



Focusing on the Future

Corporate Business Plan

2020 (DRAFT)



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EXECUTIVE SUMMARY

TheRide, also referred to as the Ann Arbor Area Transportation Authority (AAATA), is excited to have had the opportunity to serve the community for the past 50 years. Since its inception in 1969, TheRide has been proud to provide fixed and flexible transportation services to the local communities at affordable prices.

The Corporate Business Plans Starts by outlining our approach to strategic business planning. It then describes the direction given to us by our Board of Directors and the general public. It provides several assessments of where we are today. Most of the document is concerned with the future and outlining the steps and initiatives TheRide will use to move toward the vision the community has given to us.

To help organize our work, the following three priority areas were identified:

- **Planning for the Future** - Working with our community and stakeholders to develop the next generation of public transit and mobility services.
- **Serving Customers** - Renewing our commitment to excellence in service delivery.
- **Modernizing TheRide** - Continuously searching within the organization for ways to improve

This document is an update of the 2019 Strategic Business Plan and builds on even earlier work. There are many additions to this year's plan, including addition stakeholder input, more analysis, and incorporation of recent work. Two main differences are the move towards the execution of terminal construction in Ypsilanti and the recognition of future financial challenges.

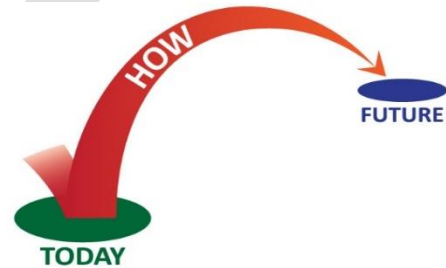


INTRODUCTION & APPROACH

The purpose of this Corporate Business Plan is to promote a shared understanding of how the Board's vision directs the work of the organization. And how the organization's initiatives strategically align to that vision.

Strategic planning has three main pieces: an envisioned future state, a sound understanding of the current situation, and a plan for how to get from the current state to the desired future state. Let's look at each piece separately.

1. **Envisioning a Future State:** Having consensus on a clear defined future gives TheRide a target to align its efforts, judge options, and measure progress. TheRide future state is a blend of the community, staff insight, and Board policies.



2. **Understanding Context:** A shared understanding of the current situation and context allows TheRide to take a steady aim at the targeted future. The CEO and staff are responsible for producing an initial assessment of the current situation. They then seek the Board's feedback to ensure this understanding is shared, and nothing important is missing.

3. **Tactics:** Tactics are "how" we will progress from our current state to the desired future state. A gap analysis identifies key drivers for change, outline specific initiatives to drive that change, implement the initiatives, and finally monitor and control key performance indicators. After the gap analysis, a strategic roadmap that begins at the current state with a timeline of initiatives leading to the desired state is then developed. This roadmap will provide a baseline for decision making and give clarity as to how resources will be prioritized at TheRide.

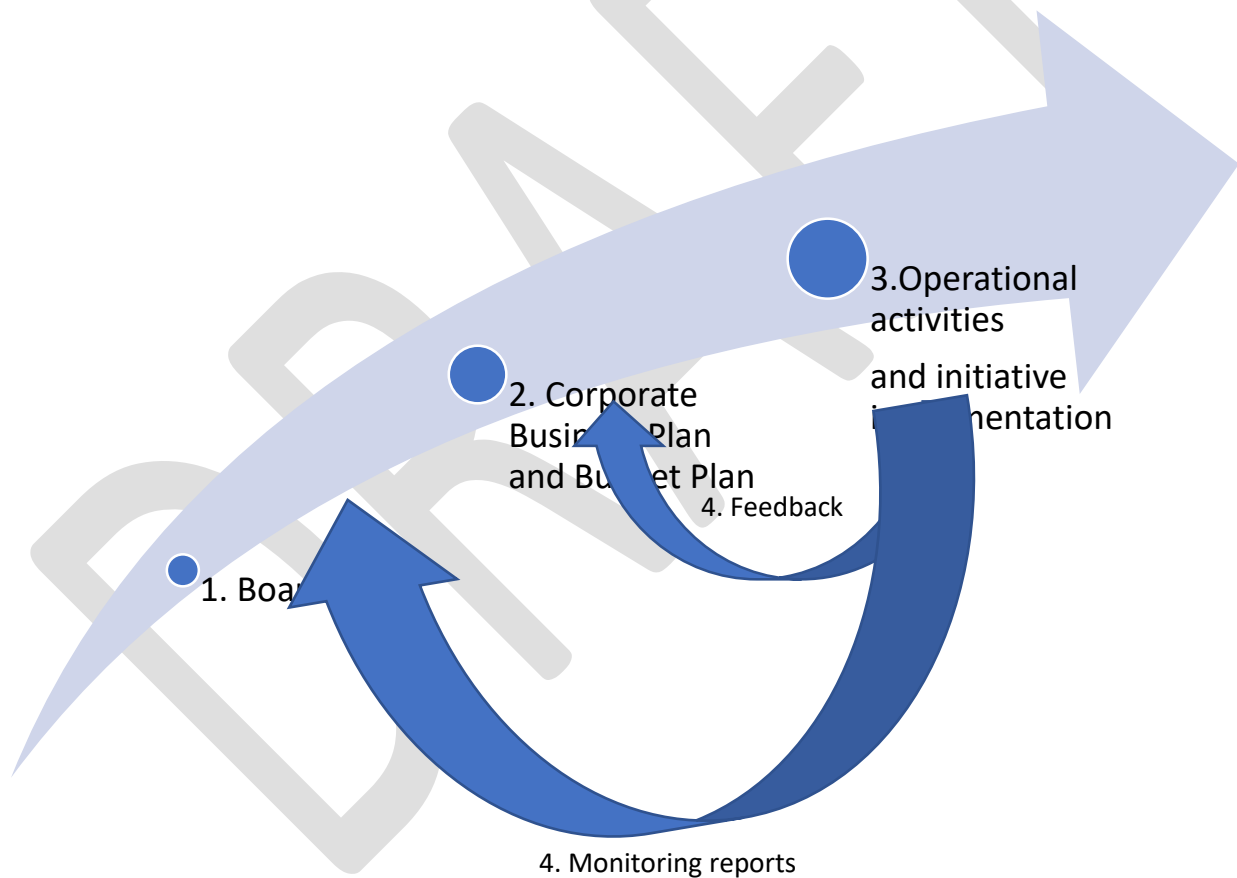


At each step, there is plenty of room for reasonable people to reasonably agree or disagree with each other. Ultimately, the Board holds the CEO accountable for achieving their vision, so the CEO is empowered to be the final decision-maker on the methods used.



