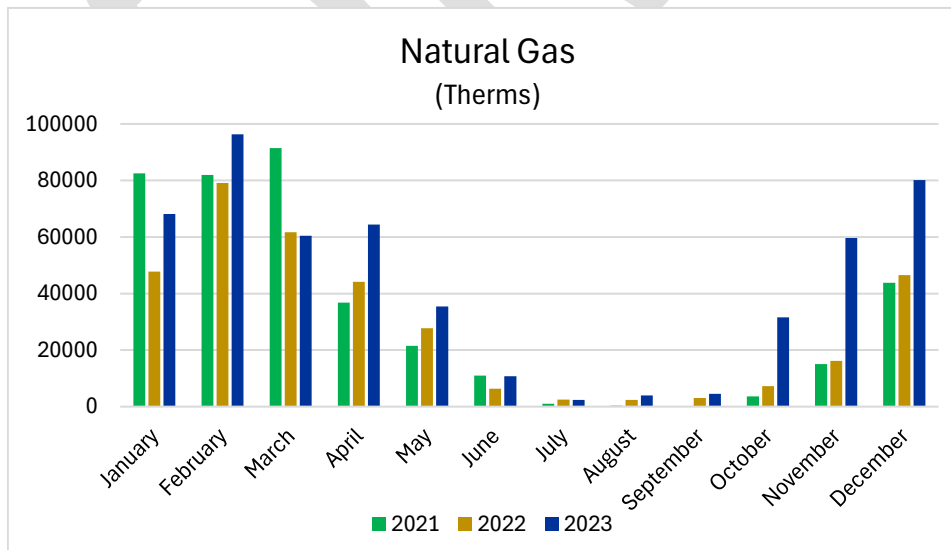
During the monitoring period, and in previous years, TheRide’s fleet has functioned above the 4.0MPG minimum operating threshold (target). See the bar chart on the right for that detail.



**Natural Gas:**

Natural gas minimum thresholds will be developed by the next monitoring period and will vary by month as heating/cooling demands vary with changing seasons.

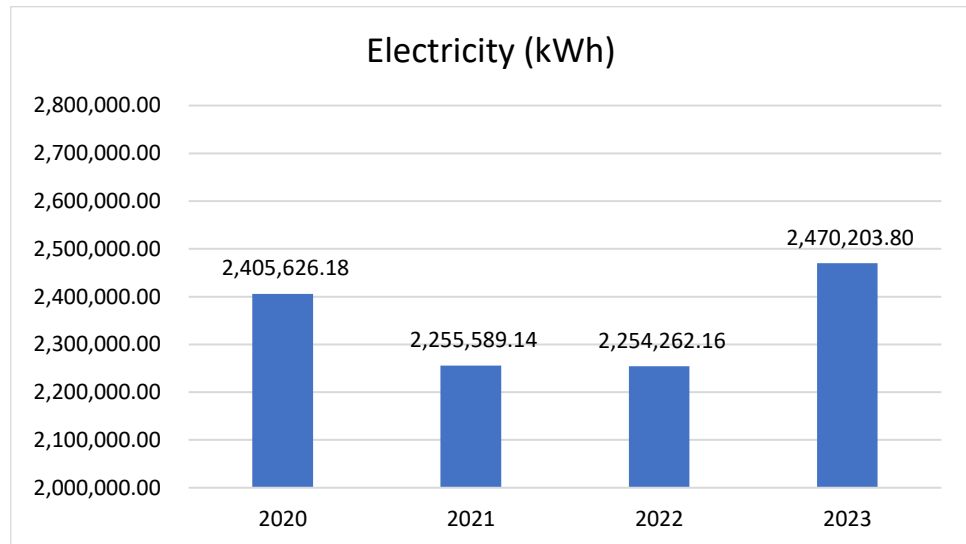
There was an increase in natural gas utility in 2023 due to an outdated roof (poor insulation) and an outdated HVAC system (inefficient heating/cooling).



TheRide is in the process of replacing the roof and the HVAC system. This work should be completed by Oct 2025 (End of FY2025).

**Electricity Use:**

During the pandemic, in the years of 2020 and 2021, majority of office staff worked from home per the State Mandate. As staff returned to the office, electricity usage went back to pre-pandemic levels. The 9.6% increase in electric use



between 2020 to 2023 (from 2,405,626.18kWh to 2,470,203.80kWh) may be largely attributed to poor functioning HVAC that necessitated the use of electric heaters at mechanic stations. Beyond replacing the roof and the HVAC, staff is also conducting a power quality review to assess and improve power performance at the DGOC. This review should be complete before the end of 2024.

**Tonnage:**

Method of estimating waste and the establishment of a minimum threshold will be provided in the next monitoring report.

**2.11.4:** The CEO shall not...Allow operations which do not minimize harmful local ecological impact.

**Degree of Compliance: Complaint**

**Interpretation**

I interpret this policy to mean that water run-off and fluid discharges are addressed within legal parameters.

Measure/Standards & Achievement

Compliance with this policy will be demonstrated when:

- A) A review of records (conducted by the State at least every three years) finds no unresolved violations of the Storm Water Pollution Prevention Plan for any covered facility) i.e., the garage).
- B) Annual reviews of monthly, quarterly, and annual inspection records for the underground tank systems demonstrate that there are no signs of leaks, or that any issues are resolved, and would be sufficient to pass periodic State inspections with no unresolved violation.
- C) Outside approvals for planned new facilities confirm that 1) the plans conform to all existing environmental laws particularly regarding water runoff, and 2) cost/benefit assessments are made for additional mitigations (decisions are made on a case-by-case basis and depending on affordability).
- D) Construction activities include appropriate steps to minimize fluid impacts and comply with relevant laws.
- E) Procedures, training, and equipment are in place to respond to any fluid leak from a vehicle, whether in the garage or on the road.

Rationale:

- A) The focus on water and fluid discharges is reasonable because these are the primary ways in which facilities and vehicles could harm the *immediate* environment. Highest risk.
- B) Absence of unresolved violations of the Storm Water Pollution Prevention Plan is a reasonable measure because it covers proper management of all surface fluid runoff and discharges (gas, diesel, and water) at the garage property (2700 S Industrial Hwy). The Plan and its contents are required by State law because the facility has a retention pond. State agencies conduct periodic inspections against engineering standards. The three-year period is reasonable because the garage facility does not change, and inspectors review records since the previous inspection so violations can be retroactive.
- C) Inspection of records of underground tanks is reasonable because these are engineering standards required by State law which are periodically checked by

State agents. The records include daily monitoring of sensors that continuously monitor the tanks for signs of leaks.

- D) Construction activities require additional measures that are outlined in codes.
- E) Being prepared allows the agency to respond accordingly should any leak happen. Accidents happen.

## Evidence

**Source of Data:** Operational plans and practices

**Date of data review:** 04/22/2024 as verified by the Facilities Manager and the DCEO, Planning

### Data

- A. The last Storm Water Pollution Prevention Plan review was conducted in Feb 2022 and there were no records of unresolved violations indicated.
- B. Annual reviews by the state, the agency provided an annual report to the State indicating compliance with the plan.
- C. A review of facility inspections indicates that underground tanks were in compliance with State guidelines -including being leak-free.
- D. During the monitoring period, plans for the new YTC building included a review of environmental factors to address potential water runoff and fuel discharges at the facility.
- E. During the monitoring period staff was trained and adequate equipment was available to respond to any potential vehicle leakages

## Guidance on Determining “Reasonableness” of CEO Interpretations

### **Are the interpretations reasonable?**

An interpretation is reasonable if the following are provided,

1. a measure or standard,
2. a defensible rationale for the measure or standard,
3. a level of achievement necessary to achieve compliance and
4. a rationale for the level of achievement.

### **Is evidence verifiable?**

Evidence is verifiable if there is.

1. actual measurement/data,
2. the source of data and
3. the date when data was collected is provided.

## CEO Notes: (If Applicable)

This report is the first for this new policy. It also attempts to incorporate new approaches in setting interim targets for compliance, in the context of a longer-term goal.

**WORKSHEET RESULTS:**

**Environmental Sustainability (Policy 2.11)**

**Participants: 7 Board Members**

Michael Allemang, Chris Allen, Simi Barr, Rich Chang, Julie Grand, Kathleen Mozak, Susan Pollay

Performance on reasonable interpretation and verifiable evidence			
	% of Board members that find the interpretation reasonable	% of Board members that find the evidence verifiable	Additional comments if NO stated
<p><b>Policy 2.11</b> The CEO will not cause or allow organizational practices or activities that are inconsistent with achieving environmental sustainability. Further, without limiting the scope of the above statement by the following list, the CEO shall not:</p>	<b>100%</b>	<b>57%</b>	<ul style="list-style-type: none"> <li>• New policy; we need to define evaluation criteria.</li> <li>• The supporting data and methods to obtain that data are still a work in progress.**</li> <li>• Evidence can be verified once baseline data can be assembled, and the board resolves on the various targets it wishes to be assessed.</li> </ul>
<p><b>Policy 2.11.1</b> Operate without measures to minimize, reduce, and eliminate emissions including greenhouse gasses and air pollutants.</p>	<b>86%</b>	<b>43%</b>	<ul style="list-style-type: none"> <li>• No level of achievement for compliance</li> <li>• I don't think it's reasonable to exclude CO2 from this table, even though it's addressed in another policy. CO2 is the main greenhouse gas, and that's exactly what this policy is addressing. I'm also not sure what units you will be using in the tables, this should be clearly indicated.</li> </ul>

			<p>Continued ...</p> <p>GHGs like methane are usually reported in CO<sub>2</sub>e (carbon dioxide equivalent), whereas particulate matter is reported differently. Why is there a column for the "upstream" emissions from bus fuel but not A Ride and Other support vehicle fuels?</p> <ul style="list-style-type: none"> <li>• Need to develop; work in process. Also, I wonder; are we replacing old busses with slightly more efficient new models on an annual basis. Could this potentially allow for this criteria to be in compliance?</li> <li>• The supporting data and methods to obtain that data are still a work in progress. I do like the breakdown of what categories will be measured (buses, bus fuel, a-ride vehicles, other vehicles, and facilities) **</li> <li>• No evidence is yet available</li> </ul>
<p><b>Policy 2.11.2</b> Allow organizational operations that are inconsistent with the achievement of carbon neutrality.</p>	<p><b>71%</b></p>	<p><b>43%</b></p>	<ul style="list-style-type: none"> <li>• The interpretation and evidence are almost identical to 2.22.1. I'm confused.</li> <li>• What are the units? Methane and CFCs are also carbon compounds. I don't see how you can split this into two tables. I would think all emissions would be reported in 2.11.1, and 2.11.2 might point toward a commitment to carbon</li> </ul>

			<p>Continued ...</p> <p>neutrality (maybe a carbon neutrality target year, and then progress can be shown towards that to show compliance?)</p> <ul style="list-style-type: none"> <li>• Need to develop; work in process.</li> <li>• I stated yes, but am unsure. We take steps that are mixed.</li> <li>• The supporting data and methods to obtain that data are still a work in progress. I do like the breakdown of what categories will be measured (buses, bus fuel, a-ride vehicles, other vehicles, and facilities) However, I'm not sure how this is different from 2.11.1? Could these two (2.11.1 and 2.11.2) be combined? **</li> <li>• Again, there is not yet evidence. But I'm hoping this policy will be interpreted to include building demolition, design, and construction and such operational efforts as encouraging staff carpooling, remote work when feasible, and utilizing sustainable energy sources for buildings (eg solar where feasible and a portion of electric purchase through DTE's MIGreenPower program.</li> </ul>
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<p><b>Policy 2.11.3</b> Operate without processes that minimize material and energy consumption and provide for proper disposal of waste.</p>	<p><b>100%</b></p>	<p><b>57%</b></p>	<ul style="list-style-type: none"> <li>• Isn't there some duplication with other sub policies. For example: Isn't natural gas and electricity use included in facilities in 2.11.1?</li> <li>• Could use kWh/square foot for the electricity column. As we build/procure new spaces (i.e.. YTC, bus garage), we want to know that these facilities are designed and operated in ways that ensure energy efficiency. Electricity consumption will undoubtedly rise when we build new spaces.</li> <li>• Need to develop; work in process.</li> <li>• The supporting data and methods to obtain that data are still a work in progress. I find this one to be the most interesting of the entire report because it ties into so many holistic aspects of how the organization is run from top to bottom. I think the energy usage approach is great. I think the "waste" component should be its own table/dot section, however. The reason why is that waste can cover typical refuse generated by office operations (plastics, paper, general trash), terminal operations (general trash) -- especially as we expand to more terminals, bus stops (general trash), maintenance operations (oil changes, other fluids, batteries), etc. I'm definitely</li> </ul>
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			<p>Continued ...</p> <p>not an environmental expert, but I would bet those items can be more impactful/harmful on our environment in volume, esp since we use clean diesel tech and will be moving to even more efficient bus and fleet vehicles. **</p> <ul style="list-style-type: none"> <li>I'm a bit confused - it seems like this interpretation may or may not be duplicative of 2.11.2?</li> </ul>
<p><b>Policy 2.11.4</b> Cause or allow buildings and equipment to be subjected to improper wear and tear or insufficient maintenance.</p>	<p><b>100%</b></p>	<p><b>86%</b></p>	<ul style="list-style-type: none"> <li>The supporting data and methods to obtain that data are still a work in progress. I think it also needs to include refuse containment, such as at bus stops. For example, if we don't provide adequately sized trash bins (or trash bins at all), we can have a negative impact on the environment due to refuse and liquids being around. **</li> </ul>

### Additional context questions

1. Is there any reason to doubt the integrity of the information presented?

**NO - 7**

2. If the CEO has indicated **NON-COMPLIANCE** with any aspect of this policy, is there a commitment as to when the Board can expect to see compliance and is the proposed time-frame acceptable?

