

Board of Director's Meeting Agenda

Meeting Date/Time: December 19, 2019, 6:30-9:00pm

Location: Ann Arbor District Library, 343 South Fifth Avenue, **Lower Level Multi-Purpose Room,**
Ann Arbor, MI 48104

Meeting Chair: Eric Mahler

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* 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?
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Board of Directors Meeting Summary

Meeting Date/Time: November 21, 2019, 6:30-9:00pm

Location: Ann Arbor District Library, 343 South Fifth Avenue, 4th Floor, Ann Arbor, MI 48104

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

AAATA Staff Attendees: Matt Carpenter (CEO), Bryan Smith, John Metzinger, Tim Sanderson, Rosa-Maria Njuki, Mary Boonin

Acting Chairman Roger Hewitt called the meeting to order at 6:32 p.m.

1. OPENING ITEMS
<p>1.1 Approve Agenda CEO Carpenter added an update on RTA this week under section 4. With this addition, approval of the agenda was unanimous.</p>
<p>1.2 Public Comment Jim Mogensen discussed the Governance Policy and suggested further clarity when possible for the public. He also discussed the Construction Policy. He asked how transit-orient development would be paid for.</p>
<p>1.3 General Announcements CEO Carpenter announced the nomination of Rich Chang to the AAATA Board by the Mayor of Ann Arbor.</p>
2. CONSENT AGENDA
Approval of the consent agenda was unanimous.
2.1 Minutes
3. POLICY MONITORING & DEVELOPMENT
3.1 Committee Reports
<p>3.1.1 Governance Committee Mr. Mike Allemang highlighted the main topics of the Committee meeting as outlined in the meeting summary. Mr. Hewitt and Mr. Allemang discussed the process underway regarding the Articles of Incorporation, bylaws, and the treasurer role.</p>
<p>3.1.1.1 Annual Work Plan Mr. Hewitt pointed out to the Board that ideas for presentations are still being collected and reminded them that Stephen Dolen and Sue Gott will be presenting at the upcoming December Board Meeting.</p> <p>Mr. Hunter asked what kind of difficulties are being met when trying to coordinate presentations. Mr. Hewitt and CEO Carpenter explained that finding local speakers with expertise on the issues of interest are difficult to come by. CEO Carpenter explained that the subjects are more practical and less academic.</p>

CEO Carpenter highlighted some of the conferences available for Board education. He noted that the Policy Governance conference in June may be of particular interest in the development of the LAC.

Ms. Gott asked what is behind the successional planning. CEO Carpenter explained that the successional planning is in regards to future governance within the Board, not staff.

3.1.2 Finance Committee

Mr. Allemang explained that the Q4 Financial Report was presented to the Financial Committee with a preliminary close of the books. Because the numbers would not necessarily be very close to the what the final numbers would be, he explained that it was decided by the Finance Committee and the CEO not to share the Q4 Financial Report at the November Board meeting. He expressed that this in no way indicates a problem with the numbers or the financial operations. He expects the numbers to actually be very good. He also reported that the audit would take place by the new auditors on December 9th, 2019.

Mr. Allemang suggested that discussions may be had as to when the Q4 Financial Report should be reviewed next year. He also reported that the mini-monitoring report 2.6 was useful and discussions will be revisited next quarter to see if these mini reports are a worthwhile endeavor or not.

He also described the progress of the Ends Task Force.

Mr. Allemang closed by congratulating Mr. Jesse Miller on the birth of his new baby.

3.1.3 Service Committee

3.1.3.1 Construction Policy

Mr. Hewitt described that the meetings main topic was the Construction Policy. He asked for Board feedback on the Executive Limitations in hopes that they could be discussed once again by the Service Committee and then brought to the Board for approval at the December Board meeting.

Mr. Allemang expressed that he doesn't recall any other policies that have a lengthy list of items that are to be met by requesting authorization. Mr. Hewitt expressed that this was done to anticipate as much as is reasonably possible, especially considering this is the first major construction project by this present Board.

CEO Carpenter expressed that the level of detail provides a comforting level of clarity. Mr. Ryan Hunter expressed that he thought there would be more flexibility but appreciated CEO Carpenter's explanation of the purpose.

Mr. Allemang and Mr. Hewitt discussed 1.1 in the policy at length as to what comes first in a construction policy. Mr. Allemang expressed feeling better having heard CEO Carpenter's support of the detail and hopes that getting the various levels of approval will not slow down the process too much. CEO Carpenter described a lesson-learned that indicates having this higher level of approval before submitting grants to be appropriate.

Ms. Gott described spending large amounts of money on construction as not done by AAATA on a regular basis and therefore merits this amount of thoughtfulness. She indicated that the clarity may actually streamline the process rather than slow it down.

Mr. Allemang expressed that he feels very good about the content of the policy.

CEO Carpenter discussed using the annual budget process and thinking further in advance going forward.

Mr. Raymond Hess suggested that defining what is considered “major” would be a good exercise. A discussion ensued as to whether a dollar amount should be added to quantify “major”. Mr. Hewitt expressed that this would be taken back to the next Service Committee to see if there is something that should be more defined in this regard.

3.2 LAC Report

Ms. Cheryl Weber described that a few LAC members are excited, and few are just getting used to the homework required of governance policy. She also reported that Tim Sanderson presented to the LAC regarding AAATA’s Long Range Plan.

Ms. Kathleen Mozak-Betts described that a process is being developed by herself, CEO Carpenter and Chairman Eric Mahler for gleaning the important information from the LAC.

3.3 Monitoring Reports

CEO Carpenter described the reformatting and consolidation of information on the reports.

3.3.1 Treatment of Staff – Policy 2.2 Monitoring Report & Survey Results

CEO Carpenter reported that the new employee handbook is about 95% complete and intended to be rolled out after the new year which would put the policy in compliance with 2.2.2 (currently non-compliant).

He also expounded upon the guidance on determining “reasonableness” of CEO interpretations.

Mr. Allemang expressed that he likes the new abbreviated and reformatted monitoring reports.

Regarding 2.2.4, Ms. Mozak-Betts asked for explanation of why the active shooter training and fire drills aren’t applicable for 2019. Mr. Rosa-Maria Njuki explained that this was done in 2018 and is only done every 2 years.

Ms. Gott complimented the staff on the monitoring report formatting and even more so expressed her appreciation for the content. Ms. Mozak-Betts also wanted to thank the staff and the staff that participated in the survey. Mr. Hewitt and Mr. Hunter both expressed appreciation of the monitoring reports and the staff.

CEO Carpenter expressed that he looks forward to seeing how the Board would like to accept the report.

Ms. Mozak-Bett proposed accepting the report as in compliance, except for item 2.2.4. This was accepted unanimously.

Mr. Allemang pointed out the CEO’s note and Mr. Hewitt suggested this be taken up at the Governance Committee.

3.3.2 Accountability of the CEO – Policy 4.2 Compilation Report

CEO Carpenter reminded that the Board's self-governing of this report is for their use as they see fit.

3.4 Ends Policies

3.4.1 Task Force Report

Mr. Hewitt explained that the task force is comprised of Jesse Miller, Mike Allemang, and himself.

Mr. Allemang described the process to date of developing the Ends and expressed the hope to get approval of the Ends at this Board meeting.

Mr. Hewitt and Mr. Allemang described that there are a couple of proposals of what 1.2.4 should be. CEO Carpenter explained the logic behind 1.2.4 and that the CEO would come back with an interpretation to accept or not.

Mr. Hess remarked that under 1.3.3 he does not like the verbiage of "transit services" and would prefer "public transportation" here instead, as well as in 1.3.4. Regarding 1.2.4 he expressed liking "relevant public policy is transit supportive" better. Mr. Hess expressed an intent to be proactive in this space, allowing the CEO to go out and have latitude to do so. Mr. Hewitt expressed that he agrees that the second option allows for a broader and more relevant interpretation. Mr. Allemang agreed with Mr. Hess' comments.

1.3 – Ms. Mozak-Betts asked why "workers" were taken out. Mr. Allemang and Mr. Hewitt explained that this was captured in labor mobility.

Mr. Hewitt agreed with changing 1.3.3 and 1.3.4 verbiage to "public transportation".

1.4 – Mr. Hewitt described the task force's decision that although there is a nature of executive limitations with this item, they felt that due to its importance it deserved a prominent place in AAATA's policy governance. CEO Carpenter expressed that he believes it does make sense as an Ends and foresees no procedural conflict with that.

1.5 – Mr. Allemang expressed a concern about the measurement of this. He suggested a survey of the community, and invited discussion as to whether or not that would be worthwhile. He expressed leaning toward taking out 1.5. Mr. Hewitt suggested that this is something that CEO Carpenter will come back with an interpretation of and he would like to wait to see what that interpretation might be.

Ms. Gott expressed struggling with not having it in and respects the challenge that it creates. She asked the staff to help with finding a way to keep the spirit of what is being said with this.

Mr. Hess asked if there was any merit to tying 1.5 to a subpoint of 1.1.

Mr. Hewitt would like to suggest that the recommended changes be made and brought back for formal approval at the December meeting, which was unanimously agreed upon.

The changes made were:

1.2.4 – "Relevant public policy is transit supportive" verbiage was chosen.

1.3.3 and 1.3.4 – "public transportation" replaces "transit services".

3.4.2 LAC Input (Verbal)

Ms. Mozak-Betts reported that a conversation was had by herself, CEO Carpenter, and Mr. Mahler that would be discussed with Ms. Weber and there is nothing further to report at this time.

4. STRATEGY & OPERATIONAL UPDATES: CEO

4.1 RTA Update

CEO Carpenter reported on changes to the Municipality Partnership Act that he is working to understand the implications of. He is working on a briefing of it for the Board. He expressed that the most impacted party would be the RTA. He looks forward to providing more information as it begins to become clear. He pointed out that there is a decision target of November 2020, creating a strong sense of urgency.

4.2 Detroit-to-Ann Arbor Update (Verbal)

CEO Carpenter confirmed that state and federal funding has been confirmed, with a target of starting up in January or February 2020. He reported that a contractor has been hired (Indian Trails). He also discussed that fare reciprocity may be added after the service has been launched. He explained that there has been discussion of the potential risk involved with unstable funding and having to pull back service if funding is lost.

4.3 Branding Update

Ms. Mary Boonin discussed some of the criteria put in front of the designers for the new branding. She expressed that feedback on the 4 proposed designs would be greatly appreciated.

Mr. Hess advised not choosing a color scheme that is not easily reproduced if maintenance is needed.

Ms. Mozak-Betts expressed that the design with the most color might be difficult for passenger to see coming/going and expressed a preference for design 3A.

Mr. Hunt expressed total agreeance with Ms. Mozak-Betts.

Ms. Boonin explained to Mr. Allemang that \$280,000 a year is gained from advertisement and Mr. Allemang expressed trying not to interfere with that.

Ms. Gott expressed liking the movement of design 3A but deferred to staff for their expertise such as safety issues.

CEO Carpenter confirmed that the bus route number will be on the back of each bus.

Mr. Hewitt expressed that he prefers design 6B as he does not like advertisements on buses. He expressed that he doesn't like the window logo being white.

4.4 Q4 Service Report

Mr. Bryan Smith described mixed results in the Q4 Service Report. He reported on the first snow day of the season and gave compliments to the drivers.

