

Board of Director's Meeting Agenda

Meeting Date/Time: September 24, 2020, 6:30-9:00pm

Location: REMOTE – Via Zoom

To join by computer: (You will be able to use your computer audio.)

1. Click on this link: [Zoom](#) (If you are using an Ipad, you must download Zoom first.)
2. You will be prompted to register with your name and e-mail address, then go directly into the meeting.

To join by phone:

1. Dial any of these numbers: (For higher quality, dial a number based on your current location): 301-715-8592 or 312-626-6799 or 929-205-6099 or 253-215-8782 or 346-248-7799 or 669-900-6833. International numbers available: <https://zoom.us/j/aermAT76UZ>
2. Enter the Webinar ID: 971 8594 3902

Meeting Chair: Eric Mahler

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7.4 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 3.13 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 Summary

Meeting Date/Time: August 20, 2020, 6:30-9:00pm

Location: Remote

Board Member Attendees: Raymond Hess, Jesse Miller, Kyra Sims, Roger Hewitt, Kathleen Mozak-Betts, Richard Chang, Mike Allemang, Sue Gott, Ryan Hunter, Eric Mahler (Chair)

AAATA Staff Attendees: Matt Carpenter (CEO), Bryan Smith, John Metzinger, Forest Yang, LaTasha Thompson

Guests: Rose Mercier

Meeting Chair: Eric Mahler

Chairman Eric Mahler called the meeting to order at 6:30 pm.

Discussion Items
1. OPENING ITEMS
<p>1.1 Approve Agenda Chairman Mahler requested that agenda item 4.3 Public Hearing be moved to agenda item 3.1. Mr. Raymond Hess moved to accept the agenda as amended, seconded by Mr. Roger Hewitt.</p> <p>In support of the motion: Mr. Mike Allemang: Yes Mr. Rich Chang: Yes Ms. Sue Gott: Yes Mr. Hess: Yes Mr. Hewitt: Yes Mr. Ryan Hunter: Yes Mr. Jesse Miller: Yes Ms. Kathleen Mozak-Betts: Yes Ms. Kyra Sims: Yes Chairman Mahler: Yes</p> <p>The motion passed unanimously.</p>
<p>1.2 Public Comment Jim Mogensen discussed agenda item 3.1.2 regarding Police Support and reminded the Board that a Title VI analysis could be conducted for the Fare Policy. He also provided some feedback on the August Service Restoration.</p>
<p>1.3 General Announcements None.</p>

Discussion Items

2. CONSENT AGENDA

2.1 Minutes & Committee Meeting Reports

Mr. Hewitt motioned to approve the Consent Agenda, seconded by Ms. Mozak-Betts.

In support of the motion:

Mr. Allemang: Yes

Mr. Chang: Yes

Ms. Gott: Yes

Mr. Hess: Yes

Mr. Hewitt: Yes

Mr. Hunter: Yes

Mr. Miller: Yes

Ms. Mozak-Betts: Yes

Ms. Sims: Yes

Chairman Mahler: Yes

The motion passed unanimously.

3. POLICY MONITORING & DEVELOPMENT

3.1 Draft Budget Preview

Mr. Metzinger presented a brief preview of the FY2021 draft budget. In light of COVID-19 and uncertain state funding, he described the budgeting development cycle during this exceptional year to likely be an evolutionary process that lasts into next year. He noted that AAATA understands that the community wants more bus service and AAATA truly wants to serve everyone in the community; services will be restored as fast as possible, once AAATA can afford to do so.

Priorities of the [COVID-19 Recovery Plan](#) that guided the budget include:

- Assuring the safety of employees and the public
- Continuing to serve essential mobility needs during the pandemic
- Restoring service when able to do so
- Preserving the organization's financial future in order to continue meeting the communities needs long-term
- Continuing to deliver on the Board's Ends – providing equitable access to transportation, enhancing the environment, economy, and quality of life for people in our service area.

The [FY2021 draft budget](#) is available on AAATA's website.

Mr. Metzinger mentioned that staff are considering some changes in the capital budget for the final recommended budget to come to the Board next month. They will be discussing whether deferring fleet replacement is needed since assets are currently going unused. They may be able to repurpose capital funding for other projects. More detail will be provided on that next month.

He noted that during times of financial challenge, AAATA really wishes they could use capital funding for operations, but this is not allowed. Budgeted discretionary federal funds need to be used for capital projects under the aligned program that funds them. State capital matching works the same way. He stated that AAATA is already using close to the maximum allowable formula funding to support operations.

Discussion Items

Mr. Metzinger closed by sharing that staff may need to be bringing budget amendments to the Board as early as October and during the course of the year. He asked that this budget be considered a starting point, a baseline that can be built upon based on revenues, circumstances, and community needs going into next year.

3.3.1 Budget Public Hearing

Ms. Mozak-Betts moved to enter the budget public hearing, seconded by Mr. Hewitt.

In support of the motion:

Mr. Allemang: Yes
Mr. Chang: Yes
Ms. Gott: Yes
Mr. Hess: Yes
Mr. Hewitt: Yes
Mr. Hunter: Yes
Mr. Miller: Yes
Ms. Mozak-Betts: Yes
Ms. Sims: Yes
Chairman Mahler: Yes

The motion passed unanimously.

Submitted anonymously via e-mail on Friday, August 14th, 2020 to Mr. Metzinger: Concerned and do not understand why AAATA waited so long to reduce the work force when bus schedules were reduced. It was obvious that COVID-19 was not going to be a short-term event. Why wait so long to lay off an unneeded work force. AAATA had an obligation to the tax paying public to act much quicker. You did not fulfill your obligation to be fiscally prudent. Your loyalty is to the taxpayers.

Jim Mogensen pointed out that the AirRide and D2A2 services are in the budget to be potentially added back in. He expressed that he would rather the Title VI analysis and local service be considered before those. He also encouraged the Board to consider that AAATA shuttles from the park-and-ride lot to the hospital and university could be replaced by other organization's rolling stock to shuttle their own employees from the park-and-ride, possibly paid for by some of the parking enforcement. He discouraged adding services that he views as serving the middle-class more so than riders that depend on transit to get around and have no other option.

Mr. Hewitt moved to exit the budget public hearing, seconded by Ms. Sims and Mr. Hunter.

In support of the motion:

Mr. Allemang: Yes
Mr. Chang: Yes
Ms. Gott: Yes
Mr. Hess: Yes
Mr. Hewitt: Yes
Mr. Hunter: Yes
Mr. Miller: Yes

Discussion Items

Ms. Mozak-Betts: Yes
Ms. Sims: Yes
Chairman Mahler: Yes

The motion passed unanimously.

3.2 Committee Meeting Discussion None.

3.2.1 Relocation of Innovation Policy

Mr. Hewitt walked the Board through concern over providing evidence of compliance with Policy 2.8.5.6 regarding innovation. He cited that it may be difficult to provide evidence that no possible innovation has been ignored. He and the Service Committee proposed moving the policy over to 2.11.1.5 which is a list of required reporting for the CEO, with the suggestion that it be rephrased as such:

“2.11.1.5.1: Annually, a presentation to the Board about relevant emerging trends and technologies with applicability to the transit authority and its services, and innovations trialed or introduced to Authority operations over the past year.”

Mr. Hewitt moved to adopt the recommendation of replacing policy 2.8.5.6 with the new policy 2.11.1.5.1, seconded by Mr. Hess and Ms. Gott.

Mr. Hess thanked the Service Committee and expressed being satisfied with where this ended up. Mr. Miller expressed his satisfaction as well, pointing out the importance of the new language prioritizing emerging trends over technologies because not all innovations are technological.

In support of the motion:

Mr. Allemang: Yes
Mr. Chang: Yes
Ms. Gott: Yes
Mr. Hess: Yes
Mr. Hewitt: Yes
Mr. Hunter: Yes
Mr. Miller: Yes
Ms. Mozak-Betts: Yes
Ms. Sims: Yes
Chairman Mahler: Yes

The motion passed unanimously.

3.2.2 Policy Development: Police Support

Mr. Hewitt reminded the Board of the resolution adopted at last month's Board meeting supporting the Black Lives Matter movement. He described concern that demonstrators were being taken to jail in public authority buses in some places where demonstrations are taking place and wanting to make sure that did not happen in this community. With the help of Rose Mercier, the Service Committee developed the following executive limitation:

Discussion Items

"Policy 2.8.5.6: [The CEO shall not) Authorize the use of vehicles and their operators to transport persons detained by the police for participating in public demonstrations."

Mr. Hewitt moved that this new executive limitation be adopted, seconded by Mr. Hunter.

Mr. Allemang asked if an individual can you be arrested without being detained. Chairman Mahler expressed his understanding that an individual can be detained without being arrested but cannot be arrested without being detained.

Mr. Allemang expressed concern with the word "participating" and also wondered if "public demonstrations" is needed. He suggested ending the executive limitation after "detained by the police". Mr. Hewitt described scenarios in which making the executive limitation broader could leave the CEO uncertain of what should be done.

Mr. Hess agreed with Mr. Allemang's interpretation, as did Ms. Sims. Ms. Mozak-Betts asked if the Board should seek counsel on the legal definition of "detained". Chairman Mahler described how putting a period after police could potentially close off every possibility in which buses could be used for something other than a public demonstration. He noted that it may be more difficult to narrow the executive limitation down than to expand it later.

A discussion of scenarios ensued.

Mr. Hewitt expressed supporting the original language, citing it to be clear as to what the restrictions are. Mr. Miller described that without this executive limitation, AAATA could potentially go way beyond what the voters were considering when they voted for the millage. CEO Carpenter expressed his appreciation for the specificity of "public demonstrations" in the executive limitation.

Mr. Allemang shared appreciation that keeping the executive limitation narrower gives the CEO more discretion. He asked how drivers would feel about transporting individuals that have been detained, which was one of his thoughts when proposing the language change.

CEO Carpenter described a perspective sought out from an independent safety director that if there are armed police on the bus and the demonstrators are restrained, that is pretty safe. He shared being very hesitant to put staff or equipment in any harm's way. He agreed with Mr. Miller that it may come to a question of public perception.

Mr. Hunter expressed liking the specific language of the original draft. Mr. Hess pointed out that the language does not address transporting law enforcement themselves, but did not wish to make a friendly amendment at this time.

Mr. Miller expressed that transporting detainees was his biggest concern and described using this as a launch point for further conversations of things to be thinking about as AAATA follows the news and thinks about their role. He expressed his hope to vote on the executive limitation this evening.

