
BOARD OF DIRECTORS - ANN ARBOR AREA TRANSPORTATION AUTHORITY

DATE: August 15, 2019

TIME: 6:30pm – 9:00pm

PLACE: Dawn Gabay Operations Center, 2700 S. Industrial Highway, Ann Arbor MI 48104

MEETING CHAIR: Eric Mahler

AGENDA

	Info Type*	Detail
1) Opening Items		
1. Approve Agenda	D	
2. Public Comment	O	
3. General Announcements	O	
2) Consent Agenda		
1. Minutes	D	
3) 2020 Budget Update		
1. 2020 Budget Presentation	O	Metzinger
2. Budget Public Hearing	O	Metzinger
4) Policy Monitoring and Development		
1. Committee Reports		
1. Governance Committee	O	Mahler
2. Finance Committee	O	Allemang
3. Service Committee	O	Hewitt
2. Monitoring Report: 3.5 Chief Governance Officer Role	M	Mahler
3. Other Board Reports & Ownership Linkage		
1. LAC & Task Forces	O	
5) Strategy and Operational Updates: CEO		
1. Corporate Business Plan Update	O	Carpenter
2. Q3 Finance Report	M	Metzinger
3. Q3 Service Report	M	Smith
4. CEO Report	O	Carpenter
6) Emergent Business		
7) Closing Items		
1. Topics for Next Meeting: 2020 Budget (Decision), Officer Elections, Board Meeting Schedule Approval		Thursday, September 19, 2019
2. Public Comment		
3. Board Assessment of Meeting		
4. Adjournment		

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

Monitoring Reports

Sample Motions

Accepting: I move that:

- We affirm that Monitoring Report XYZ has been read by board members, and
- We accept this report as it provides
 - a reasonable interpretation of the policy and
 - evidence of compliance with that reasonable interpretation [or... while not in compliance, shows evidence of reasonable progress/commitment toward compliance]

Not Accepting: I move that:

- We affirm that Monitoring Report XYZ has been read by board members, and
- We do not accept this report
 - as the interpretation for XYZ.XYZ cannot be deemed reasonable by a rational person
 - A. OR
 - though it provides a reasonable interpretation, it does not adequately provide evidence of compliance for XYZ.XYZ.
- CEO will provide an updated Monitoring Report XYZ within ## months.

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?
-

Ann Arbor Area Transportation Authority Board of Directors
Meeting Minutes
Thursday, July 18, 2019
6:30 p.m.

Ann Arbor Area Transportation Authority, 2700 South Industrial Highway, Ann Arbor, Michigan

Present: Mike Allemang, Eric Mahler (Chair), Raymond Hess, Roger Hewitt, Ryan Hunter, Kathleen Mozak-Betts, Kyra Sims

Chairman Eric Mahler called the meeting to order at 6:35 p.m.

1) Opening Items

1. Approve Agenda

Chairman Mahler moved to approve the agenda with support from Kyra Sims. It was approved unanimously.

2. Public Comment

Jim Mogensen commented that Sue Melke's name was misspelled in the Board Meeting Minutes for June.

3. General Announcements:

CEO Matt Carpenter formally introduced the new Executive Administrative Assistant, Keith Book.

2) Consent Agenda:

1. Minutes

Chairman Mahler moved approval of the Consent Item, seconded by Kathleen Mozak-Betts. Chairman Mahler declared the motion carried with the correction of Sue Melke's name.

3) Policy Monitoring and Development

1. Committee Reports

1. Governance Committee

Chairman Mahler is working to find a date to review potential board members.

Chairman Mahler indicated that there may be a new selection process for new board members that would involve the

governance committee interviewing the candidates and then introducing them to the board before presenting recommendations to the Mayor.

Chairman Mahler will be putting the CEO evaluation on the calendar next month as well.

Rose Mercier's completed Board Retreat Report was reviewed, and a discussion ensued. Chairman Mahler moved to create an Ends Task Force. Mr. Hewitt and Mr. Allemang strongly suggest a third person is added to the task force. They will seek to get another volunteer. Executive Limitation Policies need adjustments, but finalizing ends is needed. Chairman Mahler will ask Ms. Mercier if she can do that.

2. Finance Committee

Mr. Allemang explained that the committee discussed the budget, the quarterly financial report and the balance sheet. The committee will review the investments on a quarterly basis but will submit it to the board on an annual basis. The committee also discussed the Audit Task Force and will review the two proposals that were received.

John Metzinger announced that the new Finance Manager, LaTasha Thompson has a start date of August 19th.

3. Service Committee

Mr. Hewitt commented that Ms. Mozak-Betts was unable to attend the meeting. He stated that the committee received an update on the budget and discussed the long-range plan and public meetings. He also mentioned, some fixed routes in Pittsfield Township may possibly be changed due to low ridership.

2. Monitoring Reports

None.

3. Other Board Reports & Ownership Linkage

1. LAC & Task Forces

None. LAC and the Task Forces do not meet in July.

4) Strategy and Operational Updates: CEO

1. Business Plan Update

CEO Matt Carpenter commented that the Business Plan should be ready in the next couple of weeks. He and Rosa-Maria Njuki are currently working on it and he doesn't anticipate any big changes from last year.

2. 2020 Budget Update
Mr. Metzinger gave a presentation and a discussion ensued.
3. Budget Forecast
Mr. Metzinger gave a presentation and a discussion ensued.
4. Resolution for FlexRide Contract
Mr. Sanderson asked the Board for approval of the FlexRide contract. Mr. Hewitt moved to approve the contract with support from Mr. Hunter. It was approved unanimously.
5. CEO Report
CEO Carpenter stated that he is still monitoring the State Budget and would like to see it go in a positive direction. He also stated that Regional Transit Authority COO, Matt Webb, is seeking public feedback and is looking at legislative changes which would include asking to tax the urban parts of the county instead of the entire county.

CEO Carpenter congratulated staff on submitting the second application early for the Ypsilanti Transit Center and the work involved. He gave a special congratulations to Bill DeGroot and Caitlin Conway.

5) Emergent Business

There was no Emergent Business.

6) Closing Items

1. Topics for Next Meeting

- 2020 Budget
- Q3 Reports

2. Public Comment

Jim Mogensen commented that the Fare Study presentations are on the website, but the Paratransit presentations are not. He also commented on the low-income people that use the bus and his concern for fare raises.

3. Board Assessment of Meeting

Chairman Mahler noted that a form will be sent out.

4. Adjournment

Chairman Mahler moved to adjourn the meeting with support from Mr. Hewitt. The motion carried and meeting adjourned at 8:10 p.m.

Kyra Sims
Secretary, AAATA Board of Directors

Issue Brief: FY2020 Operating and Capital Budget (Second Draft)

Meeting: **Board of Directors**

Meeting Date: **August 15, 2019**

Recommended Action(s):

Receive as information the second draft operating and capital budget for FY2020 after several changes were made after additional inputs and review by the Board, management staff, and public input. Provide feedback and advice to staff.

