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## Board of Director's Meeting Summary

**Meeting Date: February 20, 2020**

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

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

**AAATA Staff Attendees:** Matt Carpenter (CEO), Bryan Smith, John Metzinger, Kelly Reynolds, Rosa-Maria Njuki

Acting Chairman Kyra Sims called the meeting to order at 6:31pm.

<b>1. OPENING ITEMS</b>
1.1 Approve Agenda Acting Chairman Sims had a pre-meeting suggestion to move the agenda items under 4.3 to 5.8 due to a very full agenda. Roger Hewitt motioned to approve the agenda with this change. The agenda was approved unanimously.
1.2 Public Comment Jim Mogensen spoke on the Fare Policy Discussion being delayed, asking that the Board not lose sight of it. He pointed out that obtaining Medicaid and Medicare can be a difficult and lengthy process. He also suggested that there should be a report for complaints.
1.3 General Announcements CEO Matt Carpenter announced that the Detroit-to-Ann Arbor hourly bus has been formally approved, which will require the Board to approve an amendment to the budget.
<b>2. CONSENT AGENDA</b> Roger Hewitt made a motion to approve the consent agenda, seconded by Raymond Hess. The consent agenda passed unanimously.
2.1 Minutes
<b>3. EMERGENT BUSINESS</b>
3.1 Y-Lot Update CEO Carpenter gave a brief background on the history of the Y-Lot, indicating that TheRide has had interest in this lot for about 20 years. The financial details are still to come. The most recent development of the plan for the Y-Lot was presented by Michael Johnson.  Michael Johnson leads the Urban Design Group at SmithGroup. He presented on the survey results and options for the Y-Lot development discussed at public workshops. The preferred option will be presented to the Public Meeting at the DDA on February 25th and to the City Council Meeting on March 16.

CEO Carpenter reported that this could potentially add about four bus bays, in response to Raymond Hess' question.

Mr. Johnson clarified for Kathleen Mozak-Betts that the 200 ft. building is about 17-18 floors. He also discussed some of the other sites owned by the city that are currently being looked at as well. He indicated that the Y-Lot's history with housing seems to be contributing to its prioritization. He reported that an undefined public use is being planned for the 1<sup>st</sup> floor.

CEO Carpenter expressed that if anything goes on in the Y-Lot, TheRide needs to be involved due to its proximity to the Blake Transit Center. He described a desire to have a way for the public to move between busses more easily than is currently available.

Mr. Jesse Miller asked if TheRide has the capacity to have two major construction projects happening at the same time. CEO Carpenter expressed that he believes it is possible. Discussion of how TheRide would pay for one or both of these projects ensued. CEO Carpenter expressed that there is no desire to sacrifice potential YTC development for this BTC development. Mr. Hewitt expressed that he did not expect the Y-Lot project to move quickly based on the history of the lot's development.

#### **4. POLICY MONITORING & DEVELOPMENT**

##### 4.1 Committee Reports

###### 4.1.1 Governance Committee

Ms. Sims did not have anything to add to the minutes in the packet.

###### 4.1.2 Finance Committee

Mr. Allemang expressed that most items discussed were on the current Board meeting's agenda. He reported that the mini-monitoring reports will no longer be needed going forward. He also announced that UHY will be presenting the official 2019 audit next month.

###### 4.1.3 Service Committee

Mr. Hewitt offered to answer any questions.

##### 4.2 LAC Report

Ms. Cheryl Weber apologized for her absence last month. She reported the largest part of the meeting was spent discussing all of the transit plans and pass throughs affiliated with AAATA.

#### **5. STRATEGY & OPERATIONAL UPDATES: CEO**

##### 5.1 Regional Transit (Verbal)

CEO Carpenter reported that the discussion is moving in a constructive direction overall, with AAATA and the County conducting increasingly construction discussions. He corrected himself that the MPA legislation has not cleared the House yet and described some opinions he has heard regarding the legislation.

CEO Carpenter spoke on the edits and suggestions provided by AAATA at the County's request. As far as the technical plan, he reported that there is quite a lot of escalation on some of the costs, especially with the commuter rail costs that had not been accounted for.

CEO Carpenter commented that the discussion of roles got quite a bit of attention at the February 14<sup>th</sup> meeting that AAATA held with the County regarding the joint endeavor agreement.

Ms. Sims expressed concern with the governance structure. CEO Carpenter expressed some confusion about whether the first draft agreement was meant to be a discussion starter or a proposal. CEO Carpenter believes the County has heard that the governance structure is a concern.