Discussion Items

Ms. Gott suggested that the Board consider approving what has been drafted tonight, as well as asking the Service Committee to go back and continue exploring additional considerations. She shared her support for the original language.

Mr. Hess motioned to amend the language, striking “for participating in public demonstrations”, seconded by Mr. Miller.

In support of the motion:

Mr. Allemang: Yes
Mr. Chang: Yes
Ms. Gott: No
Mr. Hess: Yes
Mr. Hewitt: No
Mr. Hunter: No
Mr. Miller: Yes
Ms. Mozak-Betts: No
Ms. Sims: Yes
Chairman Mahler: No

The vote was tied; therefore, the motion did not pass.

Mr. Miller suggested changing the language from “police” to “law enforcement”. Mr. Hewitt accepted that as a friendly amendment.

The executive limitation up for consideration became:

“Policy 2.8.5.6: [The CEO shall not) Authorize the use of vehicles and their operators to transport persons detained by law enforcement for participating in public demonstrations”.

In support of the motion:

Mr. Allemang: Yes
Mr. Chang: Yes
Ms. Gott: Yes
Mr. Hess: Yes
Mr. Hewitt: Yes
Mr. Hunter: Yes
Mr. Miller: Yes
Ms. Mozak-Betts: Yes
Ms. Sims: Yes
Chairman Mahler: Yes

The motion passed unanimously.

3.3 Fare Policy Development (Draft v1)

Chairman Mahler and Ms. Mercier walked the Board through the draft policy.

Mr. Hewitt expressed liking the way it is currently written and highlighted his interpretation of the reason for “C” of the policy: *“The impact of the proposed adjustment on equity among different fare categories.”* Mr. Hess asked if the staff are comfortable with the language. CEO Carpenter described how he might interpret the

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policy and equity. Mr. Allemang expressed that “C” and use of the word “equity” muddies the water. He proposed a friendly amendment of deleting “C”. Mr. Hewitt expressed that this may be something best for the Board to vote on.

Ms. Sims expressed that if “A” of the policy is done thoroughly, neither “B” nor “C” would be needed, but when thinking about it as a public facing document, she can appreciate and understand why Service Committee would want to highlight low-income and equity for the community; whatever is presented in “A” encompasses those groups and how AAATA is being equitable amongst those groups.

Mr. Hewitt moved the proposal as drafted, seconded by Ms. Mozak-Betts. Mr. Allemang motioned to eliminate “C”, seconded by Ms. Mozak-Betts.

In support of the motion to eliminate “C”:

Mr. Allemang: Yes
Mr. Chang: Yes
Ms. Gott: Yes
Mr. Hess: Yes
Mr. Hewitt: No
Mr. Hunter: No
Mr. Miller: No
Ms. Mozak-Betts: Yes
Ms. Sims: No
Chairman Mahler: No

The vote was tied; therefore, the motion did not pass.

In support of the motion to adopt the originally proposed language:

Mr. Allemang: Yes
Mr. Chang: Yes
Ms. Gott: Yes
Mr. Hess: Yes
Mr. Hewitt: Yes
Mr. Hunter: Yes
Mr. Miller: Yes
Ms. Mozak-Betts: Yes
Ms. Sims: Yes
Chairman Mahler: Yes

The motion passed unanimously.

3.4 Monitoring Reports

3.4.1 Chief Governance Officer Role (Policy 3.5)

Chairman Mahler expressed that the feedback was positive.

Mr. Allemang expressed disappointment that only 2 individuals participated.

3.5 LAC

Ms. Mozak-Betts brought this topic to the Board from the Service Committee in hopes of receiving direction on how to proceed. She described the LAC as a vibrant community that supports the AAATA, and how their current charge and bylaws do not reflect the policy governance model that the Board has adopted. She suggested that

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the Board develop a policy regarding the nature of the LAC and its role in supporting AAATA, the CEO, and the Board.

Chairman Mahler described the discussions had with Ms. Mozak-Betts and CEO Carpenter about having the LAC align more closely with both policy governance and what the Board needs from it. He expressed that Ms. Mozak-Betts could help lead this with himself, the Governance Committee, and possibly Rose Mercier.

He asked the Board members if the Board should be looking at revising the mandate and aligning the LAC's mandate to more closely reflect policy governance and being a more strategic partner in the governance issues.

Mr. Chang supported that. Mr. Hewitt also supported that and suggested separating the policy and operational functions for the LAC. Ms. Sims shared support for that and expressed willingness to work with Ms. Mozak-Betts and the Governance Committee to develop something policy-wise for the LAC. Ms. Gott expressed support as well.

Mr. Hess echoed that the LAC is an important function. He suggested that policies could be reviewed by LAC prior to them coming to the Board, though that may present operational challenges to staff. CEO Carpenter agreed that would be complicated but probably something that could be done. He suggested that the first question to consider is whether or not the Board should do that. He noted that in his time at AAATA, 99% of the LAC's feedback has reflected operational issues which could just go straight to staff. He suggested that when the LAC does come to the Board, they could come to provide feedback as much as possible as an ownership linkage, as part of the population of beneficiaries, to provide feedback on policy, on ownership perspective, and less on the operational side of things. If they had had this charge already, CEO Carpenter described that staff probably would have tried to run all three policies approved in this meeting through LAC before it came to the Board. To what purpose would be his question. Why would the Board do that?

To CEO Carpenter's comment, Ms. Mozak-Betts expressed that to be the reason that it is important for the Board to develop a policy that says something like the LAC would be operationally supporting the CEO and the Board would like to hear on policy pertaining to x, y, and z. From the policy, she described that the Board would then be able to make a good charge and bylaw for the LAC, and get into how often they should meet and how they will provide information to the organization further down the line. She pointed out that the current need is to give the LAC a definition.

Chairman Mahler described next steps as Ms. Mozak-Betts and the Governance Committee working together on some draft language and bringing a recommendation about the LAC to the Board at a later time .

4. STRATEGY & OPERATIONAL UPDATES: CEO

4.1 Covid-19 Recovery Plan Updates

CEO Carpenter expressed that much is uncertain and particularly depends on the state budget. He shared that insiders are reporting to expect cuts in both capital and operational state funding. Another factor is timing as AAATA may not know what their budget situation is going to be until after the Board has been obliged to adopt a budget

Discussion Items

in September. He expressed that it may be October before staff are able to come back to the Board with coherent information about what the state budget decisions mean. If a budget amendment is necessary, and he suggests assuming that it will be, November will probably be the earliest that staff can propose that.

4.2 August Service Restoration & Public Feedback

Mr. Smith reported that the scheduled public meetings in regard to August Service Restoration have been completed. He categorized the feedback as robust and passionate. He expressed that this seems to have allowed more people to join the conversation than a typical public transit town hall. AAATA is also presenting a service package that he never would have expected to be presenting, so there is obvious interest in that as well.

Mr. Smith noted that the areas of largest concern were places that will be temporarily without fixed route service. He reminded the Board that there are areas AAATA cannot serve within the budget constraints and the limited bus capacity operating during a pandemic. He shared that while AAATA does have mitigating services offered for a lot of those places, either with FlexRide or ARide, often either the cost or hassle of arranging them were cited as unpopular and barriers to use.

That being said, Mr. Smith expressed his belief that what AAATA has offered up for August 30th is the best that AAATA can do given the 60% service level at which the organization is currently. He shared his hope that the state passes a budget that allows AAATA to restore services and get back to the level of public service that attracted so many to the area. He reported that a lot of folks in the town halls said they moved to their neighborhood because there was public transit available there.

Mr. Yang reported hearing from 100-200 people through different means with concerns relating to the gaps in the service area. He also noted that there are about 20,000 riders on a regular day, so there are also a lot of people who have not spoken out. He shared that more feedback is still expected and is being closely monitored and prioritized.

Chairman Mahler expressed the Board's appreciation to the staff.

Mr. Chang and Ms. Mozak-Betts commended Mr. Smith, as well as the public.

Mr. Miller expressed that there seems to be a gap in time of what is being covered by FlexRide. Mr. Smith responded that as of August 30th, FlexRide will mirror the times of the fixed routes Monday through Friday, but that still does leave some gaps. Mr. Miller asked for more clarity as to what extent FlexRide is a replacement for fixed routes. Mr. Smith will provide the FlexRide flyer to the Board.

Ms. Mozak-Betts asked why FlexRide is not available on the weekend. Mr. Smith cited it as a cost control measure. He noted that the level of FlexRide service represents the current alternative that AAATA has, not a complete alternative service level that AAATA would have wanted to provide.

4.3 Q3 Finance Report

Ms. LaTasha Thompson presented the Q3 Finance Report, reporting a significant reduction in revenues balanced successfully by a similar reduction in costs. She noted that AAATA was able to maintain a strong balance sheet primarily because the

Discussion Items

expenses were lower; cash stayed strong giving AAATA still a target cash reserve of 2.5 months.

Mr. Hess highlighted the reserve of 2.5 months and shared that during their next meeting, the Finance Committee will be discussing if there should be an exception made with the reserve to help restore service. Mr. Allemang noted that AAATA will approximately breakeven for the year after utilizing some of the CARES Act funds.

Mr. Metzinger clarified that CARES Act funds have been utilized since they became available, but AAATA just has not drawn them yet. Because they have not been drawn yet, they do not show up yet in the financial statements. He reported that to date AAATA has obligated \$1.5M-\$2M of CARES Act funds for both operating and capital purchases which will appear in the financial report at the end of next quarter.

CEO Carpenter highlighted AAATA's tactic of making difficult decisions to reduce expenses early, then husbanding the resources and trying to spread them out.

Mr. Miller requested a statement of the CARES Act funding in addition to the finance report. Mr. Metzinger reported that next quarter there will be a line item on the Q4 Finance Report that shows the CARES Act funding. He noted that a draw of \$1.4M was made earlier this month which will show up on the next quarterly report; the report will show the draws against the CARES Act funds and also what is available / remaining. He also pointed out that there is a thorough discussion of CARES Act funding and how they apply to the 2021 budget available in the AAATA budget book.

4.4 Q3 Service Report

Mr. Smith offered to answer any questions on the Q3 Service Report. There were no questions.

4.5 CEO Report

CEO Carpenter highlighted a disappointing second attempt for a discretionary grant for the Ypsilanti Transit Center for which AAATA was not selected. He shared that even though AAATA struggles through daily operations sometimes, they have not lost sight of the desire to move forward. He noted that it is very common for agencies to have to submit applications several times before they are successful and emphasized that this does not signal an end to the project; AAATA is certainly going to continue and take another swing at it.