Alternative Option(s):

1. Financial planning is essential to achieve sustainability and capacity objectives; no alternative.

Prior Actions and Policies:

- 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:

State law requires the board approve an operating budget before funds can be spent in the new fiscal year. Preliminary discussions in July and August will help ensure support for the final budget that will be presented for adoption in September.

This issue brief first presents the second draft of the FY2020 budget after the first draft was presented in July. A balanced budget for the fiscal year is presented ("balanced" means that revenues are sufficient to cover expense without deficits during the fiscal year).

It is important to note that *only the FY2020 budget* will be presented for adoption by the Board; TheRide does not adopt a multi-year budget.

Background:

AAATA staff developed a recommended FY2020 Operating and Capital budget that

- furthers Board Ends Policies within Executive Limitations and
- provides multi-year context.

By resolution, the Board would approve FY2020 operating and capital funds as well as a multiyear capital program for federal funds eligibility. Approval will be sought in September 2019.

The Michigan Uniform Budgeting and Accounting Act of 1968 requires the Board to adopt a balanced operating budget through resolution for its next fiscal year, which begins October 1. In addition, a formal public hearing for the budget is required and will be held at the August 15th Board meeting.

Impacts of Recommended Action(s): See Budget Document

Attachments:

1. *FY2020 Operating and Capital Budget (Draft)*

Meeting Summary
Ann Arbor Area Transportation Authority Board of Directors
Governance Committee
Thursday, July 25, 2019

Present: Mike Allemang, Roger Hewitt, Eric Mahler (Chair, by phone)

Staff: Matt (CEO), John Metzinger, Tim Sanderson, Bryan Smith

The meeting was called to order at 9:10 a.m. by Chairman Mahler.

1) Opening Items

a. Additions to Agenda

CEO Carpenter added items for Section 2; 1) Brief conversation about the CEO contract and 2) Ends Task Force. He also added an item for Section 3; 1) Bus Procurement. Mr. Allemang added that he would like to discuss the low response rate on the questionnaires by board members as well as the audit task force. The Committee approved the amended agenda by consensus.

b. Communications

None.

2) Policy Monitoring and Development

a. Policy Monitoring: 3.5 Chief Governance Officer Role

Chairman Mahler reported that he would like more board member participation.

CEO Carpenter offered to take suggestions on how the agency can get board members more engaged. He will speak with Rosa-Maria Njuki to try to consolidate reporting and communications.

b. Other Governance Issues (as assigned)

1. Board Candidates

Chairman Mahler, Mr. Hewitt and Mr. Allemang will meet with all three candidates on August 28th.

2. Policy Development, Meeting Elements + Fares Task Force

CEO Carpenter reported that the agency would like to form a fares task force. He also commented on potentially streamlining the monitoring reports.

3. Meeting Assessment (7/18)

Chairman Mahler reported there were only three responses, but the answers were positive. Mr. Hewitt provided a verbal assessment that the meeting was effective, and the agenda was handled well. Chairman Mahler expressed that Accounting 101 provide by Mr. Metzinger would be a good idea for the Board. Mr. Hewitt stated that next year we should try not to schedule the July Board meeting during the Art Fair.
4. Ends Task Force

CEO Carpenter reported that there are currently two members with no response yet for additional members. Mr. Allemang and Chairman Mahler suggested there should be four members. Mr. Allemang stated he would reach out to Jesse Miller again who should be returning after July 27th. CEO Carpenter and Mr. Mahler will discuss a proposal for better use of the committee's time.
5. CEO Contract

Chairman Mahler has already begun the discussion with the board. CEO Carpenter wanted the record to reflect that the board has met their obligation to begin discussions per the contract. CEO Carpenter will forward a handbook issued by the APTA about how to create a contract with your CEO.
6. Fares Task Force

CEO Carpenter indicated that it may be beneficial to move the Fares Task Force to the Service Committee instead of the Finance Committee. Mr. Hewitt and Mr. Allemang agreed.
7. Committee Agendas

Mr. Hewitt commented that he would like to add a discussion about the fare study and the Q3 Financial Report to the Service Committee. Mr. Allemang commented that he would like to add an update on the Audit Task Force and add 2.3 as a subpoint to the Q3 Financial Report to the Finance Committee. CEO Carpenter stated he will add a draft of the new corporate business plan to the Finance Committee agenda. Chairman Mahler stated he will bring up board engagement at 4.5 of the Board Meeting. He also stated that he would like to research other ways of conducting officer elections instead of a nominating committee. Mr. Allemang and Mr. Hewitt expressed that they were open to a different approach. Chairman Mahler stated that a definition of the Treasurer role is needed, and this may need to be put on a future Governance Committee agenda.

3) Strategy and Operational Updates: CEO

a. 2020 Budget

Mr. Metzinger reported that the 2020 budget is still in the draft stage and will go on the website next week. He added that fare tables had been added to the section on fares and Appendix 6 contains additional details on the budget forecast. He also commented that he has collected additional data, so numbers may change before presented to the Board, but not hugely.

Mr. Metzinger reported on the public meetings regarding the 2020 Budget held this week. One board member attended the meeting in Ann Arbor and four members of the public attended the meeting in Ypsilanti.

Mr. Metzinger stated that we may need to revisit how we do our public outreach. He reported that the public discussed higher level issues surrounding promises made in the expansion millage. He stated there was strong agreement that tax payers should not support Art Fair or UofM games.

4) Closing Items

a. Topics for Next Meeting: Treasurer Role, Audit Task Force

Mr. Allemang and Ms. Simms have reviewed the technical and cost proposals submitted by the two firms and have a tentative date to speak with the them on August 13th. Mr. Metzinger stated he will complete the technical evaluation and then the cost evaluation early next week.

b. Adjournment

Chairman Mahler adjourned the meeting at 10:35 a.m.

Respectfully Submitted,
Traci Chauncey

Meeting Summary
Ann Arbor Area Transportation Authority Board of Directors
Finance Committee
Tuesday, August 13, 2019

Present: Mike Allemang (Chair), Kyra Sims, Raymond Hess, Jesse Miller

Staff: Matt Carpenter, John Metzinger, Brian Smith

The meeting was called to order at 3:06 p.m. by Chairman Allemang.

1) Opening Items

a. Agenda (Additions, Approval)

No additions. The Committee approved the agenda by consensus.

2) Strategy and Operational Updates

a. Corporate Business Plan

CEO Matt Carpenter oriented the Committee with the Corporate Business Plan pointing out differences from the previous plan and drawing attention to the SWOT Analyses on page 14 and the 5-Year Work Plan table on page 23.

Chairman Mike Allemang mentioned YTC planning, asking if funding is or is not received, what will happen. Mr. Carpenter explained that if projects aren't gotten to in the first year, they will be pushed forward and may also become redefined over time. He commented that there is still a discussion of land to be had with the city of Ypsilanti, which can be done while still applying for grants.