#### 5.2 Detroit-to-Ann Arbor (D2A<sup>2</sup>) Update (Verbal)

CEO Carpenter reported that RTA has completely confirmed all of their aspects of this project, and he is excited to begin execution of operations. He expressed hope that this project's success can hopefully become a model of how to move people around in a very large area.

##### 5.2.1 Budget Amendment

Sue Gott extended a thank you to CEO Carpenter for what she sees as really exciting for Southeast Michigan. Mr. Allemang asked how long the funding is committed to, to which CEO Carpenter described the potential for funding up to 2024.

Mr. Metzinger expressed that money will flow from the RTA to AAATA to the contractors. Indian Trails will operate the project. AAATA will oversee the contracts. He described the sub-recipient agreement that will allow the service to be terminated should funding not come through. CEO Carpenter commented that there might be some cash flow risk, but it is reasonable.

Mr. Raymond Hess moved to pass the amendment, seconded by Mr. Hewitt. The amendment passed unanimously.

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

**WHEREAS**, the Ann Arbor Area Transportation Authority (AAATA) Board of Directors (Board) is required by the Michigan Uniform Budgeting and Accounting Act of 1968 to adopt a balanced operating budget for each fiscal year, and

**WHEREAS**, an operating budget with operating revenues of \$47,824,448 and operating expenses of \$47,389,476 was adopted for FY2020 by the Board in September 2019 (Resolution No. 06/2019), and

**WHEREAS**, the AAATA was awarded \$1,400,000 in state operating assistance from the Regional Transit Authority (RTA) of Detroit for the purpose of funding a new commuter express bus service between Detroit and Ann Arbor, known as "D2A2," and

**WHEREAS**, the AAATA has awarded a contract to Indian Trails for the operation of the new service and expenses for FY2020 are not to exceed \$1,400,000, and

**WHEREAS**, amending the AAATA's 2020 Budget will authorize the CEO to expend \$1,400,000 during FY2020 for the new service,

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby approves an amendment to the AAATA FY2020 Operating Budget as its general appropriations act to increase total operating revenues to \$49,224,448, and total operating expenses to \$48,789,476.



Eric A. Mahler, Chair  
February 20, 2020



Kyra Sims, Secretary  
February 20, 2020

### 5.3 Bikeshare Update

CEO Carpenter reported that quite a bit has changed in the last week or so thanks to subsequent meetings with the partners. He announced that permits have been received from the City of Ann Arbor and financial contributions have been sorted out. One new item is that the station permits will be year around going found. There is still question about the long-standing prognosis. He described the plan to relaunch the project within the next 3 months.

Ms. Mozak-Betts asked about the long-term outcome, and CEO Carpenter reported that the current agreement is going 12 months at a time. The question will be if it will ever reach full self-sustainability.

CEO Carpenter expressed that most of the AAATA staff time put into this is behind AAATA. Once it gets past the paperwork and into operations, there will be far less.

Mr. Rich Chang asked what would happen if Shift changes their business model. CEO Carpenter expressed that AAATA owns all of the bikes and infrastructure, so another contractor would be sought if Shift withdrew.

Mr. Hess spoke to Mr. Allemang's question about how similar programs are run in other cities, describing corporate sponsorship.

Ms. Mozak-Betts' question was answered by CEO Carpenter that the contractor is responsible for maintenance and AAATA is responsible for replacement.

CEO Carpenter described that he miscalculated the cost of relaunch, and the cumulative cost does not seem as steep as it did before, considering the contractors ability to reach out for corporate support.

#### 5.4 Q1 Service Report

Mr. Smith reported that the ridership and on-time performance are down, the ADA ridership is up, and complaints on the paratransit are up. He expressed that he feels confident that the contractor is properly motivated to fix the complaints.

Mr. Hewitt held a discussion with Mr. Smith on what contributes to fixed route on-time performance.

Mr. Smith indicated that work is being done on more efficient ways of counting riders. He described to Ms. Sims that changing route times would require adding buses.

Ms. Gott thanked Mr. Smith for his transparency and thanked the public who have come to AAATA with feedback.

#### 5.5 Q1 Financial Report

Mr. Metzinger reported that AAATA operated on budget for Q1 and the reserve balance is still above the policy target.

Mr. Miller asked about the lower wages and fringe benefits reported. Mr. Metzinger described that part of it is due to role vacancies.

#### 5.6 CEO Report

CEO Carpenter reported that the role of Deputy CEO, Planning and Innovation has been posted with good resumes coming in. He looks forward to getting back to being able to attend the City Transit Commission soon. Ms. Sims suggested that the Governance Committee address possibly delegating a Board member to volunteer their time to attend those.