He also highlighted the YLot and continued conversation with the City of Ann Arbor staff. He suspects that within the next few months, staff will come back with a more fulsome update about the YLot.

Ms. Gott asked how staff are tracking peer authorities and their response to COVID-19 economically. She expressed wondering if there are opportunities for AAATA to learn about what other creative or resourceful strategies there are that might be atypical. Given that these are atypical time, are there opportunities where AAATA might be able to learn from some of those folks? Would that be information that staff could bring back to the Board over the next several months – tracking of the industries similar size and community types.

CEO Carpenter expressed that the biggest challenge is the sheer volume of information. He reported that when the pandemic first happened there was a huge

Discussion Items

rush of information about sanitation and operational issues. Things like plexiglass barriers very quickly became standard issue equipment. After the first 2 months, sanitation information died down as best practices were figured out and innovation slowed down as it became standardized. In terms of economic innovation and new ideas, he shared that staff are paying attention to what they see other agencies doing and have asked the FTA for information on how agencies are spending their money, though the FTA is not providing that information. CEO Carpenter stated that the broad camps seem to be the direction AAATA has taken by proactively reducing costs (furloughs vs. layoffs, pay cuts vs. furloughs). The other camp is the NY model where costs are not reduced a whole lot and all eggs are put on the federal government. He expressed still waiting to see which one of those makes more sense. He shared that the EZPass idea approved a month ago is being well received. He noted that there is no one clearing house for the information, but staff are keeping track of it via a rush of information coming every day.

Mr. Metzinger expressed wanting to benchmark AAATA's utilization of the CARES Act versus the industry. He reached out to the Chicago contact at FTA to request data, but they responded that the FTA is not making that information available. In a webinar that had some of the strategic leadership of FTA doing a presentation on the CARES Act funding about a month ago, it was shared that of the \$25B awarded, only \$20B has been actually executed in FTA grants, which means that 20% of the CARES Act funds had not even made its way to the transit agencies yet. He pointed out that it is still early in the grant cycle for CARES Act funding. His intuition is that utilization of CARES Act funding is all over the map.

Ms. Gott appreciated the networking and would appreciate any other continued updates staff may hear from other peers.

5. EMERGING ISSUES

None.

6. CLOSING ITEMS

6.1 Topics for Next Meeting:
Budget Approval
Financial Planning / Budgeting (Policy 2.4)
Board of Governance Process (Policy 3.0)
Board Management Delegation (Policy 4.0)
Communications & Support to the Board
(Policy 2.11)
FY2021 Board Meeting Date Approval
Officer Elections

6.2 Public Comment

Jim Mogensen shared some concerns about the Fare Policy change and the perception of what is happening. He described the issue as it related to how much input happens and how it is accepted. He reported that RideCorp is putting 22 of its ARide sedans up for auction. He also pointed out the importance of continuing to have input and have people giving input feel that not only are they being heard but they are able to have a backstop to staff proposals if they are not meeting community needs.

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Michelle Barney thanked AAATA for the virtual town hall meetings and described Mr. Smith as marvelous, calm, and giving as much information as he has. Even though she does not like all of the changes, she expressed that it was nice to have her questions answered and understand better what is going on. She noted that the difference of cost per passenger between the second and third quarter went up from \$44 to \$79 and shared that she understands why service changes had to be made considering that incredible difference. She also asked the Board to consider ways they can assist the November election that are not partisan.

6.3 [Board Assessment of Meeting \(Electronic\)](#)

6.4 Adjournment

Mr. Hewitt motioned to adjourn the meeting, seconded by Mr. Hunter.

In support of the motion:

Mr. Allemang: Yes

Mr. Chang: Yes

Ms. Gott: Yes

Mr. Hess: Yes

Mr. Hewitt: Yes

Mr. Hunter: Yes

Mr. Miller: Yes

Ms. Mozak-Betts: Yes

Ms. Sims: Yes

Chairman Mahler: Yes

The motion passed unanimously. Chairman Mahler adjourned the meeting at 9:02pm.

Respectfully submitted by: Keith Everett Book

ISSUE BRIEF: Board Meeting Dates: FY2021**Meeting: Board of Directors****Meeting Date: September 24, 2020**

INFORMATION TYPE:
Decision Preparation
PROPOSED BOARD MEETING DATES: FY2021
October 22, 2020
November 19, 2020
December 17, 2020
January 21, 2021
February 18, 2021
March 18, 2021
April 22, 2021
May 20, 2021
June 17, 2021
July 22, 2021
August 19, 2021
September 23, 2021
<i>Note: Board meetings are usually the third Thursday of each month, except in October 2020, April 2021, July 2021, and September 2021.</i>

Governance Committee Meeting Summary

Meeting Date/Time: August 27, 2020, 9:00-10:30am

Location: REMOTE – Via GoToMeeting

Meeting Chair: Eric Mahler

Committee Meeting Attendees: Mike Allemang, Roger Hewitt, Kyra Sims

AAATA Staff Attendees: Matt Carpenter, John Metzinger, Bryan Smith

Chairman Eric Mahler called the meeting to order at 9:03 am.

Discussion Items
1. OPENING ITEMS
1.1 Agenda (Additions, Approval) Mr. Allemang asked to add discussions of Office Elections and the Open Meetings Act at the end of Section 2. The agenda was approved with those additions.
1.2 Communications None.
2. POLICY MONITORING & DEVELOPMENT
2.1 Monitoring Reports
2.1.1 Board of Governance Process Policy 3.0 and 4.0 Chairman Mahler asked if getting feedback on these generalized statements is beneficial. Mr. Allemang expressed that ranking the broad purpose is difficult without getting into the sub policies. Ms. Sims and Mr. Hewitt both agreed that these may be too broad to provide feedback. Chairman Mahler will bring this to the Board meeting for further discussion.
2.2 Committee Agendas <u>Service Committee:</u> Mr. Hewitt expressed that the major discussion will be around the LAC. Mr. Hewitt would like a discussion of what percentage of service could be returned if the state budget comes back favorably. <u>Finance Committee:</u> Ms. Sims suggested getting more education on the cash flow reports. Mr. Metzinger requested bringing that back at a later date. Mr. Allemang requested getting in deeper on the budget.

Discussion Items

Board of Directors:

Chairman Mahler expressed that he is willing to reup as Chairman for another year. Ms. Sims, Mr. Allemang, and Mr. Hewitt all expressed their intent to reup for their roles as well.

Chairman Mahler described that the voting would take place at the beginning of the meeting. Nominations will be taken from the floor as usual. If there is only one candidate nominated, voting will be by a show of hands. If there is more than 2, voting occurs by ballot.

CEO Carpenter added that policy 2.4 may come up for amendments considering the pandemic. Mr. Allemang suggested discussing this at the Finance Committee meeting.

A discussion of the Open Meetings Act ensued. CEO Carpenter will seek legal opinion on best practices.

3. STRATEGY & OPERATIONAL UPDATES: CEO

3.1 Covid-19 Recovery Plan Updates

CEO Carpenter expressed pushing the Executive Team to consider where to go from here, even with the uncertainty. He described that up to now it has been reaction and stabilization. Consideration of the general path forward is the next phase. CEO Carpenter expressed that since the fleet is not being used to the extent that it had been, thus extending its life, replacing it may have the potential of being deferred.

3.2 2021 Budget

CEO Carpenter reported that if the budget is available, AAATA will seek to do more and fill in some service. Mr. Metzinger reported that he and CEO Carpenter attended the State Revenue Estimating Committee Meeting this past Monday where they learned that there is budget gap of \$2.4B (rather than the \$3B that had been discussed previously). There was better than expected revenue in 2020, carrying over a balance into 2021, which reduces that gap to a little less than \$1B. There is still some concern for 2022 where the deficit is expected still to be in the \$2B range. This still leaves a great deal of uncertainty as far as what the state will do with operating and capital assistance. It will be unknown until the state passes the budget.

Mr. Hewitt expressed not being enthusiastic that in-person classes will be sustainable at UofM. To Mr. Hewitt's inquiry for clarification, CEO Carpenter reminded the Committee that the CARES Act funds cannot be used for anything that is not closely related to the pandemic, including capital projects.

Mr. Smith reported recalling 5 MCOs in response to retirements.

Mr. Metzinger described the following potential changes to the budget:

- Recall of additional FTEs
- Moving up the timing of the paratransit contract award
- Reviewing capital program for possible deferral of fleet replacement

Mr. Allemang requested that the cover note of the next draft of the budget indicate the most recent changes that have been made. Mr. Metzinger will call those out in the Issue Brief, as well as in the budget presentation.

3.3 Service Restoration

Mr. Smith reported bringing back 5 MCOs in response to retirements and that August

Discussion Items	
	<p>31st is still the service restoration date. In terms of adding service, it will not be showing up in the real time data base, so additional communication will be brought forth as needed by Community Relations.</p> <p>Mr. Smith is looking at what can be done to fill in gaps. He will seek to offer maps and more details of where those gaps are.</p>
3.4	<p>Longer-Term Budget Outlook CEO Carpenter described the hope to have something long-term budget-wise to present next month, along the lines of what happens after the pandemic.</p>
3.5	<p>Board Retreat Chairman Mahler suggested adding a discussion of a virtual Board retreat to the Board meeting agenda. Mr. Hewitt and Mr. Allemang suggested that having a virtual retreat is better to have than to not have anything at all. Chairman Mahler and Mr. Allemang discussed the benefits of having the retreat sooner rather than later. Ms. Sims supported bringing this up at the Board meeting. Chairman Mahler will add this as agenda item 4.4 on the Board meeting agenda as an “other” info type. This can also be added to the next Governance Committee meeting.</p>
4. CLOSING ITEMS	
4.1	<p>Topics for Next Meeting Board Retreat</p>
4.2	<p>Adjournment Chairman Mahler adjourned the meeting at 10:19am.</p>

Respectfully submitted by: Keith Everett Book

Service Committee Meeting Agenda

Meeting Date/Time: September 9, 2020, 3:00-5:00pm

Location: REMOTE – Via GoToMeeting

Meeting Chair: Roger Hewitt

Committee Meeting Attendees: Kathleen Mozak-Betts, Ryan Hunter, Jesse Miller

AAATA Staff Attendees: Matt Carpenter, Bryan Smith, John Metzinger, Forest Yang, Rosa-Maria Njuki

Chairman Roger Hewitt called the meeting to order at 3:03 pm.