**NO – 1**

**YES – 2**

- CEO said we should have methods and data by the next monitoring report for this report. \*\*

**N/A – 4**

- I believe N/A is equivalent to non-compliance. Since no estimated compliance dates are given, I answered NO. Since this is the first time a monitoring report has been prepared on this policy, I am okay with it being very incomplete.
- Still need to develop evaluation criteria. Work in progress.
- There isn't yet a lot of detail on when compliance will be in place.

3. Having reviewed the monitoring report, does anything you have learned make you consider whether the **POLICY ITSELF** should be amended? (Policy amendment is not monitoring, but should be addressed as a board decision.)

**NO – 4**

**YES – 3**

- The 2.11 policy a good broad statement. However, I believe the sub-policies are very complex, difficult to measure and overlapping. Therefore, these policies should be re-thought and revised.
- See my comments throughout the report. \*\*

**APPROXIMATELY HOW MANY MINUTES DID IT TAKE YOU TO FILL OUT THIS FORM?**

70, 35, 15, 20, 45, 35, 60

## SAFETY POLICY DEVELOPMENT

**Meeting: Board Meeting**

**Meeting Date: July 18, 2024**

INFORMATION TYPE
Decision Preparation
RECOMMENDED ACTION(S)
That the Board consider a proposal for a safety policy. One policy option is being provided to the Board (see attachment 1).
ISSUE SUMMARY
<p>At the June Board meeting, there was general agreement that a safety policy could be a new Ends policy. The scope of the policy was discussed and whether the Board should consider a policy covering only rider or the traveling public. The Service Committee met July 2, 2024 to continue to discussion. Key determinations included:</p> <ul style="list-style-type: none"> <li>• Discussion around: user/riders/traveling public &amp; active vs passive riders:</li> <li>• "What we can control and what we cannot"</li> <li>• Fall-back policy regarding the traveling public: Policy 2.1 EL (<u>underlined below</u>)</li> <li>• Let's start with doing one thing well. We can modify policy in the future</li> <li>• Conclusion: we can't be all things to all people (for now)</li> </ul> <p>The Service Committee is recommending that the Board first adopt an Ends policy establishing a goal of engendering a feeling of safety for those interacting with public transportation services, facilities, and other related properties.</p> <p>Next steps:</p> <ol style="list-style-type: none"> <li>1) The Committee recommend presenting a narrow option for further board discussion: <b><i>Policy 1.1.3: Riders feel physically and psychologically safe.</i></b></li> <li>2) We are thinking at some point in the future this will end up being a combo End (goal) + Executive Limitation (limits)</li> </ol>
BACKGROUND
<p>During public comment at the August 17, 2023 meeting of the AAATA Board of Directors, a contingent of the traveling public voiced concerns that TheRide had entered discussions with the Ypsilanti Police Department to create a "police substation" at the YTC and wanted to discourage any such arrangement. Staff clarified that, while an introductory conversation had taken place with the new chief of YPD and that discussion had included the topic of public safety in and around the YTC, no discussions were being held regarding a police substation at the current YTC nor at the planned future facility. This conversation, coupled with historic reports nationwide that certain segments of the public do not necessarily feel safe using public transportation or related facilities, highlighted that policies currently in place regarding public safety are perhaps overly vague and may benefit from examination and development.</p>

<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
<ul style="list-style-type: none"> <li>• Policies relevant to this discussion (emphasis added): <ul style="list-style-type: none"> <li>○ 2.0 Treatment of the Traveling Public "... Cause, allow or fail to address any practice, activity, decision, or organizational circumstance that is either unlawful, imprudent, or in violation of commonly accepted business practices or professional ethics.</li> <li>○ 2.1 "...Cause, allow or fail to address conditions, procedures, or decisions that are <u>unsafe, undignified, disrespectful, unclear, or overly intrusive</u>.</li> <li>○ 2.1.2 "...Allow anyone, including people who have disabilities or seniors, to be <u>discriminated against</u> with respect to the AAATA's services.</li> </ul> </li> </ul>
<b>IMPACTS OF RECOMMENDED ACTION(S)</b>
<ul style="list-style-type: none"> <li>• Budgetary/Fiscal: TBD</li> <li>• Social: Potentially high</li> <li>• Environmental: N/A</li> <li>• Governance: Policy development is a Board responsibility.</li> </ul>
<b>ATTACHMENTS</b>
1. (1) Option for Safety Policy

**Attachment 1 - Option for Safety Policy**

**OPTION 1**

*Policy 1.1.3*

*Riders feel physically and psychologically safe.*

**OPTION 2**

*Policy 1.1.3*

*Members of the traveling public feel physically and psychologically safe.*

## YTC Planning Update

**Meeting: Board of Directors**

**Meeting Date: July 18, 2024**

INFORMATION TYPE
Other
RECOMMENDED ACTION(S)
Review and provide feedback on the recommended site concept.
ISSUE SUMMARY
<p>The YTC plans have advanced to an important stage: staff at TheRide and the City have identified a preferred option for the footprint of the facility. This stage pertains to the <u>footprint only</u>, not the size or shape of any future buildings which will be discussed at a later stage.</p> <p>The project team is seeking feedback from the Board on the recommended site concept before moving into the next stage of the design. Any future changes to the site footprint may have significant implications on the project schedule and budget.</p> <p>TheRide staff are presenting the same information to Ypsilanti City Council on July 16th.</p>
BACKGROUND
<p>On September 25, 2023, AAATA signed a contract with DLZ Michigan, Inc. for Phase II of the YTC reconstruction planning process. Phase II restarted the planning process that began in 2017. AAATA aims to open a larger, more modern YTC in 2027. Work began on Phase II immediately after contract approval, and an official kickoff was held in November 2023.</p> <p>Since the award of the contract to DLZ in September 2023, the consultant team has developed conceptual layouts and site concepts in conjunction with the AAATA project management team and the project's Technical Working Group (TWG). Built upon the work completed in the 2017 Passenger Terminal Needs Assessment, numerous concepts were developed to showcase different configurations of the transit center on the City of Ypsilanti's public parking lot located along Pearl Street between Washington Street and Adams Street. Three (3) concepts were chosen to move forward in the process and were subsequently vetted through a public engagement effort in April-May 2024. Additionally, staff and the consultant team sought feedback from other key stakeholders such as City of Ypsilanti staff and elected officials, as well as various departments of TheRide. This input led to a revised Concept B (Concept "B.1" – see attached presentation), which avoids impacts to the existing commercial buildings along Washington Street.</p> <p>Based on public and stakeholder feedback, two concepts emerged as the most viable: Concepts C and B.1. After refining the evaluation criteria, the project team jointly rated the concepts and developed a list of strengths and challenges for each. After a thorough</p>

review of these site concepts with the TWG, Option B.1. is recommended as the preferred site concept because of its flexibility due to the platform size and available area for the facility, ease of access for buses, opportunity for future growth, minimum impact on the existing historical buildings, available parking spaces, and ability to activate the SE corner at Pearl and Washington St.

**IMPACTS OF RECOMMENDED ACTION(S)**

- Budgetary/Fiscal: the planning and construction of the new Ypsilanti Transit Center has been included in our 10-year capital plan as part of the FY 2024 budget.
- Social: The first public engagement period for the YTC project runs from April 22 – May 22, 2024.
- Environmental: The FTA has recommended a Categorical Exclusion for the NEPA requirements, and the impact will be documented through the review process.
- Governance: N/A

**ATTACHMENTS**

1. Ypsilanti Transit Center Reconstruction: Site Concept – Board of Directors (presentation)

The background image shows the Ypsilanti Transit Center, a modern building with a prominent blue-tiled roof and a central tower. A blue and white bus is visible on the right side of the frame. The scene is set outdoors with trees and a clear sky.

# Ypsilanti Transit Center Reconstruction

## Site Concept

Board of Directors  
Board Meeting  
July 18, 2024





# Agenda

- Progress Update
- Site Concept Recommendation
- Next Steps



# Progress Update

# Major Work Completed

- 2018 Passenger Terminal Needs Assessment
- November 2023 Kick-off
- Collaboration with FTA
- Validation of 2018 study
- Site Concept Development
- April-May 2024 Public & Stakeholder Engagement





# Site Concept Recommendation

# Site Concept Selection Process

- Developed many concepts based on 2018 work and early feedback/validation work
- Evaluated those and chose 3 for engagement (A, B, C) with wider audience



# Site Concept Selection Process

- Based on engagement, developed Concept B.1
- Repeated evaluation process





# Concept B.1 - Recommended

Note: Building designs shown are for illustration purposes only.



# Concept B.1 - Recommended

- Highlights:
  - Large footprint for building and platform area
  - Space for multimodal
  - Maximizes bus bays on platform
  - No demolition of buildings/property along Washington St



# Concept B.1 - Recommended

- Highlights:
  - Area for parking
  - Development potential
    - Activates SE corner at Pearl and Washington St as soon as built
    - Brings activity towards commercial streets
    - Parking lot for future development
    - Thoughtful integration of existing commercial buildings



# Concept B.1 - Recommended

- Tradeoffs:
  - Existing facility demolished
  - Increased complexity during construction
  - Development potential





# Concept B.1 - Recommended

Note: Building designs shown are for illustration purposes only.

# Next Steps

# Next Steps

- Continue environmental review
- Finalize site concept and develop schematics
- Next round of public engagement in fall/winter 2024-2025
- Move into the next phase spring 2025



## FY25 Business Plan & Budget Process History

**Meeting: Board of Directors**

**Meeting Date: July 18, 2024**

<b>INFORMATION TYPE</b>
Other
<b>RECOMMENDED ACTION(S)</b>
Provide feedback
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
Policy 2.4 Planning/Budgeting
<b>ISSUE SUMMARY</b>
<p>The Corporate Business Plan is an important alignment tool, helping to translate the Board goals into concrete, organized initiatives in a strategic context. Each year the annual budgeting process begins with the CEO seeking feedback on this strategic document, which later forms the foundation of the annual budget.</p> <p>The CEO introduced the first iteration of the Business Plan on June 20<sup>th</sup>, 2024, and asked board members, staff and the public for feedback by July 10. Based on that feedback a few cosmetic changes have been made, one project (millage planning) has been added, and questions that popped up during this process were addressed and their answers provided at the back of the document.</p> <p>The CEO will share this updated version with the Board on July 18<sup>th</sup> and collect any final comments on this version before it is passed over to the finance team for budgeting purposes.</p> <p>The Corporate Business Plan remains a living document and welcomes input into corporate priorities and workplan at any time.</p>
<b>IMPACTS OF RECOMMENDED ACTION(S)</b>
<ul style="list-style-type: none"> <li>• Budgetary/Fiscal: The Business Plan is the foundation of the upcoming annual budget.</li> <li>• Social: N/A</li> <li>• Environmental: N/A</li> <li>• Governance: CEO must present strategic planning work.</li> </ul>
<b>ATTACHMENTS</b>
1. Draft FY 2025 Corporate Business Plan (v2)

## FY2025 Draft Budget Preview

**Meeting: Board of Directors Meeting**

**Meeting Date: July 18, 2024**

<b>INFORMATION TYPE</b>
Decision Preparation
<b>RECOMMENDED ACTION(S)</b>
Receive for information a preview of the operating and capital budget for FY2025.
<b>ISSUE SUMMARY</b>
This issue brief presents a draft of the FY2025 budget before a recommended budget will be presented to the Board in September. The draft budget is balanced, which means that revenues are sufficient to cover expenses without deficits during the fiscal year. Preliminary discussions in August and September will help ensure support for the recommended budget, which is to be presented for Board adoption in September.
<b>BACKGROUND</b>
AAATA staff developed this draft FY2025 operating and capital budget that furthers Board Ends within Executive Limitations and provides multi-year context. The Michigan Uniform Budgeting and Accounting Act of 1968 requires the Board to adopt a balanced operating budget by Board Resolution for our next fiscal year, which begins October 1. In addition, the Board needs to authorize a multi-year capital program for federal funding. A formal public hearing for the budget is required and will be held at the August 15 <sup>th</sup> Board meeting. Final approval will be sought in September.
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
<ul style="list-style-type: none"> <li>• Governance Process: Policy 3.2.7 "...the Board has direct responsibility to create...approval of the annual budget developed and recommended by the CEO."</li> <li>• Executive Limitation: Policy 2.4 Financial Planning/Budgeting</li> </ul>
<b>IMPACTS OF RECOMMENDED ACTION(S)</b>
<ul style="list-style-type: none"> <li>• Budgetary/Fiscal: Budget adoption is required by state law and Policies 2.4, 3.2.7.</li> <li>• Social/Environmental: Provision of public transportation authorized by the budget is necessary to ensure achievement of social and environmental ends per Board policy.</li> <li>• Governance: The Board is responsible to approve the annual budget (Policy 3.2.7)</li> </ul>
<b>ALTERNATIVE OPTION(S)</b>
Financial planning and budgeting is legally required, required by Board policy, and essential; there is no prudent alternative.
<b>ATTACHMENTS</b>
<ol style="list-style-type: none"> <li>1. FY2025 Draft Budget Preview</li> <li>2. FY2025 Budget Timeline</li> </ol>



# Attachment 1: FY2025 Draft Budget Preview

## Introduction

The FY2025 Operating Budget (the Budget) is the fiscal year's financial plan that supports activities to accomplish goals and objectives as defined in Board's Ends Policies and is aligned with TheRide's Corporate Business Plan. All policies and plans support the stated policy of providing public transportation options that contribute to the Ann Arbor-Ypsilanti Area's social, environmental, and economic vitality at a cost that demonstrates value and efficient stewardship of resources.