Mr. Miller requested more information on plans for increasing ridership. Mr. Carpenter pointed out the Long-Range Plan priorities on page 17 where there is discussion of tactically increasing ridership. Mr. Carpenter agreed with Mr. Allemang's suggestion that goals may be set regarding ridership per capita targets. He further explained that the best option for determining the denominator is to use Federal data for ridership per capita. After the budget is approved, Mr. Carpenter expressed that he would like to provide the Board with an Ends Monitoring Report.

Mr. Miller expressed that TheRide will want to maintain the support it has in Ann Arbor as the largest population of support. He requested more in the Corporate Business Plan regarding ridership. Mr. Carpenter explained that details for increasing ridership will come in a later discussion.

Ms. Sims expressed that she has small points in the Corporate Business Plan that she will discuss at a later date.

b. 2020 Budget

Mr. Metzinger announced that TheRide has once again won an award from the GFOA for the budget. He also congratulated and thanked Gwyn Newsome for driving change that saved TheRide significant money in insurance premiums without changing quality of the insurance.

Mr. Metzinger drew attention to changes in the Budget since July in Revenues, Expenses, and Capital Budget.

Mr. Miller asked for more information about propulsion options. Mr. Carpenter expressed that in 2022 a propulsion study is planned. Mr. Metzinger pointed out The Ride's past use of Federal funds and the plan to hold the Federal funds flat going forward in order to improve the capacity for capital investment, and the potential of a new propulsion option.

Mr. Hess discussed CNG used in Las Vegas. He expressed that it may be best to have the propulsion study sooner than 2022.

Ms. Sims expressed the need for crafting a message to the community regarding propulsion.

c. Q3 Financial Report

Mr. Metzinger walked through the Q3 Financial Report. Loss from the operations line is a key line to recognize. Allocations from local property tax and federal operating assistance have more than offset that loss. He also pointed out that the balance sheet indicates that the debt ratio is in good shape.

Mr. Metzinger will walk through the Q3 Financial Report more so in the August Board meeting.

Mr. Allemang expressed that the most interest is in the investments and the two tables used to describe those. He also asked for continued clarity between cash and investments in the reports.

d. Mini-Monitoring Report for Policy 2.6

Mr. Metzinger indicated that the high marks are on page 3 of priorities listed and interest income has increased. He also expressed compliance with all policies listed.

Mr. Hess was complimentary of Mr. Metzinger's financial and budgetary reporting.

e. Audit Task Force (Verbal)

Mr. Allemang reported that good presentations were received from Raymond and UHY and that the goal is for a selection to be made within the week.

3) Closing Items

a. Topics for Next Meeting:

- 2020 Budget (Decision)
- Monitoring of Policy 2.4 – Planning/Budgeting.
- Mr. Allemang announced he will not be present at the September Committee meeting. It was decided that Ms. Sims will chair the next Finance Committee meeting and report to the Board at the September Board Meeting.

b. Adjournment

Chairman Allemang adjourned the meeting at 4:27 p.m.

Respectfully Submitted,
Keith Everett Book

Meeting Summary
Ann Arbor Area Transportation Authority Board of Directors
Service Committee
Wednesday, August 7, 2019

Present: Roger Hewitt (Chair), Kathleen Mozak-Betts

Staff: Matt Carpenter (CEO), Bryan Smith, Tim Sanderson, Rosa-Maria Njuki

The meeting was called to order at 3:03 p.m. by Chairman Hewitt.

1) Opening Items

a. Agenda (Additions, Approval)

There were no additions to the agenda, but Mr. Hewitt expressed his hope that another member would be added to the Service Committee soon.

Mr. Hewitt moved to approve the agenda and Ms. Mozak-Betts supported the approval. Motion carried.

2) Policy Monitoring and Development

Fare Policy Development

Mr. Hewitt reported on a conversation he had with CEO Matt Carpenter regarding Policy Monitoring and Development.

Mr. Carpenter pointed out that there are already a fair amount of Ends that directly and indirectly point to fares. He described that one option for fare policy development could be to get feedback via a fare study and propose that to the committee to evaluate. A second option could be for the Committee to decide if the current Board policies are reasonable, and if so, craft a fare structure based off of current policies. Mr. Carpenter described developing a numerical table that would depict what the fare structure currently looks like for the Committee to evaluate. Ms. Mozak-Betts expressed her agreement to start with the current policies.

Mr. Hewitt agreed that the fare study (300 pages), the theoretical approach, is not the way to start and having a current fare structure table to react to would be optimal. He impressed upon the group that the faster a decision can be made, the sooner contributions to financials could start.

Ms. Mozak-Betts asked if there would be meetings for the public around the rate increase. Mr. Carpenter confirmed that public meetings would be held once the Board decides if more policy needs to be written.

Mr. Carpenter explained that until we engage with the public, we won't know how long this fare increase process will take.

Mr. Hewitt and Ms. Mozak-Betts agreed that using the Service Committee as the Fare Policy Task Force is best. Mr. Carpenter noted that if the Governance Committee agrees with that, the Fare Policy Task Force would be the Service Committee.

3) Strategy and Operational Updates: CEO

a. Corporate Business Plan

Mr. Carpenter explained that the Corporate Business Plan is intended to fulfill transparency for the policies in place and provides a multi-year perspective not found elsewhere.

Mr. Carpenter oriented the Committee to the Corporate Business Plan and explained that it contextualizes the budget.

He responded to Ms. Mozak-Betts' question of how often the Board will revisit the Corporate Business Plan by suggesting this be an annual part of the big rhythm of the organization as a rolling five-year plan. Following Board updates and confirmation of the Ends, another Corporate Business Plan discussion would be ideal.

Mr. Hewitt expressed that more direction to the staff as to what is meant by "increasing ridership" could come from the next retreat and then be translated into the corporate business plan, which will then inform the budget as an implementation plan.

Mr. Carpenter pointed out that the line graph of TheRide's budget forecast is a challenge and is needed to keep all on the same page as it is addressed. He also noted that the studies from last year are moving into implementation mode in the business plan.

Mr. Carpenter expressed that there would be more discussion of the Corporate Business Plan at the August Board meeting and as it is introduced to the public. He asked that the Committee take time to absorb the information and offer questions or feedback.

Mr. Hewitt mentioned that he will not be at the August Board meeting and asked Ms. Mozak-Betts to give the committee report. She agreed to do so.

b. 2020 Budget

Mr. Carpenter explained that only a couple of numbers have shifted in a small way and Mr. Metzinger has already walked through the draft in the Board meeting.

Mr. Carpenter announced that the ArtFair and Football shuttles are being discussed with the community. Mr. Carpenter reported on outreach to the Convention and Visitors Bureau (CVB) who has reached out to the hotels on TheRide's behalf, noting that a meeting with the CVB is scheduled for later this month.

Otherwise, he pointed out again that there are no changes to services or fares and that the budget is compliant with the Board's budgeting policies. Mr. Carpenter described the budgeting as shifting to "budgeting to actuals", which would be helped by the newly hired Finance Manager and financial management process improvements. He noted that we are continuing to improve cost management and accounting.