Discussion Items
1. OPENING ITEMS
1.1 Agenda (Additions, Approval) Chairman Hewitt added a discussion of transportation funding agreements at agenda item 2.2.
1.2 Communications None.
2. POLICY MONITORING & DEVELOPMENT
2.1 LAC Discussion Ms. Mozak-Betts reminded the Committee of the LAC discussion had at the August 20 th Board meeting. Scheduling of Ms. Mozak-Betts with the Governance Committee and Rose Mercier to develop policy for the LAC was discussed. CEO Carpenter suggested that he, Ms. Mozak-Betts, and Rose Mercier first speak about the role of an advisory committee. Keith Book will schedule that. Chairman Hewitt suggested that there may be some monitoring reports it would be helpful for the LAC to review. Mr. Miller suggested considering what role the LAC serves specifically that is not being served by the Board.
2.2 Transportation Funding Agreements The Committee reviewed language in the transportation funding agreement held by and between the Charter Township of Ypsilanti and AAATA. They also discussed communication processes followed between AAATA, their owners, and officials. CEO Carpenter and Mr. Hewitt will seek legal counsel for an interpretation of the transportation funding agreement.
3. STRATEGY & OPERATIONAL UPDATES: CEO
3.1 2021 Budget Mr. Metzinger presented on the recommended FY2021 budget that will be brought to the Board for adoption consideration at the September 24 th Board meeting. He reported that the recommended FY2021 budget being brought forward is balanced, allows for gradual restoration of services, provides budgetary capacity for up to 2/3 of regular service levels to be restored, presents a sustainable budget that can weather possible state funding cuts, and offers flexibility in AAATA's ability to expand or contract as necessary.

Mr. Miller asked why the driver barriers and mobile ticketing pilot approved in FY2020 appear in the FY2021 budget. Mr. Metzinger explained that they are FY2021 expenditures; the driver barriers are still on order, so the expenditure will actually be occurring in FY2021. The mobile ticketing pilot will be launched this month, but the significant amount of fees will not occur until FY2021. He pointed out that the capital budget is a capital program where the Board is authorizing the expenditure of grant funds and there is often a lag that will cross the fiscal year line.

Ms. Mozak-Betts asked what purchased transportation would be purchased in FY2021. Mr. Metzinger explained that all the services that are operated on behalf of AAATA (i.e. FlexRide) are funded under purchased transportation.

Discussion ensued about paratransit operated in-house versus outsourced.

3.2 August Service Restoration Update

Mr. Smith reported that thus far ridership has remained the same since adding the additional service on August 30th. Mr. Yang shared that staff are monitoring the ridership data and reaching out for public and stakeholder feedback in preparation for future change.

Chairman Hewitt expressed that it is premature to make any assumptions yet about ridership and return to public transit. He also described a trend in the purchase of used cars over the use of public transit. CEO Carpenter reminded the Committee of the 1918 flu pandemic, which came to an end around 1920; quickly after the temporary aberration of the disease passed, the decade of the 1920s saw enormous growth in transit systems.

Mr. Miller asked what room there is in the immediate plan for an increase in ridership and when buses will stop encouraging essential travel only. CEO Carpenter described the work-from-home order still in place from the state government. As long as that is in place, AAATA will be reminding public to please travel for essential trips only. He described that AAATA does have capacity for an increase in ridership. He also shared that big increases in ridership are most likely to happen in summer of 2021.

Mr. Miller also asked if there are any trends in ridership emerging or any changes in ridership distribution. CEO Carpenter described that data is being monitored but drawing any conclusions just yet is likely premature. Mr. Miller described an article (which he will forward to staff) that suggested ridership distribution in public transit had changed but some organizations' operational decisions were being based on pre-pandemic ridership. CEO Carpenter expressed that AAATA's operational decisions are being made based on both pre-pandemic and current ridership levels, trying to provide coverage as well as focus service where the need is the greatest.

CEO Carpenter also described that while the budget sorts itself out, AAATA is doing its best to help riders who may be experiencing a bit of a learning curve with the use of alternate routes and FlexRide.

4. CLOSING ITEMS

4.1 Topics for Next Meeting
External Relationships (Policy 2.10)

4.2 Adjournment
Ms. Mozak-Betts motioned to adjourn, supported by the Committee. Mr. Hewitt adjourned the meeting at 4:36pm.

Respectfully submitted by: Keith Everett Book

DRAFT

Finance Committee Meeting Summary

Meeting Date/Time: September 15, 2020, 3:00-5:00pm

Location: REMOTE – Via GoToMeeting

Meeting Chair: Mike Allemang

Committee Meeting Attendees: Raymond Hess, Kyra Sims, Rich Chang

AAATA Staff Attendees: Matt Carpenter, Bryan Smith, John Metzinger, Rosa-Maria Njuki, LaTasha Thompson

Chairman Mike Allemang called the meeting to order at 3:02pm.

Discussion Items
1. OPENING ITEMS
1.1 Agenda (Additions, Approval) Approved.
1.2 Communications None.
2. POLICY MONITORING & DEVELOPMENT
<p>2.2 Financial Planning & Budgeting (Policy 2.4) Mr. Metzinger walked the Committee through the monitoring report for Policy 2.4. Policy 2.4 lists the parameters and expectations for the recommended annual budget and addresses the need to make a longer-term financial plan that helps to place context around the budget. Mr. Metzinger explained that reviewing this policy is the first step towards adopting the annual budget. Staff is recommending that the Board accept the monitoring report as (A) In compliance or (B) In compliance, except for item(s) noted at the September 24th Board meeting.</p> <p>This monitoring report was also surveyed by the Board. Mr. Chang suggested a potential update to the policy via the survey and in this meeting that during times of economic uncertainty, such as a pandemic, where daily ridership has fallen below "x% of normal levels", the CEO shall provide a monitoring report every <some time period cadence>. Mr. Metzinger confirmed that more reporting can be made available to the Board as needed. CEO Carpenter noted that staff is currently required to provide quarterly financial reports and the Board or individual Board members can ask for additional information at any time.</p> <p>Chairman Allemang suggested having a COVID-19 update every Board meeting that would include a finance update in terms of how AAATA stands versus the budget in general, not necessarily a formal report, probably focused on cash flow and how CARES Act funds are being spent.</p> <p>Mr. Hess reminded the Committee that Mr. Jesse Miller had previously asked for a draw down report of the CARES Act funds. Mr. Hess gave his support for any formal request that may come from the Board to receive such a report. Ms. Sims noted that</p>

Discussion Items

the CARES Act funding may be the topic on which the general public wants the most information.

Mr. Hess expressed not yet having a sense of assurance in terms of how AAATA is going to scale back up. He requested more information from staff in terms of how AAATA is going to restore service, as well as how AAATA is planning to use their reserve and the CARES Act funding. Staff addressed his concerns throughout the FY2021 budget presentation and discussion of the August service restoration update later in this meeting.

Chairman Allemang complimented staff on the thought, work, and high level of explanation provided in the monitoring report. He provided the following comments on policy 2.4 and the monitoring report:

- Chairman Allemang noted that the policy states “shall not deviate from the Board’s Ends priorities”; however, he does not see that the Ends priorities are addressed very much, though he does not see how they could be in this policy. Mr. Metzinger suggested that there might be more to say about how the COVID-19 Recovery Plan, and therefore this budget, helps achieve those Ends.
- Under 2.4.2 evidence, Chairman Allemang pointed out that the report actually says that a key missing piece of the strategic context is a clear long-term plan for transit services, and he presumes that missing piece will be coming along sometime.
- Under 2.4.5, Chairman Allemang highlighted unfunded liabilities that should not be created for future years. He presumes that taking on a new service today that has short-term funding without a plan for how to pay for that beyond the short-term funding would be in violation of the policy. Mr. Metzinger described that a pilot project, a new expansion that has a temporary funding source would be identified so that the Board is clear at the outset of the project how long it will be funded along with discussions about what will be done once the pilot funding expires.

Following the FY2021 Budget presentation, the Committee concluded that they will unanimously recommend the Board to accept the monitoring report as (A) In compliance. The Committee will also continue to discuss frequency of reporting in an emergency situation as well as opportunities to improve communication of the Board’s expectations during an emergency through policy.

3. STRATEGY & OPERATIONAL UPDATES: CEO

3.1 2021 Budget

Mr. Metzinger presented on the recommended FY2021 budget that will be brought to the Board for adoption consideration at the September 24th Board meeting. He reported that the recommended FY2021 budget being brought forward is balanced, allows for gradual restoration of services, provides budgetary capacity for up to 2/3 of regular service levels to be restored, presents a sustainable budget that can weather possible state funding cuts, and offers flexibility in AAATA’s ability to expand or contract as necessary.

Mr. Metzinger reported that he has heard from a lobbyist that the state is moving toward being able to adopt a budget and there may be an adopted annual state budget next week. Later in this meeting, CEO Carpenter described that the state’s revenue estimating body has found that tax income may be better than their more dire predictions a couple of months before.

Discussion Items

Mr. Metzinger also reported efforts for benchmarking the CARES Act fund spending to determine how AAATA's plan for using the CARES Act funds is or is not matching what other transit agencies are doing. FTA does not provide benchmarking data. Therefore, working in coordination with RTA, local agencies are working as a region to track the planned use of CARES Act funding along with expenses and obligations. RTA will be pulling the data together from all of the public transit authorities in the southeast Michigan region and providing it to the agencies for benchmarking. He noted that by speaking with colleagues around the industry, he is hearing that many transit agencies of AAATA's size have the same approach. Robert Cramer of SMART reported to Mr. Metzinger that they are operating 60% of their service level and will continue operating that using a long-term approach with their CARES Act funding. DDOT shared that they are using their CARES Act funding a little more quickly, but also the long-term piece is key to them. The Detroit People Mover, QLine, and RTA have not yet executed their grant awards with FTA, which means that they have not yet drawn the first dollar of funding. Mr. Metzinger described this data to show that the utilization of CARES Act funding varies greatly by transit agency.

CEO Carpenter described that staff are in agreeance that there is a need to accelerate the spending of the CARES Act funds, but that cannot be done until the state budget is determined. If the state budget turns out reasonably well, the hope is to amend the budget for the purpose of restoring services faster.

Mr. Hess asked to what the addition of 10 MCOs translates. Mr. Metzinger responded that this adds roughly 14,500 service hours to the schedule. Mr. Bryan Smith reported that the plan is to restore at least one bus worth of service by November, with 30-minute frequency so that there is enough coverage to allow for social distancing.

CEO Carpenter noted that an increase in coverage has taken priority as crowds have not been returning yet, which would require an increase in frequency.