The Board's Ends are what the organization is committed to achieving. Executive Limitations are the operational and risk boundaries provided to the CEO, within which staff methods, decisions, and activities can be responsibly left to professional staff to lead and manage.

The Corporate Business Plan (the Business Plan) clarifies the strategic goals (Ends policies) and outlines how it will achieve them within a 5-year operating plan and a 10-year capital plan. The operating workplan is shorter to allow a detailed focus on day-to-day operational aspects and more specifically new service improvements.

Aligned with the Business Plan, the Budget provides funding to maintain transportation services to the communities we serve and provides for expansion of services, execution of the Long-Range Plan and continuous process improvement. A large majority of funding in the Budget is for maintaining services, with additional funding to support implementation of the Long-Range Plan and continuous process improvement.

The Budget is a balanced budget that provides a plan for execution of the Board's Ends and the organization's highest priorities. Development of the Budget also considers impacts of economic and industry conditions and the impact on financial and operational plans. Financial assumptions are reasonably conservative and are provided in the context of our approach to addressing opportunities and risks for the current year and a five-year projection. The Budget will also support the priorities and initiatives represented in the Business Plan.

This presentation of the FY2025 Draft Budget Preview (the Draft Preview) illustrates initial assumptions of revenues and expenses needed to maintain current service levels (a base budget). The Draft Preview does not include funding for new initiatives as decisions about priorities are still being evaluated. Approved initiatives will be recommended in the context of organizational priorities, available resources, and in the context of the Business Plan, as determined by staff evaluation and in consideration of Board discussions. Additional initiatives will be incorporated into the next draft of the budget, as funding allows.

The Draft Preview assumes that federal pandemic relief funds will have been spent by the third quarter of FY2024, resulting in a significant decrease in that revenue line in the budget. Additionally, almost all expense increases reflect the full year impact of operating expenses for the expansion of services approved in the FY2024 millage, which are beginning in August of 2024.

In summary, the Draft Budget provides reasonably conservative assumptions to maintain current services and incorporates funding for service expansions approved by voters on August 2, 2022. Updated assumptions and funding for additional initiatives will be incorporated as the budget process continues. The budget will be updated as staff recommendations are finalized, and

information will be provided to the Board in accordance with the budget timeline. The outlook for the budget is stable, and is supported by the existing millage, in place until 2028, as well as the use of federal funds to provide critical transportation services and expand services.

### FY2025 Operating Draft Budget Preview

The emerging operating budget is balanced for FY2025. The Draft Preview of expenses and revenues presented below provides a preview of the Budget at this initial stage of the development process and are compared to the approved FY2024 Budget. Following are detailed descriptions of assumptions for operating revenues and expenses provided in Figure 1.

Figure 1: FY2025 Operating Revenues and Expenses

	FY2024 Approved Budget	FY2025 Draft Budget Preview	FY2025 vs FY2024	
			\$	%
<b>OPERATING REVENUES</b>				
Passenger Revenue	\$ 4,316,568	\$ 4,343,045	\$ 26,477	0.6%
Local Property Tax Revenue	20,022,143	36,494,802	16,472,659	82.3%
POSA & Other Governmental Partners	2,040,622	2,557,809	517,187	25.3%
State Operating Assistance	20,865,466	21,066,949	201,483	1.0%
Federal Operating Assistance	2,458,210	-	(2,458,210)	-100.0%
Other Federal Programs	4,427,127	1,316,472	(3,110,655)	-70.3%
Pandemic Relief Funds	6,786,895	-	(6,786,895)	-100.0%
Advertising, Interest, and Other	440,258	2,259,143	1,818,885	413.1%
<b>TOTAL REVENUES</b>	<b>\$ 61,357,289</b>	<b>\$ 68,038,220</b>	<b>\$ 6,680,931</b>	<b>10.9%</b>
<b>OPERATING EXPENSES</b>				
Salaries, Wages and Benefits	\$ 33,569,407	\$ 36,958,209	\$ 3,388,802	10.1%
Purchased Transportation	13,005,810	12,710,735	(295,075)	-2.3%
Diesel Fuel and Gasoline	3,195,626	3,417,000	221,374	6.9%
Materials and Supplies	3,646,971	4,229,229	582,258	16.0%
Contracted Services	3,814,811	4,671,655	856,844	22.5%
Utilities	713,931	929,800	215,869	30.2%
Casualty & Liability Insurance	1,827,000	2,141,050	314,050	17.2%
Other Expenses	1,583,733	1,426,808	(156,925)	-9.9%
<b>TOTAL EXPENSES</b>	<b>\$ 61,357,288</b>	<b>\$ 66,484,486</b>	<b>\$ 5,127,198</b>	<b>8.4%</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 1,553,734</b>	<b>\$ 1,553,734</b>	<b>100.0%</b>
Operating Reserve Transfer	\$ -	\$ (1,553,734)	\$ (1,553,734)	100.0%
Capital Reserve Transfer	-	-	-	0.0%
<b>OPERATING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.0%</b>

## Revenues Assumptions

Operating revenues are budgeted at **\$68,038,220**, an increase of 10.9% from the FY2024 budget year. The significant changes in year-over-year revenues reflect reducing our reliance on Federal funding for Operations, with the revenue being replaced by locally supported Property Tax Revenues. Additionally, FY2025 is the first full year of the millage expansions of service implemented in 2024, which are funded by the millage through Property Tax Revenues. Key revenue assumptions are:

- Local property tax collections are expected to increase by approximately 82.3%, which is based on a 3% increase in assessed property values over 2024 and the increased approved millage from 0.7 mills to 2.38 mills.
- State Operating Assistance revenue is a modest 1% and is based on the latest information from MDOT that urban systems will receive state funding of approximately 29% of eligible operating expenses in FY2025. This information is based on the state budget for FY2025, which was recently approved.
- Federal Operating Assistance is eliminated and replaced with local Property Taxes, as promised in the approved millage. This is beneficial because it restores the Federal funding for maintaining the state of good repair on our current assets (buses, facilities, etc.) and is available for other capital projects in the capital plan.
- Pandemic Relief Funds for operating assistance will be completely utilized in FY2024 and will no longer be available in FY2025. Additional property taxes generated by increased millage rates as described above replace this funding source for operations.
- There is a significant increase in interest rate revenue driving an increased budget in the Advertising, Interest, and Other line item. The CDARS program allows funds to be liquid while earning interest rates comparable to longer term investments. The CDARS program is on the banking side, not the investment side, so revenues are reflected on the Operating statement. All cash held in this program is fully insured.
- Passenger fare revenues are fairly flat and are consistent with current ridership projections. Assumptions regarding ridership and fare revenues are still undergoing significant review and are expected to be updated throughout July.

## Expenses Assumptions

Operating expenses are budgeted at **\$66,484,486**, 8.4% higher than FY2024. The significant changes in year-over-year expenses are primarily due to FY2025 being the first full year of the millage expansions of service implemented in 2024. Key expense assumptions are as follows:

- Expenses for the expansion of services begin this fiscal year and are reflected through all FY2025, supported by additional property tax revenue from the approved millage. The cost of these augmented services can be seen broadly across all expense line items apart from Purchased Transportation and Other Expenses. The necessary utilization of additional staff, fuel, materials and other direct costs for service rise proportionally with the larger scope of expanded operations.

- Salaries, wages, and benefits include a contractual pay rate increase for bargaining unit employees and a projected 4.0% annual increase for non-union employees (still under review). Thirty additional MCOs (Motor Coach Operators) were added during the latter part of FY2024 as TheRide ramped up towards expanded millage services, and the impact of this increased staffing is realized for the full year in FY2025 as this larger workforce is sustained. In line with this, benefits expenses overall are expected to increase by ~12% due to this higher level of staffing and estimates for healthcare costs. The estimate includes a 10% increase to medical benefits, the largest component of benefit expenses, which is in line with their multi-year expectation of higher costs for this coverage. Assumptions will be reviewed throughout the budget cycle and updated as more information becomes available.
- Purchased transportation is expected to decrease by 2.3% due to the removal of D2A2 from TheRide's operating budget.
- Fuel costs are expected to be 6.9% higher than FY2024. Projected volume increases from expanded services is the main component of this increase.
- Materials and supplies are increasing by 16.0% in FY2025. The primary source of this additional cost is the need for new software and cybersecurity. More specifics will be provided as assumptions are further reviewed this month. More nominal factors are the continued increase in repair costs seen in FY2024, training materials for new drivers, and additional costs for bus stops, both to produce new route signs for expanded services and to repair current stops and signage due to increased vandalism.
- Contracted services are budgeted to increase by 22.5% in FY2025. The main drivers of these costs are increases in temporary and consulting staff, auditing fees and collections fees.
  - The use of temporary and consulting staff is required in the Finance Department to ensure continued smooth operations as new internal staff are hired and trained. While actual costs of supplemental staffing services have decreased from prior year, the budget reflects the expected costs to continue to support the department in FY2025. Internal staffing positions are budgeted as well, opening a path to continuing to decrease these costs as new team members are hired and stability continues to return.
  - External annual auditing fees have been increasing due to the specific audit requirements of being a transit organization, along with the substantial growth in the size of the operating budget over the past several years, which increases the scope of external audits. The budget for these services is increased by \$40,000 in the budget to align actual costs.
  - Collection fees are fees collected by municipalities for collecting property taxes and passing them through the agency. The fees are a percentage of property tax collections and are expected to rise in tandem with higher property taxes generated by the new millage.
- Apart from water, utility costs are anticipated to rise sizably across the board, up by 30.2% in FY2025 compared to this fiscal year. Assumptions for these expenses are still being reviewed and more information will be provided upon further analysis of historical trends and projections for utility rates and volumes used.

- Casualty and liability insurance is budgeted to be up by 17.2% from FY2024 driven primarily by the need for increased coverage as our operating budget grows to accommodate expanded services, along with market rate increases to the premiums themselves.
- The budget for other expenses is expected to decrease by 9.9% principally due to marked reductions in anticipated fare media costs, such as paper tickets, tokens, physical announcements, et cetera.

### Contingent Budgets

There is still a fair amount of uncertainty regarding revenues and expenses, particularly the impact of expense assumptions due to inflationary factors, impacts of workforce challenges, and impacts of state and local funding. The FY2025 Budget proposal will continue to change before a recommended budget is presented to the Board for adoption. The following revenues and expenses are likely to change:

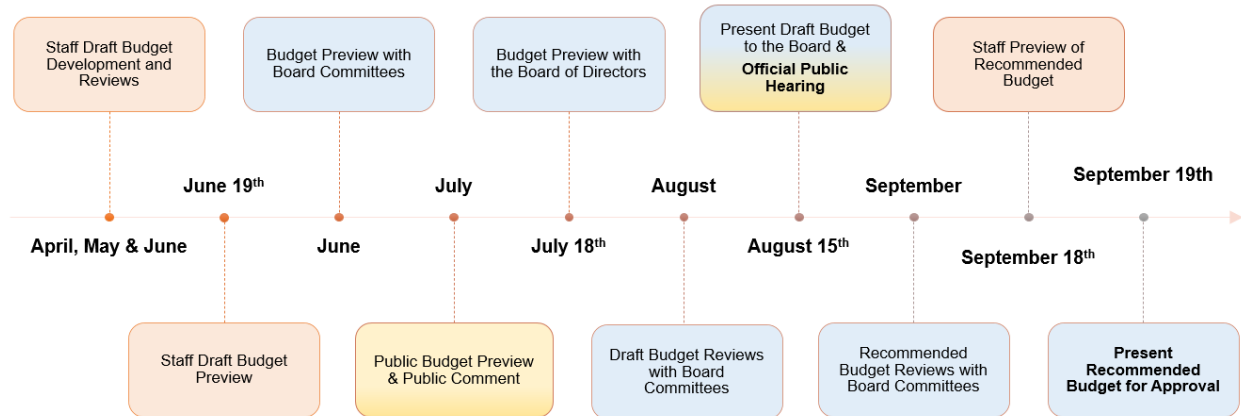
- Property tax collections could be higher or lower than anticipated.
- State operating and capital contributions will depend upon changes in operating expenses.
- Fuel, materials, and supplies cost assumptions may be adjusted based on impacts of inflation.
- Purchased transportation costs may vary depending on finalizing the NightRide, FlexRide and GoldRide contracts.
- Additional expenses may be added to accommodate Corporate Business Plan initiatives.