At TheRide, we use this strategic planning approach to organize a rolling 5-year Corporate Business Plan. The corporate planning process uses a four-stage cycle as illustrated in the diagram below. At stage 1, the Board of Directors provide a high-level direction for the organization by describing desirable outcomes known as the Ends policies. In stage 2, the CEO collaborates with staff and other stakeholders to create initiatives that are in line with the Board's desired results. These initiatives are documented in the Corporate Business Plan and their budgetary needs outlined in that fiscal year's budget plan. Stage 3 involves the implementation of these projects and other ongoing operational activities. Throughout the year, the organization is open to feedback from external and internal stakeholders and is constantly monitoring itself to ensure compliance with the board's vision (Stage 4). Feedback received goes through a prioritization matrix to measure strategic alignment, feasibility, value-added, etc. That which is approved has its initiatives adopted into the business plan and the process repeats itself.

Figure 1: Corporate Planning Process



Stage 1: Establish the Direction.

AAATA reviews the overall direction developed by TheRide's **Board of Directors** and identifies priorities and initiatives for achieving those outcomes. **Public and stakeholder input** and pertinent **internal business processes** are also considered.

Board's Vision

The Board of Directors establishes the overall direction of the agency with a clear set of outcomes laying out *what* the agency is to achieve; for whom and at what cost (Ends policies). The Board sets a vision by identifying the **results (outcomes)** the agency is required to achieve. Additional policies empower and limit *how* the CEO and staff can pursue those outcomes (Executive Limitations policies). Having a single Board-approved vision means there is only one set of hands on the organizational steering wheel. The Board's steering wheel is their Board Policy Manual, a document containing all the Board's directions to the Authority. This Manual is available on TheRide's website. The following are the Board's current outcome statements (Ends Policies):

1. *AAATA exists to provide access to destinations throughout the Ann Arbor-Ypsilanti Area for increasing numbers of residents, workers and visitors via transportation options that contribute to the Area's social, environmental and economic vitality at a cost that demonstrates value and efficient stewardship of resources.*
 - 1.1. *All residents of the Area can participate fully in society without a personal vehicle.*
 - 1.1.1. *People with low incomes can afford to travel in the Area.*
 - 1.1.2. *People, including those with disabilities or mobility impairments, seniors, minors, and non-English speakers, have equitable access to opportunities in the Area.*
 - 1.1.3. *People with access to a personal car find public transit to be an attractive alternative.*
 - 1.1.4. *Passengers are highly satisfied with public transportation services that are safe, reliable, courteous, comfortable, convenient, and fast.*
 - 1.2. *The Area's natural environment is enhanced.*
 - 1.2.1. *The Area's overall transportation system minimizes energy use and pollution.*
 - 1.2.2. *The Area's carbon footprint is reduced*
 - 1.2.3. *The Area's air is cleaner.*
 - 1.2.4. *The Area's natural resources are conserved.*
 - 1.2.5. *Land development can become more compact and walkable in part because of transportation options.*
 - 1.2.6. *Agency operations make efficient use of energy, water, materials, and other natural resources; and minimize waste.*
 - 1.3. *The Area prospers economically.*
 - 1.3.1. *Workers and students can access employment opportunities without need of a personal vehicle.*
 - 1.3.2. *Employers have access to a diverse labor pool.*
 - 1.3.3. *Visitors have access to the Area.*



- 1.3.4. The Area's economy grows despite limited parking and auto congestion.*
- 1.3.5. The Area is connected to the Metro Detroit region.*
- 1.3.6. Local leaders are aware of the contribution public transportation makes to the community.*
- 1.3.7. The Authority will remain economically viable in the long term.*

The Board has the right and duty to change the Ends policies whenever they see fit, thereby adjusting the strategic trajectory of TheRide. In May 2019 the Board met to refine the policies. While not yet finalized, this Corporate Business Plan is generally compatible with the existing and anticipated policies.

In addition, the Board has created Executive Limitations Policies, which guide the CEO by outlining practices that would be unacceptable. These limitations empower staff to use their professional judgement when pursuing the Board's stated outcomes through oversight and fiduciary control. One key benefit of this approach is greater speed in achieving the desired outcomes. Examples of key Executive Limitations policies include:

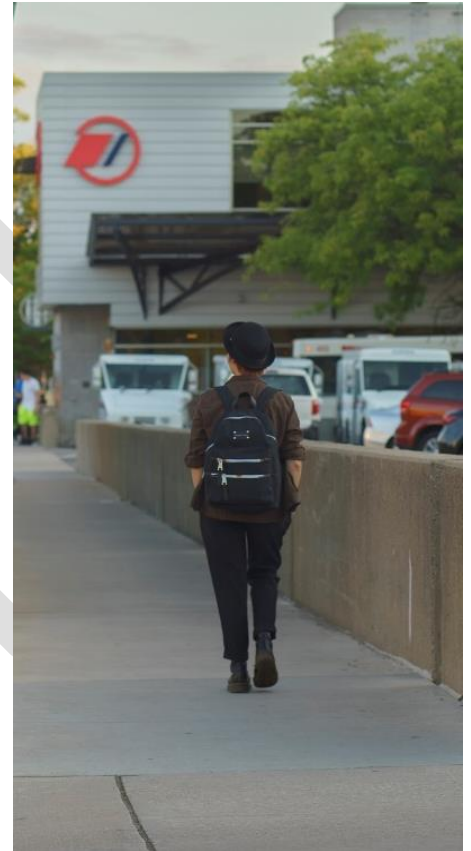
- Ensure passengers and customers are well treated.
- Ensure staff are well treated and that TheRide is an attractive employer.
- Ensure that the Board, riders and the public have opportunities to shape the agency's future direction.
- Ensure Transparency and Accountability.
- Maintain the financial health of the organization. Do not risk fiscal jeopardy.
- Maintain the assets of the organization in good condition.
- Compliance with all applicable laws. (Numerous other local, state and federal laws also enable and constraint what TheRide can do.)