Ms. Gott asked that Mr. Smith give insight into the April public meetings. Mr. Smith described a range of different format meetings that will allow for a wide variety of input. He expressed that April is the time for public to provide input for any proposed August service changes. Elected officials will be informed of the proposals in March. Mr. Smith offered that feedback will also be collected from the public via a website.

#### 5.7 Bus Paint Scheme Update

CEO Carpenter described the multiple brands that have been going on for AAATA that will converge with the bus paint scheme. He presented the new paint scheme, with the first of these new buses to be delivered in July.

Ms. Mozak Betts asked where the rear destination will be, to which CEO Carpenter responded that it will be in the upper right-hand corner.

#### 5.8 Monitoring Reports

5.8.1 Treatment of the Traveling Public  
( Policy 2.1)

CEO Carpenter asked the Board to consider accepting this report as compliant except where noted. He spoke to the data quality level that will improve in the future with new data processes and software. He described the difference between a minimum standard and aspiring beyond that floor.

CEO Carpenter walked the Board first through the partially compliant policies. He described the efforts being made in the gathering of real-time data. He asked that the Board consider changing the language of Policy 2.1.4 to make it better able to be proven.

Mr. Hewitt led a discussion on holding CEO Carpenter to a higher bar by continuing to enable him to provide clear evidence of compliance to the policies written by the Board. Ms. Sims expressed agreeing with the reasonable interpretations throughout the report.

Mr. Miller expressed feeling that people that are the most likely to feel disadvantaged are not likely to take legal action, so a more reasonable bar should be considered. Mr. Miller would like 2.1.4. to be marked partially compliant as he feels the interpretation is insufficient, since there is no current way to prove it.

Mr. Allemang expressed that consulting Rose Mercier may be a good idea for 2.1.4. Ms. Sims and Mr. Miller discussed the potential of a lack of response to a complaint to be discouraging. Ms. Sims will put the language of 2.1.4 on the Governance committee agenda.

Mr. Miller further expressed his wish for 2.1.4 to be noted as partially compliant. It went to a vote as to whether 2.1.4 is compliant or is partially compliant with 4 voting as partially, 5 voting as reasonable.

Mr. Miller asked that the Governance Committee discuss adding language that initiates a discussion of when the Board would like to see this report again.

Mr. Hess asked that the next report remind the Board of what was discussed regarding the policy at this review. Mr. Hewitt suggested noting what wasn't in compliance in the previous report in future reports and moved to accept the report as in compliance except for items noted.

The Board voted unanimously to accept the report as in compliance except for items noted (B).

#### 5.8.2 Annual Ends Monitoring Report

CEO Carpenter began by suggesting this presentation be an introduction to the report, with a survey to be forthcoming, and a decision on compliance to be made next month. CEO Carpenter walked the Board through the report.

Mr. Hewitt pointed out that the UofM riders could be added to the ridership per capita when comparing it to that of Lansing (which has MSU riders included).

Mr. Allemang would like details of how the denominator (population) is calculated.

CEO Carpenter pointed out that AAATA's cost per trip is a little bit higher than peers, and he needs a bit more time to determine why.

Mr. Hess suggested looking to the core services report released by SEMCOG to help with the list of amenities.

CEO Carpenter expressed concern of paratransit fuel use going up by 7.6%, which could be a result of less shared rides.

He discussed needing to increase route frequency, though it will cost more money.

He expressed delight that Ann Arbor and Ypsilanti are both near the top of the list in terms of percentage who commute by transit to work in the Southeast Michigan region.

Ms. Sims described being glad to see the high goals being set for AAATA.

Mr. Allemang suggested reviewing the report in chunks in the future, rather than all at once, but that the report is impressive.

## **6. CLOSING ITEMS**

6.1 Topics for Next Meeting:  
Ends Report  
Monitoring Reports  
Regional Transit

6.2 Public Comment  
Jim Mogensen discussed on-time performance and how numbers can be manipulated to look better on paper but aren't necessarily better for the rider.

He asked that the April public meetings not be held during religious holidays.

He also mentioned that he is on the Food Policy Council and the Food Access and Nutrition Policy Action Team. He reported that some of the members of those groups are interested in understanding GroceryRide to make sure that people have access to the grocery store.

6.3 Board Assessment of Meeting  
Ms. Gott extended a note of profound gratitude to Ron Copeland and acknowledged his retirement in April.

6.4 Adjournment  
Mr. Hewitt motioned for the meeting to adjourn, seconded by Ms. Mozak-Betts.. Approval to adjourn the meeting was unanimous. Acting Chairman Sims adjourned the meeting at 9.57pm.

Respectfully submitted by: Keith Everett Book

Approved March 19, 2020