The Capital Plan is under development and will be presented later in July and in early August.

Budgets to be presented during the budget cycle will represent the staff's best attempts to make financial projections using the economic inputs available to us from our industry, local, state, and federal leaders. Additional information to be provided throughout the budget process will include additional context of multi-year projections, cash flows, capital reserve projections and alignment with the Business Plan and the Board's Ends.

## Attachment 2: FY2025 Budget Timeline

Figure 2: Budget Timeline



1. Budget Preview: Board of Directors Meeting, July 18, 2024

*An early draft of the budget and multi-year forecast will introduce the strategic context and assumptions used in budgeting and financial planning.*

2. Public Input Period: July 18, 2024—September 19, 2024

*Federal regulations require a 30-day review and public input period for AAATA’s capital program using Federal funds. Both the capital program and the operating budget will be available for public review and input starting July 18<sup>th</sup>, through budget adoption on September 19<sup>th</sup>.*

3. Draft Budget Introduction: Board of Directors Meeting, August 15, 2024

*The Board’s budget inputs continue, and discussion will commence upon introduction of a draft budget by staff at Board Committees and the monthly Board of Directors meeting.*

4. Public Hearing: Board of Directors Meeting, August 15, 2024

*As required by state law, meaningful public input to the budget will be obtained through an official public hearing to run concurrent with the Board of Directors meeting.*

5. Board Adoption: September 19, 2024

*Adoption of the FY2025 Operating and Capital Budget is required before any expenditures may be incurred on October 1, the first day of the new fiscal year.*

## Advocacy Agenda

**Meeting: Board of Directors**

**Meeting Date: July 18, 2024**

<b>INFORMATION TYPE</b>
Other
<b>RECOMMENDED ACTION(S)</b>
CEO seeing final feedback from board.
<b>ISSUE SUMMARY</b>
<p>The Board was presented with the first draft of the advocacy agenda during the June board meeting and asked to provide feedback by July 10<sup>th</sup>.</p> <p>Thank you to the board for providing feedback on the advocacy agenda that was presented at the board meeting. After reviewing feedback, a few language and cosmetic changes were made to the advocacy agenda table and roles document.</p> <p><u>The CEO is seeking final feedback from the board on the advocacy agenda.</u></p>
<b>BACKGROUND</b>
<p>As fully outlined in the attachments, TheRide advocacy agenda/platform four key areas, each with numerous sub goals and an evolving set of tactics. Examples include:</p> <ol style="list-style-type: none"> <li><b>1. Funding</b> <ul style="list-style-type: none"> <li>• Secure voter approval for future millages.</li> <li>• Expand state operating support and funding for major projects via the Michigan Public Transit Association.</li> <li>• Expand federal funding through the American Public Transit Association, etc.</li> <li>• Support federal and state grant applications through education.</li> </ul> </li> <li><b>2. Major Projects/Policy Initiatives</b> <ul style="list-style-type: none"> <li>• Help secure land/rights-of-way for future bus terminals (YTC &amp; BTC), garages, and bus lanes.</li> <li>• Support regional and multi-agency projects and initiatives by cultivating partnerships.</li> </ul> </li> <li><b>3. Transit-Supportive Outside Policies</b> <ul style="list-style-type: none"> <li>• Promote a Vehicle Miles Traveled (VMT) Tax to replace the gas tax.</li> <li>• Support higher vehicle registrations fees, toll roads, and eliminate financial incentives for cars.</li> <li>• Oppose policies that would be detrimental to transit, such as road widening, when appropriate.</li> <li>• Directly advocate for higher density development along high-frequency bus corridors.</li> </ul> </li> </ol>

#### 4. Deregulation

- Work towards speeding the delivery of public transit projects.

Finally, we should note that we are being very selective in setting goals and tactics. Staff proactively select objectives based on their contribution to the long-term achievement of the Board's strategic goals (Ends), as well as with ROI and risk assessments. TheRide will not take a position on every public matter. Staff will generally not recommend leveraging the agency's credibility to advocate for issues beyond the core mission of the agency or Board policy goals. Timelines are fluid.

*\*Advocacy is directed towards outside institutions, while PR is directed at the public, and marketing is directed at customers.*

#### **PRIOR RELEVANT BOARD ACTIONS & POLICIES**

Board has delegated Means such as advocacy to the CEO (policy 4.3.3) and safeguarded the agency's public image and credibility (policy 2.7.5).

#### **IMPACTS OF RECOMMENDED ACTION(S)**

- Budgetary/Fiscal: N/A or other
- Social: N/A or other
- Environmental: N/A or other
- Governance: N/A or other

#### **ALTERNATIVE OPTION(S)**

N/A

#### **ATTACHMENTS**

1. Advocacy Agenda/Platform Table (v.2)
2. Staff and Board Member Roles (v.2)



2024 Advocacy Agenda v.2

Opportunity	Outcome (Indicator)	Audience	Tactics	Timeframe	Board Member Roles
<b>1. Funding (Local, Regional, State, Federal)</b>					
<b>a. Maintain or Increase Local Funding via Millages</b>	- Public support & successful millage vote in 2027	- Local voters in member municipalities - Grassroots groups	- Deliver 2022 promises - Publicize successes - Expand PR activities ( social media, local events, etc) - Millage education campaign	2027 and every five years thereafter	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
	- Endorsements for millage	- Local elected leaders	- Highlight community needs and benefits - Demonstrate commitment to delivering results - Grassroots support	2027 and every five years thereafter	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
<b>b. Maintain and Expand State Funding for Transit</b>	- More funding (LBO, state budget) - Win competitive state grants	- Legislature, Governor, MDOT	- Work through trade association, MPTA - Direct AAATA advocacy - Educate elected officials, MDOT - Publicly or Privately support/oppose specific legislation	Every annual budget	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
<b>c. Maintain and Expand Federal Funding for Transit</b>	- Increase total amount of money for transit in Transportation Reauthorization Legislation, others bills	- Congress, Elected officials, Staff	- Work through federal trade associations: APTA, The Bus Coalition - Educate elected officials - Publicly or Privately support/oppose specific legislation	2026 and every five years thereafter	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
	- Political support for competitive federal grants, earmarks	- FTA, Congress, Elected officials, Staff, local officials and influencers	- Develop support for LRP projects (garage, BRT, ZEB, etc.) - Build local support (Councils, Reps, institutions, etc.) - Educate federal officials, FTA	Annually, as needed	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
<b>d. Encourage &amp; Champion Regional Plans and Initiatives</b>	- Develop support for multi-agency projects - Success tapping 'regional' grants (new funding)	- Nearby transit partners, State Administrators, local officials and influencers	- Champion multi-jurisdictional projects in the region. - Identify 'regional' projects and partners (e.g. PnR, BRT) - Building coalitions, joint applications - Publicly or Privately support/oppose specific proposals	Ongoing, annual grants	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
	- Influence RTA decisions	- RTA, Wastenaw-appointed Representatives	- Increased communication with Wash Co RTA reps - Suggest RTA replace commuter rail with bus service - Maintain TheRide's autonomy	Ongoing, RTA millage possible in even years.	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
<b>2. Major Projects</b>					
<b>a. Acquire Land and Right-of-Way for Transit Infrastructure</b>	- In Ann Arbor: Access to Y Lot for transit. One additional bus lane	- Ann Arbor Housing Commission, Ann Arbor City Council	- Engage in planning efforts - Provide some funding - Work with DDA for related 4th Ave bus bays	2024-2026	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
	- In Ypsilanti: Consolidate land for YTC. Acquire land from City of Ypsilanti	- City of Ypsilanti Council, Staff	- Engage in conversations and planning efforts - Public outreach and community feedback	2024-2025	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
	- Public/Political support for land for new garage (location TBD)	- Municipalities, FTA, MDOT, AAATA Staff	TBD	TBD	TBD
	- Public/Political support for bus lanes and other priority measures on Wash Ave for BRT	- MDOT, Ann Arbor, Ypsilanti, Ypsi Twp, Pittsfield Twp, Road Commission, Businesses	TBD	TBD	TBD
<b>b. Improve Quality of Transit Service (Faster, better OTP, less disruptions, etc)</b>	- Less disruptions from roadwork & detours - Public/Political support for local bus lanes & other transit-priority measures - Public/Political support for Bus-on-Shoulder freeway operations - Emergent Opportunities	- Ann Arbor City Council, Ann Arbor City staff, City of Ypsilanti Council, Staff, UM, MDOT	- Build relationships & coordinate with UM and other stakeholders - Partnerships and coalitions - See support from Ann Arbor Transportation Commission, councils, etc - Pilot projects, proof-of-concepts, etc. - Engage with road authorities in planning	Ongoing	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
<b>3. Transit Supportive Outside Policies</b>					
<b>a. Eliminate Financial Incentives for Cars</b>	- Replace gas taxes with VMT taxes (transit bus exemption) - Higher registration fees, toll roads, etc. - Less parking, more paid parking - No road widening only for capacity	- State Legislature, Congress, Municipalities, Staffs, Coalition partners	- Publicly or Privately support/oppose specific legislation - Create AAATA policy handouts for elected leaders, noting bus exemption for the VMT tax. - Support ongoing efforts at the state and federal level. - Educating elected officials, public (op-ed, LTE)	Ongoing	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
<b>b. Encourage Transit-Supportive Land Development</b>	- Pedestrian improvements throughout fixed-route service area - Higher densities, mixed-uses, less free parking along high-frequency bus corridors (Wash Ave, Plymouth, Huron, State, Main, Packard) - Enabling zoning and regulations. Actual development.	- The public, adjacent land owners/residents - Ann Arbor: Commissions, staff, Council - Ypsilanti City Council, Ypsi & Pittsfield Twps Boards of Trustees - DDA's, Road Commission, MDOT, Developers	- Develop recommended regulatory frameworks (education/ think tank) - Promote regulatory changes (eg infill, TOD zoning, etc) - Educate elected officials and staff - Publicly or Privately support/oppose specific proposals	Ongoing	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
<b>c. Improve Roadway/Infrastructure Planning</b>	- Public/Political support for bus lanes and priority measures - Favorable roadway/infrastructure plans (bus priority) - Reduce road construction impact, less delays for customers	- Municipalities, MDOT, Road Commission, RTA, SEMCOG	- Create AAATA guidelines (education) - Educate elected officials and staff - Publicly or Privately support/oppose specific proposals - Speak at public meetings in favor	Ongoing	- Strategy/Feedback - Designated Agent - Spontaneous/Personal
<b>4. Deregulation (aka Permitting Reform)</b>					
<b>a. Remove Burdensome Requirements</b>	- Lower costs, faster project delivery - For example, eliminate NEPA requirements for bus pads	- State legislature, Congress	- Educate elected leaders, proponents - Building stakeholder coalitions - Publicly or Privately support/oppose specific proposals	Ongoing	- Strategy/Feedback - Designated Agent - Spontaneous/Personal

## Attachment 2: Agency Advocacy and Individual Board Members

An effective, large-scale advocacy program must be well-organized and consistent. As the CEO and staff build an institutional-scale advocacy/PR program, they will<sup>1</sup> control outgoing messaging to maximize its impact and minimize chances for distractions. The agency cannot go off-message or appear to send mixed signals. This is especially true for projects that require long incubation periods, such as infrastructure investments. The need for consistency means that *everyone* speaking for the agency must be saying roughly the same things, and individuals may not always be able to express their personal opinion.

We also want to trial an approach to incorporating board members to help advance the agency's agenda, while remaining in compliance with Policy Governance and not inadvertently blurring board/CEO roles.

### Proposed Approach

We see three levels of personal involvement board members could have:

1. **Provide Feedback on Goals & Tactics** – As with other operational plans, the CEO and staff are responsible for developing and implementing an advocacy agenda, also called a platform. This includes identifying goals and suitable tactics. This plan must advance the Board's strategic goals (Ends) and comply with all Executive Limitations policies.

As with similar plans, the CEO would like to ask for advice from the Board and individual board members. This will formally occur once a year during board meetings. The CEO is open to advice throughout the year. The CEO has authority to finalize the annual platform and agenda.

Beyond discussion regarding the platform, there are two additional ways board members can help to implement the agenda if they are so inclined:

2. **Appointed Spokesperson** –While the CEO and Manager of PACE are the official spokespeople, sometimes having a board member participating or taking a lead role is advantageous. Staff will watch for these opportunities and will ask appropriate board members if they would like to participate. Examples for possible roles could include:
  - Speaking at city council meetings (typically as introducers and board reps, not subject matter experts)
  - Traveling to DC or Lansing for meetings with elected representatives
  - Speakers' bureaus
  - Attestations/Quotes in published material

These formal opportunities are prepared in advance and are more scripted. Staff will provide board members with preparation, speaking notes, etc, and will usually attend the event with the member.

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<sup>1</sup> Advocacy activities are an operational Means and are delegated to the CEO (policy 4.3.3). Policy 2.7.5 requires the CEO not to endanger the agency's public image or credibility. Otherwise, there are no requirements for, or limitations on, advocacy.

3. **Spontaneous and/or Personal** - Some board members may wish to contribute to advancing the agenda in a more personal and/or spontaneous manner. This can help reach key audiences and could include self-identified opportunities like:

- Speaking at public comment periods, meetings, social engagements, or engaging on-line while identifying themselves as AAATA Board member. (Members can say anything they like as a private individual).
- In private conversations, such as with community leaders or acquaintances.
- Helping to facilitate communications between staff and outside stakeholders.