Mr. Hewitt asked for an estimate of when the modernization of TheRide may be completed. Mr. Carpenter explained that it will probably be another two years of work on this turn-around opportunity.

Ms. Mozak-Betts spoke favorably about recent new hires.

Mr. Carpenter further oriented the Committee to the budget document and invited any questions or tutorials that might be helpful for understanding the report in order for the Committee to penetrate it and come up with insightful questions.

Mr. Carpenter emphasized that the Board is only approving a one-year budget. The rest of the report is contextual for the next 10 years.

CEO Carpenter announced that there would need to be a public hearing at the August Board Meeting.

c. Q3 Service Report

Mr. Smith presented the service report, highlighting the main points and asking for questions from the committee.

Mr. Hewitt asked about schedule adjustments to address traffic realities at busier times of the day. Mr. Sanderson explained that schedule adjustments are being studied but may be too expensive and too disruptive to the current pulse system.

Mr. Sanderson also explained that AAATA Regional Planning Coordinator Julia Roberts won a transit signal priority adjustment on a Washtenaw opportunity TheRide is studying.

Ms. Mozak-Betts noted the reduction in complaints and complimented Mr. Smith.

Mr. Hewitt pointed out the cost per revenue for TheRide and asked how we compare with other similar operations. Mr. Carpenter explained that he will put some comparisons on a graph that will benchmark TheRide against other transit systems in the Ends Report.

Mr. Hewitt thanked Mr. Smith for the report and realization of the data.

4) Closing Items

a. Topics for Next Meeting: 2020 Budget (Decision)

Mr. Carpenter may be asking for feedback on the Ends Monitoring Report and may pull something about fares together if staff is available.

b. Adjournment

Mr. Hewitt moved to adjourn the meeting, seconded by Ms. Mozak-Betts. The motion carried and the meeting adjourned at 4:44pm.

Respectfully Submitted,
Keith Everett Book

Issue Brief: CHIEF GOVERNANCE OFFICER ROLE

Meeting: **Board of Directors**

Meeting Date: **August 15, 2019**

Information Type: Monitoring

Recommended Action(s):

Receive governance self-monitoring report for information and discussion.

Prior Relevant Board Actions and Policies:

The Governance committee has received and reviewed the responses on Policy 3.5 and would like to bring the discussion forward to the full Board.

Issue Summary:

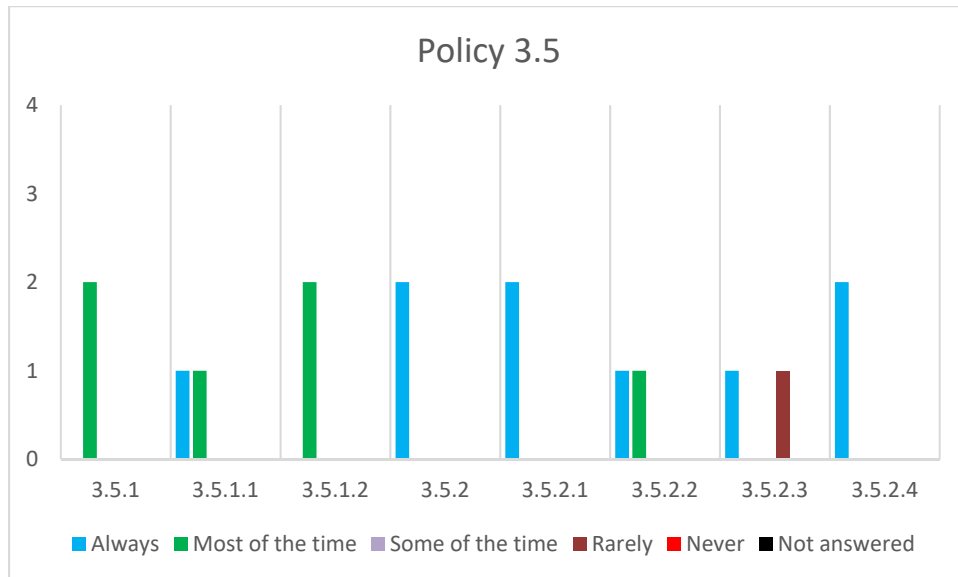
ALL board members were invited to respond to a questionnaire that had them rating the chief governance officer role. There were two respondents. Below is a chart showing the distribution of their responses per sub-policy

Impacts of Recommended Action(s):

- **Board Governance**

Attachment: Feedback on Policy 3.5 CHIEF GOVERNANCE OFFICER ROLE

Attachment: Feedback on Policy 3.5 CHIEF GOVERNANCE OFFICER ROLE



2 participants

Comments

Policy Number	Board member feedback
3.5.1	Cannot think of an instance when the Board went outside its own rules but it has probably happened at some point.
3.5.2.3	Hard to answer since the Chair has not really taken any public positions on behalf of the Board but could if necessary.



3.5 CHIEF GOVERNANCE OFFICER ROLE

Version: 2.9

The Chief Governance Officer (CGO), whom we call “Chair” assures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.

Accordingly:

3.5.1 The job result of the CGO is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.

3.5.1.1 Meeting discussion content will consist solely of issues that clearly belong to the Board to decide or to monitor according to Board policy.

3.5.1.2 Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.

3.5.2. The authority of the CGO consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-CEO Linkage, with the exception of (a) employment or termination of a CEO and (b) where the Board specifically delegates portions of this authority to others. The CGO is authorized to use any reasonable interpretation of the provisions in these policies.

3.5.2.1 The CGO is empowered to chair Board meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).

3.5.2.2 The CGO has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the CGO has no authority to supervise or direct the CEO.

3.5.2.3 The CGO may represent the Board to outside parties in announcing Board-stated positions and in stating CGO decisions and interpretations within the area delegated to that role.

3.5.2.4 The CGO may delegate this authority but remains accountable for its use.



June 4, 2019 AAATA Local Advisory Council FINAL Meeting Minutes

1.0 CALL TO ORDER:

Chairperson Weber called the meeting to order at 1:30 p.m.

2.0 INTRODUCTIONS:

LAC Committee Members in attendance: Cheryl Weber (Chair), Larry Keeler (Co-Chair), Debra Poster, Jody Slowins, Stephen McNutt, Mary Wells, Clark Charnetski (Rep. A1B), Andrea Henry (CIL)

LAC Committee Members not in attendance: Janet Nutt, Rebecca Burke

AAATA Board Liaison: Kathleen Mozak-Betts

AAATA Staff Liaison: Bryan Smith (AAATA), William De Groot (AAATA), Robert Williams (AAATA), Tracy Byrd (AAATA), Julia Roberts (AAATA)

LAC General Members: Danah Greer, Liz Aldridge

Guests: Darryl Johnson, RideCorp;

3.0 REVIEW AND APPROVAL OF AGENDA:

The agenda was approved with no additions.

4.0 REVIEW AND APPROVAL OF MINUTES:

The May meeting minutes were accepted with an addition of public attendees and the adding of a “p” to p.m. in the start time.