Public & Stakeholder Input

TheRide welcomes and invites public and stakeholder feedback into any part of the decision-making processes (strategic planning, budgeting, operations planning, service delivery, etc.). There are four types of feedback that we are specifically looking for:

- **Outcome Feedback:** This is the highest-level feedback and deals with what impact TheRide creates, for who, and at what worth. Has the Board of Directors identified the correct outcomes that TheRide should be trying to produce? The Board uses this feedback to help develop policies and set the overall direction. Examples include goals that may be unaddressed, level of benefit, cost-effectiveness, or transparency. This feedback can be provided directly to the Board at any time. This can be done at monthly Board meetings or periodic Board outreach exercises. Emailed comments for the Board can be sent to the CEO (see next bullet for contact info). Comments can also be mailed to: Chair of the Board 2700 S. Industrial Hwy. Ann Arbor, MI 48104.
- **Business Plan Feedback:** Is TheRide organizing its work to achieve the outcomes identified by the Board? Are we contextualizing our situation properly? Are we making any erroneous assumptions? Are these projects and initiatives the ones you think we should be pursuing? Are the tools/services we are using the best way to achieve the Board's outcomes? This sort of feedback is best provided during the development of the Plan and can be provided any time directly to the CEO's office: (734) 794-1767 or mcarpenter@theride.org. Comments can also be
- **Planning Feedback:** TheRide takes feedback throughout the year on how services are designed and makes incremental improvements. New projects and initiatives typically have a public involvement process to solicit feedback. Electronic comments can be sent to TellUs@theride.org. Comments can also be mailed to: Deputy CEO of Planning 2700 S. Industrial Hwy. Ann Arbor, MI 48104.
- **Customer Feedback:** How well did we serve you as a rider? Is there something about how services were delivered that you'd like to see sustained or improved? Is there something that we could do better? Do you have suggestions for improvements to the services we provide or how we provide them? Examples include: my bus was late, the website was down, the terminal was dirty, etc. This sort of feedback should be provided to staff as soon as possible so the issue can be addressed quickly. We are also happy to accept commendations for great service. Electronic comments can be sent to (TellUs@theride.org). Comments can also be mailed to: Deputy CEO of Operations 2700 S. Industrial Hwy. Ann Arbor, MI 48104.



Interestingly, we often hear several types of feedback in a single conversation. We appreciate all the feedback the community provides, and we endeavor to use those observations to continuously improve.



Assessing Suggestions and Ideas

CEO and staff use a variety of tools to help assess, sort and prioritize potential courses of action. The categories include:

- **Organizational Alignment:** Does this idea help to advance the Board’s desired outcomes? Does it mesh with what we do, for whom and at what cost? Are we focusing our energy on future goals, or reacting and spreading ourselves too thin?
- **Roles:** Is the idea within TheRide’s legal mandate, or is it the responsibility of another group? Do we have direct control, or can we only influence others? Is this idea more appropriate for another organization? Is partnering a possibility?
- **Risks:** What risks does the idea bring with it, now or in the future? Are those risks acceptable?
- **Value and Affordability:** Is this a good use of limited funding or time (cost/benefit, ROI, etc.)? What trade-offs are implicit or not immediately obvious?
- **Capacity:** Does TheRide have the expertise or resources to pursue this idea now or in the future?
- **Sequence and Readiness:** How ready is the initiative to proceed? Do other steps logically need to come first? Is there a risk of proceeding too soon? What are the impacts of deferral? Is this urgent to us and our goals, or someone else?
- **Public Commitment:** Have we committed to this project publicly? Within what timeframe? Are other external stakeholders involved in the execution of this project and to what extent?

Stage 2: Developing the Corporate Business Plan & Budget

This Corporate Business Plan fulfills several requirements for good management required by the Board¹. For example, Board policies require that the Chief Executive Officer (CEO) create a multi-year strategic plan (Policy 2.4). The plan must align staff-work (2.4.2) to achieve the Board’s vision (1.0), contextualize decisions (2.4.2, 2.11.1.6.1), incorporate community input (2.10), provide a longer-term perspective (2.4.4), and ensure financial stability (2.4). TheRide’s approach to developing the Corporate Business Plan is described earlier in this document.

The CEO and staff then develop a recommended annual budget for funding implementation (Policy 2.4). The Board then discusses and approves an annual budget (Policy 3.2.7). Staff conducts a risk analysis to ensure that the financial needs of these initiatives do not lead to fiscal (Policy 2.5).

¹ The Board’s expectations are explicitly stated in the AAATA Board Policy Manual. Specific policies are cited by number (e.g. Policy 1.0, 2.2, or 2.11.1.6). The full Policy Manual is available on TheRide’s website.



Stage 3: Implementation

Funded projects are then implemented. The Board is kept aware of all material changes happening in the organization (Policy 2.11.1). Feedback from the public and other stakeholders concerning undergoing projects is always welcome and encouraged.