These personal activities can help the agency when: members follow the agency's platform, avoid implying any commitments, add value, and communicate/coordinate with staff as appropriate. Individual members should always remember that they cannot speak for the Board or the CEO. They should work to ensure they understand the material enough to use it. They are encouraged to ask staff for assistance/support.

Individuals using this approach should remember that staff are building a new, larger PR function, and board members are only one piece. Our collective goal is to create an effective advocacy program, not personal fulfillment. We cannot have staff and board members inadvertently undermining each other due to lack of coordination, and the CEO remains the ultimate authority. To reduce the risk of working at cross purposes, we ask members not to deviate from the official platform or start organized groups or campaigns. We also ask them to try to avoid speaking to the media (as certain staff are trained and designated as media reps and official spokespeople). It is incumbent on members to let staff know their plans and intentions.

With the Board linking with Owners at the same time staff is conducting advocacy work, we will certainly be speaking with many of the same people. They will not neatly separate their comments into Owners values and comments on operational Means. It will be up to us to share the information appropriate to our respective roles, so that both groups are successful.

If successful, this approach can increase the number of informed agents acting to successfully advance the agency's agenda. Advocating comes with the risks of a higher public profile, and Board members are not required to participate. By outlining roles and expectations, we hope this approach gives members more confidence to know how they can assist in these matters.



## CEO Report

**Meeting: Board of Directors**

**Meeting Date: July 18, 2024**

### INFORMATION TYPE

Other

### LONG-RANGE PLAN STATUS UPDATES

#### **ZERO EMISSIONS BUS PROPULSION**

AAATA won our Low-No Grant Application and was awarded \$25 million from the FTA. On July 9<sup>th</sup>, Acting Administrator Veronica Vanterpool visited TheRide HQ to present a check. A successful event was held in TheRide’s fleet garage, featuring many elected officials and stakeholders, as well as AAATA employees.



#### **YPSILANTI TRANSIT CENTER PLANNING**

Based on public / stakeholder feedback received in April and May, the design team refined and short-listed two site concepts for final evaluation. During the evaluation process, the project team including staff members from the City of Ypsilanti and TheRide as well as the consulting team held multiple meetings to identify and discuss the benefits and challenges of the short-listed options and selected the preferred site concept based on a set of evaluation criteria. The details of the recommended site concept will be presented to the Ypsilanti City Council on July 16th and the AAATA Board of Directors on July 18th.

#### **BLAKE TRANSIT CENTER EXPANSION**

TheRide continues to work with the Ann Arbor Housing Commission and City staff on the joint development of the old Y-Lot site adjacent to the BTC. The Housing Commission completed contract negotiations and selected Related Midwest to co-develop this site, with the goal of making more substantial progress on the project starting in July. A separate study led by the

DDA to redesign 4th Avenue from Liberty St. to William St. is ongoing. TheRide will ensure that various stakeholders, including drivers, customers, and other staff, among others, have continuing opportunities to provide input.

### **US-23 / WASHTENAW MDOT STUDY**

TheRide continues working with MDOT to ensure that the redesign of the US-23 / Washtenaw interchange accommodates TheRide's long-term needs. TheRide staff and the MDOT project team met and discussed various design alternatives that allow enough room under the new bridge for dedicated bus lanes along Washtenaw Ave. This is our #1 priority from this opportunity. Thus far MDOT is very responsive, and we await the study's conclusion. A complementary study to create a new vision for upgrade on Washtenaw Ave from Carpenter Road east the EMU is also moving along and is incorporating transit elements. Both efforts are advancing elements of our long-range plan, TheRide2045. TheRide is publicly supporting both directions.

### **LEGISLATIVE UPDATE**

The Michigan House and Senate have both concluded for the summer, as incumbents and candidates are campaigning during an election year. The budget was passed at the end of June, and the LBO funding came up a little shorter than what the transportation community had hoped for during negotiations. The final goal was to reach \$261 million for transportation; the amount passed was \$246 million. This is still a \$40 million increase from what was initially proposed in Governor Whitmer's initial executive budget proposal. No innovation grants were included in the final budget. The SOAR package did not move, although there is a possibility it will be revisited in the fall when the legislators return.

## **OPERATIONAL UPDATES**

### **COMMUNITY EVENTS/ENGAGEMENT**

AAATA participated in the 4<sup>th</sup> of July Parades in both Ann Arbor and Ypsilanti. AAATA had roughly 50 employees, board members and families volunteer to walk in the parade and hand out candy and swag to attendees.



AAATA is partnering with the Ann Arbor District Library and the Ypsilanti District Library "Summer Games" program. Riders with a valid library card may ride on AAATA's fixed route service every Saturday and Sunday from June 15-August 25<sup>th</sup>.

The GetDowntown Commuter Challenge concluded, with nearly 10,000 trips logged, 91,000 miles traveled and over 77,000 pounds of greenhouse gas emissions were saved.

The winning teams were:

- 2-20 employees: Michigan Association of Planning
- 21-49 employees: Workantile
- 50-100 employees: Mathematical Reviews
- 101+ employees: U-M School of Public Health Epidemiology Department

### **THRONE PLACEMENT**

The Throne portable bathroom was successfully placed at the YTC in June, as an additional restroom for AAATA staff.



### **STOPGAP BUS REPLACEMENT**

TheRide is currently working on a mutual cancellation agreement with NovaBus. The remainder of the contract has been awarded to Gillig, a prominent manufacturer. Delivery of the new buses is anticipated by the end of the calendar year. These buses are not part of the ZEB or Low-No discussions.

### **JACKSON AREA BUS TRANSFER**

AAATA was approached by the Jackson Area Transportation Authority, requesting any additional buses that AAATA may be able to give them. Our fleet department had three buses being prepared for disposal and are working through the FTA process to transfer ownership to Jackson.

### **DISASTER SIMULATION**

AAATA will have a disaster simulation on the evening of August 3 (8:30-9:30pm) to test IT infrastructure improvements. This event will simulate an Internet outage that impacts the Dawn Gabay Operations Center.

### **LOCAL ADVISORY COMMITTEE (LAC)**

The June LAC meeting took place on June 25th, where increased LAC membership was discussed, and a recruitment plan was approved that is expected to go live in late July. Most of the meeting was spent focused on how the LAC can provide feedback to the Board on Ends reports.

### **ANN ARBOR CITY COUNCIL**

CEO Matt CEO Matt Carpenter presented to the Ann Arbor City Council on June 18<sup>th</sup>, providing ZEB updates (unknown at that time) as well as upcoming service expansion.

### **TRANSPORTATION COMMISSION (ANN ARBOR)**

The Commission met on June 6<sup>th</sup>. Due to a scheduling error staff did not attend.

### **WATS POLICY COMMITTEE UPDATE**

The May 2024 WATS Policy Committee meeting was held on June 12<sup>th</sup>, where the budget and the 2050 Long Range Transportation Plan were discussed.

### **EMPLOYEE ENGAGEMENT/HIGHLIGHTS**

July 40-year anniversary: Al Smith (celebration taking place on 7/31)

July 25-year anniversary: Richard Gore

July 10-year anniversary: MCO Tony Armstrong, MCO Audrey Murria, Ryan Gore

July 5-year anniversary: MCO Tonya Pitts, MCO Christenia Matuszweski, MCO Merrick Kreer

The current MCO Training class will graduate on July 12<sup>th</sup>, with the next MCO class beginning on August 13<sup>th</sup> and August 27<sup>th</sup>.

### **EXECUTION OF CONTRACT OVER \$250K**

On June 20, 2024, The Board of Directors authorized the CEO to execute a new contract for General Architectural and Engineering Services. On June 26, 2024, the CEO executed a contract with Progressive AE to provide General Architectural and Engineering Services. The estimated value for the full seven years (two-year contract with five one-year renewal options), if all option years are exercised is \$850,000.

# Ypsilanti Transit Center Reconstruction

## Project Update

Board of Directors  
Ann Arbor Area Transportation Authority  
July 18, 2024



# Agenda

- Progress Update
- Site Concept Recommendation
- Next Steps



# Progress Update

# Major Work Completed

- 2018 Passenger Terminal Needs Assessment
- November 2023 Kick-off
- Collaboration with FTA
- Validation of 2018 study
- Site Concept Development
- April-May 2024 Public & Stakeholder Engagement





# Site Concept Recommendation

# Site Concept Selection Process

- Developed many concepts based on 2018 work and early feedback/validation work
- Evaluated those and chose 3 for engagement (A, B, C) with wider audience



# Site Concept Selection Process

- Based on engagement, developed Concept B.1
- Repeated evaluation process





# Concept B.1 - Recommended

Note: Building designs shown are for illustration purposes only.



# Concept B.1 - Recommended

- Highlights:
  - Large footprint for building and platform area
  - Space for multimodal options
  - Maximizes bus bays on platform
  - No demolition of buildings/property along Washington St



Note: Building designs shown are for illustration purposes only.

# Concept B.1 - Recommended

- Highlights:
  - Area for parking
  - Development potential
    - Activates SE corner at Pearl and Washington St as soon as built
    - Brings activity towards commercial streets
    - Parking lot for future development
    - Thoughtful integration of existing commercial buildings



# Concept B.1 - Recommended

- Tradeoffs:
  - Existing facility demolished
  - Increased complexity during construction
  - Development potential



Note: Building designs shown are for illustration purposes only.



# Concept B.1 - Recommended

Note: Building designs shown are for illustration purposes only.

# Next Steps

# Next Steps

- Continue environmental review
- Finalize site concept and develop schematics
- Next round of public engagement in fall/winter 2024-2025
- Move into the next phase spring 2025



# Questions

# Draft Budget Preview

## FY2025 Operating & Capital Budget

Dina Reed  
Deputy CEO, Finance and Administration  
[dreed@theride.org](mailto:dreed@theride.org)





# Agenda

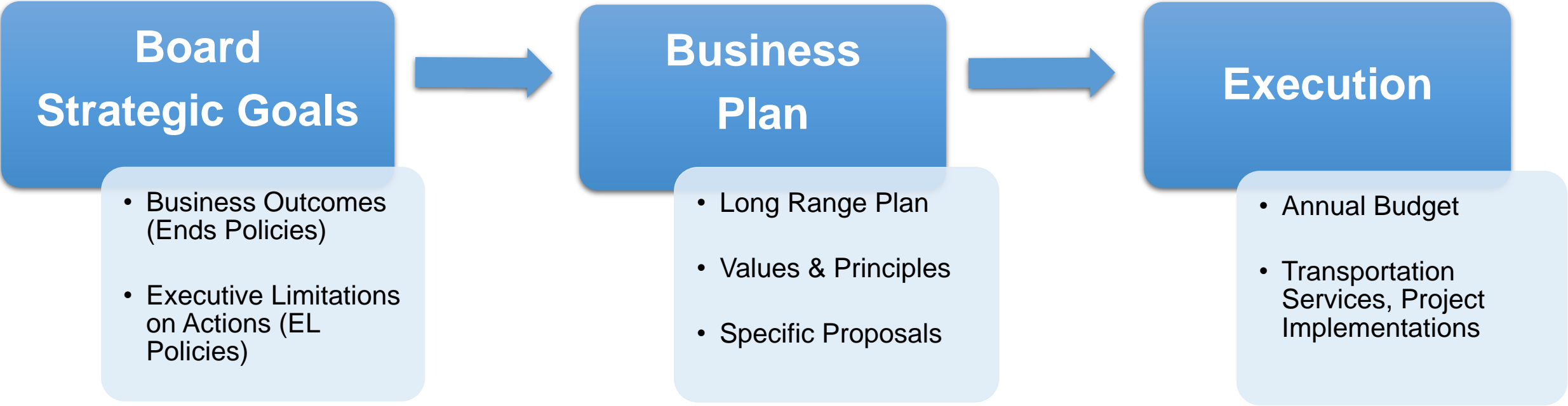
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- Budget Introduction
  - Budget Timeline
  - Alignment with Board's Ends
  - Budget Highlights
- FY 2025 Operating and Capital Draft Budget Previews
  - FY2025 Operating Budget
  - Operating Budget Key Assumptions
  - FY2025 Capital Budget Introduction
  - Conclusions

# FY 2025 Operating and Capital Draft Budget Preview



# Advancing the Board's Ends through Alignment



# The Budget is Aligned with Business Plan Priorities

The Corporate Business Plan provides an opportunity for the Board, staff, and the public to have a dialogue about *priorities* before a budget to fund projects is developed.