Chairman Allemang suggested that Mr. Metzinger highlight sooner in his budget presentation to the Board and public that the purpose of adding 10 MCOs is to increase coverage. He also asked that Mr. Metzinger explain the increased budget for purchased paratransit in August 2021. Mr. Metzinger expressed that the intent all along has been to have a contractor provide the paratransit service ultimately, but the service was brought in-house over the summer because (1) it was impossible for AAATA to get a competitive contractor to propose in the midst of the pandemic and the contract was expiring, and then (2) it allowed avoiding the layoff of up to 50 MCOs. Mr. Metzinger described that the plan in August 2021 is to go back to contracted paratransit and then reallocate the 50 MCOs temporarily used for in-house paratransit toward fixed route service recovery.

CEO Carpenter noted that the explanations provided above could be helpful to share in the budget presentation to the Board and public.

At Chairman Allemang's request, Mr. Metzinger noted that the D2A2 and AirRide services in the budget are fully funded by other sources. Whether these services operate or do not operate, there will be a net zero impact on AAATA's actual financial performance with revenue offsetting expenses.

Ms. Sims asked what the "other federal operating funding" in the budget is that is not the CARES Act or federal operating assistance. Mr. Metzinger responded that is a variety of other sources such as rural assistance that passes through AAATA to other transit providers and expiring JARC funding for mobility services.

Mr. Hess thanked the staff for the further explanation of plans for service restoration.

Discussion Items

3.2 August Service Restoration Update (verbal)

Mr. Smith reported on the third week of the 60% service restoration. He noted that he spoke with a resident in Schooner Cove just today, and it was interesting to hear the variety of services that were available to this person. While they did want more, the call ended with the person thanking AAATA for everything they are doing and for collecting their feedback.

He also reported that ridership is still at about 25% or less of what it was before the pandemic, which is surprising considering that some UofM students have returned. He also noted that travel patterns are different now than they were before the pandemic and staff continue trying to understand the balance needed between coverage and frequency during this time. He described the difficulty in trying to predict what will be seen in terms of ridership just yet, but the area of focus for November is the gaps in coverage.

Chairman Allemang asked how easily and quickly it is to add additional service. Mr. Smith described that service can be added fairly quickly in an instance of one-off demand. In the instance of longer-term additions, he described that more time is needed to get buses and MCOs properly allocated through bids, along with needing to get the information into the real time system so that riders are aware of the addition; it works better and is more clearly communicated if it is done with planning involved. At Mr. Hess's request, Mr. Smith shared that at the beginning of the pandemic the level of service dropped to approximately 25%-30% and is now at 60%.

Mr. Smith announced that Brian Marshall has started as AAATA's new Manager of Bus Operations.

CEO Carpenter shared that the Service Committee is reviewing language in the transportation funding agreements held by and between the Charter Township of Ypsilanti and AAATA, as well as the same held by and between the City of Ypsilanti and AAATA. He also shared that the Service Committee is discussing communication processes followed between AAATA, their owners, and officials, and that he and Mr. Roger Hewitt are seeking legal counsel for an interpretation of the transportation funding agreements. This may be a topic of discussion at the upcoming Board meeting.

At Mr. Hess' request, Mr. Smith shared that while AAATA was not collecting fares, drivers were still hitting a fare box button to track how many passengers were on board, but only if the route was in the real time system. Otherwise, paper was relied upon for tracking. Both of these processes will likely be less accurate than the fare box is when collecting fares. Mr. Hess expressed that these numbers could help describe how AAATA is trying do their best to balance what the demand is and what AAATA's ability to supply is.

4. CLOSING ITEMS

4.1 Topics for Next Meeting
Potential Budget Amendments

4.2 Adjournment
Chairman Allemang adjourned the meeting at 5:08pm.

Respectfully submitted by: Keith Everett Book










ISSUE BRIEF:
Monitoring Report for Policy 2.4 Financial Planning/Budgeting

Finance Committee Review Date: September 15, 2020

Board Meeting Review Date: September 24, 2020

INFORMATION TYPE:
Decision
RECOMMENDED ACTION(S):
<p>That the Board consider accepting this monitoring report as either level:</p> <ul style="list-style-type: none"> • A – In Compliance, OR • B – In compliance, except for item(s) noted.
ISSUE SUMMARY:
<p>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.</p>
BACKGROUND:
<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> <ol style="list-style-type: none"> 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)
IMPACTS OF RECOMMENDED ACTION(S):
<ul style="list-style-type: none"> • Governance: Perform key Policy Governance process
ATTACHMENTS:
<ol style="list-style-type: none"> 1. Monitoring report for Policy 2.4 Financial Planning/Budgeting

Table of Contents

POLICY TITLE: 2.4 Financial Planning and Budgeting	Page #	Compliance
2.4 Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate from Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a strategic multi-year plan. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not cause, allow or fail to address budgeting that:	3	
2.4.1 Risks incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities."	4	
2.4.2 Fails to place business decisions in a comprehensive, strategic context that illustrates progress towards Ends and compliance with Executive Limitations.	5	
2.4.3 Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.	7	
2.4.4 Is unclear about long-term funding needs and growth projections.	8	
2.4.5 Causes deficit spending.	10	
2.4.6 Does not provide for adequate reserves.	11	
2.4.7 Provides less for Board prerogatives during the year than is set forth in the Cost of Governance policy.	12	
2.4.8 Funds ongoing operations via debt or creates unfunded future obligations.	13	

 Compliant
  Partially Compliant
  Non-Compliant

Preliminary CEO Interpretations and Evidence

EXECUTIVE LIMITATIONS POLICY 2.4:

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate from Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a strategic multi-year plan. Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not cause, allow or fail to address budgeting that:

Degree of Compliance: In Compliance

EXECUTIVE LIMITATIONS POLICY 2.4: Interpretation

I interpret this policy to be listing parameters and expectations for the recommended annual budget and budgeting for the future. Compliance with this overall policy will be demonstrated by compliance with the following sub-policies. Throughout this monitoring report, references are made to the published budget document available on the web site [Budget Page](#).

EXECUTIVE LIMITATIONS POLICY 2.4: Evidence

The evidence of compliance throughout this Monitoring Report comes from the process by which the annual budget was developed, and the resulting document – the recommended FY 2021 Budget. Additional evidence comes from corporate strategy documents and previously published Auditor reports and Quarterly Financial Reports that are publicly available on TheRide's website and have already been supplied to the Board. These documents are cited as evidence of compliance with sub-policies in this section.

- See monitoring reports for sub-policies.

EXECUTIVE LIMITATIONS POLICY 2.4.1:

Risks incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities."

Degree of Compliance: In Compliance

EXECUTIVE LIMITATIONS POLICY 2.4.1: Interpretation

I interpret this policy to mean that I must take into account budgeting elements of Policy 2.5 Financial Conditions that are not otherwise covered in policy 2.4. Additional requirements are:

- **Contracts in the budget** - I interpret this policy to mean that anticipated contracts greater than \$250,000 must be listed in the budget to be considered approved as part of the budget. Any contract not included in this list over \$250,000 will come to the board for approval.
- **Adjustment of fares or tax rate** - I interpret this policy to mean that staff may not change fares or tax rates without Board approval. Neither the CEO nor the Board has the power to change the tax rate (mill rate). The Board must approve any proposed change which is then voted on by residents.
- **Real estate** - I interpret this policy to mean that staff may not buy, sell, or borrow against real estate without Board approval.

EXECUTIVE LIMITATIONS POLICY 2.4.1: Evidence

- **Contracts:** a list of all anticipated contracts and their dollar value is included in Appendix 2, p. 34, of the recommended FY 2021 Budget.
- **Fares and Taxes:** as stated on page 18 and in Appendix 3, the recommended FY 2021 Budget does not change fares, however TheRide will continue to develop a strategy for fares in 2021 as described on p. 31. Primary property tax rates in Ann Arbor and Ypsilanti are unchanged in 2021 budgeting. The expansion millage in Ann Arbor, Ypsilanti, and Ypsilanti Township were restored after voters approved renewal of the 0.7 mill rate in August 2018; see page 20 for property tax millage rate details.
- **Real Estate:** The FY 2021 budget includes funds for potential land acquisition as described on pages 25, 27, and 33, however the CEO acknowledges that only the Board can make the decision to purchase real estate. Staff are prohibited by Policy 2.5.9 from buying land without Board approval.

EXECUTIVE LIMITATIONS POLICY 2.4.2

Fails to place business decisions in a comprehensive, strategic context that illustrates progress towards Ends and compliance with Executive Limitations.

Degree of Compliance: In Compliance

EXECUTIVE LIMITATIONS POLICY 2.4.2: Interpretation

I interpret this policy to mean that the recommended annual budget should be accompanied by a multi-year corporate plan that illustrates how a single year fits into a longer-term approach to advancing the Board's policy goals, while also meeting expectations for risk management and prudent management of the agency's resources.

Together, the corporate plan and the budget must provide clear goals and priorities, illustrate how recommended efforts advance the policy goals of the Board, address all aspects of TheRide's business, and help the organization become more compliant with Board policies.

EXECUTIVE LIMITATIONS POLICY 2.4.2: Evidence

Strategic Context: The strategic context for the annual budget has been guided in recent years by the Corporate Business Plan. At the onset of the pandemic, the COVID-19 Recovery Plan established a new multi-year plan to guide the organization during and after the pandemic. This plan illustrates strategic context for the budget by:

- Aligning priorities and resources towards the Board's written policy goals, and providing clear objectives for the recommended annual budget (pp. 7-9, 13, 18, 23, 25, 31),
- Establishing a situational awareness of the current status of the agency (pp. 11-17), and
- Explicitly connect proposed initiatives with specific policy goals of the Board (pp. 31-33).

A key missing piece of strategic context is a clear long-term plan for transit services. The need for this is recognized in the recommended FY 2021 Budget (p. 31). Long-term financial context is provided on p.23.

Comprehensiveness: The recommended FY 2021 Budget encompasses all elements of TheRide's business. It combines the operating budget (pp. 19-24) and capital budget (pp. 25-27) in one document. Existing services and infrastructure are funded and maintained (see "State of Good Repair" budget on p. 25, and details on pp. 32-33).

Risk is addressed in several parts of the recommended FY 2020 Budget, for example:

- Ensuring adequate reserves (pp. 13-14),
- A focus on addressing deferred maintenance (see "Facilities Rehabilitation," p. 32),
- Strengthening against risks of uncertainty and contingencies (pp. 21),
- Adjustments within various budget line times too numerous to list, and

-
- By placing the annual budget in the context of the COVID-19 Recovery Plan.

Both the CEO and CFO attest that, to the best of their knowledge, there are no elements missing from the budget. This confidence comes, in part, from a collaborative effort to develop the budget where staff, the public and Board members have been consulted during budget development (p. 10).