Mr. Allemang asked about possible factors that could be leading to the lowering ridership. Mr. Smith expressed that not adding any services to the road may have contributed to the decline of ridership

Mr. Smith also described that TheRide is still working through their software capabilities and informed that the year over year numbers will be updated soon online.

4.5 CEO Report

CEO Carpenter reported that no federal build grants were awarded in Michigan. TheRide will find out soon on the second grant submitted.

He described the presentation to the Partnership committee regarding TheRide's interest in and hopes for the Y-Lot as well received.

He added that the Washtenaw Area Transportation Study (WATS) Policy Committee met Nov. 20th. The committee approved amendments to the 2020-2023 Transportation Improvement Program (TIP), which included an allocation of CMAQ funds to the Regional Transit Authority (RTA) for the Detroit to Ann Arbor Connector.

5. EMERGENT BUSINESS

No emergent business.

6. CLOSING ITEMS

6.1 Topics for Next Meeting

6.1.1 Audit Task Force

6.1.2 Construction Policy

6.1.3 Ends Policy (added by Mr. Hewitt)

6.1.4 Q4 Financial Report (added by Mr. Allemang)

6.1.5 Mr. Hunter expressed that he may not be able to attend the December meeting due to a retreat.

CEO Carpenter reported that there may be a new Board Member attending the next Board meeting.

6.2 Public Comment

Mr. Mogensen discussed the impact of the large number of cars on Packard Rd and the need to deal with the transportation issues in Ann Arbor realistically.

He also described what leads to the community needing to have a conversation about fares and that the lack of parking leads individuals to riding buses.

6.3 Adjournment

Ms. Gott moved to adjourn the meeting, seconded by Ms. Mozak-Betts. Mr. Hewitt adjourned the meeting at 9:02pm.

Respectfully Submitted by: Keith Everett Book

Governance Committee Meeting Summary

Meeting Date: November 25, 2019

Location: Blake Transit Center, 328 S. 5th Ave., Ann Arbor, MI 48104

Meeting Chair: Eric Mahler

Committee Meeting Attendees: Eric Mahler (remote), Roger Hewitt (remote), Mike Allemang

AAATA Staff Attendees: Matt Carpenter, John Metzinger, Rosa-Maria Njuki

Chairman Mahler called the meeting to order at 9:01 am.

Discussion Items
1. OPENING ITEMS
<p>1.1 Agenda (Additions, Approval) The agenda was approved unanimously.</p>
<p>1.2 Communications CEO Carpenter reported that Rich Chang's nomination for AAATA's newest Board Member was announced at the Ann Arbor City Council last week. He advised that appointment should be discussed and confirmed on December 2nd and will take 7 votes to approve.</p>
2. STRATEGY & OPERATIONAL UPDATES: CEO
<p>2.1 Workload and Personal Health CEO Carpenter explained that he is personally suffering from a bit of exhaustion. He has taken sick days and will be taking more through the holiday. Executive Team has discussed this at a corporate level. No structural changes are being made at this moment, but CEO Carpenter will notify the Board if something changes.</p> <p>Mr. Allemang asked if any of the major projects should be slowed down. CEO Carpenter advised that this may happen naturally as it is unlikely that TheRide will be awarded the second build grant that was applied for, for the Ypsilanti Transit Center.</p> <p>Mr. Hewitt asked if more staff would help the situation. CEO Carpenter expressed that the bottleneck appears to be at the upper executive level. He may throttle back on some of the new initiatives. He is leaning more heavily on consultant Rose Mercier, who may help with the fare policy discussions.</p> <p>CEO Carpenter explained that moving through the back log of things that should have been done and also moving forward with new goals has tested the limits of what the staff and CEO can accomplish at the current pace.</p>

Discussion Items

2.2 RTA Update

CEO Carpenter is working on a thorough briefing in writing. He explained that the opportunity could evolve in multiple ways, which are not clear yet. Commissioner Jason Morgan of Washtenaw County has called a meeting in mid-December.

Mr. Allemang would like a link to the community television appearance that Jason Morgan will be on.

2.3 Various

CEO Carpenter reported that the D2A2 project planning is picking up speed with a targeted launch of February 10, 2020, to allow for an effective marketing launch. January will be used for advertising and ribbon cuttings.

CEO Carpenter informed that generally speaking the federal and state funding is locked down, notwithstanding a Governor's budget switch. He expressed that it will not be everything wanted from day one; things will be added on to it as the service develops.

Mr. Metzinger explained that funding will come from RTA to AAATA. He described the project as a cash neutral project, but it will affect AAATA's cash flow.

3. POLICY MANAGEMENT & DEVELOPMENT

3.1 Ends Task Force Update

Mr. Hewitt reported that the recent Board meeting conversations led to verbiage changes such as using the term "public transportation" rather than "transit services", as well as a decision on language for 1.2.4 to reflect "Relevant public policy is transit supportive".

Discussion of 1.5 being moved ensued. Mr. Allemang suggested deleting it, as it will be difficult for CEO Carpenter to report on.

Mr. Hewitt suggested that a discussion on 1.5 at the next Board meeting could lead to an approval of the Ends. Mr. Allemang suggested that Rich Chang may be able to offer a fresh perspective. Mr. Hewitt and Mr. Allemang do not think that another Ends Task Force meeting needs to be had before the next Board meeting.

3.2 Monitoring: Delegation to the CEO

Chairman Mahler expressed that generally speaking the feedback was positive. Mr. Allemang expressed that only having three participants in the survey is disappointing.

Ms. Rosa-Maria Njuki reported that only 2 Board members consistently participate. Chairman Mahler would like a list of who has participated in the past 6 months from Ms. Njuki. He will send this request via e-mail to Ms. Njuki.

CEO Carpenter pointed out that perhaps the monitoring should be done more all at once rather than one a month. Mr. Allemang expressed that he thought that would be too onerous. Mr. Hewitt suggested filling out a monitoring report at the end of the Committee meetings.

Mr. Mahler expressed concern that at the end of the meetings might lead to members rushing through the survey without giving it significant thought.

Discussion Items

CEO Carpenter suggested adding the automated reminders back to the e-mails that Ms. Njuki sends out, as well as putting the names of the respondents on the feedback.

CEO Carpenter expressed that he does not have individual Board members attempting to influence him on an individual level that he feels needs to be spoken to at this time. The collective thoughts of the Committees and the Board are ultimately what is being heard through the process that has been put in place.

3.3 Annual Plan of Work & Education

3.3.1 It was reviewed that fixed route on-time performance is suffering. Fixing the problem will take funds that AAATA doesn't have. CEO Carpenter described a review of the lowest used routes to fix other services that are struggling. Any changes are targeted for August in 2020. In the new year, staff will come to the Board with options of how money can be better spent on the services.

Mr. Allemang suggested making this part of the budgeting process for the next fiscal year.

3.3.2 Fare Policy (How to develop)

CEO Carpenter suggested this be punted to January and bring Rose Mercier in to assist in the January Service Committee meeting. If that goes well, that discussion could be brought to the Board Meeting. He also suggested that a public work session could also be an option. Mr. Hewitt suggested that in the Service Committee meeting on December 4th, the process of the fare policy discussions could be articulated, with Rose Mercier's assistance via phone.

CEO Carpenter expressed that picking apart the current fare policies before moving forward with what the Board wants to achieve would not be advisable, as it would take a considerable amount of work that may very well not contribute much to the process.

Mr. Allemang asked that the staff put in writing broadly what they think the fare policy should reflect. CEO Carpenter described a process of taking the fare policy asks from the Service Committee back to the staff to then have the staff recommend what would need to be changed or addressed to make those asks happen.

3.4 Committee Agendas

Service Committee – Mr. Hewitt expressed that the Construction policy will be brought to board in December. He described a preliminary discussion of how the fare policy discussion could proceed should be added to the agenda.

CEO Carpenter pointed out that the staffing policy will be reviewed, to which Mr. Hewitt agreed.

Finance Committee – Mr. Allemang addressed the Audit Task Force needing at least one more member, preferably two. Chairman Mahler will make that ask once again. Mr. Allemang as Chair of the Finance Committee is not eligible.

A fare policy development update was added to the agenda.

Discussion Items	
<p>It was discussed that the January 7th Finance Committee meeting may be cancelled if nothing is needed for that agenda.</p> <p><u>Board Meeting</u> – Discussion led to agreeance that the Annual Ends Monitoring Report will be moved to January. The Branding Update was removed.</p> <p>Mr. Allemang reported that he will not attend the January 16th Board meeting.</p>	
3.5	<p>Other Governance Issues (as assigned)</p> <p>CEO Carpenter reported that the UofM presentation from Stephen Dolen and Sue Gott may include discussions of an inter-campus project.</p>
3.5.1	<p>Streamlining Opportunities</p> <p>None were discussed.</p>
3.5.2	<p>Meeting Assessment (11/21)</p> <p>Chairman Mahler described the feedback as generally positive.</p>
4. POLICY MANAGEMENT & DEVELOPMENT	
4.1	<p>Topics for Next Meeting</p> <p>None were discussed.</p>
4.2	<p>Adjournment</p> <p>Chairman Mahler adjourned the meeting at 10:50am.</p>

Respectfully submitted by: Keith Everett Book

Finance Committee Meeting Summary

Meeting Date: December 10, 2019

Location: Blake Transit Center, 328 S. 5th Ave., Ann Arbor, MI 48104

Meeting Chair: Mike Allemang

Committee Meeting Attendees: Mike Allemang, Raymond Hess, Jesse Miller, Kyra Sims

AAATA Staff Attendees: John Metzinger, Bryan Smith, Rosa-Maria Njuki

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

Discussion Items
1. OPENING ITEMS
<p>1.1 Agenda (Additions, Approval) Chairman Allemang suggested adding discussions of the audit as well as the mini-monitoring report 2.6 after the RTA update.</p>
<p>1.2 Communications None</p>
2. POLICY MONITORING & DEVELOPMENT
<p>2.1 Ends Focus of Contracts Monitoring Report Mr. Metzinger pointed out that the CEO reports being in compliance with the policy. He also mentioned that AAATA does not award “grants” to expend funds, only “contracts”, and the policy only applies to expenditures (as interpreted by CEO Carpenter in the monitoring report).</p> <p>A discussion ensued about the AAATA’s role in passing federal funds to subrecipients, and the CEO’s interpretation that this policy does not apply to that activity.</p> <p>Mr. Miller and Mr. Allemang requested a bit more description of the contracts (particularly security cameras and the fence improvements), which were addressed by Mr. Smith. Mr. Metzinger also indicated that the budgeting software listed was used on the FY2020 budget and worked well.</p> <p>The committee discussed low survey response rates from Board members. Mr. Hess expressed having difficulty justifying his answers often in fields where an answer is required. He also expressed that he would prefer doing monitoring reports in larger chunks. Ms. Sims indicated the purpose for the survey is to take up less time at the Board meeting.</p> <p>Mr. Metzinger said the Board’s comments are used to improve monitoring reports.</p>

Discussion Items

2.2 Fare Policy Development Update

Mr. Metzinger indicated that the Service Committee will pick up the full conversation on fares in January, assisted by an issue brief he is creating that summarizes the most recent fare study. He also indicated that Rose Mercier will help facilitate the discussion.