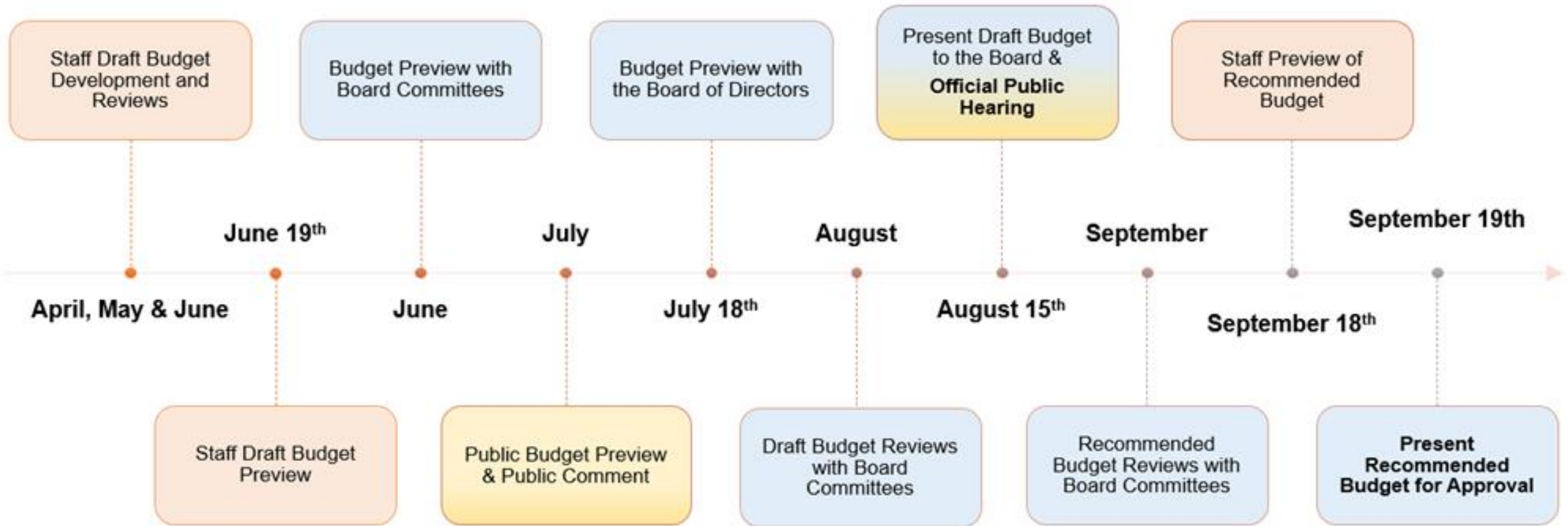


Attract New Riders and Increase Ridership

Excellence in Service Delivery

Continuous Improvement

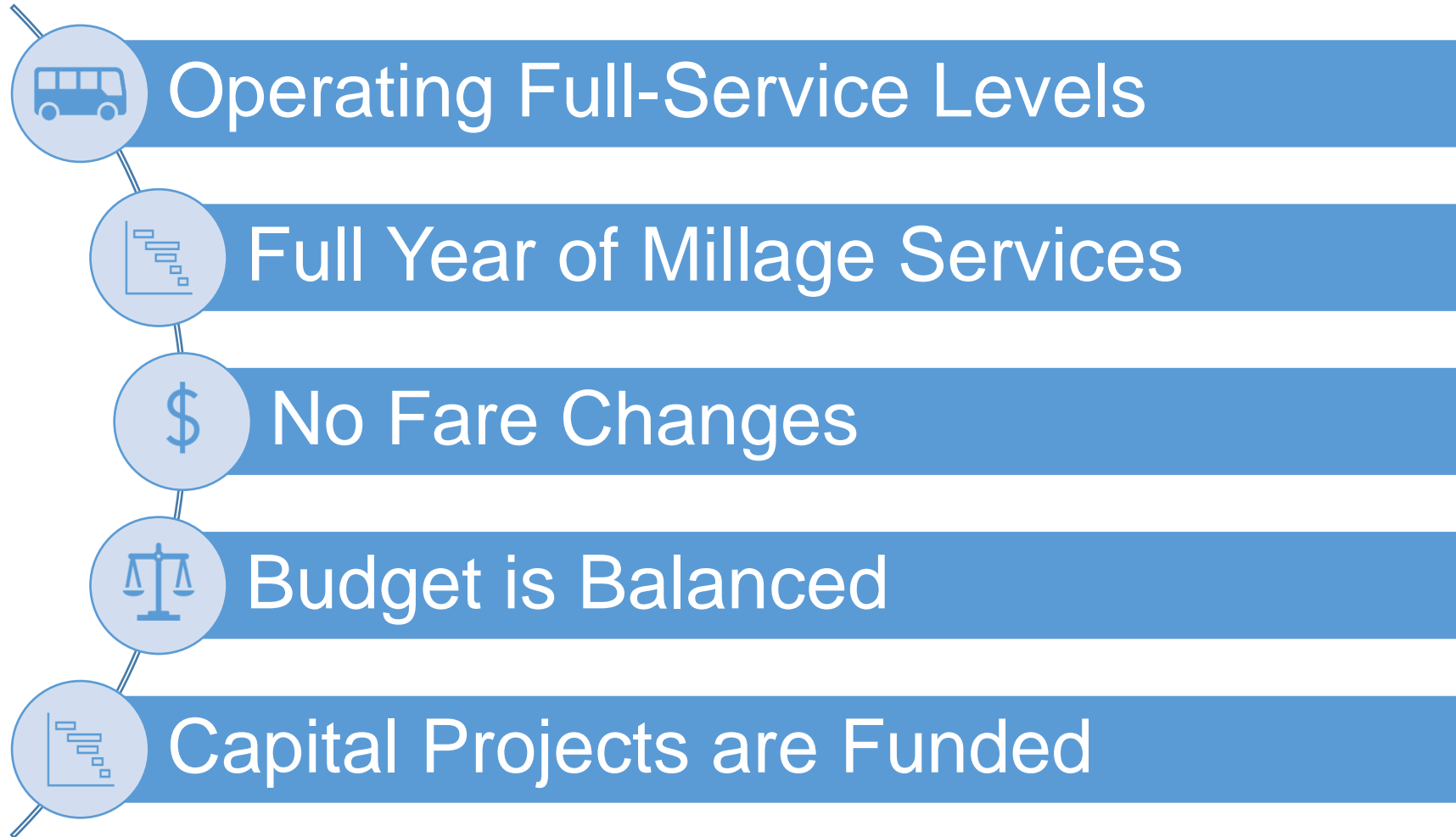
# FY2025 Budget Timeline



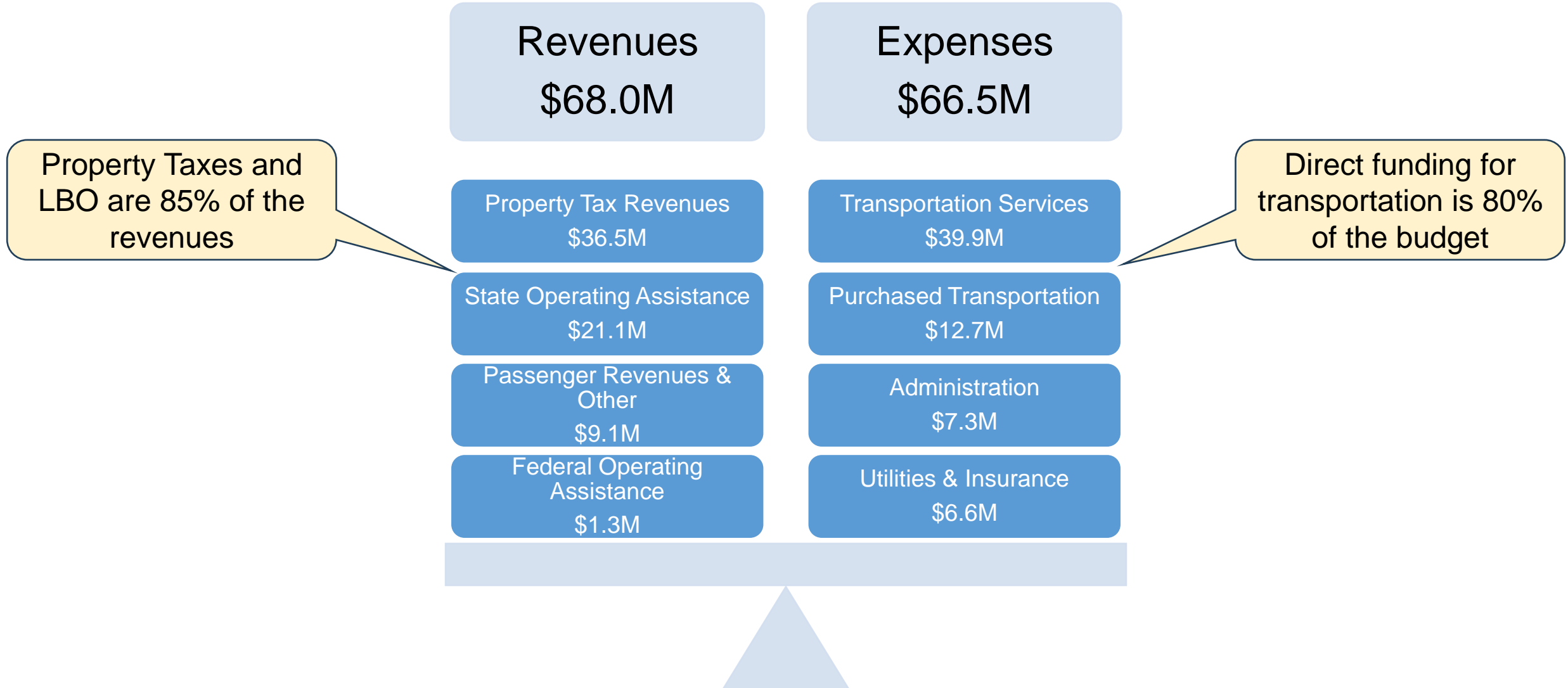
# FY 2025 Operating Budget

# Draft Budget Preview Summary

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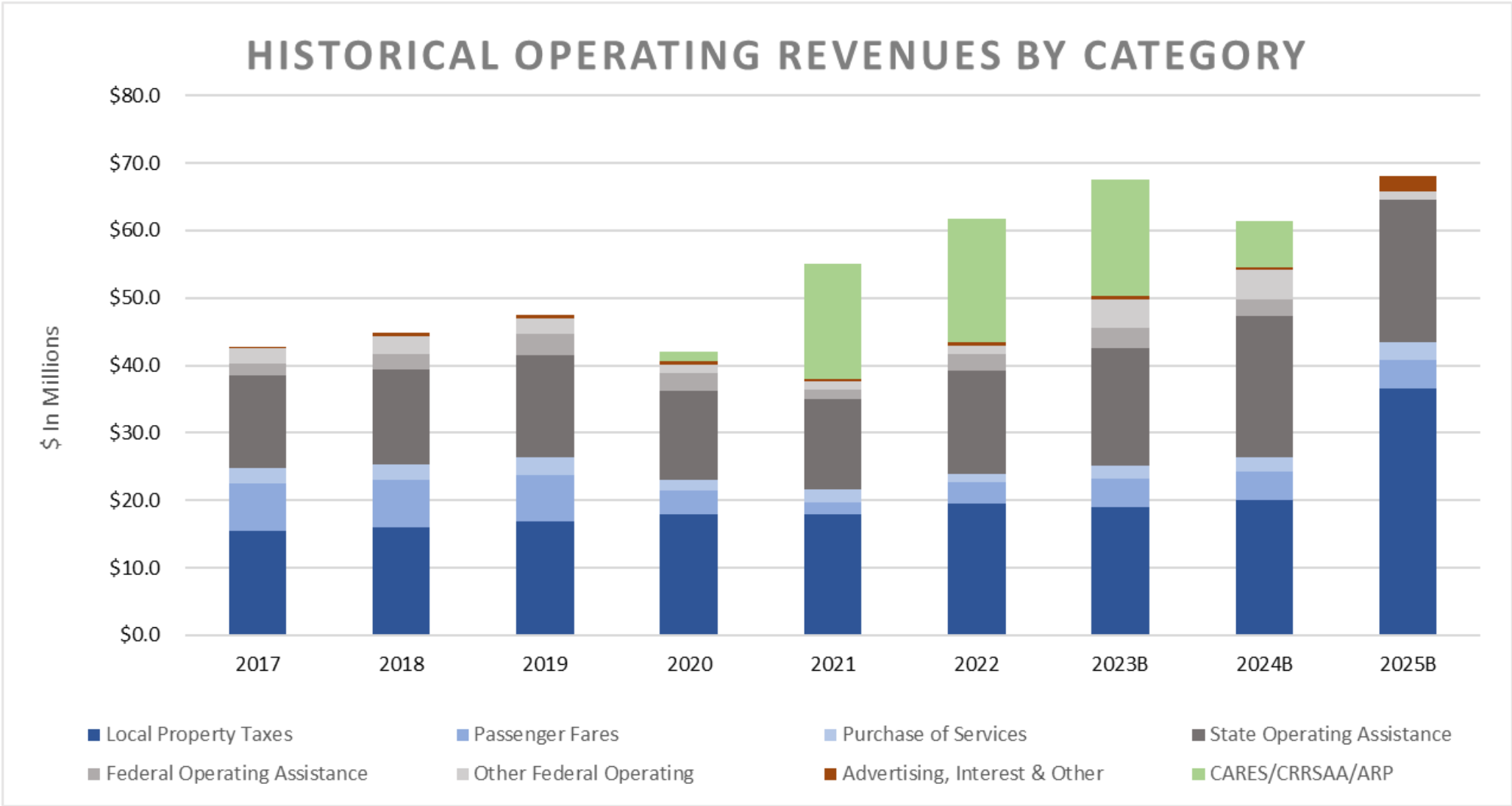