EXECUTIVE LIMITATIONS POLICY 2.4.3:

Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

Degree of Compliance: In Compliance

EXECUTIVE LIMITATIONS POLICY 2.4.3: Interpretation

I interpret this policy to mean that each recommended annual budget must include realistic estimates of future costs and revenues, sufficient to contextualize the annual budget and demonstrate longer-term financial implications.

In this context, a “credible projection” is an extrapolation of future costs and revenues based historic financial evidence, identified risks, and reasonable and realistic assumptions about future circumstances (i.e. inflation, ridership trends, anticipated economic changes, etc.). In this context the forecasted cash flow is presented as annualized totals.

Furthermore, forecasts must clearly distinguish operating and capital expenses. The time horizon for operating forecasts will cover at least the next 5-year millage cycle, while capital costs are projected over a ten-year timeframe due to longer project-development and implementation cycles.

EXECUTIVE LIMITATIONS POLICY 2.4.3: Evidence

- **Operations:** The 2021 operating budget and 7-year forecast of revenues, expenses and cash flow for operating costs are presented on page 24 of the FY 2021 Budget. We believe that these projections are realistic in light of historic trends as seen on page 13 and assumptions starting on page 18, which include downscaling of revenue and expense during the pandemic and early recovery before gradual restoration by 2022. In general, forecasted revenues and expenses are expected to increase about 4% each year after 2022.
- **Capital:** The 2021 capital budget and 10-year forecast of capital expenses are presented on p. 26 of the recommended FY 2021 Budget. Planning assumptions for each project are summarized on pp. 32-33.

EXECUTIVE LIMITATIONS POLICY 2.4.4:

Is unclear about long-term funding needs and growth projections.

Degree of Compliance: In Compliance

EXECUTIVE LIMITATIONS POLICY 2.4.4: Interpretation

I interpret this policy to mean that the recommended annual budget must anticipate and clearly account for the funding required in future years to 1) provide for services, 2) maintain assets as per policy 2.8: Asset Protection, 3) mitigate against foreseeable risks, and 4) implement plans for change adopted by the agency (e.g. expansion plans, new services, etc.).

In this context I believe that “needs” will be clear when specific priority expenditures (e.g. projects, initiatives, line items, etc.) are identified in annual budget, and when the scope and rationale for the expenditures is provided and is acceptable for the full Board. Clarity also requires:

- Realistic estimates of future costs,
- Adjustments for inflation and other reasonable assumptions about future economic conditions,
- Accounting for full-year costs of earlier partial-year initiatives, and
- Anticipation of operating costs that accompany new capital projects (e.g. utilities for a new building).

I interpret a “growth projection” to mean forecasts of changes in expenditures and revenues which are used to guide budget development.

I believe that “long-term” for budgeting purposes means that operational needs will be illustrated for at least a rolling five-year period, and capital for a rolling ten-year period. A longer-range forecast/plan can be adopted if helpful, for example based on a long-range service plan.

EXECUTIVE LIMITATIONS POLICY 2.4.4: Evidence

- **Operating Needs:** The recommended 2021 Budget contains the expenditures necessary to operate a reduced level of service as described in the “operations overview” on pp. 18-19. As noted, this is a temporary service plan (any permanent changes will require prior public review). Operating budget forecasting indicates service levels could be restored to near pre-pandemic levels by 2022. Forecasts of operational revenues and costs for 2022-2028 are provided on page 24, preceded by historic trends on p. 23.
- **Capital Needs:** As illustrated on pp. 25-26 of the recommended 2021 Budget, ten years’ worth of projected capital needs have been organized into four categories: State-of-Good-Repair, Value Added, Expansion, Research and Development. The first

two categories are well populated with projects for maintaining and improving existing services and infrastructure. The “Expansion” category is populated by projects that meet longer-term expansion plans established before the pandemic. Impacts of capital projects on the operating budget are discussed on p. 29.

- **Risk:** Risks and mitigations are discussed in the 2021 Budget on page 21. Uncertain funding from the economic impact of coronavirus and a lack of clarity about how quickly and the degree to which services can be restored are major contingencies planned for in the recommended budget. As a mitigation of these risks, the draft budget is a careful, conservative baseline budget that can be amended as necessary to address new risks and opportunities during the fiscal year. CARES Act funding is available to fund unexpected pandemic-related costs.
- **Corporate Strategy:** The operational and capital projections in the 2021 Budget are further contextualized by the pandemic implications, timelines, work plan, and service restoration discussion provided in the [COVID-19 Recovery Plan](#).

EXECUTIVE LIMITATIONS POLICY 2.4.5:

Causes deficit spending.

Degree of Compliance: In Compliance

EXECUTIVE LIMITATIONS POLICY 2.4.5: Interpretation

I interpret this policy to mean that the TheRide should not risk financial jeopardy or services to existing passengers by budgeting or allowing overall spending to exceed revenue (i.e. deficit spending). For annual budgeting, this means that:

- Proposed expenses (operating and capital) in the recommended annual budget must be equal to or less than anticipated revenues,
- New expenses cannot create unfunded liabilities in future years.
- We cannot use reserves to pay for ongoing operating costs, and
- Should debt-financing be recommended as a part of an annual budget, the costs of financing a debt will be clearly articulated and will not cause operating deficits.

It is not acceptable to increase short-term spending by creating future financial burdens that are imprudent or excessively risky, or not clearly identified for the Board. Specifically, ongoing operating costs cannot be funded by debt, drawing down the reserve (unrestricted net asset), or under-funding capital or maintenance activities. While multi-year forecasts can show projected deficits as part of the financial planning exercise, the CEO will not recommend an annual budget for approval that includes deficits.

Furthermore, during a fiscal year should it become apparent that total annual expenses will actually exceed total revenue, the CEO is required to adjust spending or revenue to avoid deficit spending.

EXECUTIVE LIMITATIONS POLICY 2.4.5: Evidence

The FY 20201 Budget:

- Is balanced (no deficit) with total expenses the same as total revenues (pp. 19-20).
- Creates no unfunded liabilities in FYs 2022-2028. There are no anticipated unfunded liabilities such as unfunded pensions or post-employment benefits in the FY2021 budget.

As illustrated on pp. 20-21, funding sources (i.e. revenues) do not include any contribution from the reserve or debt financing. The reserve (unrestricted net asset) is expected to remain at or above the reserve level target sufficient to support 2.5 months of operations (p. 28).

The AAATA carries no debt. This is validated by the 2019 audit conducted by UHY LLC (see Board Packet for March 2019), demonstrated on the balance sheets of the Quarterly Financial Reports, and most recently the Third Quarter reports from August 2020. These documents are available on TheRide's website.

EXECUTIVE LIMITATIONS POLICY 2.4.6:

Does not provide for adequate reserves.

Degree of Compliance: In Compliance

EXECUTIVE LIMITATIONS POLICY 2.4.6: Interpretation

I interpret this policy to mean that TheRide must have enough liquid financial resources available to prevent interruption to regular operations in the event of a temporary disruption to funding sources. For example, we need to have enough money to make payroll should funding from the State of Michigan or federal government be delayed (as has occurred in the past). Processing errors and federal government shutdowns have caused such delays in the past.

I define “adequate” to mean 2.5 months’ worth of regular operating expenses (excluding one-time expenses). We will consider TheRide to have adequate reserves when we have a minimum of 2.5 months of operating expense in reserve for 12 consecutive months. A ratio is preferable to a fixed dollar amount as it will keep pace with budget changes. The specific threshold of 2.5 months is considered reasonable based on government finance standards and agency history.

EXECUTIVE LIMITATIONS POLICY 2.4.6: Evidence

According to the 2020 Third Quarter Financial Statements (August 2020), the reserve contained \$10 million, or 2.5 months of operating expense. The reserve balance has been at or slightly above the target for four consecutive quarters, and is forecasted to remain at target level (see Projected Reserve Balance, p. 28). As noted under Policy 2.4.6 above, there are no plans to use the reserve to cover long-term revenue shortfalls resulting from the pandemic, because CARES Act funding is available for this purpose.

The Government Finance Officers Association (GFOA) best practice recommends, at a minimum, that governments maintain at least two months of regular operating expenditures in reserve. However, several factors should be considered including the predictability of revenues, volatility of expenditures, and other considerations. The CEO and CFO believe that 2.5 months should continue to be TheRide’s objective based upon GFOA’s recommendations and considering that state and federal grant funding can be unpredictable, especially during these times of economic uncertainty.

EXECUTIVE LIMITATIONS POLICY 2.4.7:

Provides less for Board prerogatives during the year than is set forth in the Cost of Governance policy.

Degree of Compliance: In Compliance

EXECUTIVE LIMITATIONS POLICY 2.4.7: Interpretation

I interpret this policy to mean that the budget must include funds for the Board to do its work and that the amount of funding be determined by the Governance Committee. Examples of past expenses in this area have included group and individual education and training, facilitators, and governance advisory consultation.

EXECUTIVE LIMITATIONS POLICY 2.4.7: Evidence

For FY2021 the Governance Committee accepted a staff recommended budget of \$35,000, \$5,000 less than was budgeted for FY2020. This amount is included within the “other expenses” category shown in the budget. While this line item is not called out specifically in the budget, the amount is budgeted in account 300-509-017 (Board Governance & Training).

EXECUTIVE LIMITATIONS POLICY 2.4.8:

Funds ongoing operations via debt or creates unfunded future obligations.

Degree of Compliance: In Compliance

EXECUTIVE LIMITATIONS POLICY 2.4.8: Interpretation

I interpret this policy to mean that, with respect to recurring operating expenses, the AAATA must live within its means and avoid over-extending ourselves financially. Using debt or creating future obligations (e.g. unfunded pension liabilities, etc.) in order to allow more spending today are not a transparent means of paying for existing services, and are prohibited. Specifically, we cannot borrow funds or otherwise leverage the Authority for the purpose of paying for ongoing operating costs such as payroll, fuel, bus services, geographic coverage, etc. Furthermore, we cannot create new expenses that will cause forecasted expenses to exceed reasonably foreseeable revenues. (This policy does not apply to capital projects where debt may be a reasonable means of financing large projects.)

EXECUTIVE LIMITATIONS POLICY 2.4.8: Evidence

AAATA has no debt, as is indicated in the FY2019 audited financial statements, liabilities, (see p. 7 of the [audit report](#)).

The multiyear forecast presented in the budget (pp. 23-24) demonstrates that the CEO has not caused new obligations for the AAATA that cannot be funded with reasonably foreseeable revenues. While new costs have emerged from the pandemic, they are anticipated to be fully funded with federal CARES Act aid.

