

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 style="margin-left: 20px;">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 style="margin-left: 20px;">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>
2. CONSENT AGENDA
2.1 Minutes & Committee Meeting Reports

Discussion Items

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.

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.

Discussion Items

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

Ms. Mozak-Betts: Yes

Ms. Sims: Yes

Chairman Mahler: Yes

The motion passed unanimously.

Discussion Items

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.I: 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.I, 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:

“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.

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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.

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.

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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 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.

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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 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.

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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 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

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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 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

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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 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

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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.

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.

Discussion Items

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

Approved September 24, 2020