5.0 COMMUNICATIONS AND ANNOUNCEMENT

Clark Charnetski mentioned the Transportation Commission Meeting will be at the Ann Arbor City Council Chambers on June 19th at 7:00pm.

Mr. Charnetski mentioned as the Ann Arbor Green Fair will be June 14th starting at 6:00 p.m. on Main Street.

Mr. Charnetski mentioned that SMART will hold their Advisory Council Meeting on June 21st at 9:00 a.m.

6.0 PUBLIC COMMENT TIME

- There was a concern expressed about the design of the BTC charging and resting counter along the windows. This counter cannot be used by people in wheelchairs because of the height. It was asked if in the future design of buildings that this counter be reviewed to offer a similar item for persons in wheelchairs.
- The BTC women's restroom seems to be broken a lot so people with disabilities must use the family changing room. The door on this room is very heavy and cannot be opened by someone easily, especially those with a disability. The question is "can anything be done to help?"

7.0 BOARD REPORT

Staff gave the report. A presentation of the Paratransit report was given. This same report will be given to the LAC later in the meeting.

8.0 NEW BUSINESS

- Mr. Smith (AAATA DCEO Ops.) gave a presentation about the paratransit report. The presentation focused on the review of the study, the reach of the study, and the initial finds. The recommendations will be presented to the LAC next month. A copy of the presentation will be available on TheRide.org website soon.
- AAATA Project Updates – Ms. Roberts gave updates on the Q-Straint, and Feonix Mobility project.
- Advocacy Policy Discussion. Mr. De Groot stated that after review of the responsibility of the LAC and the by-laws for the LAC advocacy could happen but in the following manner:
 - When speaking as a body (LAC) then advocacy was limited to the subject matter on or about the LAC's role in policy and compliance with the Policy Manual of the AAATA.
 - If an individual was to advocate for something, then they could do so only as a member of the general public and could not link the AAATA or their position as a LAC member to their view.

- The Paratransit Monthly Update was moved to the next meeting.

9.0 PUBLIC COMMENT TIME

- The robo pre-calls letting riders know that their vehicle is on the way has helped riders remember they have a trip and be ready for pickup.

10.0 FUTURE NEW BUSINESS ITEMS

- A. Strategic Discussion
- B. AAATA Project Updates
- C. Paratransit Monthly Update

11.0 ADJOURNMENT

Chairperson Weber adjourned the meeting at 3:05 p.m.

Respectfully Submitted by: William De Groot (C/O), Robert Williams, LAC Liaison /
AAATA Paratransit Coordinator

Issue Brief: 2020 Corporate Business Plan

Meeting: **Board of Directors**

Meeting Date: **August 15, 2019**

Information Type: Other

Recommended Action(s):

Receive a verbal update for information.

Issue Summary:

Each year the CEO develops a rolling 5-year business plan to align the agencies actions, operations and proposed budget with the Board latest direction and policies. Importantly, the Business Plan provides additional context for the 2020 Budget with additional information. The two documents complement each other and provide a longer-term and short-term view of the direction for the organization.

This year's Corporate Business Plan is a modest update to the 2019 Strategic Business Plan. The CEO will provide a verbal overview of the Plan. We are actively seeking feedback from Board members and the public about the directions, projects and initiatives in the plan.

Impacts of Recommended Action(s):

- **Budgetary/Fiscal: NA**
- **Social: NA**
- **Environmental: NA**
- **Governance: NA**

Attachments: 2020 Corporate Business Plan (DRAFT)

Issue Brief: FY2019 Q3 Financial Statement Report

Meeting: **Board of Directors**

Meeting Date: **August 15, 2019**

Recommended Committee Action(s): Receive as CEO Operational Update

Prior Relevant Board Actions and Policies:

- 2.11.1.5 CEO shall not...Let the Board be unaware of... incidental information (including) quarterly budget to actual financial reports.
- Appendix A: Informational Reports schedule specifies quarterly Financial Statement reports in November, February, May, and August.
- Policy 2.6 Investments and Appendix F Investment Policy were adopted in June 2018.

Issue Summary:

Staff present the Third Quarter Financial Statement with currently available and reportable financial information for the period ending June 30, 2019.

Background:

Financial highlights from the third quarter (April, May, June 2019) include:

- TheRide operated within the budget for the third quarter of the year.
- There was a \$920,150 surplus of revenue over expense, which represents a contingency margin of 2.0% of the adopted budget to date.
- Expenses were \$843,258 lower than budgeted. Savings were from lower wages and fringe benefits, purchased service, and other costs.
- Revenues were higher than budgeted by \$28,000 with higher fare/contract revenue, federal operating assistance, and interest income.
- Cash flow was adequate to cover expense; Q3 ended at \$9.4 million in cash/ investments.
- The reserve was at 2.31 months of annual operating expense, short of the target of 2.5 months, but \$1.5 million higher than third-quarter end last year.

Impacts of Recommended Action(s):

- **Budgetary/Fiscal:** Demonstrates financial performance for the reporting period
- **Governance:** Supports Board in financial oversight/fiduciary responsibility

Attachments:

- FY 2019 Q3 Financial Statements (Income Statement, Balance Sheet, Cash Flow Statement)

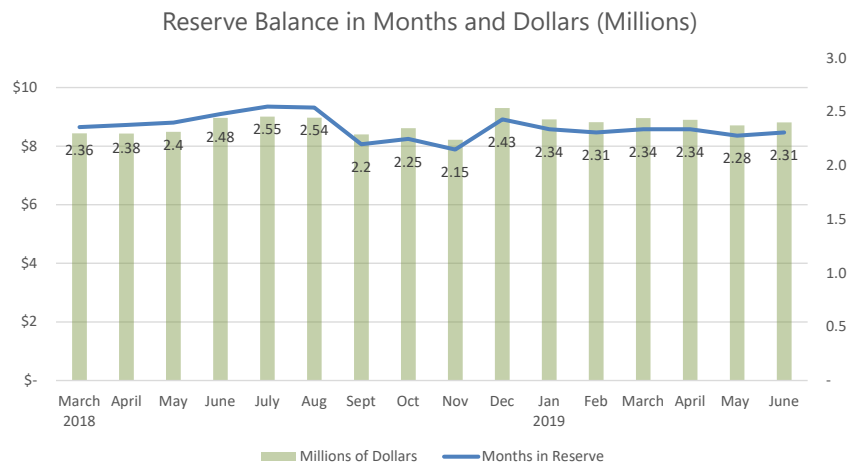
Balance Sheet

For the Period Ended June 30, 2019

Balance Sheet and Reserve

In Thousands of Dollars (which means add a comma and three zeros), With Prior Year Comparison.