Mr. Miller explained that the starting point for the Service Committee will be discussions on fare philosophy.

3. STRATEGY & OPERATIONAL UPDATES: CEO

3.1 Q4 Financial Report

Mr. Metzinger indicated that the results are similar to those that were presented last month and will be presented to the auditors this week..

Mr. Metzinger further contrasted the positive results for 2019, which are attributed to one-time utilization of expiring grant funds, with forecasted budget deficits. He indicated that most of the positive results came from how the financial department is dealing with grant funds. He pointed out that Caitlin Conway went back and captured old state grants. Mr. Metzinger also described different methods now in effect of using grant funds already awarded to the AAATA for bus engine repairs, rather than expensing the repairs. These new practices added \$1.9M to the reserves. Mr. Allemang requested that this “one-time increase” be fully explained to the Board.

Mr. Allemang and Mr. Metzinger discussed budgeting for depreciation. Mr. Metzinger indicated that he will get further perspective from CEO Carpenter and LaTasha Thompson to share with the Finance Committee. Mr. Allemang expressed his discomfort with reporting the budget on one basis and the actuals on another basis. He suggested having a resolution at the end of the year.

Mr. Metzinger also pointed out the fare revenue was down from budget due to decreased ridership from UofM students. Mr. Hess expressed wanting to follow the fare trend more closely. He also described what could appear to be a discrepancy between the fare box recovery and AAATA’s seemingly productive system.

At the request of Mr. Allemang, Mr. Metzinger will be updating the verbiage of the issue brief for the Board meeting to indicate that results are preliminary. He also mentioned that more “why” would be helpful in future briefings.

Mr. Allemang and Mr. Metzinger discussed not reporting Q4 numbers until December, rather than November, next year. Mr. Hess expressed that moving the year-end report to December is understandable. Mr. Metzinger will present this to the Governance Committee in the discussion of the Annual Plan of Work.

3.2 Detroit-to-Ann Arbor Update (Verbal)

Mr. Metzinger reported that planning and preparations for the new service continue, with a contract awarded to Indian Trails and a start date planned for February 10, 2020. He also described the marketing meetings that are underway. He reported that more details will be provided at the Board meeting by CEO Carpenter.

Discussion Items	
3.3	<p>RTA Update Mr. Metzinger reported that CEO Carpenter is meeting with Washtenaw County on December 16, the results of which will be shared at the Board meeting.</p>
3.4	<p>Audit Report Mr. Metzinger reported that the audit got underway with staff from the new auditing firm UHY this week. The new firm is looking at systems that have not been looked at before and in new ways; because of this he expects that there may be some audit findings this year.</p> <p>It was discussed that another Board member is needed for the Audit Task Force.</p>
3.4	<p>Mini-monitoring Report 2.6 Mr. Allemang asked the Finance Committee if the mini-monitoring report was worthwhile. Mr. Metzinger described that it is not overly burdensome to provide the information. Mr. Miller expressed wanting to give the process more time. Mr. Allemang agreed.</p>
4. CLOSING ITEMS	
4.1	<p>Topics for Next Meeting: Cancel January 7th Finance Committee Meeting? It was unanimously decided that the January 7th Finance Committee Meeting will be cancelled.</p>
3.2	<p>Adjournment Chairman Allemang adjourned the meeting at 4:34pm.</p>

Respectfully submitted by: Keith Everett Book



Service Committee Meeting Summary

Meeting Date: December 4, 2019

Location: Blake Transit Center, 328 S. 5th Ave., Ann Arbor, MI 48104

Meeting Chair: Roger Hewitt

Committee Meeting Attendees: Sue Gott, Kathleen Mozak-Betts, Jesse Miller

AAATA Staff Attendees: Matt Carpenter, John Metzinger, Tim Sanderson, Rosa-Maria Njuki

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

Discussion Items
1. OPENING ITEMS
<p>1.1 Agenda (Additions, Approval) The agenda was approved unanimously.</p>
<p>1.2 Communications CEO Carpenter reported that the second grant applied for was not awarded to TheRide for the Ypsilanti Transit Center. He commented that this will allow for further learning on the process and TheRide will be reaching out to the grantors and awardees to learn what TheRide could have done differently, if anything.</p> <p>Mr. Jesse Miller asked how this will affect the timeline for building. CEO Carpenter indicated that it will delay the process for possibly a year, unless the FTA distributes any leftover funds.</p> <p>A discussion ensued on the definition of “shovel ready” and factors that contribute to grant awards. Ms. Gott suggested that 50% of engineer planning is typically associated with being “shovel ready”. Mr. Sanderson commented that if a project has been in the pipeline before, it is more likely to be awarded funding in the future.</p>
2. POLICY MONITORING & DEVELOPMENT
<p>2.1 Construction Policy Development Chairman Hewitt expressed his feeling that what was brought to the Board and the comments the Board had were good. He led a discussion of what a major maintenance is versus a renovation. He described putting a dollar amount on it or leaving it up to CEO Carpenter’s interpretation.</p> <p>Ms. Rose Mercier recommended asking CEO Carpenter to provide an interpretation of what a major renovation is. Otherwise, the Board could further define what a major renovation could be in the policy. The consensus was to wait for CEO Carpenter’s interpretation of a major renovation. CEO Carpenter described defining both “major” and “renovation”. He commented that he hoped to have something for the committee to review in January.</p>

Discussion Items

Mr. Hewitt described that the budget process is a stop gap should there be a disagreement.

It was unanimously agreed that the Executive Limitation would be presented to the Board for approval as is on December 19th.

2.2 Fare Policy Process & Timeline

Mr. Hewitt pointed out that fare policy will be deeply discussed in January, at which time he will start by opening the floor to initial thoughts and concerns like was done for the construction policy.

Ms. Gott expressed wanting to pull the history up to understand how TheRide got to the place it is today fare-wise. Mr. Hewitt and Ms. Gott agreed that history will be a large part of the discussion, but the dialogue could begin as more of an aspirational discussion.

Ms. Mercier described that it can be an Executive Limitation or a Board Policy change. CEO Carpenter expressed that he would like to see this as an Executive Limitation.

Ms. Gott expressed wanting to know what the cost of a typical ride is today.

Ms. Mercier suggested considering what are the principles or values that would be considered if a new transit was being started today.

Ms. Mozak -Betts expressed wanting to know what the fare increase was 10 years ago and why it was increased. Ms. Gott expressed that she doesn't feel that she will be able to offer principles without understanding the context of why the fare is what it is today. CEO Carpenter described using a principle discussion as a yardstick for the fare structure. He also commented that implementing any fare adjustment would be a multi-year process.

Mr. Hewitt expressed wanting to first have an agreement on priorities and philosophy on fares.

CEO Carpenter will send out the one-page document Mr. Metzinger created that summarizes the policies TheRide currently has on fares and the principles highlighted in the last fare study. Mr. Metzinger will also forward the fare study PowerPoint slides to the Service Committee, Jesse Miller, and Rose Mercier. CEO Carpenter described the study as simply a starting point for discussion.

2.3 Staffing Policy

Ms. Mercier described seeing this policy intentionally included less and less. Mr. Hewitt asked if there has been concerns expressed by the staff that they are not informed about what the Board has told the CEO to do for staff. CEO Carpenter described no concerns and the manner in which the information is shared with staff, via e-mail as well as via all reports being posted on the website.

Ms. Mercier will do some research to see why the policy has and has not been used for the Service Committee to consider.

Discussion Items	
3. STRATEGY & OPERATIONAL UPDATES: CEO <i>(If time allows)</i>	
3.1	Detroit-to-Ann Arbor Update (Verbal) CEO Carpenter reported that the funds are confirmed, and contracts are in place with Indian Trails with a service start-up in mid-February; a bus stop is also confirmed in downtown Detroit.
3.2	RTA Update CEO Carpenter expressed that he is working on his briefing for the Governance Committee. He described the newest situation briefly as an attempt to apply the Municipal Partnership Act to public transit for Wayne, Oakland, Detroit, and Washtenaw counties. He reported that he will be attending a meeting in mid-December with Jason Morgan where members of UofM and the RTA will also be in attendance.
4. CLOSING ITEMS	
4.1	Topics for Next Meeting: <ul style="list-style-type: none"> • Fare Policy • Rose Mercier staff policy research • Treatment of the Traveling Public Monitoring report
4.2	Adjournment Chairman Hewitt adjourned the meeting at 4:41pm.

Respectfully submitted by: Keith Everett Book

ISSUE BRIEF: Policy Development for Construction Projects

Meeting: Board of Directors

Meeting Date: December 19, 2019

INFORMATION TYPE:
Decision Preparation
RECOMMENDED ACTION(S):
Consider adoption of new policies regarding construction projects.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
In September 2019, the Board directed the CEO to not take further contractual steps to implement the rebuilding of the Ypsilanti Transit Center until the Board had had an opportunity to consider the need for new Executive Limitations policies regarding construction projects. The work of assessing the need for these policies was assigned to the Service Committee.
ISSUE SUMMARY:
<p>The Board’s governance coach, Rose Mercier, has been engaged to help the Service Committee in this policy development discussion. She has outlined a three-step process:</p> <ul style="list-style-type: none"> • Part 1 (October 2nd Service Committee) - Have the committee members identify the decisions, actions and/or circumstances related to construction projects that would be unacceptable. If there is time, the committee can begin to identify which, if any, decisions the Board might put off-limits to the CEO (and if so, what criteria would need to be met to make the decision approvable). Rose will take this input and develop initial strawman policies for further consideration. • Part 2 (November 7 Service Committee) – Reviewing and writing draft policies for consideration by the full Board. Iterations may be necessary. Begin looking at the options for scheduling the monitoring of the policy or policy statements. • Part 3 - The Service Committee could have draft policies for the Board to consider by December.
ATTACHMENTS:
<ol style="list-style-type: none"> 1. Proposed New Policy – Construction and Major Renovations 2. Executive Limitation – New Construction and Major Renovations – Blackline Version Draft

EXECUTIVE LIMITATION – New Construction and Major Renovations

The CEO shall not allow construction of a new building or facility or major renovation that is inconsistent with industry standards and grantor expectations, environmentally irresponsible or aesthetically displeasing, risks financial jeopardy, or is not aligned with achievement of the board’s Ends.

Further, without limiting the scope of the above by the following list, the CEO shall not:

1. Proceed with grant applications, detailed architecture or engineering, procurement of construction services, or real-estate transactions for a construction or major renovation project.
 - 1.1. Request authorization to proceed with a project prior to providing information that demonstrates that such construction is fiscally responsible and aligned with achievement of the board’s Ends, and without providing data that supports an informed decision by the board – including but not limited to clearly articulated information about the following:
 - a. Definition of the project’s purpose and goals.
 - b. Definition of the project’s key elements and rationale for their inclusion.
 - c. Definition of the project’s strategic context, and contribution to advancing the board’s Ends or other policies.
 - d. Explanation of the project’s priority relative to other capital needs.
 - e. Estimates of the capital cost, ongoing operating and maintenance costs, and expected useful life associated with the project.
 - f. Explanation of anticipated funding sources and financing mechanisms.
 - g. Definition of risks associated with the project.
 - h. Project timeline.
 - i. Public involvement process.
 - 1.2. Request authorization to proceed with a project without incorporating it into an annual budget or a budget amendment.
2. Expend funds on a construction project prior to having confirmed funding for that stage.
3. Contract for architectural, engineering or construction services that do not include the following elements as part of the contractual agreements:
 - a. Clear identification of a defined scope of work and related terms and conditions.
 - b. Performance obligations.
 - c. Consistency with industry standards for nomenclature.
4. Proceed with construction without designs and/or schematic drawings sufficient to meet the following criteria:
 - a. Derived from the board-approved project elements and concept design.
 - b. Provide sufficiently comprehensive instructions that clarify roles and expectations, and mitigate against unnecessary cost overruns.
 - c. Incorporate the grantor’s required standards.
 - d. Do not jeopardize project funding.