Stage 4: Performance Monitoring

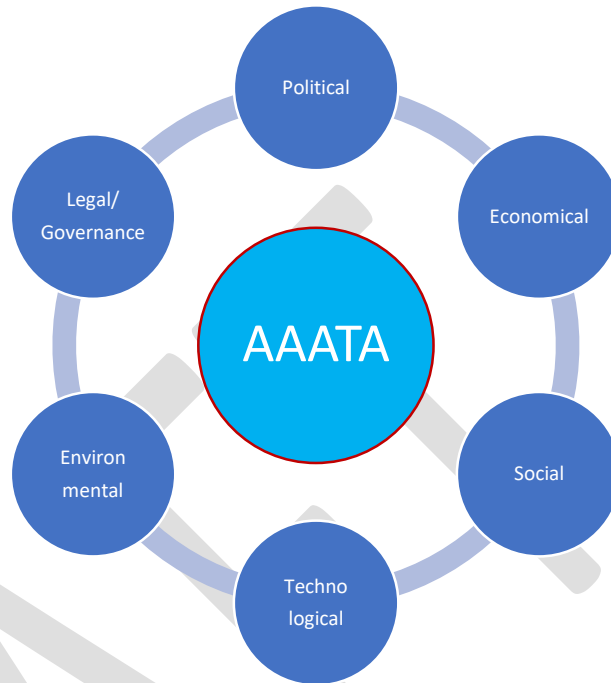
TheRide uses a two-tier method of monitoring progress and operational performance:

- **Monitoring Reports** – The Board requires that the CEO report on compliance with every Policy. These “Monitoring Reports” provide detailed interpretations of Board policies and evidence of compliance. These reports are provided at least annually and more frequently at the Board’s request. All these reports are available on TheRide’s website.
- **Operational Reports** – The CEO and staff provide a variety of detailed reports on specific aspects of TheRide’s internal workings. Quarterly financial reports provide information on the financial health of the authority. Quarterly service reports provide a growing range of performance measures about how well services are operating. Specific projects are discussed in public meetings and meetings with the Board and committees. These reports are also available on TheRide’s website.



Current Situation Analysis

To understand the current state of the organization, TheRide explored what's happening within our organization and around/outside it. A macro-analysis of the environment surrounding the organization was conducted to better understand how we are affected by politics, economics, societal trends, technological developments, governing rules and regulations, and the continued need to be environmentally conscious. Results are documented in a Political, Economic, Social, Technological, Legal/Governance and Environmental (PESTLE) analysis on the next page.



Opportunities



Next, TheRide conducted a second analysis geared to understanding how the organization works internally and how it interacts with its immediate environment. This analysis focused on the internal operations, customers and customer service, innovation, technology, human capital, information, organizational culture, competition, infrastructure, and technological advancements

The analysis was held in a series of workshops where staff discussed the organization's strengths, weaknesses, opportunities of advancement and challenges they face or are likely to face. The findings were gathered and tabulated in the Strength, Weakness, Opportunity and Threats/Challenges (SWOT) analysis table on page 13.



PESTLE Analysis

Besides seeking alignment of internal operational processes and initiatives to organizational goals and the Board’s vision, AAATA also interacts and responds to the changes outside the organization e.g. advancing technology, changing social dynamics and demographics, environmental consciousness and so on. Awareness and alignment to the external environment allows TheRide to plan realistically, while keeping up with emerging industry best practices and ensuring continued compliance to regulations and board governance.

Early in 2019, the Board and staff conducted a workshop facilitated by a governance coach in order to understand high level (macro) factors that affect the organization both positively and negatively in order to proactively plan for the future. The factors discussed ranged from having an effect on the organization in the past, present, intermediate and potentially in the future. The tabulation below shows the results based on political, economic, social, technological, legal/governance and environmental categories. This external environmental scanning exercise was important in understanding available opportunities and how and where to avoiding costly mistakes in the future.

Figure 2: Pestle Analysis

POLITICAL	ECONOMICAL	SOCIAL	TECHNOLOGICAL	LEGAL / GOVERNANCE	ENVIRONMENTAL
<ol style="list-style-type: none"> Shifting political polarization may affect the amount of funding the organization receives as goals/priorities change. How the Regional Transit Authority chooses to prioritize projects may affect 	<ol style="list-style-type: none"> Ann Arbor-Ypsi economy is growing <u>AAATA has limited financial resources to support growing demands.</u> Decreasing federal fund raising 	<ol style="list-style-type: none"> Increasing local population <u>Positive public image</u> Pro and anti-development cultures Declining millage support Aging population <u>The disparity in demographics and income in Ypsilanti vs. Ann Arbor</u> Urban congestion Union negotiations 	<ol style="list-style-type: none"> <u>Technological confusion/disruption (intermediate)</u> Future of transit technology unclear An increasing level of high skilled workers in the area How are we affected from a cybersecurity standpoint? 	<ol style="list-style-type: none"> AAATA surpasses the ADA compliance requirements AAATA must comply with Title VI by providing equitable accessibility options Through its governing policies- Ownership-Linkage, AAATA strives to collaborate with its owners to ensure the provision of the best services to the local residents. AAATA is currently compliant with laws and regulations governing the transit industry. 	<ol style="list-style-type: none"> Environmental pollution Climate change Ecological consciousness



SWOT Analysis

After understanding how our environment is likely to influence us on a macro level, staff took a deep dive into understanding internal strengths, weaknesses, additional opportunities and challenges that may have not been realized during the PESTLE analysis. Below are the results of the SWOT analysis.