	Q3 2018 6/30/2018	Q2 2019 3/31/2019	Q3 2019 6/30/2019
ASSETS			
Cash & Investments	\$ 8,965	\$ 13,612	\$ 9,427
Other Current Assets	14,969	12,623	16,162
Capital Assets	54,825	52,283	52,726
Total Assets	\$ 78,759	\$ 78,518	\$ 78,315
LIABILITIES	5,009	5,250	4,752
NET POSITION	\$ 73,750	\$ 73,268	\$ 73,563
Reserve Balance	\$ 7,289	\$ 8,957	\$ 8,809
Months in Reserve	1.95	2.34	2.31



Statement of Cash Flows (in Thousands of Dollars)

In Thousands of Dollars (which means add a comma and three zeros).

Historical Cash Flows	Fiscal Year 2017			Fiscal Year 2018				Fiscal Year 2019		
	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3
Beginning Cash:	\$ 16,638	\$ 12,985	\$ 7,537	\$ 15,638	\$ 15,119	\$ 12,511	\$ 9,064	\$ 19,824	\$ 16,403	\$ 13,612
Cash from Operations	(1,263)	3,859	(137)	(1,519)	(3,584)	(5,417)	2,725	(5,289)	115	(3,040)
Cash from Capital	48	(1,958)	(447)	-	(5)	(31)	(2)	(50)	628	465
Cash from Investment	(2,438)	(7,349)	8,685	1,000	980	2,001	8,037	1,918	(3,534)	(1,610)
Cash Flow:	\$ (3,653)	\$ (5,448)	\$ 8,101	\$ (519)	\$ (2,609)	\$ (3,447)	\$ 10,760	\$ (3,421)	\$ (2,791)	\$ (4,185)
Ending Cash:	\$ 12,985	\$ 7,537	\$ 15,638	\$ 15,119	\$ 12,511	\$ 9,064	\$ 19,824	\$ 16,403	\$ 13,612	\$ 9,427

Q3 cash flow was negative at \$4.19 million

The Statement of Cash Flows summarizes the amount of cash and cash equivalents entering and leaving AAATA during the reporting period. It measures how AAATA generates cash to fund its operating, capital, and investing needs. Negative cash flow is the normal position for all quarters except 4th quarter, when property tax receipts generate positive cash flow.

Investments Summary

In Thousands of Dollars (which means add a comma and three zeros).

Investment Instrument	Date of Maturity	Interest Rate	Total as of 3/31/2019	Transactions	Total as of 6/30/2019
Bank of AA - CDARS	8/1/2019	0.8%	1,500	-	1,500
U.S. Treasury Bill	5/28/2019	2.4%	1,000	(1,000)	-
U.S. Treasury Bill	9/27/2019	2.3%	1,000	-	1,000
U.S. Treasury Bill	3/25/2020	2.4%	1,000	-	1,000
U.S. Treasury Bill	9/25/2020	2.5%	2,000	-	2,000
RBC Futures Account	Daily	0.1%	610	(610)	0
Total Investments:			\$ 7,110	\$ (1,610)	\$ 5,500

Projected FY2019 Investment Income: \$153,421

The majority of Operating Capital and Long Term Reserves are federally insured. CDARS (Certificate of Deposit Account Registry Service) allows AAATA funds to be distributed to various banks to ensure funds remain under the FDIC \$250,000 limit. This is facilitated by Bank of Ann Arbor.

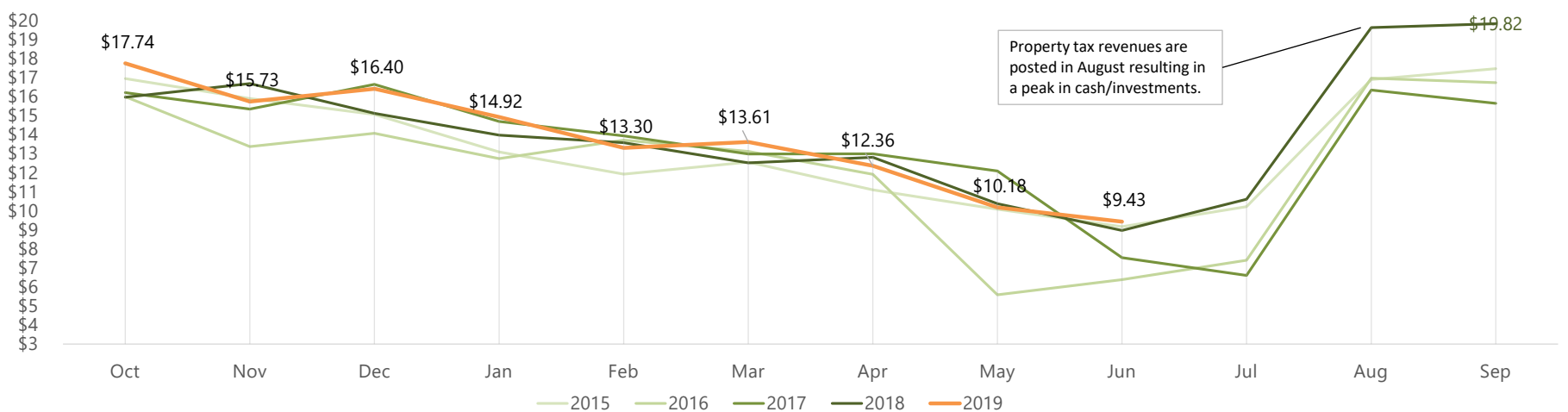
U.S. Treasury Bills are short term bonds (2 years or less) backed by the Treasury Department of the U.S. Government (rates shown are after the annual fee of .28%).

Accounts that are not FDIC insured or with balances above the FDIC insurance threshold are used for day-to-day working capital and include Bank of Ann Arbor CDs and a fuel futures commodity account, which was closed during the quarter.

Cash and Investments History

Total Cash and Investments by Month and Year (2015 to 2019 YTD)

In Millions of Dollars.



Issue Brief: Quarterly Customer Satisfaction Report

Meeting: **Board of Directors**

Meeting Date: **August 15, 2019**

Information Type: Other

Recommended Action(s):

Receive as CEO Operational Update

Prior Relevant Board Actions and Policies:

- 2.11.1.5 CEO shall not...Let the Board be unaware of...operational... [and] customer satisfaction metrics...
- Appendix A: Informational Reports schedule specifies Quarterly Customer Satisfaction and Service Performance reports in Nov, Feb, May, Sept

Issue Summary:

The Quarterly Customer Satisfaction Report provides comprehensive information on Fixed Route, Paratransit, and Vanpool services offered between April to June, FY 2020.

Background:

The Board requires this report to be submitted and reviewed by the Service Committee. (Policy 3.7.4b) prior to its review.

Impacts of Recommended Action(s):

- **Budgetary/Fiscal:** NA
- **Social:** NA
- **Environmental:** NA
- **Governance:** Board policies (1.0, 2.1, 2.4, 2.5, & 3.7.4)

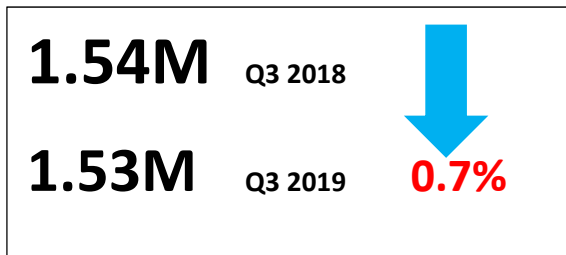
Attachments:

- Highlights Brief
- FY 2019 Q2 Satisfaction and Service Report
- Glossary of Terms

Service and Satisfaction Report Highlights

4/1/2019 to 6/31/2019

Fixed Ridership



Ridership had a 0.7% decrease from quarter to quarter. This resulted due to a decrease in boardings per revenue hour of 4.2%. The percentage change in ridership may be attributed to construction and community event detours that create disruption to services during this time of the year.