5. Undertake capital construction projects without qualified personnel and documented policies and guidelines consistent with industry standard procedures that mitigate risks arising from unforeseen events such as, but not limited to:
 - a. Changes in staff or project personnel.
 - b. Schedule delays or cost overruns arising from natural disasters or unpreventable accidents.
- 5.1. Authorize contracts for a construction manager or general contractor that are inconsistent with industry standards, omit grantor requirements, lack clarity, or do not mitigate risk to the Authority.
6. Proceed with construction that does not minimize inconvenience to the travelling public and those businesses and residences directly impacted to the extent that is reasonably practicable.
 - 6.1. Proceed without providing timely and accurate information to the travelling public, residents and business owners.
 - 6.2. Proceed with construction project or changes to the project that could be foreseen to create significant resistance from the traveling public and external stakeholders because they had not had the opportunity for consultation.
7. Allow the board to be unaware of political, residents' and businesses' issues related to the proposed construction.
8. Allow the board to be without regular reports on the project's implementation, including but not limited to:
 - a. Changes to the anticipated cost of the project.
 - b. Changes to the elements/scope of the project.
 - c. Changes to scheduled completion, delays or impacts to timelines.
 - d. Timely notice of possible cost overruns and planned action to reduce impact.

EXECUTIVE LIMITATION – ~~Capital~~New Construction and Major Renovations

The CEO shall not allow ~~capital~~-construction of a new buildings~~building~~ or facilities~~facility or major renovation~~ that is inconsistent with industry standards and grantor expectations, environmentally irresponsible or aesthetically displeasing, risks financial jeopardy, or is not aligned with achievement of the board's Ends.

Further, without limiting the scope of the above by the following list, the CEO shall not:

1. Proceed with grant applications, detailed architecture or engineering, procurement of construction services, or real-estate transactions for a construction or major renovation project.
 - 1.1. Request authorization to proceed with a project prior to providing information that demonstrates that such construction is fiscally responsible and aligned with successful achievement of the board's Ends, and without providing data that supports an informed decision by the board – including but not limited to clearly articulated information about the following:
 - a. Definition of the project's purpose and goals.
 - b. Definition of the project's key elements and rationale for their inclusion.
 - c. Definition of the project's strategic context, and contribution to advancing the board's Ends or other policies.
 - d. Explanation of the project's priority relative to other capital needs.
 - e. Estimates of the capital and cost, ongoing operating and maintenance costs, and expected useful life associated with the project.
 - f. Explanation of anticipated funding sources and financing mechanisms.
 - g. Definition of risks associated with the project.
 - h. Project timeline.
 - i. Public involvement process.
 - 1.2. Request authorization to proceed with a project without incorporating it into an annual budget or a budget amendment.
2. Expend funds on a construction project prior to having confirmed funding for that stage.
3. Contract for architectural, engineering or construction services that do not include the following elements as part of the contractual agreements:
 - a. Clear identification of a defined scope of work and related terms and conditions.
 - b. Performance obligations.
 - c. Consistency with industry standards for nomenclature.
4. Proceed with construction without designs and/or schematic drawings sufficient to meet the following criteria:
 - a. Derived from the board-approved project elements and concept design.
 - b. Provide sufficiently comprehensive instructions that clarify roles and expectations, and mitigate against unnecessary cost overruns.
 - c. Incorporate the grantor's required standards.
 - d. Do not jeopardize project funding.

5. Undertake capital construction projects without qualified personnel and documented policies and guidelines consistent with industry standard procedures that mitigate risks arising from unforeseen events such as, but not limited to:
 - a. Changes in staff or project personnel.
 - b. Schedule delays or cost overruns arising from natural disasters or unpreventable accidents.
- 5.1. Authorize contracts for a construction manager or general contractor that are inconsistent with industry standards, omit grantor requirements, lack clarity, or do not mitigate risk to the Authority.
6. Proceed with construction that does not minimize inconvenience to the travelling public and those businesses and residences directly impacted to the extent that is reasonably practicable.
 - 6.1. Proceed without providing timely and accurate information to the travelling public, residents and business owners.
 - 6.2. Proceed with construction project or changes to the project that could be foreseen to create significant resistance from the traveling public and external stakeholders because they had not had the opportunity for consultation ~~or their input had been ignored.~~
- ~~7. Allow the board to be uninformed of the impact of the construction project on the Authority's future operations.~~
- ~~8.7.~~ Allow the board to be unaware of political, residents' and businesses' issues related to the proposed construction.
- ~~9.8.~~ Allow the board to be without regular reports on the project's implementation, including but not limited to:
 - a. Changes to the anticipated cost of the project.
 - b. Changes to the elements/scope of the project.
 - c. Changes to scheduled completion, delays or impacts to timelines.
 - d. Timely notice of possible cost overruns and planned action to reduce impact.

Local Advisory Council Meeting Summary (FINAL)

Meeting Date: November 5, 2019

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

LAC Committee Member Attendees: Cheryl Weber (Chair), Larry Keeler (Co-Chair), Debra Poster, Mary Wells, Rebecca Burke, Clark Charnetski (Rep. A1B), Jody Slowins, Janet Nutt, Andrea Henry (CIL)

LAC Committee Members not in attendance: Stephen McNutt

LAC General Members not in attendance: Liz Aldridge, Dana Greer

AAATA Board Liason: Kathleen Mozak-Betts

AAATA Staff Liaison: Tim Sanderson (AAATA CIO), Robert Williams, Michelle Willis

Guests: Darryl Johnson (RideCorp), Pedro Baez (RideCorp), Fred Burm, Elnora Austell (Nelson/Nygaard)

1. CALL TO ORDER
<ul style="list-style-type: none"> Chairperson Weber called the meeting to order at 1:35 p.m.
2. REVIEW & APPROVAL OF AGENDA
<ul style="list-style-type: none"> Agenda was approved with no additions.
3. REVIEW & APPROVAL OF MINUTES
<ul style="list-style-type: none"> Mrs. Slowins asked that the title of Ms. was changed to Mrs. next to her name.
4. PUBLIC COMMENT
<ul style="list-style-type: none"> Mr. Charnetski mentioned the Transportation Commission Meeting will be at the Ann Arbor City Council Chambers on November 20th at 7:00pm. Mr. Burm mentioned the difficulty he had acquiring same day rides recently Mr. Stasie Mentioned that a friend had difficulty understanding the A-ride application process.
5. OWNERSHIP AND OUTREACH ITEMS
<ul style="list-style-type: none"> Chairperson Weber asked if anyone on the executive committee had any comments about the Board Ends policies. Mr. Charnetski mentioned that, in the previous meeting, he believed some of the language in the Board Ends report Section 1.3 be changed, specifically regarding equality in labor and job access. Mr. Sanderson gave a brief presentation on AAATA's Long Range Plan
6. OPERATIONAL TOPICS
<ul style="list-style-type: none"> Ms. Willis spoke briefly about the Paratransit Study. Mr. Stasie commented on how there were rumors of A-ride being understaffed with drivers and wondered what the plans were to correct the problem. Mrs. Austell gave a brief presentation on the RTA's Human Coordinated services project and wanted the LAC's assistance with reaching out to the local community organizations in the area to fill out upcoming surveys from the RTA.

7. PUBLIC COMMENT TIME
<ul style="list-style-type: none">• None
8. FUTURE NEW BUSINESS TEAMS
<ul style="list-style-type: none">• AAATA Project Updates• A-ride Report Card• Rider / Customer Concerns
9. ADJOURNMENT
<ul style="list-style-type: none">• Chairperson Weber adjourned the meeting at 3:15 p.m.

Respectfully Submitted by: Robert Williams, LAC Liaison / AAATA
Paratransit Supervisor

Local Advisory Council Meeting Summary (DRAFT)

Meeting Date: December 3, 2019

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

LAC Committee Member Attendees: Cheryl Weber (Chair), Larry Keeler (Co-Chair), Debra Poster, Rebecca Burke, Clark Charnetski (Rep.A1B) Jody Slowins, Janet Nutt, Andrea Henry (CIL), Stephen McNutt

LAC Committee Members not in attendance: Mary Wells,

LAC General Members not in attendance:

AAATA Board Liason: Kathleen Mozak-Betts

AAATA Staff Liaison: Robert Williams, Michelle Willis, Tracy Byrd

Guests: Darryl Johnson (RideCorp), Pedro Baez (RideCorp), Romona Williams, Marlene (no last name given)

1. CALL TO ORDER
<ul style="list-style-type: none"> Chairperson Weber called the meeting to order at 1:33 p.m.
2. REVIEW & APPROVAL OF AGENDA
<ul style="list-style-type: none"> Chairperson Weber requested that the election of officers be added to agenda. Motion was seconded and passed with no objections
3. REVIEW & APPROVAL OF MINUTES
<ul style="list-style-type: none"> Minutes were approved with no corrections.
4. PUBLIC COMMENT
<ul style="list-style-type: none"> Mr. Charnetski mentioned the Transportation Commission Meeting will be at the Ann Arbor City Council Chambers on December 18th at 7:00pm. Ms. Poster mentioned issues with acquiring a MyRide trip on Thanksgiving, and being told that Myride no longer had accessible vehicles Ms. Williams wanted clarification on the Nightride/HolidayRide Fare structure. Ms. Williams also wanted to know if AAATA could re-install Bus stops along westbound William street after the installation of Bike lanes. Ms. Nutt and Mr. Keeler wanted clarification on the A-ride Will-call Policy.
5. OWNERSHIP AND OUTREACH ITEMS
<ul style="list-style-type: none"> Chairperson Weber asked if anyone on the executive committee had any comments about the Board Ends policies. Ms. Nutt wondered if the wording “public transportation” in Section 9 appendix #1 was too broad a term to use. Ms. Mozak Betts provided some clarification for Ms. Nutt Chairperson Weber was nominated to continue serving as LAC Chair. Both Mr. Keeler and Ms. Nutt were nominated for LAC Co-Chair. The matter went to a silent vote, and Ms. Nutt was elected as the new LAC Co- Chair.

6. OPERATIONAL TOPICS

- Ms. Willis spoke briefly about the Paratransit Study and the plan for new vehicle acquisitions.
- Mr. Williams Presented a monthly report that could potential be used for the A-ride report card.
- Mr. Keeler wanted to know if it was possible to look at the current A-ride service animal Policy, particularly the role drivers are allowed to have in the handling of a service animal.