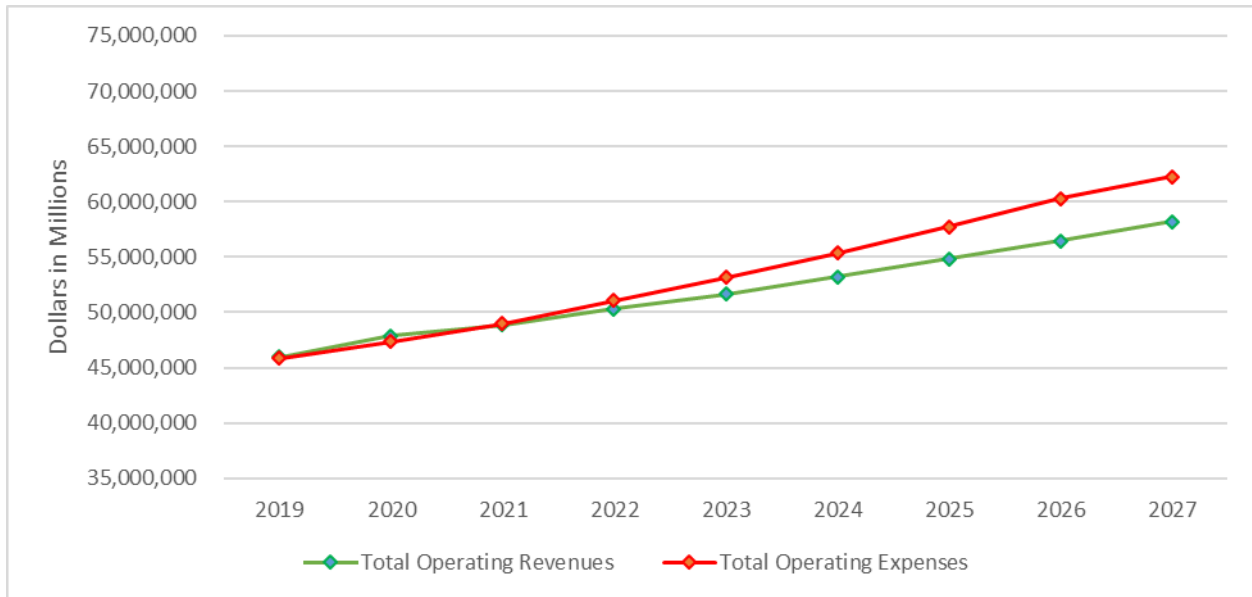
Figure 3: SWOT Analysis

	Positive	Negative
Internal	<p>Strengths & Capabilities</p> <ul style="list-style-type: none"> • <u>Strong credibility & support in the community.</u> <ul style="list-style-type: none"> - Strong relationships with partners. History of successful collaborations. - A tradition of excellence in service delivery and business decisions. High rider satisfaction. • Existing resources & assets in reasonable condition. <ul style="list-style-type: none"> - Relatively stable funding. Finances stable. - Physical assets and equipment are adequate and in fair shape. - A comprehensive array of multi-modal services allows us to serve many different needs. • Engaged Board and staff. <ul style="list-style-type: none"> - Strong commitment to the community, especially underserved populations. - Future-oriented and willing to innovate. - Rapidly modernizing internal processes, clarifying roles, and direction. - Willingness to listen & strive to improve. • Independent perspective. • Ecological conscious community 	<p>Weaknesses (Opportunities for Improvement)</p> <ul style="list-style-type: none"> • <u>Financial challenges on the horizon mean more emphasis on efficiency and productivity.</u> • Maintaining existing services/infrastructure consumes most funding. Little left to pursue new ideas. • A tendency to over-extend our limited capacity or lose focus by trying to pursue too many goals at once. • Rapid growth and changing needs are outstripping traditional leadership & management practices. <ul style="list-style-type: none"> - Limited staff and organization capacity can be overwhelmed. - Rapid change and natural resistance to change. - New processes are still being established. - A backlog of necessary internal changes. • Need for greater receptivity to new ideas. Need time to seek advice & incorporate ideas. • Limited ability to influence outside decisions (RTA, local land development) • Some need to enhance security, physical and electronic.
External	<p>Opportunities Available</p> <ul style="list-style-type: none"> • <u>Technological disruption of the transit industry. New technologies may create new options for services.</u> • Demographics, economic and societal trends are changing. <ul style="list-style-type: none"> - The population is growing and aging. - Urban areas are growing more compact and need additional mass transit. - Mobility needs are growing in suburban and rural areas as well. - More transit-supportive land development could make accessing destinations easier. • <u>A new, comprehensive plan for transit could help focus community investments.</u> <ul style="list-style-type: none"> - Provide an exciting vision for the future. - Organize, leverage and maximize resources and new technologies. - Speed up implementation by starting with a realistic plan. - Help communicate the value of public transit. • <u>Potential to expand services and funding.</u> <ul style="list-style-type: none"> - Could seek additional funding/resources via grants, partnerships, other sources. - Could expand Authority membership/change enabling legislation. - Could seek additional property tax investment. • Advocate for outside decisions that support TheRide's desired outcomes <ul style="list-style-type: none"> - Influence outside decision-makers (land development, housing, transportation policy, etc.) - Assume a leadership position in coordinating alternative transportation. 	<p>Threats & Challenges to Organizational Success</p> <ul style="list-style-type: none"> • <u>Technological disruption may reduce transit ridership, congest roads or privatize mobility.</u> • <u>Constrained funding and resources limit opportunities.</u> <ul style="list-style-type: none"> - Revenues tied to slow property tax growth. Inflation and rising costs eat away at new revenues. - Risk of loss of funding (local millage, federal/state cuts) and unpredictable federal grants. - Many travel needs lie outside our geographic service area and taxing jurisdiction. - Resource-constrained partners & a sometimes zero-sum environment. - Political polarization may affect federal and state funding • Growth pressures are straining resources and impacting riders. <ul style="list-style-type: none"> - Growing demand for expensive paratransit. Crowding on buses impacts customer satisfaction. - Traffic congestion slows buses and makes them less reliable. - Present difficulties connecting to metro Detroit. - The bus fleet cannot grow because the garage is full, thus limiting service growth. - Labor shortages (technical and professional staff) and rising costs for construction. - Economic inequality, A2/Ypsi disparities, community affordability. • Outside pressures/demands can divert TheRide's attention. • Possible loss of autonomy or funding to the RTA. • Dominant car-culture.



An important new element of this analysis is the recognition of future financial challenges. As the chart below illustrates, expenses are forecast to grow faster than revenues. This will eventually create an unsustainable financial situation. Fortunately, we have time to begin to reduce expenses and look for opportunities to increase revenue.