# The FY2025 Operating Budget is Balanced



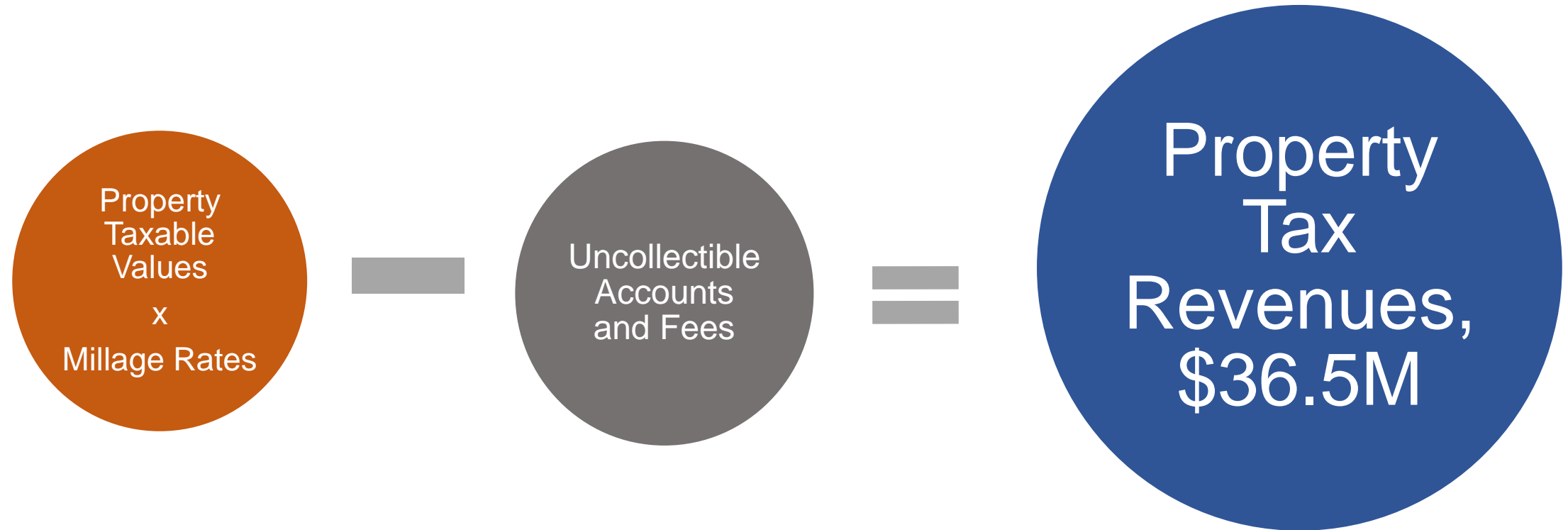


# Primary Revenue Sources Have Shifted

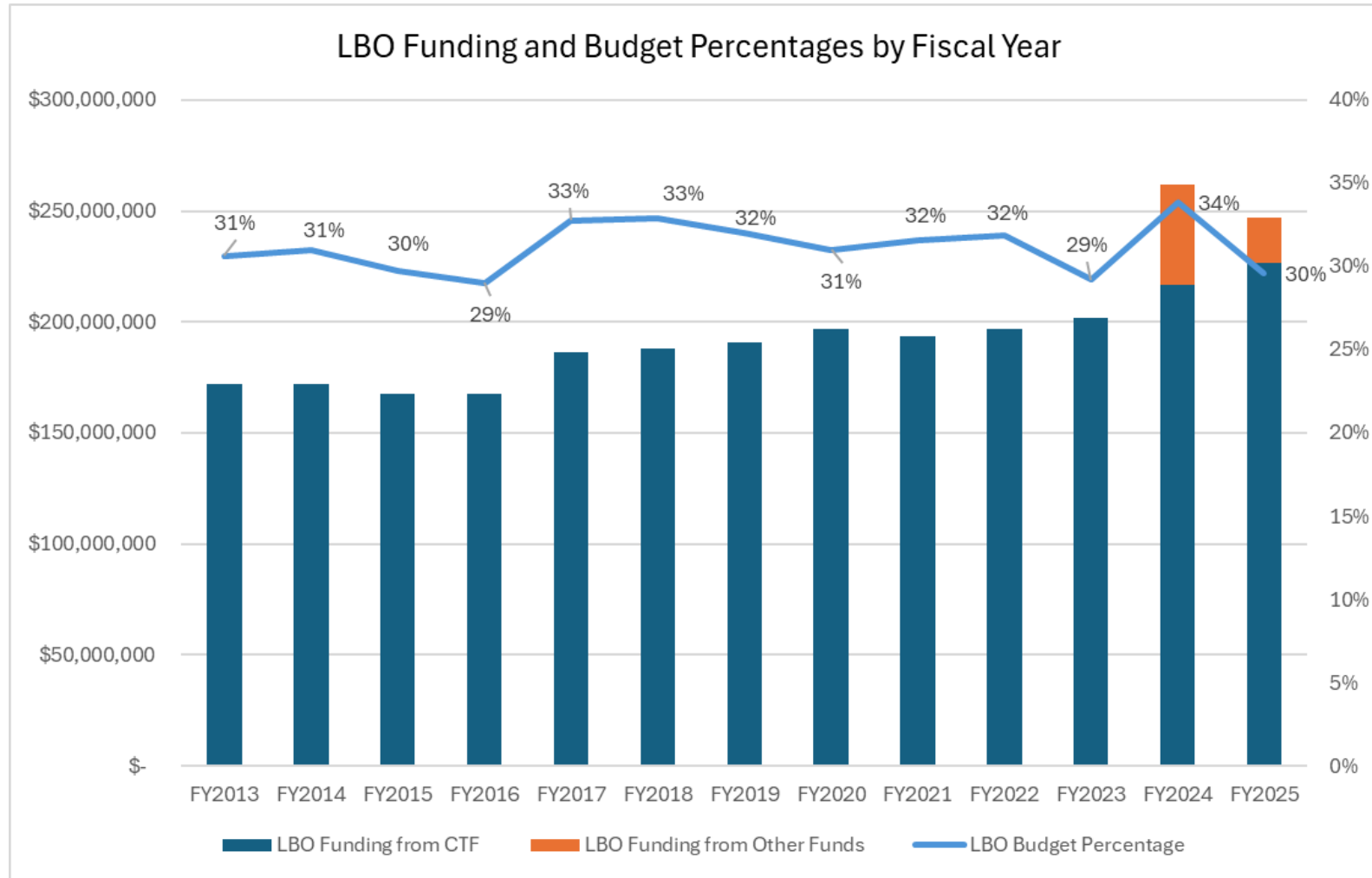


# Property Tax Revenue Assumptions

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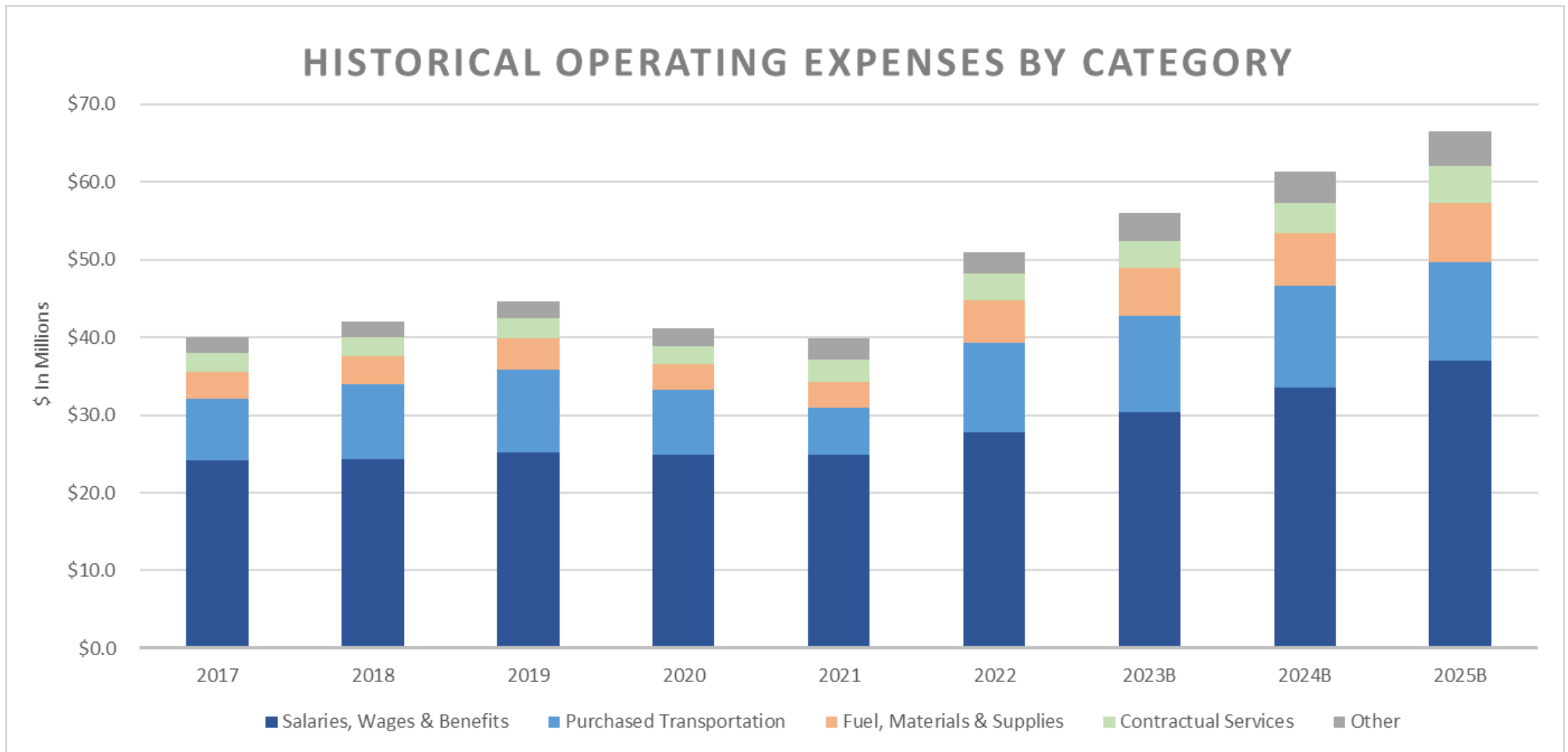