7. PUBLIC COMMENT TIME

- None

8. FUTURE NEW BUSINESS TEAMS

- AAATA Project Updates
- A-ride Report Card
- Rider / Customer Concerns

9. ADJOURNMENT

- Chairperson Weber adjourned the meeting at 3:25 p.m.

Respectfully Submitted by: Robert Williams, LAC Liaison / AAATA
Paratransit Supervisor

ISSUE BRIEF: Ends Task Force Report

Meeting: Board of Directors

Meeting Date: December 19, 2019

INFORMATION TYPE:
Decision Preparation
RECOMMENDED ACTION(S):
Consider adoption of revised Ends policies.
ALTERNATIVE OPTION(S):
Defer approval, ask Task Force to do more work on policies, or seek further information.
PRIOR RELEVANT BOARD ACTIONS & POLICIES
Board last updated the Ends policies in November 2018.
ISSUE SUMMARY:
<p>The Board held a retreat in June 2019 where updates to the Ends policies were discussed. A full report from Rose Mercier was later circulated, which included suggested changes to Ends policies based on the retreat discussions. A Task Force was struck to consider the suggested edits to the Ends policies. The Task Force included Mike Allemang, Jesse Miller, and Roger Hewitt. The CEO also participated. The Task Force met in September 2019. Consensus on edits to the retreat's suggested Ends were achieved and sent to Ms. Mercier for further comment.</p> <p>Ideally, any changes to the Ends policies could be considered in October or November of 2019 to align with the draft Ends Monitoring Report being prepared by the CEO.</p>
IMPACTS OF RECOMMENDED ACTION(S):
<ul style="list-style-type: none"> • Budgetary/Fiscal: N/A • Social: Important to social outcomes. • Environmental: Important to environmental outcomes. • Governance: Ends policies are the Board's direction for outcomes to the organization.
ATTACHMENTS:
<ol style="list-style-type: none"> 1. Proposed Ends Policy 2. Ends Policy Draft with comments from Task Force and Rose Mercier.

AAATA Proposed Ends Policies

The Board establishes its Ends policies within its Vision for public transportation:

A robust public transportation system that adapts to the area's evolving needs, environment, and quality of life.

Ends Policies

1. AAATA exists so that an increasing proportion of residents, workers and visitors in the Ann Arbor-Ypsilanti Area utilize public transportation options that contribute to the Area's social, environmental and economic vitality at a cost that demonstrates value and efficient stewardship of resources.
 - 1.1. Residents in the area have equitable access to public transportation services that enable them to participate fully in society.
 - 1.1.1. People with economic challenges have affordable public transportation options.
 - 1.1.2. People with disabilities or mobility impairments, seniors, minors, and non-English speakers have equitable access to opportunities and destinations in the area.
 - 1.2. Public transportation positively impacts our environment.
 - 1.2.1. Public transportation options are increasingly chosen over use of a personal car.
 - 1.2.2. Public transportation options minimize energy use and pollution, and conserve natural resources.
 - 1.2.3. Public transportation options produce conditions favorable to more compact and walkable land development.
 - 1.2.4. Relevant public policy is transit supportive
 - 1.3. Public transportation positively impacts the economic prosperity of the area.
 - 1.3.1. Public transportation facilitates labor mobility.
 - 1.3.2. Students can access education opportunities without need of a personal vehicle.
 - 1.3.3. Visitors use public transportation in the area.
 - 1.3.4. Public transportation connects the area to the Metro Detroit region.
 - 1.4. Passengers are highly satisfied with public transportation services.
 - 1.5. Residents of the area recognize the positive contributions of public transportation to the area's quality of life.

AAATA Proposed Ends Policies

The Board establishes its Ends policies within its Vision for public transportation:

A robust public transportation system that adapts to the area's evolving needs, ~~of a globalized world~~ and positively impacts the ~~area's~~ environment, and quality of life.

Ends Policies

1. AAATA exists so that an increasing proportion of residents, workers and visitors in the Ann Arbor-Ypsilanti Area utilize public transportation options that contribute to the Area's social, environmental and economic vitality at a cost that demonstrates value and efficient stewardship of resources.

1.1. ~~Residents, workers and visitors~~ in the area have equitable access to public transportation services that enable them to participate fully in society.

1.1.1. People with economic challenges have affordable public transportation options.

1.1.2. People with disabilities or mobility impairments, seniors, minors, and non-English speakers have equitable access to opportunities and destinations in the area.

1.1.3. ~~People use public transportation options to access to destinations in the area where they want and need to go.~~

1.2. Public transportation positively impacts our environment.

1.2.1. Public transportation options are increasingly chosen over use of a personal car.

1.2.2. Public transportation options minimize energy use and, pollution, and conserve natural resources.

1.2.3. Public transportation options produce conditions favorable to more compact and walkable land development.

1.2.4. ~~Community stakeholders and those who influence federal, state and municipal policy have compelling data about transit-oriented supportive land use development and its contribution to a more sustainable environment. Land is developed in a transit supportive manner OR Relevant public policy is transit supportive~~

1.3. Public transportation positively impacts the economic prosperity of the area.

1.3.1. Public transportation facilitates labor mobility.

1.3.2. ~~Workers and s~~Students can access employment and education opportunities without need of a personal vehicle.

1.3.3. ~~Employers have access to a diverse labor pool.~~

1.3.4-1.3.3. ~~Visitors use have access to transit services public transportation in~~within the area.

1.3.5-1.3.4. ~~Transit services Public transportation connects the area~~ The area is connected to the Metro Detroit region.

Commented [MC1]: Mike suggested complete deletion.

Commented [MC2]: Kathleen suggested "Riders" instead of the three categories. I'd suggest keeping "Residents". Riders and residents are different – one is beneficiaries the other are owners/voters. There may be important differences to such a change.

Commented [MC3]: We anticipate the LAC having comments on this section.

Commented [MC4]: Unsure that this adds anything not addressed in other policies. Consider deletion.

Commented [RM5R4]: Agree

Commented [MC6]: Lots of discussion about the outcome intended. Should the AAATA merely provide data or more assertively advocate? Likely to increase our political visibility and risk, but may have pay offs.

Commented [MC7]: Suggested by Raymond 1.2.4. Public transportation advances transit supportive development and its contribution to a more sustainable environment.

Rationale: recenters the end back on what we control (pub trans) and removes reference to means (compelling data)

Commented [KB8]: 11.21.19 change via Board Meeting.

Commented [MC9]: As soon as students take a job, they are covered under 1.31., meanwhile education is a economic activity of value.

Commented [RM10R9]: Interesting question – it might be that high school students are captured by

Commented [MC11]: Questions about high-schools can be addressed in Interpretation.

Commented [MC12]: Redundant with 1.3.1 re: labor mobility. Consider deletion.

Commented [RM13R12]: Agree

Commented [KB14]: 11.21.19 change via Board Meeting

Commented [KB15]: 11.21.19 change via Board Meeting

Commented [MC16]: Rose suggested "Transit services connect the area to the Metro Detroit region."

Commented [MC17]: Some discussion about how accountable the CEO of the AAATA can be for the rol

Commented [RM18R17]: This is a good point – What about "Transit services connect the area to the Metro

~~1.3.6. Residents of the area recognize the positive contributions that public transportation makes to the community economy. [OR as End #4 if you broaden the statement as follows.] Residents of the area recognize the positive contributions of public transportation to the area's quality of life.~~

1.4. Passengers are highly satisfied with public transportation services.

~~1.4.1.5. Residents of the area recognize the positive contributions of public transportation to the area's quality of life.~~

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Commented [MC19]: Preference for the 2nd statement. In this case, I would probably move this statement to 1.4.1

Commented [MC20]: Some uncertainty on this. Eric didn't see how it was economic and suggested replacing with more clear statement on ridership/coverage. There is also overlap with 2.10 and could be relocated to that Exec Limitation section.

Commented [MC21]: Board still conflicted about this one. Some strong feelings to keep it in place of prominence. CEO feels that it can stay without serious problems.

The CEO feels that 2.1 should have this...but I'm not sure why it couldn't be in both places.

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Commented [MC22]: Preference for the 2nd statement. In this case, I would probably move this statement to 1.4.1

Page 1: [1] Commented [MC9] Matt Carpenter 9/24/2019 10:23:00 AM

As soon as students take a job, they are covered under 1.31., meanwhile education is a economic activity of value.

Some discussion about whether this should apply to only post-secondary or also to high schools, and would high schools be a economic or social outcome.

Page 1: [2] Commented [RM10R9] Rose Merciermercier 9/29/2019 3:15:00 PM

Interesting question – it might be that high school students are captured by 1.1. However, the board could leave this to the CEO's reasonable interpretation

Page 1: [3] Commented [MC17] Matt Carpenter 9/24/2019 10:22:00 AM

Some discussion about how accountable the CEO of the AAATA can be for the role of others (Washtenaw County, RTA). Is our outcome action or influence?

Page 1: [4] Commented [RM18R17] Rose Merciermercier 9/29/2019 3:20:00 PM

This is a good point – What about "Transit services connect the area to the Metro Detroit region"?

ISSUE BRIEF: Policy 4.3 Delegation to the CEO

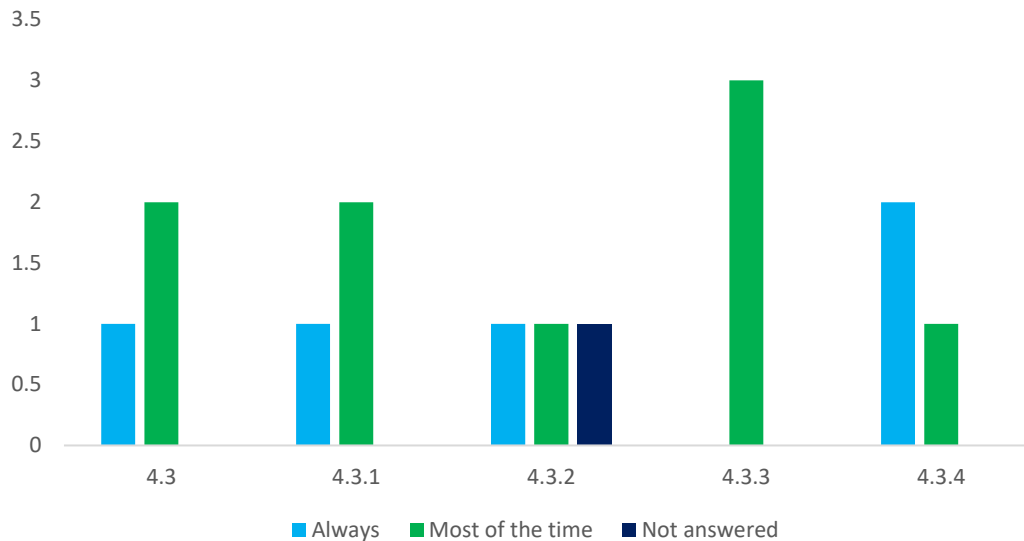
Governance Committee Review Date: November 25, 2019

Board Meeting Review Date: December 19, 2019

INFORMATION TYPE:
Decision
RECOMMENDED ACTION(S):
Review Governance Policy feedback
PRIOR RELEVANT BOARD ACTIONS & POLICIES
Board of Directors has reviewed this governance policy and provided feedback on compliance.
ISSUE SUMMARY:
There were <i>three respondents</i> to this questionnaire with an overall favorable compliance response to the monitored governance policy.
IMPACTS OF RECOMMENDED ACTION(S):
Governance: Perform key Policy Governance process
ATTACHMENTS:
1. Governance Policy 4.3 Delegation to the CEO

COMPILATION REPORT:

4.3 Delegation to the CEO



3 participants

COMMENTS	
Policy Number	Policy / Board Member Comments
4.3	Policy: The Board will instruct the CEO through officially passed motions of the Board or written policies which prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
	Board Member Comments: <ul style="list-style-type: none"> • Cannot recall any actions inconsistent with this policy. • Occasionally the Board instructs the CEO based on verbal or other written instructions other than motions or policies, that is why I did not put Always. But this is an area where the Board has made great improvement.
4.3.1	Policy: The Board will develop policies instructing the CEO to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies.
	Board Member Comments: <ul style="list-style-type: none"> • Don't always address cost. (However, I'm not sure it's reasonable to say: "at a specified cost". Maybe cost should be addressed in a more general sense.)