Monitoring Policy 2.4 Financial Planning & Budgeting

Guidance on Determining “Reasonableness” of CEO Interpretations

The International Policy Governance Association has developed the following guidance for Board members to use in deciding whether a CEO’s interpretation is “reasonable”:

An interpretation is deemed to be reasonable when it provides an operational definition which includes defensible measures and standards against which policy achievement can be assessed...

Defensible measures and standards are those that:

- *Are objectively verifiable (e.g., through research, testing, and/or credible confirmation of observable phenomena.)*
- *Are relevant and conceptually aligned with the policy criteria and the board’s policy set.*
- *Represent an appropriate level of fulfillment within the scope of the policy.*

- *“What makes an Interpretation Reasonable and What are the Expectations for the Operational Definition: Policy Governance Consistency Framework Report Number 2”.* International Policy Governance Association. June 11, 2016. Available on the IPGA website.

Board’s conclusion on monitoring report

The Board has received and reviewed the CEO’s Monitoring Report references above. Following the Board’s review and discussion with the CEO, the Board makes the following conclusions:

Executive Limitations Report (select one)

The Board finds that the CEO:

- A. Is in compliance
- B. Is in compliance, except for item(s) noted.
- C. Is making reasonable progress toward compliance.
- D. Is *not* in compliance or is *not* making reasonable progress toward compliance
- E. Cannot be determined.

Board notes: (If applicable)

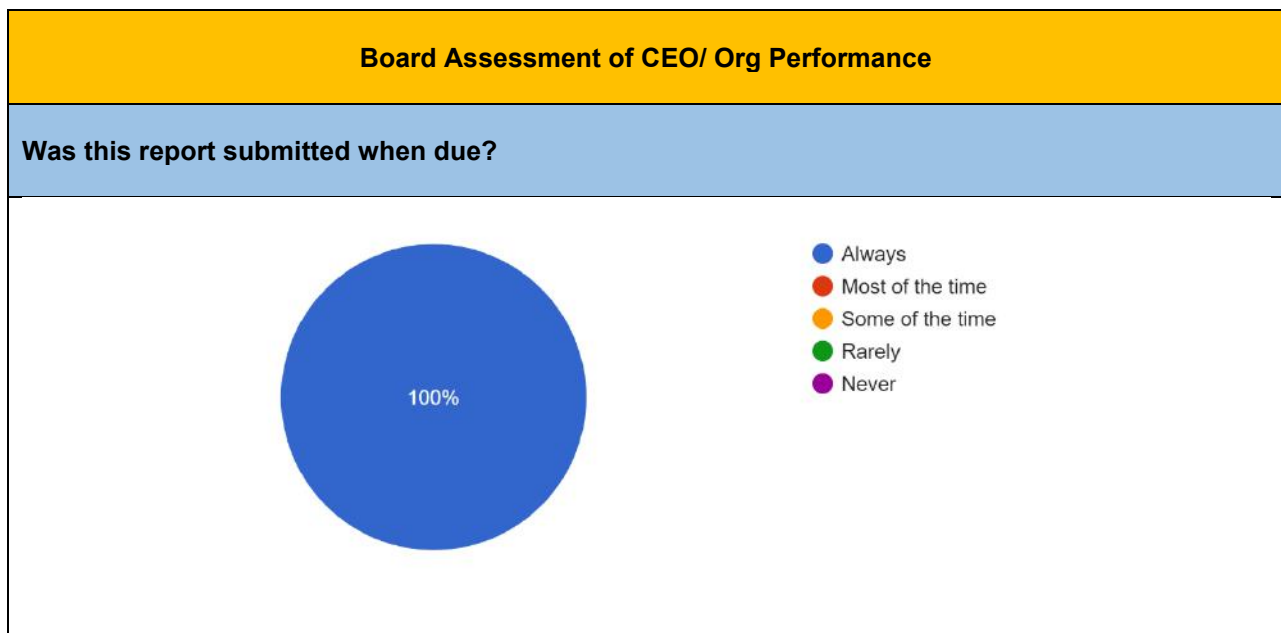
SURVEY RESULTS: Policy 2.4 Financial Planning & Budgeting

Finance Committee Review Date: September 15, 2020

Board Meeting Review Date: September 24, 2020

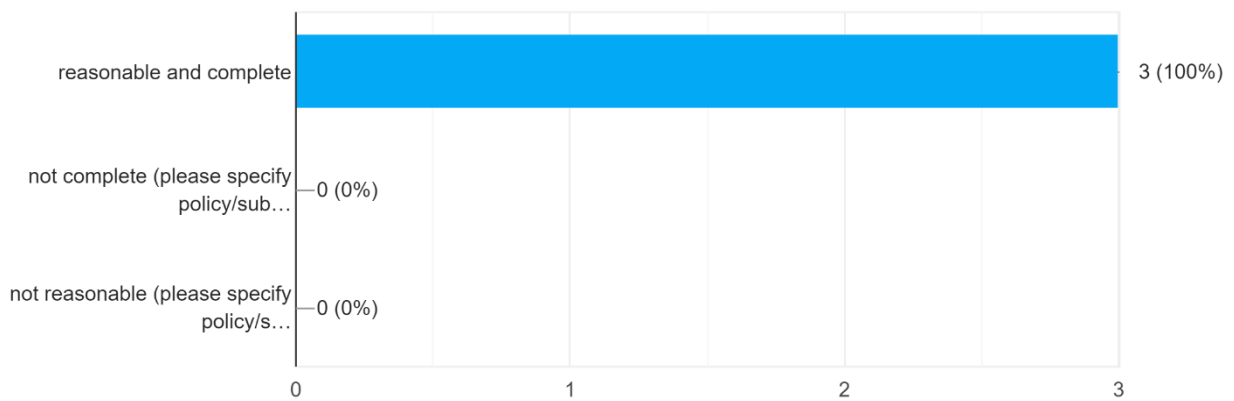
Survey Participants: 3 Board Members

Note: Each bullet represents a comment by a different board member.



Board Assessment of CEO/ Org Performance

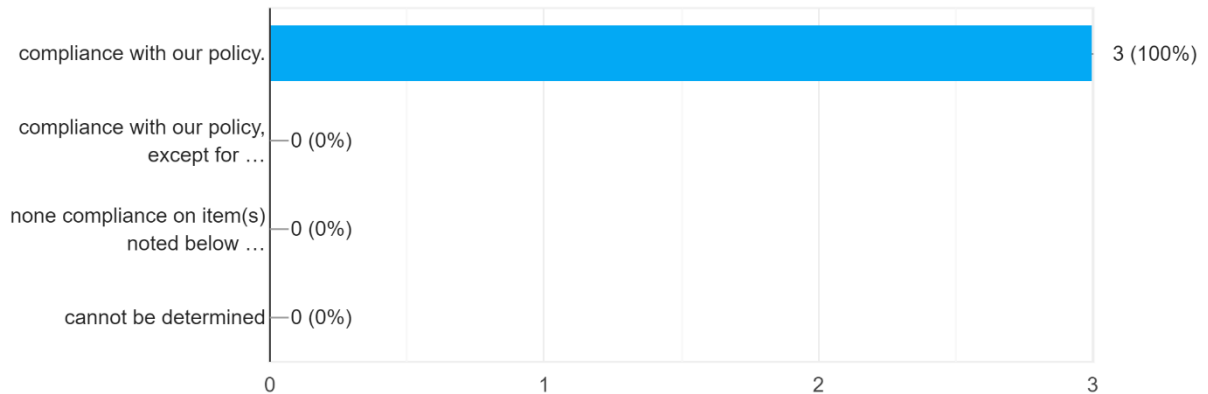
Do you find the CEO Interpretation for each policy/sub policy to be:



CEO Interpretations that were incomplete or unreasonable (if any):

None.

Do you find the CEO's evidence and data shows..?



Items not in compliance (if any):

None.

Optional: Potential Policy Development

Is there any area associated with this policy that concerns you that is not clearly addressed in existing policy? What is the value that drives your concern?

- No concerns.
- During this time of COVID, I think we need to consider having more monitoring for 2.4 Financial planning & budgeting. I think Matt and John are doing a great job keeping us all up to date, hence why I used the word, "consider." I do not view this as a critical request, but though it worthy to mention.

What policy language would you like to see incorporated to address your worry?

- During times of economic uncertainty, such as a pandemic, where daily ridership has fallen below, "x% of normal levels", the CEO shall provide a monitoring report every <some time period cadence>.

Optional: Comments for the CEO

- Finance team, led by the CEO and CFO, have done a great job on our budget process in both good and uncertain times. They deserve high marks, as evidenced by their awards.
- Thank you to Matt, John, and Bryan for all they are doing at keeping the board and the public apprised of how AAATA is dealing with the daily challenges thanks to COVID.

Potential Improvement(s):

None.

Comments on the report itself:

None.



ISSUE BRIEF: FY2021 Recommended Budget

Meeting: Board of Directors
Meeting Date: September 24, 2020

INFORMATION TYPE:
Decision
RECOMMENDED ACTION(S):
Adoption of the recommended operating and capital budget for FY2021.
ALTERNATIVE OPTION(S):
Financial planning and budgeting is legally-required, required by Board policy, and essential; there is no prudent alternative.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
<ul style="list-style-type: none"> • Governance Process: Policy 3.2.7 "...the Board has direct responsibility to create...approval of the annual budget developed and recommended by the CEO." • Executive Limitation: Policy 2.4 Financial Planning/Budgeting
ISSUE SUMMARY:
This issue brief presents the recommended FY2021 budget to be presented at the September board meeting. The budget is balanced, which means that revenues are sufficient to cover expenses without deficits during the fiscal year, however some revenues are uncertain and may change after the budget is adopted, which could require amendments to the budget in coming months.
BACKGROUND:
AAATA staff developed this recommended FY2021 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 was held at the August Board meeting. Authorization of the recommended budget is sought this month.
IMPACTS OF RECOMMENDED ACTION(S):
<ul style="list-style-type: none"> • Budgetary/Fiscal: Budget adoption is required by state law and Policies 2.4, 3.2.7. • Social/Environmental: Provision of public transportation authorized by the budget is necessary to ensure achievement of social and environmental ends per Board policy. • Governance: The Board is responsible to approve the annual budget (Policy 3.2.7)
ATTACHMENTS:
<ol style="list-style-type: none"> 1. Summary of Revisions to Draft Budget 2. Resolution 7/2020: Adoption of the FY2021 Operating and Capital Budget 3. FY2021 Recommended Operating and Capital Budget (Link)

Summary of Revisions to Draft Budget

Operating Expenses: increased by \$2,585,802 since the budget draft presented in August, with increases as follows:

- Salaries & Wages: +\$869,358
Added 10 motor coach operator positions (to be recalled from layoff) for additional capacity for service restoration, and 6 service crew for additional vehicle and facility cleaning needs related to the pandemic.
- Purchased Transportation: +\$954,803
Increased budget for purchased transportation to support two months of contracted operations for A-Ride paratransit service beginning August 2021.
- WAVE & PEX Pass Throughs: +\$629,375
Increased expenses for pass through of additional COVID-related funding to WAVE and Peoples Express (PEX), and for WAVE's service expansion to Manchester. Costs are offset with corresponding state and federal non-urban grant funding.
- Contracted Services: +\$120,800
Increased COVID-19 cleaning of vehicles and facilities with additional contracted janitorial costs, and added budget for consultant planning and strategic planning work.
- Casualty & Liability Insurance: +\$11,466
Additional premium added for cyber liability insurance.