Figure 4: Projection of Revenue and Expense



Analysis: Findings & Opportunities

Drawing from the PESTLE and SWOT analyses, we can focus on a few key conclusions:

1. We need a plan for services. One of our greatest opportunities lies in working with the community to develop a future vision for transit services. Such collaborations help channel the community's numerous ideas into a cohesive plan and may become the foundation of a funding proposal.
2. TheRide has earned a strong reputation with the local community. The organization and its staff have demonstrated a commitment to serving the community, and hence enjoy a strong reputation.
3. Funding challenges are growing. Due in part to the growing demand for service, TheRide faces funding challenges in the future and needs to prepare.
4. Technological disruption is both a threat and an opportunity. While new transportation options may challenge traditional public transit, they also unlock new opportunities.
5. TheRide is uniquely positioned to continue to help address one of the area's biggest challenges inequality. As housing costs rise, public transit provides an affordable way for everyone to access destinations throughout the area.



PRIORITIES & INITIATIVES

With these conclusions in mind, the Corporate Business Plan can now identify three thematic priorities:

- 1. **Planning for the Future:** With many new opportunities on the horizon, now is an excellent moment to engage our communities and plan for the next chapter. The CEO proposes launching a 1-2-year planning effort to better understand the opportunities and challenges facing transit services, learn what the community’s interests/aspirations are, focus resources, and identify options for funding. By blending technical frankness, community input, and political honesty, we can craft a new, commonly held vision for the future of transit and mobility services. These efforts will become the blueprint for future strategic planning.

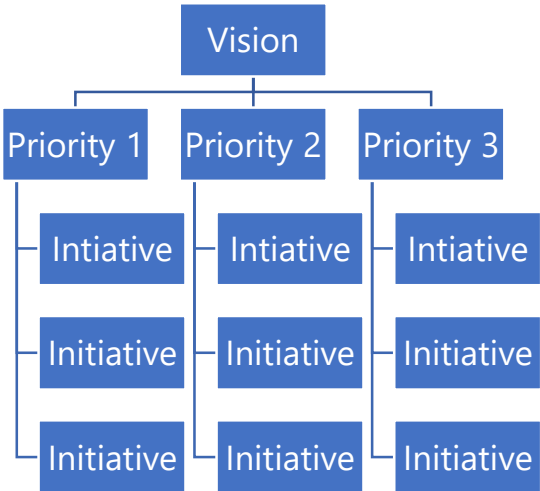
Such a plan is a key tool for advancing the Board’s vision (Policy 1.0 - Ends) and will also help improve compliance with policies 2.4, 2.7, 2.10, and 2.11.1.6. Several Board policies guide how planning is to be done: 2.4, 2.4.2-2.4.5, 2.8.5.2, 2.8.5.6, 2.10.4, and 2.10.5.

- 2. **Serving Customers:** Recent customer surveys illustrate that our riders and community continue to be satisfied with the quality of the services that we provide. However, growth pressures are creating new challenges and old solutions are becoming less effective. New approaches will be necessary. For these reasons we will be renewing our commitment to serving customers and ensuring they remain at the center of our decisions. Improvement in these areas will aid in compliance with policies 1.0, 2.1 and 2.10.
- 3. **Modernizing TheRide:** TheRide has made great strides with internal updates in the last four years. And continue to look for new ways to remain a strong platform for delivering service in the community. Improvement in these areas will aid in compliance with policies 2.2, 2.3, 2.4, 2.5, 2.8, and 2.10.

The following pages provide more information about these broad priorities and the specific initiatives within them. The 2020 Budget provides even more detail about these initiatives.

There are numerous initiatives that have been identified as being best-suited to advancing the priority themes of the Corporate Business Plan. The following charts, tables and pages organize all proposed initiatives by priority and year. This is done to provide a multi-year context, balance workloads, and illustrate how we will progress towards our goals. 2019 projects will be described in more detail in the draft 2019 Budget.

Broadly, particular initiatives are proposed because they are effective at advancing one of the priority areas, thereby advancing the Board’s overall vision². The figure below illustrates this relationship.



² More information about how initiatives are vetted is provided in the appendices.



Priority 1: Planning for the Future

The Ann Arbor/Ypsilanti area is growing and the need for mobility and accessibility is increasing. A new vision for our services and programs will give us a better road map for achieving the outcomes identified by the Board.

Over the next 24 months, TheRide will work with our community to establish a new vision for our services and programs. The emerging concepts will confirm our outward focus and priorities, guide planning and research efforts, and play a significant role in setting the future agenda for TheRide.



The new fixed-route services are already being intensely reviewed internally. Opportunities and challenges that will be discovered will help to inform future planning. New technologies are enabling exciting but unproven new services such as ride-hailing, micro-transit and even autonomous cars. TheRide will be working to evaluate the potential for these new services to help us meet our community's needs and incorporate them as appropriate.

During FY 2019, TheRide took critical preliminary steps that have set the course for oncoming planning efforts.

- Preliminary planning for the Ypsilanti Transit Center has allowed us to begin submitting credible applications for federal grants. If successful, this could lead to our first major capital project in several years.
- New work on technology innovation has increased accessibility.
- Research on bus rapid transit of Washtenaw Avenue has clarified options that can be discussed in upcoming planning efforts.
- Research on fares has set the stage for improvements to the fare structure in the future.
- Evaluations of the paratransit service (ARide) are leading to the implementation of changes for this service.

Specific Projects and Initiatives

This section describes each initiative. To help illustrate the connection to the Board's vision, the policies that will be most affected by each initiative are noted in parenthesis.