2

COMMENTS	
Policy Number	Policy / Board Member Comments
	<ul style="list-style-type: none"> The Board consistently uses Ends policies as the funnel for achieving results.
4.3.2	<p>Policy: The Board will develop policies which limit the latitude the CEO may exercise in choosing the organizational means. These limiting policies will describe those practices, active, decisions, and circumstances that would be unacceptable to the Board even if they were effective. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies. The Board will never prescribe organizational means delegated to the CEO.</p>
	<p>Board Member Comments:</p> <ul style="list-style-type: none"> Cannot recall any actions inconsistent with this policy. Giving “Most of the Time” here because it occasionally seems as though our policies become somewhat prescriptive. But when the Board gets to that point, it is usually honest with itself and up front about why we are doing it. Sorry, I had difficulty with what to highlight here.
4.3.3	<p>Policy: As long as the CEO uses any reasonable interpretation of the Board's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.</p>
	<p>Board Member Comments:</p> <ul style="list-style-type: none"> Originally, we nitpicked the CEO's reasonable interpretations. We're doing better now. Giving us an “Most of the Time” here because there have been past occasions when Board members have attempted to manage the actions of the CEO and staff after we have agreed with his interpretation. I believe this is mostly in the past and the Board now exercises more discipline with this policy.
4.3.4	<p>Policy: The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the Board will respect and support the CEO's choices with the boundaries described herein.</p>
	<p>Board Member Comments:</p> <ul style="list-style-type: none"> Cannot recall any actions inconsistent with this policy. I think the Board may not always agree amongst themselves or with CEO about the boundaries, but it seems to me that boundaries are always respected. When there is a potential issue, the CEO is diligent about bringing it to the Board's attention.

ISSUE BRIEF:
Monitoring Report: Policy 2.7 Ends Focus of Grants or Contracts




Finance Committee Meeting Date: December 10, 2019

Board Member Meeting Date: December 19, 2019

INFORMATION TYPE:
Decision
RECOMMENDED ACTION(S):
Complete the survey before EOB Monday, Dec 2 nd , 2019. Make a decision to accept the report during the Board meeting on Dec 19 th , 2019.
ISSUE SUMMARY:
In accordance with the Board’s Policy Manual; I present the Monitoring report on Executive Limitation Policy 2. 7 Ends Focus of Grants or Contracts I certify that the information is true and complete, and I request that the Board accept this report as indicating an acceptable level of compliance.
BACKGROUND:
This monitoring report provides interpretation and evidence of the level of compliance of Policy 2. 7 Ends Focus of Grants or Contracts within the monitoring period. Monitoring Reports are a key Policy Governance tool to assess organizational/CEO performance in achieving Ends (1.0) within Executive Limitations (2.0).
IMPACTS OF RECOMMENDED ACTION(S):
<ul style="list-style-type: none"> • Budgetary/Fiscal: NA • Social: NA • Environmental: NA • Governance: Monitoring reports facilitate transparency and accountability.
ATTACHMENTS:
<ol style="list-style-type: none"> 1. Monitoring Report: Policy 2.7 Ends Focus of Grants or Contracts 2. Survey Results: Monitoring Report Policy 2.7 Ends Focus of Grants or Contracts

Monitoring Report for Policy 2.7 Ends Focus of Contracts

POLICY TITLE: 2.7 Ends Focus of Contracts	Page #	Compliance
The CEO may not enter into any grant or contract arrangements that fail to directly support the Ends and Executive Limitations policies enumerated herein.	3	

 Fully Compliant
  Partially Compliant
  Non-Compliant

EXECUTIVE LIMITATIONS POLICY 2.7:

The CEO may not enter into any grant or contract arrangements that fail to directly support the Ends and Executive Limitations policies enumerated herein.

Degree of Compliance: Fully Compliant

EXECUTIVE LIMITATIONS POLICY 2.7: Interpretation

I interpret this policy to mean that all AAATA financial *expenditures* made by new contracts must advance the achievement of the Board's Ends policies and/or enhance compliance with Executive Limitations policies. Any contracts should fit into one of these categories:

- **Ends:** access to destinations, increase in use of services, contribution to social, environmental, and economic vitality, demonstration of value, efficient stewardship of resources
- **Executive Limitations:** commonly accepted business practices, compliance with legal mandates, proper treatment of the traveling public, proper treatment of staff, compensation and benefits, financial planning/budgeting, financial condition and activities, cash and investments, asset protection, external relationships, and board support and communication.

I am excluding "grants" from my interpretation of this policy for the following reasons. The AAATA does not award "grants" to expend funds, only "contracts." Furthermore, I interpret this policy to apply only to *expenditures*. The AAATA receives some routine formula funding from the State of Michigan or the US government called "grants", but these are considered revenue, not expenditures. I believe that Board expectations covering how those funds are expended are already addressed under policies 2.4 and 2.5. It may be that this boilerplate policy is redundant at the AAATA. John Carver (*Reinventing Your Board*, p. 83, 99) considers this policy to be "*an atypical policy, one that applies only to grant-making or subcontracting organizations.*"

Finally, I am excluding pass through funding to subrecipients from my interpretation. Federal funding is funneled through the AAATA to smaller community-based organizations, called subrecipients, in a manner that could look like a grant or contract. However, the AAATA has no choice in these matters and is required by federal law to funnel these funds in the manner directed. Therefore, we have no means to ensure they comply with any Board policies, so they are excluded from this policy.

EXECUTIVE LIMITATIONS POLICY 2.7: Evidence

Below is a list of all expenditure contracts entered during the monitoring period. Previously executed contracts are not included. Staff have identified the Board policies we believe these contracts support or advance. We attest that this list is complete, and no contracts have been omitted.

Contracts (expenditures)	Category
<ul style="list-style-type: none"> Camera System Upgrade - Camera Upgrade for 2700 	Treatment of Staff, Asset Protection
<ul style="list-style-type: none"> Budgeting Software 	Financial Conditions and Activities
<ul style="list-style-type: none"> Fence Improvements for the BTC 	Treatment of the Travelling Public, Asset Protection
<ul style="list-style-type: none"> Roofing & HVAC Renovations - Roof replacement and HVAC renovations for 2700 	Treatment of Staff, Asset Protection
<ul style="list-style-type: none"> FlexRide Services - Demand responsive transportation service for Ypsilanti & Pittsfield Townships 	Ends, Treatment of the Travelling Public
<ul style="list-style-type: none"> Clean Agent Fire Supression System - for Data Server Room 	Asset Protection
<ul style="list-style-type: none"> Compensation and Benefits Study - Consultation and advice for non-union employee benefits program 	Compensation and Benefits
<ul style="list-style-type: none"> Public Transit Buses - Contract for replacement buses 	Ends, Asset Protection
<ul style="list-style-type: none"> Auditing Services - Contract to perform Annual Financial Auditing Services for the Authority 	Financial Conditions and Activities
<ul style="list-style-type: none"> Fireproof File Cabinets 	Asset protection
<ul style="list-style-type: none"> Transmissions, Allison Remanufactured 	Asset Protection
<ul style="list-style-type: none"> Ride Guide Printing Services - Contract rate for printing of the RideGuide schedules. 	Treatment of the Traveling Public
<ul style="list-style-type: none"> Bike Share Management - Contract operator to relaunch ArborBike program. 	Financial Conditions and Activities Asset Protection
<ul style="list-style-type: none"> TheRide Website Improvements 	Ends, Asset Protection, Treatment of the Travelling Public
<ul style="list-style-type: none"> Cloud Based Backup Services 	Asset Protection
<ul style="list-style-type: none"> Translation Services 	Ends, Treatment of the Travelling Public

Monitoring Policy 2.7 Ends Focus of Contracts

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.

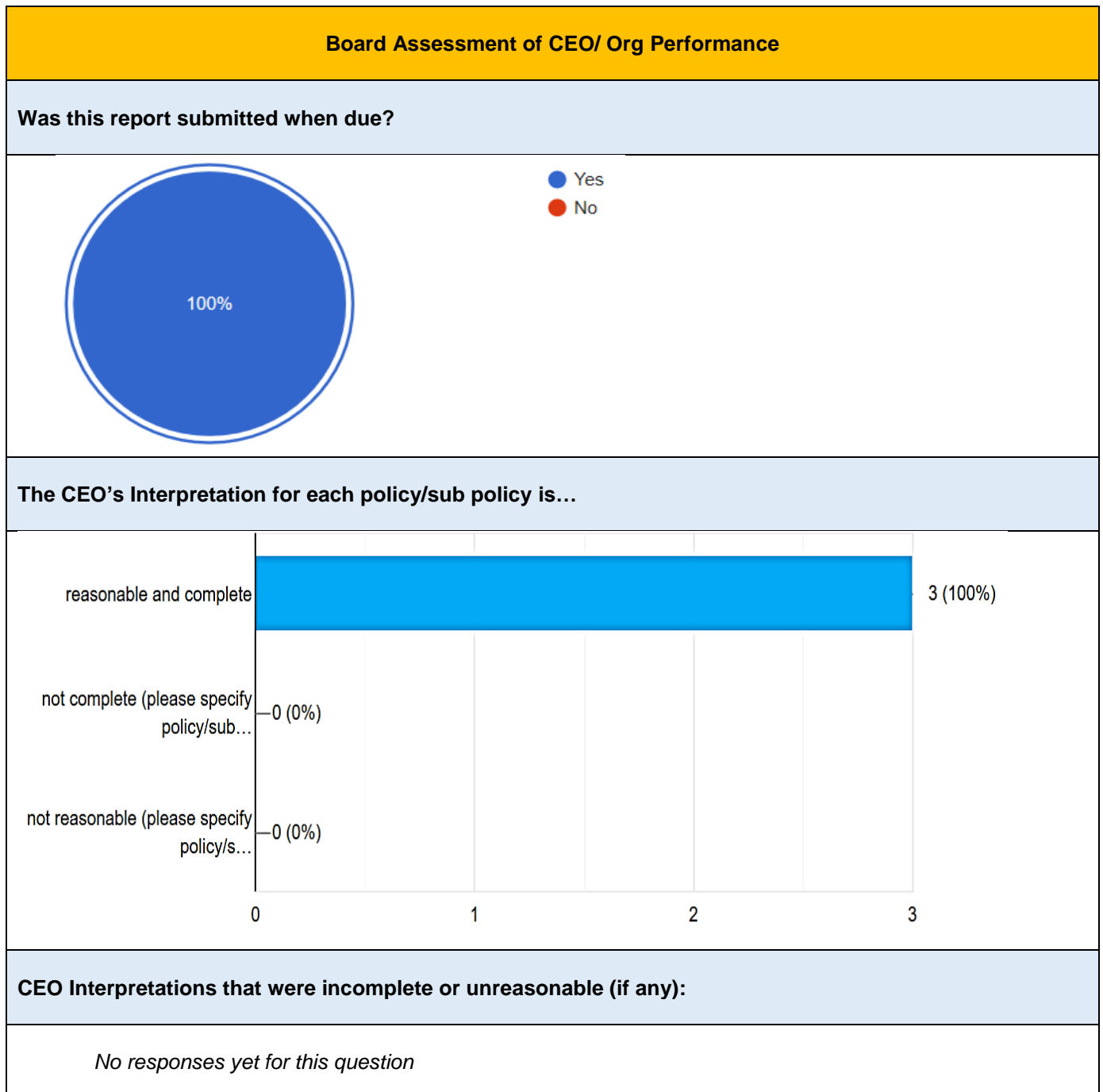
Board notes: (If applicable)