Operating Revenues: increased by \$2,585,802 to match additional expenses with additional state operating assistance (\$390,894), CARES Act Funding (\$1,565,533), and non-urban state and federal funding (\$629,375).

Capital Budget: decreased by \$4.2 million with a 1-year deferral of bus replacements to allow carryover of funding for future facility investments. Some fleet is going unused due to the pandemic which will allow the one-time deferral of replacement buses.

Budget Book Updates

In addition to the changes noted above:

- Anticipated utilization of CARES Act funding added to long-term financial context (p. 23).
- Narrative describing the priority for capital investments (p. 25)

Attachment 2

Resolution 7/2020

ADOPTION OF FY 2021 OPERATING AND CAPITAL BUDGET

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
ANN ARBOR AREA TRANSPORTATION AUTHORITY**

WHEREAS, the Ann Arbor Area Transportation Authority (AAATA) Board of Directors (Board) is required by the Michigan Uniform Budgeting and Accounting Act of 1968 to adopt a balanced operating budget on or before September 30 for its next fiscal year, which begins on October 1, and

WHEREAS, AAATA staff have developed a 2021 Operating and Capital Budget that furthers Board Ends Policies within Executive Limitations and provides multi-year context;

WHEREAS, the AAATA is required to develop a fiscally-constrained four-year program of projects for inclusion in the Transportation Improvement Program (TIP) to be submitted to the Washtenaw Area Transportation Study (WATS) in order to be eligible for federal funds, and

WHEREAS, the AAATA is required to submit the capital program for FY 2021 to the Federal Transit Administration (FTA) as part of the annual application for FY 2021 federal funding, and

WHEREAS, the AAATA is required to submit the capital program for FY 2021 to the Michigan Department of Transportation (MDOT) as part of the annual application for FY 2021 state funding.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby approves the AAATA FY2021 Operating and Capital Budget as its general appropriations act with total expenditures as follows:

- **\$43,150,941** for operations.
- **\$6,449,880** for capital investment.

BE IT ALSO RESOLVED, that the Ann Arbor Area Transportation Authority Board of Directors hereby adopts the capital projects listed herein as updates to the FY 2020-2023 TIP, of which FY 2022 and beyond are subject to amendment in future years.

Eric A. Mahler, Chair

September 24, 2020

Kyra Sims, Secretary

September 24, 2020

**ISSUE BRIEF: 3.0 Governance Process &
4.0 Board-Management Delegation**

Governance Committee Meeting Date: August 27, 2020

Board Meeting Date: September 24, 2020

INFORMATION TYPE
Monitoring
RECOMMENDED ACTION(S):
Board reviews aggregate information collected through surveys and determines compliance on governance and Board delegation policies.
BACKGROUND
<p>Governance policies define the Board’s job and expectations for how the Board will function and the Board-Management Delegation policies define how the Board will delegate to its CEO AAATA’s accomplishment of Ends and operation within the Executive Limitation boundaries.</p> <p>Surveys on these two types of policies are conducted to assess how well the Board complies with its own set policies. Results of the survey are then discussed in the Governance Committee and at the Board level.</p>
ISSUE SUMMARY:
The Board has reviewed the Governance and Board-Management Delegation policies. This has been accomplished by availing each Board member the opportunity to determine the frequency with which the Board complies with each set policy. Board members have also provided additional information (optional) to support their choices – see attached survey results for that information.
ATTACHMENTS:
<ol style="list-style-type: none"> 1. Survey Results for Governance Policy 3.0 2. Survey Results for Board Delegation Policy 4.0

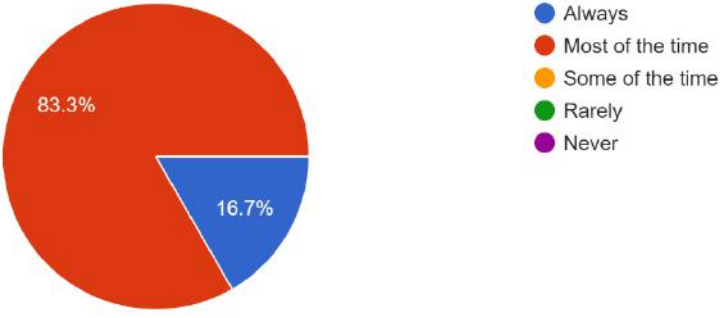
SURVEY RESULTS: Policy 3.0 Global Governance Process

Governance Committee Review Date: August 27, 2020

Board Meeting Review Date: September 24, 2020

Survey Participants: 6 Board Members

Note: Each bullet represents a comment by a different board member.

Board Assessment of CEO/ Org Performance												
<p>3.0 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>												
 <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Survey Results Data</caption> <thead> <tr> <th>Response</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Always</td> <td>16.7%</td> </tr> <tr> <td>Most of the time</td> <td>83.3%</td> </tr> <tr> <td>Some of the time</td> <td>0%</td> </tr> <tr> <td>Rarely</td> <td>0%</td> </tr> <tr> <td>Never</td> <td>0%</td> </tr> </tbody> </table>	Response	Percentage	Always	16.7%	Most of the time	83.3%	Some of the time	0%	Rarely	0%	Never	0%
Response	Percentage											
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<p>Additional context for policy 3.0</p>												
<ul style="list-style-type: none"> Straightforward purpose statement. I interpret this as we are not judging how well we are doing at accomplishing that purpose. Not sure of the question we are to answer “always”,etc. Is this always our purpose, most of time.....? We are very good operationally, but lack vision for the changing future. 												

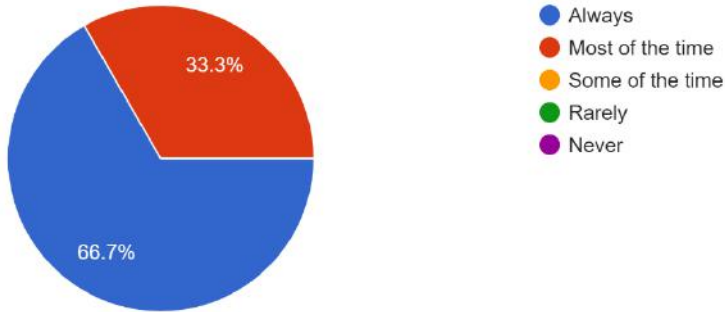
SURVEY RESULTS: Policy 4.0 Global Board Management Delegation

Governance Committee Review Date: August 27, 2020

Board Meeting Review Date: September 24, 2020

Survey Participants: 6 Board Members

Note: Each bullet represents a comment by a different board member.

Board Assessment of CEO/ Org Performance										
4.0 The Board’s sole official connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer (CEO).										
 <table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td>Always</td><td>66.7%</td></tr> <tr><td>Most of the time</td><td>33.3%</td></tr> <tr><td>Some of the time</td><td>0%</td></tr> <tr><td>Rarely</td><td>0%</td></tr> <tr><td>Never</td><td>0%</td></tr> </table>	Always	66.7%	Most of the time	33.3%	Some of the time	0%	Rarely	0%	Never	0%
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Additional context for policy 4.0										
<ul style="list-style-type: none"> • Primarily, yes. However, we do get updates from others such as the Deputy CEOs and also staff at times. Now, if we are talking about providing direction for staff, the Board should always make that request to the CEO. 										

ISSUE BRIEF: CEO Report

Meeting: Board of Directors

Meeting Date: September 24, 2020

INFORMATION TYPE:

Other

OPERATIONAL & PROJECT UPDATES

- **TEMPORARY SERVICE PLAN**

The Temporary Service Plan started on August 30th. We have recalled five motor coach operators as part of the Temporary Service Plan. Staff has been reviewing and responding to questions and comments received at town hall meetings, by email and by phone. Plans are being developed to make minor adjustments should State funding be adequate. As a reminder the Temporary Service Plan is 60% of the Pre-COVID level of service. It focuses on high ridership routes and high frequency service to allow for social distancing. FlexRide is being provided in place of fixed route service in low density areas and fixed routes are simplified to ease the coordination of adding overflow buses as ridership increases.

- **MOBILE TICKETING PILOT**

EZfare mobile ticketing is in testing and staff training is underway. Launch is planned for September 30, and a marketing campaign is planned.

- **ARIDE / PARATRANSIT**

The A-Ride paratransit service transition has required a great deal of troubleshooting including significant maintenance issues with our fleet. Eight new paratransit vehicles were placed on order per the 2020 budget. We are focused on improving the delivery of this service.

- **LATE NIGHT/HOLIDAY - FLEXRIDE**

As part of the Temporary Service Plan effective August 30th, late night and holiday service resumed under a new contract with Golden Limousine.

- **STAFFING**

We have the pleasure of introducing our new Manager of Transportation, **Brian Marshall**. Mr. Marshall comes to us with a long history in the transit industry and we welcome him on board.

- **2020 STAFF SURVEY**

The annual anonymous survey of AAATA staff is underway and will close in the last week of September. The survey was delayed due to the pandemic. Survey results help management to understand the sentiments of staff and the results are used as evidence in the monitoring report for Treatment of Staff.

- **TRANSPORTATION COMMISSION**

Staff attended and presented the August meeting to share the Temporary Service Plan effective August 30.

- **WATS POLICY COMMITTEE UPDATE**

The Washtenaw Area Transportation Study (WATS) Policy Committee did not meet in August.

- **RTA & D2A2**

The RTA is beginning preliminary discussions about whether and how to prepare for a millage referendum in November 2022. The RTA board has requested surveys be prepared to aid them in deciding whether to restart funding for the D2A2 service.