/ 2020 /

Implementation of a New Ypsilanti Transit Center (YTC) – Should TheRide receive funding, we will work to finalize designs for a new transit center in Ypsilanti. Construction could begin in later 2020. However, this project is contingent on outside funding. (Policies 2.1, 2.4, 2.10, 2.11)

Planning for Blake Transit Center (BTC) – TheRide is presently working with the City of Ann Arbor: who owns the Y-Lot adjacent to the Blake Transit Center in downtown Ann Arbor. We are hopeful that these discussions will move towards allowing a small expansion of the BTC on this parcel. (Policies 2.1, 2.4, 2.10, 2.11)

Long-Range Plan – With major transit studies completed, there is a need for a new long-term vision for public transit in the Ann Arbor/Ypsilanti area. Long-Range Planning is currently underway. Staff, riders, various groups in the Ann-Arbor-Ypsilanti community are being engaged in conversations to create that guiding vision. These efforts will take 1-2 years and provide guidance for at least 10years. Results of the Washtenaw Avenue BRT study are being incorporated into this work. (Policies 1.0, 2.1, 2.4, 2.10, 2.11)

New Mobility Pilots – TheRide is expanding its FlexRide service and two less-used bus routes are being converted to demand-response services, like ride-hailing. A further look into transit signal priority, mobile ticketing development, and the mobility hub will take place in FY 2020. The testing and implementation of these and other pilot projects that improve the rider’s overall experience will continue into future years. (Policies 1.0, 2.8.5.6, 2.11).

Express Bus Proposal – Working with the RTA and MDOT, TheRide is pursuing funding to allow for a new express bus service between Detroit and Ann Arbor. The success of this idea will hinge on State and federal funding applications. More information will be available in the future. (Policies 1.3.5, 2.10, 2.11)

/ 2021 /

Potential Expansion Millage – Based on the results of the long-range planning efforts, TheRide may begin discussions about securing additional resources. Should the further expansion of mobility services and additional funding be supported, TheRide could seek additional millage funding between 2021-2022. (Policies 2.4)

Garage Expansion Planning – A 2017 study concluded that TheRide’s bus garage was full and could not accommodate any further growth in the bus fleet. Meaning that any growth in the fleet will need to be preceded by the construction of costly new support facilities. This initiative is a placeholder intended to accommodate these efforts should the long-range planning suggest a larger bus fleet. (Policies 2.4)

/ 2022 /

Advocacy Strategy (Land Development) – As a part of the broader Long-Range Plan, we will develop an approach to advocating for the development of land in ways that complements transit. This effort will need to be done in concert with local municipalities that control land-use regulation. Timing is uncertain. (Policies 1.2.2.1, 2.8.5.6, 2.10, 2.10.2, 2.11)



/ 2023 + or To Be Determined /

Terminals, Garage, New Mobility Expansions – These are placeholder intended to remind us of the large projects that could be undertaken, depending on the results of earlier planning work. Necessity, scope, cost, and timing is unclear at this time.

Measuring Progress

New riders, cost per new rider, market share (mode share)

Community involvement with, and support for, a new vision.

Clarifying the viability of New Mobility services.

Completing current studies and emergent pilot projects and weaving their insights into the longer-term vision.



Priority 2: Serving Customers

Retaining riders is an essential step in increasing ridership. TheRide has a long history of excellence in service delivery, with high scores from customers. Nevertheless, growth pressures are creating new challenges, and TheRide will need to adapt if it is to keep their customers happy and riding. Making customers the center of our business provides a standard, neutral objective for all agency activities, reinforces our role as stewards, helps avoid distractions, and inspires us to make difficult changes. All internal activities will be reviewed to make sure they are providing the most significant benefits for customers.

Specific Projects and Initiatives

This section describes each initiative. To help illustrate the connection to the Board's vision, the policies that will be most affected by each initiative are noted in parenthesis.

/ 2020 - 2021 /

Bus Replacements – Routine replacements of buses and support vehicles that have reached the end of their lifecycles. Timely replacements maximize time spent in-service for customers and minimizes breakdowns. Delivery of eight new buses a year will occur every year. A new brand of the bus is anticipated in 2020. (Policies 1.1.4, 2.1, 2.4, 2.8)

Fare Improvements – After some study and public feedback, TheRide has determined that our fare structure is unnecessarily cumbersome. We will work with the public to help streamline the fare structure.

Short Range Improvements – Implementation of small changes to existing fixed-route services to address quality of service concerns, such as improving on-time performance. These changes would be implemented with FY 2019. (Policies 1.0, 2.1)

Customer Management Software – Purchase and implement a new customer relations software package to enable better tracking of, and responsiveness to, customer concerns. This tool is coupled with the new Customer Service Officer position created in 2018. (Policies 1.1.4, 2.1)

Website Improvements – A variety of back-office improvements and enhancements to the underlying technology for the website. (Policies 1.1.4, 2.1).

In-Field Communications – Replacement of dispatch-to-bus communications functions that were inadvertently lost during the implementation of the CAD/AVL system. Will improve responsiveness, customer services and emergency response. This project will take 1-2 years. (Policies 1.1.4, 2.1, 2.2)

Expand Real-Time Information – This initiative will begin in FY 2020. It involves evaluating and redeveloping a strategy of an efficient digital passenger toolkit. Testing of real-time features for mobile devices is currently underway. Once the ideal device is identified it will be rolled out. (Policies 1.1.4, 2.1)



/ 2022 - 2023 /

Fare Collection Technology Study – New fare collection technologies (i.e., smart cards, mobile ticketing, etc.) can increase convenience and equity by allowing a new range of fare structures and pricing. The Regional Transit Authority (RTA) has the responsibility for developing a region-wide fare collection system. If the RTA is not successful at seeking millage funding in 2018 or 2020, TheRide may need to move forward on its own to implement a fare collection technology locally. This initiative would take several years to study, plan, and implement. (Policies 1.0, 2.1, 2.5, 2.8.5.6, 2.10.4, 2.10.5, 2.11)

Measuring Progress

Customer Satisfaction Scores (survey)

Rider retention

Short-term changes to accommodate growing ridership.

Establishing customer pledge and measuring performance

Community Support/Perception of TheRide

The average age of the bus fleet



Priority 3: Modernizing TheRide

TheRide cannot deliver excellence if it is not a high-performing team. It is necessary to invest in internal improvements in order to deliver results for customers and the community. Since 2015, TheRide has made numerous internal improvements that have set the stage for future growth. Internal change and growth will continue as we work on updating ourselves for the benefit of our customers and the community.