SURVEY RESULTS: Monitoring Report 2.7 Ends Focus of Grants or Contracts

Finance Review Date: December 10, 2019

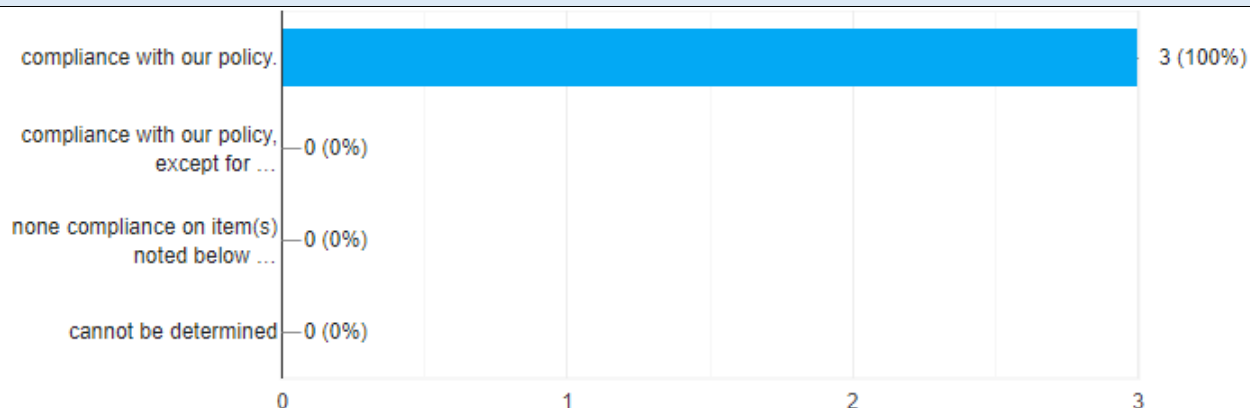
Board Meeting Review Date: December 19, 2019

Survey Participants: 3 Board Members



Board Assessment of CEO/ Org Performance

The CEO's evidence and data shows...



Items not in compliance (if any):

I have one minor problem with the evidence: I have no idea what the camera system (that was upgraded) does. Therefore, I have no basis for concluding that it supports the limitations cited. I think I could reasonably assume what the other contracts did, but not this one. Consideration might be given to very BRIEFLY describing each contract in future 2.7 monitoring reports. Obviously, an explanation could be given on HOW each contract supports the cited ends and/or limitations. But I don't think this is necessary as long as it seems pretty obvious from the contract name

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?

2 responses
No

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

Clarify: Just for expenditures; Grants received not part of this policy; Authority does not give grants

Optional: Comments for the CEO

Commendations on this topic:

Comment 1: This could have been a very detailed, complex report. I'm glad it was not.

Comment 2: Good, straight forward report.

Board Assessment of CEO/ Org Performance

Potential Improvement

Comment 1: See earlier comments on not understanding the purpose of a contract.

Comment 2: See previous page for language change, might want to include dollar amount of each contract

Comments on the report itself

Comment 1: I think the report was fine

ISSUE BRIEF: FY2019 Q4 Financial Report

Meeting: Board of Directors

Meeting Date: December 19, 2019

RECOMMENDED ACTION(S):
Receive as CEO Operational Update
PRIOR RELEVANT BOARD ACTIONS & POLICIES
<ul style="list-style-type: none"> • 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 2018.
ISSUE SUMMARY:
Staff present the 4th Quarter Financial Statement with currently available and reportable financial information for the period ending September 30, 2019. This is the second close of the fiscal year, which means the results are not final and have not been audited.
BACKGROUND:
<p>Financial highlights from the fourth quarter (July, August, September 2019) include:</p> <ul style="list-style-type: none"> • TheRide operated within the budget for the fourth quarter of the year. • There was a \$2,031,869 surplus of revenue over expense, which represents a contingency margin of 4.4% of the adopted budget to date. <i>Funds from expiring grants were utilized in 2019 as a one-time contribution; the surplus is not indicative of the budget forecast which still predicts emerging deficits in 2021.</i> • Expenses were \$750,170 lower than budgeted. Savings were from lower wages and fringe benefits, purchased service, and other costs offset by higher purchased transportation. • Revenues were higher than budgeted by \$1,188,153 with higher federal operating assistance, investment income and advertising sales. These increases were offset by lower fare/contract revenue. • Cash flow was adequate to cover expense; Q4 ended at \$12.45 million in cash/ investments. A total of \$6,000,000 in cash was rolled over from the money market funds to U.S. Treasury Bills managed by the Bank of Ann Arbor. • The reserve was at 2.91 months of annual operating expense, higher than the target of 2.5 months and \$1.93 million higher than fourth quarter end last year. <i>The notable increase to the reserve was from the contributions from expiring grant funds.</i> • Final results will be presented in February 2020 with the FY2019 Auditor Report.
IMPACTS OF RECOMMENDED ACTION(S):
<ul style="list-style-type: none"> • Budgetary/Fiscal: Demonstrates financial performance for the reporting period • Governance: Supports Board in financial oversight/fiduciary responsibility
ATTACHMENTS:
1. FY2019 Q4 Financial Statements (Income Statement, Balance Sheet, Cash Flow Statement)

Income Statement


For the Period Ended September 30, 2019 (Second Close)

Revenue and Expense (Budget to Actual)


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

BLACK = FAVORABLE
RED = UNFAVORABLE

REVENUES	Actual Quarter 1	Actual Quarter 2	Actual Quarter 3	Actual Quarter 4	Actual YTD	Budgeted YTD	Variance (Dollars)	Variance (Percent)
Fares and Contracts	\$ 2,463	\$ 2,403	\$ 2,361	\$ 1,999	\$ 9,227	\$ 9,476	\$ (250)	-2.6%
Local Property Taxes	4,132	4,132	4,132	4,481	16,877	16,528	349	2.1%
State Operating Assist.	3,533	3,655	3,656	4,350	15,194	15,326	(132)	-0.9%
Federal Operating Assist.	1,191	1,137	930	2,233	5,490	4,555	936	20.5%
Other Revenues	141	99	41	386	668	382	286	74.8%
Total Operating Revenues	\$ 11,460	\$ 11,427	\$ 11,120	\$ 13,449	\$ 47,456	\$ 46,268	\$ 1,188	2.6%
EXPENSES								
Salaries, Wages, Benefits	\$ 6,333	\$ 6,229	6,236	\$ 6,595	\$ 25,393	\$ 25,932	\$ 539	2.1%
Purchased Transportation	2,581	2,818	2,476	\$ 2,605	10,480	10,142	(338)	-3.3%
Fuel, Material, Supplies	1,382	818	871	\$ 975	4,046	4,868	822	16.9%
Contracted Services	409	705	676	\$ 764	2,554	2,885	330	11.5%
Other Expenses	432	555	566	\$ 1,398	2,951	2,348	(603)	-25.7%
Total Operating Exp.	\$ 11,137	\$ 11,125	\$ 10,825	\$ 12,337	\$ 45,424	\$ 46,174	\$ 750	1.6%
GAIN(LOSS) FROM OPS.	\$ 323	\$ 302	\$ 295	\$ 1,111	\$ 2,032	\$ 94	\$ 1,938	



REVENUE
\$1,188,153



EXPENSE
\$750,170

Revenues were higher than budgeted by \$1,188,153 with higher than expected federal operating assistance, investment income and advertising sales. State operating revenues were under budget because eligible expenses were under budget.

Expenses were \$750,170 lower than budgeted with lower wage/benefit costs, purchased services, and other costs. Purchased transportation costs for A-Ride/GoldRide, AirRide, and Demand Responsive transportation were higher than anticipated in budgeting.

TheRide had a \$2,031,869 surplus at the end of the fourth quarter and operated within the budget.

YTD Revenue and Expense By Overhead and Mode

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

	Overhead	Fixed Route <i>Fixed Route Bus</i>	Demand Response <i>A-Ride, FlexRide, HolidayRide, MyRide, NightRide</i>	Non-Urban <i>WAVE, Peoples Express</i>	ExpressRide <i>Commuter Express</i>	AirRide <i>Airport Shuttle</i>	Other Modes <i>VanRide, Ride Sharing</i>	TOTAL ACTUAL
DIRECT REVENUE								
Fare Revenue	-	4,663	813	120	101	1,061	-	6,759
Contract Revenues	-	1,568	208	677	15	-	-	2,468
Advertising, Interest, Other	-	647	-	-	-	-	21	668
State Operating	-	11,073	2,472	743	89	482	336	15,194
Total Direct Revenue	-	17,951	3,493	1,540	205	1,543	356	25,089
DIRECT EXPENSE								
Salaries, Wages, Benefits	4,146	20,892	2	-	177	-	177	25,393
Purchased Transportation	-	-	6,501	1,845	-	1,339	795	10,480
Fuel, Material, Supplies	601	3,380	6	-	29	3	27	4,046
Contracted Services	1,069	910	-	-	8	2	566	2,554
Other Expenses	2,377	482	1	-	16	35	39	2,951
Total Operating Expense	8,192	25,664	6,510	1,845	230	1,379	1,604	45,424
Gain(Loss) from Ops.	(8,192)	(7,713)	(3,017)	(305)	(25)	164	(1,248)	(20,336)
ALLOCATED REVENUE								
Local Property Taxes	8,192	5,706	3,017	-	-	(38)	-	16,877
Federal Operating	-	4,039	-	305	25	(126)	1,248	5,490
GAIN(LOSS) TOTAL:	-	2,032	-	-	-	-	-	2,032