Safety

The quarter to quarter trend in preventable collisions and incidents has improved by 0.5%. That means that, in comparison to last quarter, we prevented 1 more collision or incident for every 1,000 miles.

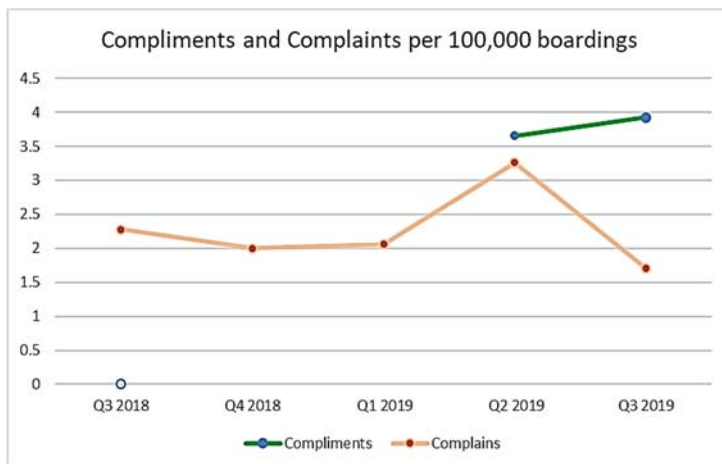
Fixed Route: On-Time Performance

We continue to track the new metric focused on how many *passengers* are on an on-time bus. This factor is the same as last year.

A more comprehensive set of solutions will be part of the outcome of the long-range plan, as presented by Planning and Innovation team.

75% of our passengers are on time

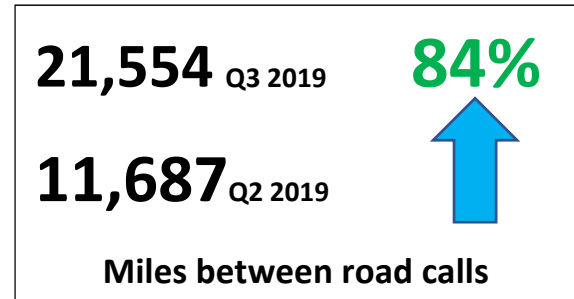
Fixed Route: Complaints & Compliments



Last quarter, I introduced a new metric for Fixed Route -tracking the number of compliments per 100,000 boardings. Since then, compliments are up by 7%. 100% of all complaints received are investigated and appropriate action taken. Since the same quarter last year, complaints have reduced by 26.1%. That means there has been 6 fewer complaints for every 10,000 boardings within that time frame.

Fixed Route: Bus Condition & Road Calls

The bus condition statistic has improved from last quarter yet again, and 19.5% better than a year ago. I would like to congratulate Anthony Sclafani, Service Crew Supervisor and Candace Moore, Fleet Manager on continuously getting the numbers up. After updating the way we define and report miles between road calls to match FTA's requirements, we have seen 84% increase in the miles reported between road calls from last quarter.

**Paratransit: Ridership**

Paratransit ridership increased by 16% compared to same quarter last year. Senior trips had a 21% decrease while ADA trips saw 20% increase. On time performance was 97% which though high, was 1% lower than Q3 last year. ADA service denials per boarding were at 0.18%. This was a decrease from the previous two quarters where 0.28% of ADA service requested were denied.

We also had a small increase in complaints and a decrease in on-time performance. Fortunately, these are issues that are on the work plan to be addressed.

Vanpool

Vanpool ridership has decreased by 3.4% since the same quarter last year but has seen 2% increase since the previous quarter. The passenger miles per traveler has increased by 0.2%. We are currently at 105 vanpools which is 5 vanpools away from our year-end target.



FY2019 Q3

FY 2019 Q3 Satisfaction and Service Report

Service: Fixed Route (Local + ExpressRide)

End/Outcome	Measure	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	Q to Q Trend	Target
Ridership	Boardings	1,539,552	1,647,843	1,701,224	1,533,512	1,529,005	-0.7%	> last yr Q
Satisfaction	User Surveys (every 2 years)	5.92						> 5
Safe	Preventable accidents + pass. Injuries/ 100,000 miles	2.01	1.91	2.1	1.65	2	-0.5%	< 3.5
	% bus stops compliant with industry standards (TCRP)							
Reliable	On-time Performance (within 0-5 min at timepoints)	85.30%	82.80%	73.30%	78.00%	77.00%	-9.7%	90%
	% passengers on an on-time bus	75%	72%	72%	76%	75%	0.0%	
	Miles between road calls	22,512	20,063	N/A	11,687	21,554	-4.3%	
Courteous	Complaints per 100,000 boardings	2.3	2	2.1	3.3	1.70	-26.1%	
	Compliments per 100,000 boardings				3.7	3.9		
Comfortable	% of qualifying, possible bus stops with shelters	88%	90%	90%	90%	90%	2.3%	
	Condition, cleanliness of bus: % buses scoring 80+/100	77%	78%	80%	84%	92%	19.5%	>80%
Eff. Stewardship	Boardings per Revenue Hour	22.2	23.6	23.6	22	21	-4.2%	>25
	Cost per Revenue Hour (note: cumulative over yr.)	\$110.34	\$107.07	\$114.65	N/A	112.53	-2.0%	

Service: Paratransit

End/Outcome	Measure	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2020 Q3	Q to Q Trend	Target
Access	ADA Service Denials/ ADA Boardings	0.15%	0.07%	0.28%	0.28%	0.18%	19.1%	"no pattern"
Ridership	ADA Trips	29,815	29,609	29,327	29,760	35,837	20.2%	
	Senior Trips	3,362	2,604	3,159	3,386	2,649	-21.2%	
	Total ADA and Senior Trips	33,177	32,213	32,486	33,146	38,486	16.0%	
	ADA Boardings/Capita	0.13	0.13	0.13	0.13	0.16	20.6%	



FY2019 Q3

Reliable	On-time Performance (% within 30 min Service Window)	98%	97%	97%	96%	97%	-1.0%	97%
Courteous	% of Complaints/Boardings	0.05%	0.03%	0.03%	0.05%	0.08%	55.9%	< 0.50% trips
Convenient	Avg on hold time Advance Reservations							
	Avg on hold time Same-Day Reservations							
Stewardship	Boardings per Revenue Hour	1.46	1.45	1.41	1.53	1.53	4.8%	
	Cost/Boarding	\$34.89	\$35.84	\$36.94	\$37.37	\$ 34.07	-2.4%	