The Board's policies require us to be well-organized, focused, cost-effective and proactive. We will continue to invest in our staff, upgrade tools, seek out new perspectives, and modernize our processes - even when change is a little uncomfortable. We will continue these changes with the goal of becoming the best-run transit system in Michigan and a top employer in southeast Michigan.

For FY 2020, a clearer picture of future budget challenges is a new element, putting increasing emphasis on increasing the cost-effectiveness of agency operations. This realization is already informing on our service and staff capacity priorities.

Specific Projects and Initiatives

This section describes each initiative. To help illustrate the connection to the Board's vision, the policies that will be most affected by each initiative are noted in parenthesis.

/ 2020 /

Change to Paratransit (ARide) – As outlined in a 2019 study, costs for our paratransit service are rising faster than we can afford. Efficiencies and clarifications of services will be needed. Paratransit updates have begun and will continue to 2022.

Financial Performance and Efficiencies – Greater emphasis on budget controls and cost-effectiveness of service and staff activities. This ongoing effort is already well underway but will need to continue. Addressing growing costs in the ARide service began in 2019 and will continue. Additional cost-control measures are outlined in the draft FY 2020 Budget.

Bikeshare Review – The existing ArborBike docked bike share program is under financial strain. We will assess the future of the program to see if and how the program should continue.



Team Development - Valuing and investing in staff helps drive organizational performance, builds organization capacity, and makes for an attractive workplace. To be fulfilled in their work, staff needs guidance, skills, coaching, training for project management and other skills, and empowerment.

Facility Rehab – Addressing a variety of deferred maintenance needs for the Dawn Gabay Operations Center at 2700 S. Industrial Avenue. Sub-projects in this category include new roof, renovations to the dispatch center, lifecycle replacement of major systems, and possibly office renovations in administration areas. Improvements will help prevent more expensive repairs, incorporate more efficient designs and technologies, and help ensure that TheRide’s main bus garage remains an effective home for operations. These efforts will likely take several years to complete. (Policies 1.1.4, 2.4, 2.8) These efforts are currently underway.

IT Strategy – Like many businesses, TheRide is increasingly dependent on back-office information technology. This internal study will help administrative staff better understand what technology options to pursue and what resources will be required. As this internal assessment wraps up and a new Manger of IT arrives, finalization and implementation will begin. (Policies 2.2, 2.4, 2.8.5.6)

Administrative Software Updates – TheRide uses several legacy software packages for essential internal processes, such as payroll. These systems will be reviewed, and replacement software is likely. In addition, many of the labor-intensive tasks of deploying buses are done manually or with outdated software. We will explore options to replace legacy systems and increase productivity. This process may take several years. (Policies 2.2, 2.5, 2.8)

/ 2022 /

Propulsion Study – TheRide has been a leader in alternative propulsion. While many exciting options exist today, the correct choice for the future is not clear, and new technologies are still maturing. Conducting a comprehensive study of alternative propulsion in 2022 allows more time for the technologies to mature and become more reliable and less expensive. (Policies 1.2, 2.4, 2.8)

The table on the following page illustrates the impact of the various initiatives by cross-referencing them with the Board policies upon which they will have the greatest impact. This is intended to help illustrate how the proposed workplan will advance the Board’s vision. The Board’s policies are all available in the Board Policy Manual on TheRide’s website.

Measuring Progress

Continued financial stability

Increased Transparency

Cost-Effectiveness

Replacement of outdated approaches and legacy systems

Staff engagement, training, pride and productivity

Workplace safety



Figure 5: 5-Year Work Plan

	FY2020	FY2021	FY2022	FY2023	2024+ or TBD
Planning for the Future	<ul style="list-style-type: none"> -YTC expansion -BTC planning -Long-Range Plan -New Mobility Pilots -Potential Express Bus Proposal 	<ul style="list-style-type: none"> -YTC expansion -BTC planning -Garage Expansion Planning - Potential Expansion Millage -New Mobility Pilots 	<ul style="list-style-type: none"> -YTC expansion -BTC planning -Garage Expansion Planning -Advocacy Strategy (Land Development) - Potential Expansion Millage -New Mobility Pilots 	<ul style="list-style-type: none"> -YTC expansion -BTC planning -Garage Expansion Planning 	<ul style="list-style-type: none"> -YTC expansion -BTC planning -Garage Expansion
Serving Customers	<ul style="list-style-type: none"> -Bus Replacement -Fare Updates -Customer Mgmt. Software -Website Improvements -In-Field Communications -Expand Real-Time Info -Branding strategy - Paratransit updates 	<ul style="list-style-type: none"> -Bus replacements -Fare Updates -Paratransit updates 	<ul style="list-style-type: none"> -Bus replacements -Fare Collection Technology Study - Paratransit updates 	<ul style="list-style-type: none"> -Bus replacements 	<ul style="list-style-type: none"> -Bus replacements
Modernizing TheRide	<ul style="list-style-type: none"> -Changes to Paratransit -Financial Efficiencies -Facility rehab (roof, Bus wash, offices) -BikeShare Review -IT Strategy Implementation -Administrative software upgrades 	<ul style="list-style-type: none"> -Facility rehab cont. -IT Strategy Implementation 	<ul style="list-style-type: none"> -Propulsion Study 		
Events of Note	<ul style="list-style-type: none"> -Potential RTA millage -Presidential Election 	<ul style="list-style-type: none"> -Union Negotiations 	<ul style="list-style-type: none"> -Union Negotiations -Mid-Term Elections 	<ul style="list-style-type: none"> -Regular Millage Renewal 	



NEXT STEPS

Beginning in July 2019, the draft Corporate Plan will be shared with the Board, the public and transit customers. We will seek their feedback to help improve the plan for the future and ensure that it reflects the myriad interests of the community. In later summer, the Plan will be finalized by the CEO.

The Corporate Plan also guides and contextualizes the FY 2020 Budget. Both documents complement each other and create a fuller picture of the future of TheRide. They will be released in July 2019. TheRide welcomes public feedback on the Corporate Business Plan at any time. Feedback can be provided electronically at TellUs@theride.org, or by phone at (734) 794-1767.