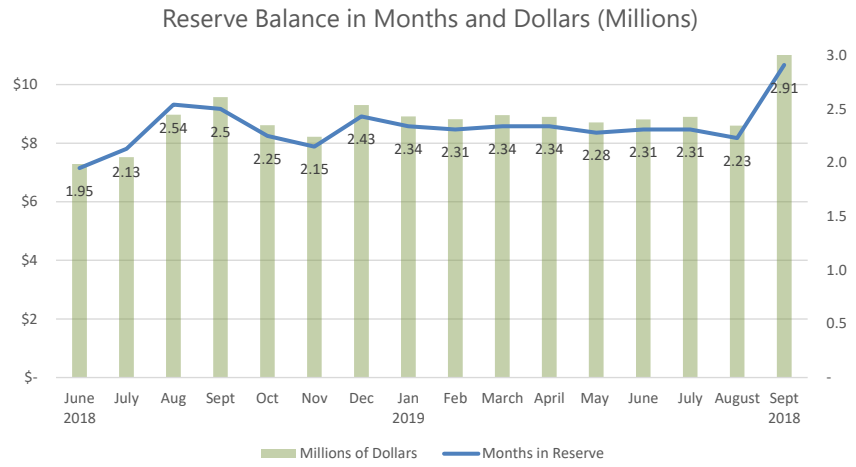
Balance Sheet

For the Period Ended September 30, 2019 (Second Close)

Balance Sheet and Reserve

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

	Q4 2018 9/30/2018	Q3 2019 6/30/2019	Q4 2019 9/30/2019
ASSETS			
Cash & Investments	\$ 19,714	\$ 9,427	\$ 21,872
Other Current Assets	9,518	16,162	7,690
Capital Assets	51,459	52,726	46,744
Total Assets	\$ 80,691	\$ 78,315	\$ 76,307
LIABILITIES	8,668	4,752	6,033
NET POSITION	\$ 72,023	\$ 73,563	\$ 70,273
Reserve Balance	\$ 9,571	\$ 8,809	\$ 11,501
Months in Reserve	2.50	2.31	2.91



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 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Beginning Cash:	\$ 12,985	\$ 7,537	\$ 15,638	\$ 15,119	\$ 12,511	\$ 9,064	\$ 19,824	\$ 16,403	\$ 13,612	\$ 9,427
Cash from Operations	3,859	(137)	(1,519)	(3,584)	(5,417)	2,725	(5,289)	115	(3,040)	5,273
Cash from Capital	(1,958)	(447)	-	(5)	(31)	(2)	(50)	628	465	1,031
Cash from Investment	(7,349)	8,685	1,000	980	2,001	8,037	1,918	(3,534)	(1,610)	6,141
Cash Flow:	\$ (5,448)	\$ 8,101	\$ (519)	\$ (2,609)	\$ (3,447)	\$ 10,760	\$ (3,421)	\$ (2,791)	\$ (4,185)	\$ 12,445
Ending Cash:	\$ 7,537	\$ 15,638	\$ 15,119	\$ 12,511	\$ 9,064	\$ 19,824	\$ 16,403	\$ 13,612	\$ 9,427	\$ 21,872

Q4 cash flow was positive at \$12.4 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 6/30/2019	Transactions	Total as of 9/30/2019
Bank of AA - CDARS	8/1/2019	0.8%	1,500	(1,500)	-
U.S. Treasury Bill	9/15/2019	0.9%	1,000	(1,000)	-
U.S. Treasury Bill	10/15/2019	1.7%	-	1,000	1,000
U.S. Treasury Bill	11/19/2019	1.7%	-	2,000	2,000
U.S. Treasury Bill	12/26/2019	1.8%	-	2,000	2,000
U.S. Treasury Bill	2/20/2020	1.8%	-	2,000	2,000
U.S. Treasury Note	2/15/2020	2.0%	1,000	-	1,000
U.S. Treasury Note	8/15/2020	1.8%	-	1,494	1,494
U.S. Treasury Note	8/31/2020	1.9%	2,000	-	2,000
Money Market Funds	N/A	2.0%	-	147	147
Total Investments:			\$ 5,500	\$ 6,141	\$ 11,641

FY2019 Investment Income: \$141,824

The majority of Operating Capital and Long Term Reserves are federally insured.

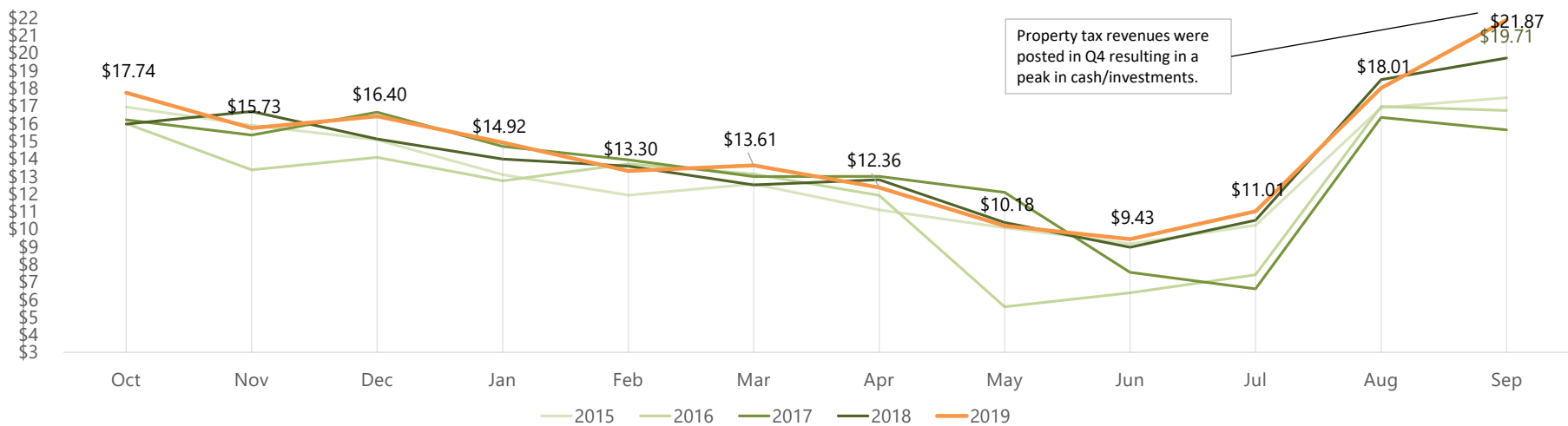
U.S. Treasury Bills and Notes are short term bonds (several months to 10 years) backed by the Treasury Department of the U.S. Government. The rates shown for the current investments represent the gross yield-to-maturity rates (before the annual fee of .28%).

Accounts that are not FDIC insured or with balances above the FDIC insurance threshold are used for day-to-day working capital.

Cash and Investments History

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

In Millions of Dollars.



ISSUE BRIEF: CEO Report

Meeting: Board of Directors

Meeting Date: December 19, 2019

INFORMATION TYPE:
Other
OPERATIONAL & PROJECT UPDATES
<ul style="list-style-type: none"> <li style="margin-bottom: 10px;"> <p>• DETROIT – ANN ARBOR EXPRESS BUS SERVICE The RTA will be holding public hearings in Detroit and Ann Arbor on January 8, 2020 to obtain public comment regarding the proposed fares and schedule for this service. The RTA Board of Directors will take action on a final proposal on January 16, 2020. We are still working on the schedule and the location of the bus stops in both Detroit and Ann Arbor.</p> <li style="margin-bottom: 10px;"> <p>• STATE BUDGET UPDATE (12/12/2019) As of 12/12/2019 the state legislature and governor appear to have come to a new arrangement regarding supplemental funding decision in the already-approved 2020 budget. Although the dust is still settling, it appears that no transit funding was clawed back or removed. Although the pot of fund supporting the D2A2 projects was cut by 50%, the D2A2 project appears to be fully funded.</p> <li style="margin-bottom: 10px;"> <p>• WAYNE/OAKLAND/WASHTENAW/DETROIT TRANSTI ANNOUCEMENT On November 18th, elected leaders in Wayne, Oakland and Washtenaw Counties, and the City of Detroit, jointly announced their intent to pursue a three-county transit millage. TheRide staff are working with regional and County partners to better understand the details of the proposal.</p> <p style="margin-left: 20px;">The legislative change to the Municipal Partnership Act the three-county advocates were pursuing was unexpectedly delayed on December 11th although it was approved by the House. Since the Legislature subsequently adjourned for the year, the legislation was not completed. The State Senate will take up the bill to amend the MPA in January 2020.</p> <li style="margin-bottom: 10px;"> <p>• AAATA BOARD APPOINTMENT Ann Arbor City Council unanimously appointed Rich Change to the Board of TheRide.</p> <li style="margin-bottom: 10px;"> <p>• ANNUAL FINANCIAL AUDIT The annual single audit is underway. Audit personnel from UHY, LLP arrived for field work for the annual audit on Dec. 2 and will remain on site until Dec. 13. Audit results will be ready for presentation to the Audit Task Force and the full Board in February.</p> <li style="margin-bottom: 10px;"> <p>• BIKESHARE/ARBORBIKE We are waiting for final permitting agreement from the City of Ann Arbor to begin operations.</p>

- **LONG RANGE PLAN**

Although the official public input process has closed on AAATA's Long Range Plan staff is in the process of finishing up the last remaining stakeholder interviews and compiling the input received.

- **ANN ARBOR/YPSILANTI CARBON REDUCTION INITIATIVE**

Following the passage of a City Council resolutions in Ann Arbor and Ypsilanti calling for the City to become carbon neutral by 2030, staff attended the kickoff meetings for the Technical Advisory Committee and the Partnership Committee in Ann Arbor.

- **BUS OPERATIONS**

14 new MCO's start a training class on December 10th and are scheduled to be ready to select shifts to drive at the end of January. Operations is wrapping up a challenging fall with most construction detours completed, football shuttles finished, and the first snow storm. Ron Copeland observed that this was the worst road construction/detour season he has seen in 45 years on the job.

An ongoing challenge is the new protected bike lane on Williams St in Downtown Ann Arbor, whose design has made right turns from Fifth St to Williams difficult, especially during high traffic volumes. Operations has also been working through some challenges with our real-time software vendor, Clever Devices. Many thanks to the IT department for spending considerable time with our dispatch office and Clever to resolve these issues.

- **MOBILITY SERVICES**

Continued work with the A-Ride contractor, RideCorp, to address complaints about late and missed trips.

- **FLEET SERVICES AND FACILITY SERVICES**

Fleet started taking delivery of our last order of new Gillig buses. Technicians are busy getting fareboxes transferred from coaches going out of service, and they will be put into service soon. A few new features to look for are USB charging stations for passengers, a new seat layout, and both the front and rear curb side of the bus will kneel, so both the front and rear doors are more accessible. Fleet also recently implemented a new tire program, which is projected to result in a cost savings and improved safety for the fleet.

- **FACILITY SERVICES**

The Facilities crew did a fantastic job during the November snow event, clearing stops and keeping our passengers safe. The Roof/HVAC project is going through the closeout process now, and Facilities is proud to report that there was comfortable heat, and no leaks through the last snow storm.

- **WATS POLICY COMMITTEE UPDATE**

The Washtenaw Area Transportation Study (WATS) Policy Committee met Nov. 20th. The committee approved amendments to the 2020-2023 Transportation Improvement Program (TIP), which included an allocation of CMAQ funds to the Regional Transit Authority (RTA) for the Detroit to Ann Arbor Connector.

- **TRANSPORTATION COMMISSION**

The Transportation Committee met on November 20, 2019 and received a presentation from the U of M on their parking and transit program as well as an update on the City's Transportation Plan.

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