Service: Vanpool

End/Outcome	Measure	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2020 Q3	Q to Q Trend	Target
Ridership	# of vanpools (at end of Q)	109	107	104.7	103.3	105.33	-3.4%	110 by yr end
	# of rider trips taken	60,754	58,316	59,467	59,698	59,873	-1.5%	
Alt to Auto	Avg Monthly Fuel Cost to User	\$33.95	\$34.33	\$30.39	\$28.62	\$32.75	-3.5%	
	Avg monthly passenger miles/traveler	1,115	1,099	1,102	1,124	1,117	0.2%	
Stewardship	Subsidy per passenger trip (Federal)	\$3.01	\$3.17	\$2.97	\$2.92	\$2.92	-3.0%	
	Passenger miles/gallon	93	92	90.8	90.4	89.70	-3.5%	

Quarterly Satisfaction and Service Report: Guide to Terms

Boardings (“Unlinked Passenger Trips,” a Transit industry standard metric)

The number of passengers who board public transportation vehicles. Passengers are counted each time they board a vehicle no matter how many vehicles they use to travel from their origin to their destination. Also reported to National Transit Database.

Per Capita in Service Area.

Population that lives in the AAATA service area, calculated using census tracts (retrospective measure). Also reported to National Transit Database.

Preventable accidents and Passenger Injuries.

Total number of accidents that have been judged to be preventable and any passenger injuries. Serious accidents and all injuries are reported to National Transit Database.

On-time performance.

Percentage of buses that leave scheduled timepoints within 0-5 minutes past the posted schedule. Transit industry standard metric.

Miles between Road Calls.

The average number of times a bus must be taken out of service because of equipment issues, divided by how many miles the fleet has run. Transit industry standard metric.

Complaints

A complaint is when a customer or non-customer communicates to AAATA that something is unsatisfactory or unacceptable. All complaints are looked into and referred to appropriate staff.

Bus Stops with Shelters

AAATA, based on the industry standard, puts shelters at stops that have an average of 50 or more riders per weekday. A bus stop is considered to meet these standards if there is

- An AAATA shelter
- An alternative shelter is in close proximity to the stop making an AAATA installation redundant.

Only shelters that *may* be possible are included in the metric. Not included are several 50+ rider/day bus stops where a stop is not currently possible because property owners have declined to grant an easement (3%) or there is insufficient space in dense, downtown areas (13%).

Condition of Vehicle

The image of the transit system, including the condition of the transit vehicles, is an important factor in determining user satisfaction. The 100-point system is aligned with industry study: Climate Control (20), Interior Cleanliness (30), Exterior Cleanliness (10), Repair of Seats (20), Interior Lighting (10), General Repair (10).

Issue Brief: CEO REPORTMeeting: **Board of Directors**Meeting Date: **August 15, 2019****Information Type:** Other**OPERATIONAL AND PROJECT UPDATES:**

- **2020 BUDGET PUBLIC ENGAGEMENT**

Public input sessions for the 2020 draft budget were held in Ann Arbor and Ypsilanti on July 23 and 24. Four people attended in total. Comments were mostly about balancing tax subsidies with other revenue sources, particularly fares purchased by the University of Michigan, ArtFair and Football Shuttle fares, and local contributions for ExpressRide. Questions and concerns were also raised about TheRide's use of purchased transportation versus directly operated service, and the decision to discontinue purchase of hybrid buses in 2018. A public hearing is scheduled for the August Board meeting.

- **STATE BUDGET**

We are still awaiting word on when the Senate/House Conference Committee will meet to discuss the transportation budget. The CEO did meet with State Senator Jeff Irwin and is scheduled to meet with Representative Lasinski. The Michigan Public Transit Association continues its efforts at a statewide level. The Republican caucus is reported to be preparing to release a roads-funding alternative to the Governors proposal. This may jump-start the post-summer debate.

- **DETROIT-TO-ANN ARBOR (D2A2)**

While we await a decision from the State regarding funding, we have begun the procurement process. We have issued a Request for Proposals (RFP) so that potential contractors/suppliers can begin preparing proposals and cost estimates. The entire project is contingent on funding, which is linked to the State's ongoing budget discussions. Should funding not materialize, the project will not proceed.

- **WATS POLICY COMMITTEE UPDATE**

In June, the committee voted to approve amendments to the FY 2019 Transportation Improvement Plan (TIP) and to approve the new TIP for FY 2020-2023. Staff supported both actions to align our program of projects at the regional level with our 7-year operating and 10-year capital plans. The July meeting was cancelled.

- **TRANSPORTATION COMMISSION**

In July, the Transportation Commission passed a number of resolutions pertaining to road reconfigurations as well as a recommendation that the State of Michigan reconsider the wording of the proposed State Crosswalk Law. The commission recommended that the State of Michigan's proposed bill be altered in a way to make it similar to crosswalk ordinances in Ann Arbor and Kalamazoo

- **CUSTOMER SERVICE TRACKING**

We are close to a decision on a vendor for a new Customer Relations Management (CRM) system that will improve our management and reporting capabilities regarding customer interactions received through various communication channels; phone, web, email, social media, etc. This will eventually help with data collection and reporting for several internal staff reports as well as policy monitoring reports for the Board.

- **ART FAIR SHUTTLE SERVICE**

ART Fair service in 2020 was successful in July. We began pulling back this year by reducing Art Fair service by about 50%. While there were some disappointed passengers, the move was a financial and operational success, and we haven't heard any organized criticism. However, ridership for this year was at an all-time low. We had just under 27,000 trips across the four days. This is a 12,700 trip drop from last year, and 65,000 down from the all-time peak in 2003. As mentioned on [page 44](#) of the draft 2020 Budget, we are considering discontinuing all AAATA bus service for Art Fair and UM football shuttles by 2021. We are reaching out to the organizations involved to make them aware of this proposal and invite their feedback.

- **BIKESHARE/ARBORBIKE**

We are waiting for final permitting agreement from the City of Ann Arbor to begin operations.

- **PERSONNEL UPDATE**

LaTasha Thompson will begin work as TheRide's new Manager of Finance on August 19. She comes to us from Jackson County where she served as Senior Accountant/Financial Services Manager. Ms. Thompson is familiar with the Ann Arbor Area; She earned her Master of Accounting from the University of Michigan Ross School of Business.

Board Self-Monitoring Questionnaire

Name:

Date of Board Meeting:

Instructions:

This form will be used to monitor our performance as a Board. Please respond to each question by selecting Yes or No and providing additional information where necessary.

Questions:

1. Were the issues covered in the Board meeting significant to AAATA? Yes or no? If no, please explain.

2. Did the materials you received prior to the meeting adequately prepare you to participate in the discussion? Yes or no? If no, please explain.

3. Did the board conduct oversight of management or policy? If yes, please indicate which management or policy matters were discussed. If no, please provide reasons for the lack of discussion on oversight of management or policy.

4. Overall, was the meeting worth your time? Yes or no? If no, please explain