# LBO Funding is ~30% of Operating Budget

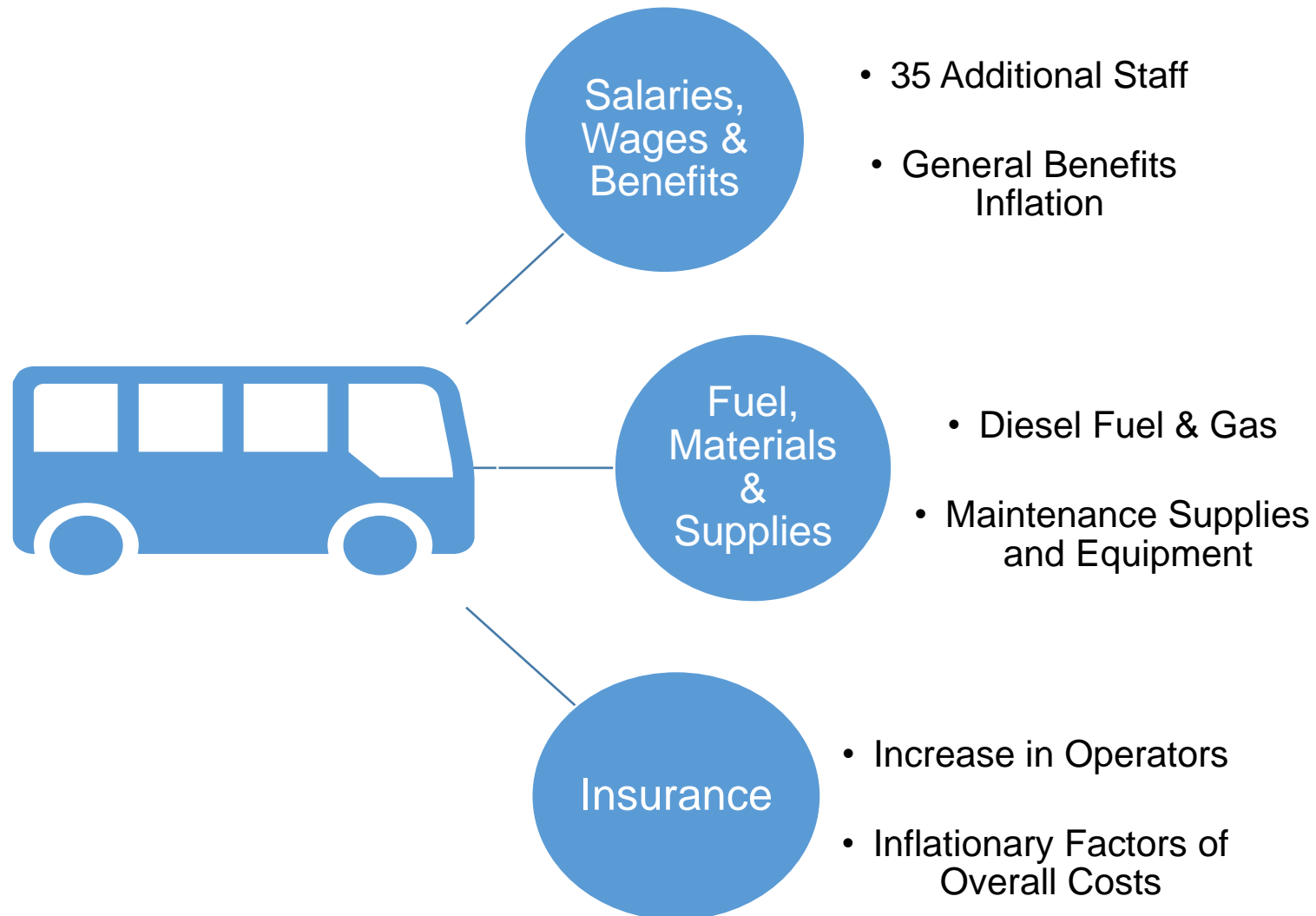


Note: LBO = Linehaul Bus Operating; CTF = Comprehensive Transportation Fund

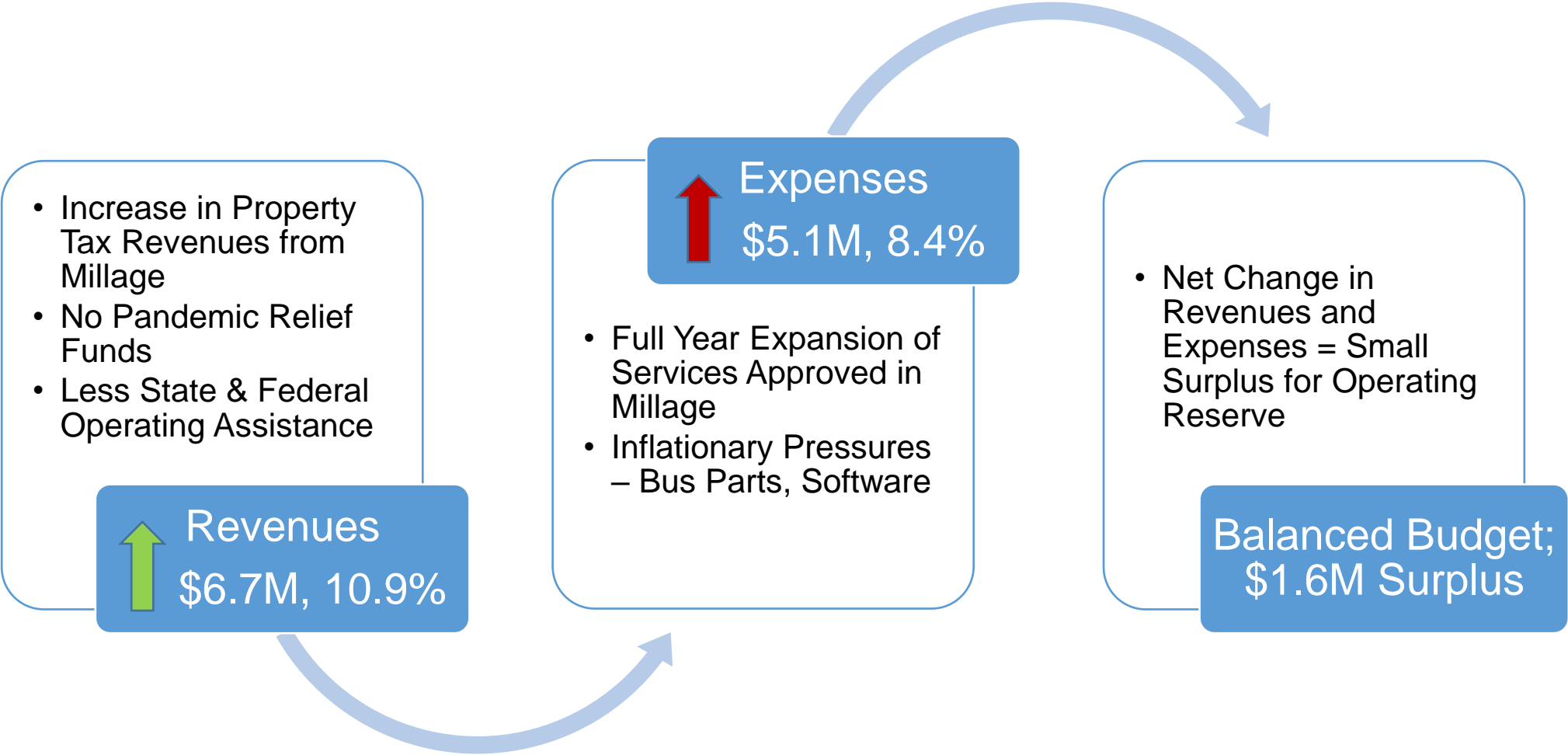
# Service Enhancements Increase Expenses



# Full Year Impact of Millage Services in the Budget



# Key Changes in the FY2025 Operating Budget



# Budget Opportunities and Risks

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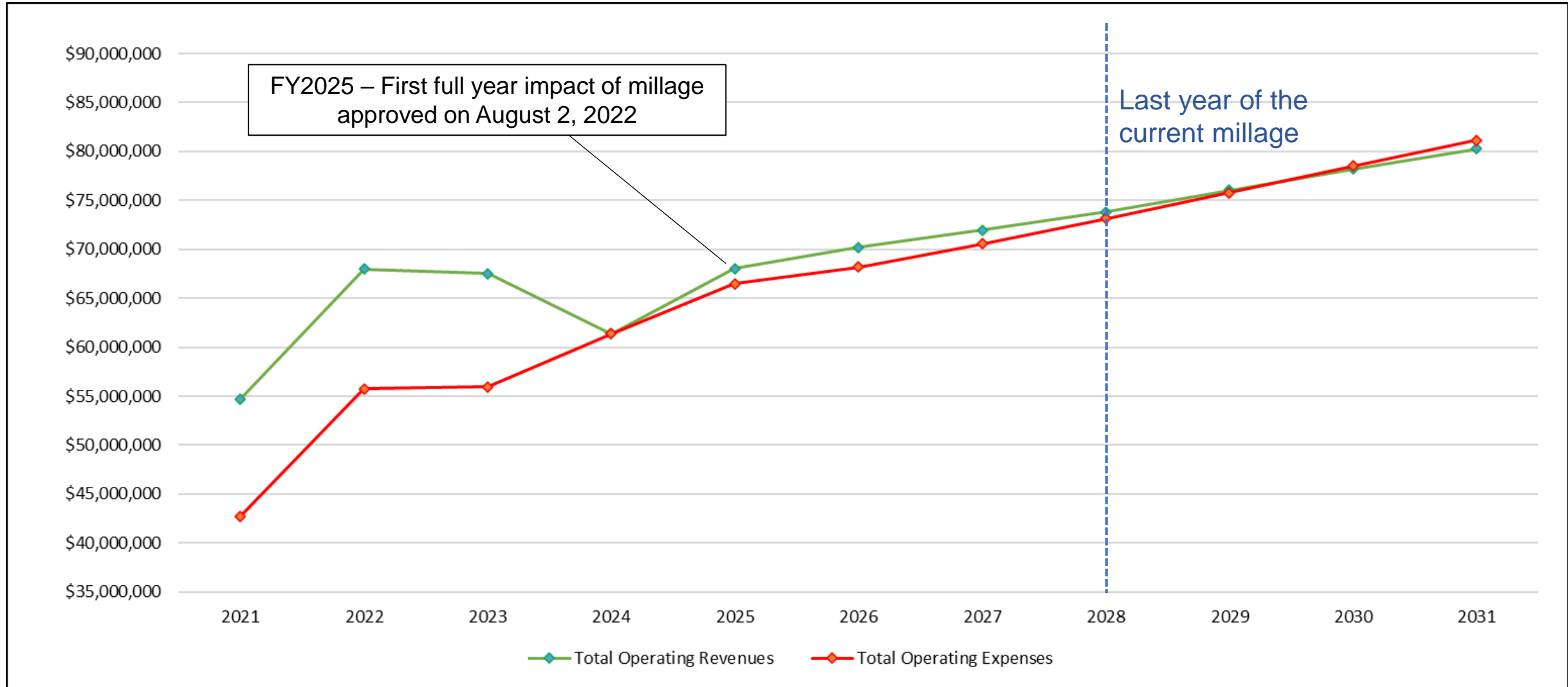
## Opportunities

- Continuing Service to Communities
- Executing on the LRP
- Approved Millage through 2028
- Funded Reserves, No Debt

## Risks

- Actual Costs to Operate Services
- Cost Inflation – Capital Impact
- Federal Funding for Capital
- Presidential Election Year

# Financial Outlook is Stable





# FY 2025 Capital Budget Introduction

# Capital Budget Programs and Funding

## FY2025 Capital Programs



State of Good Repair  
74.3%



Value Added  
12.5%

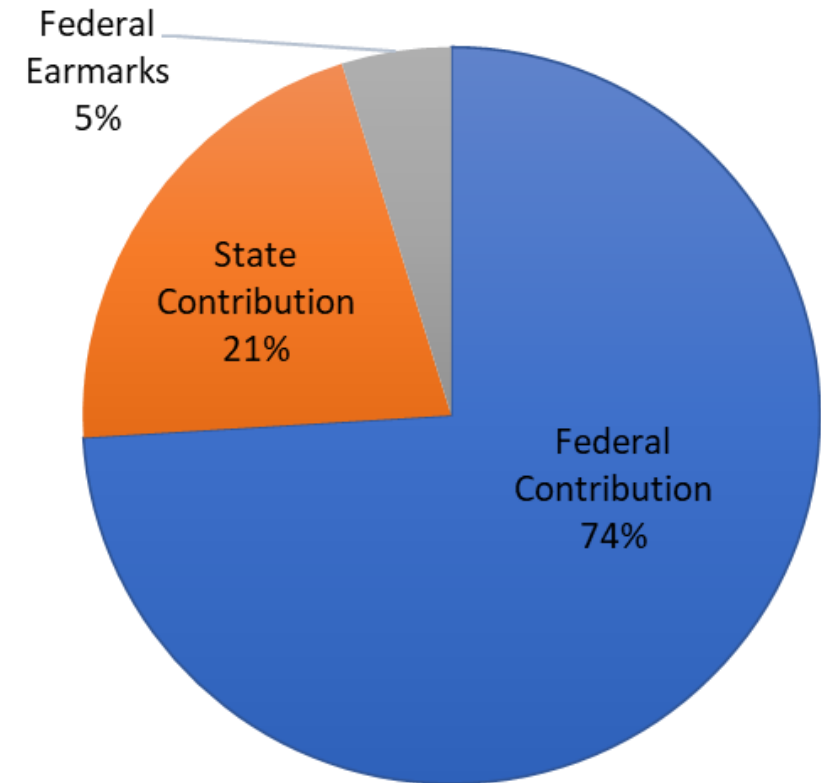


Expansion of Services  
13.1%








Research & Development  
0.1%

## Estimated FY2025 Budget Funding Sources



# Draft Budget Preview Summary

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-  Operating Full-Service Levels
-  Full Year of Millage Services
-  No Fare Changes
-  Budget is Balanced
-  Capital Projects are Funded

# Thank You

## Questions/Discussion

For Additional Questions, please contact:

Dina Reed  
Deputy CEO, Finance and Administration  
[dreed@theride.org](mailto:dreed@theride.org)



## CEO EMPLOYMENT AGREEMENT

**Meeting: Board of Director’s Meeting**

**Meeting Date: July 18, 2024**

<b>INFORMATION TYPE</b>
Information, Decision Preparation
<b>RECOMMENDED ACTION(S)</b>
That the Board approve the Governance Committee entering into Employment Agreement discussions to renew Mr. Carpenter’s CEO Agreement which expires May 31, 2025.
<b>BACKGROUND</b>
By policy, the Board of Director’s has assigned itself the responsibility to maintain a contract with the CEO. Mr. Carpenter’s first employment Agreement was entered into contract in 2015 and a successful contract renewal occurred in 2020.
<b>PRIOR RELEVANT BOARD ACTIONS &amp; POLICIES</b>
<ul style="list-style-type: none"> <li>• Successful 5-year Employment Agreement completed in Spring of 2020.</li> <li>• <b><u>Policy 3.2 BOARD JOB DESCRIPTION</u></b> Specific job outputs of the Board, as an informed agent of the ownership, are those that ensure appropriate organizational performance. Accordingly, the Board has direct responsibility for:</li> <li>• <b><u>Policy 3.2.8</u></b> A contract with the CEO that will stipulate compensation, benefits and other terms and conditions for the CEO.</li> <li>• <b><u>Policy 3.7.1 Governance Committee</u></b> c. CEO/Board relationship (annual evaluation, expenses, pay, etc.)</li> <li>• <b><u>Employment Agreement/Section IV Item 4.2</u></b> No less than ten (10) months prior to the expiration of this Agreement, the Board and Employee shall meet to begin discussing the renewal of this Agreement...</li> </ul>
<b>IMPACTS OF RECOMMENDED ACTION(S)</b>
<ul style="list-style-type: none"> <li>• Budgetary/Fiscal: Possible</li> <li>• Social: N/A or other</li> <li>• Environmental: N/A or other</li> <li>• Governance: The CEO is the Board’s only employee</li> </ul>