

BOARD OF DIRECTORS

DATE: Thursday, May 19, 2016

TIME: 6:30pm

PLACE: Ann Arbor District Library, 343 South Fifth Avenue, Ann Arbor MI 48104

MEETING CHAIR: Eric Mahler

Revised AGENDA

Item	Item Type	Speaker(s)
1.0 <u>Public Hearing</u>	Information	Mahler
2.0 <u>Communications and Announcements</u>	Information	All
2.1 Appoint Acting Secretary	Decision	Mahler
3.0 <u>Public Time – Comment on Agenda Items</u>	Information	Public
4.0 <u>Review and Approval of Minutes of April 21, 2016 (p. 1-11)</u>	Decision	Mahler
5.0 <u>Board and Staff Reports</u>		
5.1 Chief Executive Officer	Information	Carpenter
5.1.1 New Service Update	Verbal	
5.1.2 Budget 2017 Update	Verbal	
5.2 Planning and Development (p. 12-17)	Information	Gainsley
5.3 Performance Monitoring External Relations (Attachment)	Information	Allemang
5.4 Local Advisory Council (p. 18-20)	Information	Burke
5.5 Washtenaw Area Transportation Study	Information	Krieg
5.6 Governance	Inform/Discuss	Mahler
6.0 <u>Question Time</u>	Information	All
7.0 <u>Old Business</u>		
7.1 5YTIP Revisions for August, 2016 (p. 21-25)	Decision	Carpenter/ White

8.0 New Business

8.1	Blake Transit Center Update (p. 26-28)	Decision	Carpenter
9.0	<u>Public Time</u>	Information	Public
10.0	<u>Executive Session</u> – Discuss Legal Advice	Discussion	All
11.0	<u>Adjourn</u> [next meeting Wednesday, June 8, 2016 @ 6:30pm]	Decision	Mahler

BOARD OF DIRECTORS

Eric Mahler, Chair • Mike Allemang • Jack Bernard • Eli Cooper
Sue Gott • Prashanth Gururaja • Stephen Wade
Gillian Ream Gainsley • Larry Krieg



Proposed Minutes

April 21, 2016

Ann Arbor Area Transportation Authority Board of Directors

Ann Arbor District Library, 343 South Fifth Avenue, Ann Arbor, Michigan, 6:30 p.m.

Board: Mike Allemang, Jack Bernard, Eli Cooper, Gillian Ream Gainsley, Charles Griffith, Prashanth Gururaja, Larry Krieg, Eric Mahler (Chair), Stephen Wade

Absent with Notice: Sue Gott

Staff: Matt Carpenter, Ron Copeland, Bill De Groot, Dawn Gabay, Mary Stasiak, Phil Webb, Chris White

Local Advisory Council: Rebecca Burke

Recording Secretary: Karen Wheeler

Chairman Eric Mahler declared that a quorum was present and called the meeting to order at 6:36 p.m.

1.0 Public Hearing

There was no public hearing.

2.0 Communications and Announcements

Mr. Mahler recognized Charles Griffith during Mr. Griffith's final meeting as a board member. Mr. Mahler shared highlights of the organization's accomplishments under Mr. Griffith's leadership, and presented Mr. Griffith with a plaque of appreciation and a bus mailbox.

Mr. Griffith shared his thoughts on serving on the board, working with board members past and present, and working with staff and community members. Mr. Griffith thanked board members and staff for their support and dedication during his tenure. Mr. Griffith expressed special appreciation to the millage team for their hard work.

3.0 Public Time – Comment on Agenda Items

Carolyn Grawi appeared before the Board. Ms. Grawi commented on her 30 plus years of using public transportation services, the May 1 service expansion, and the A-Ride Will Call Policy. Ms. Grawi shared details of ARide trips, and suggested that the Will Call

Policy is prohibitive. Ms. Grawi indicated that people with disabilities should not be excluded from having the same choices as everyone in the community.

Jim Mogensen appeared before the Board. Mr. Mogensen commented on the PDC meeting summary which did not specify that it was Mr. Mogensen's mother who was conveying information about drivers needing to be told to lower bus ramps. Mr. Mogensen raised a concern about where to place walkers on buses. Mr. Mogensen suggested offsetting route lines on maps in the RideGuide that have routes where there are overlaps to help people understand when the lines end, and when they don't.

Michelle Barney appeared before the Board. Ms. Barney commented on the ARide Will Call Policy indicating that the policy is restrictive and complicated. Ms. Barney expressed appreciation for the service changes, particularly in Ypsilanti, and the expanded A-Ride service.

No one further appearing, Mr. Mahler declared Public Time closed.

4.0 Review and Approval of Minutes of March 17, 2016

Mike Allemang moved approval of the minutes as written with support from Eli Cooper. The motion passed unanimously.

5.0 Board and Staff Reports

5.1 Chief Executive Officer

Mr. Carpenter introduced Mary Stasiak to report on the May 1 Service Improvements.

5.1.1 May 1 Service Expansion

Ms. Stasiak reported on largest expansion of bus service since 1979. Ms. Stasiak shared details of some of the preparations including the addition of 160 new bus stops, new service in Scio Township, and extensive outreach.

Mr. Carpenter commended staff and board members who shepherded the process noting that all indicators were pointing toward a successful roll out. Mr. Carpenter noted that despite the saturation of information sharing, it was expected that there will be people who are not aware of the changes, and some who may not be in favor of the changes. Mr. Carpenter pledged to listen to all concerns.

Mr. Griffith was complimentary of the Service Ambassador who was on his bus to explain the service changes. Staff responded to an inquiry

from Mr. Griffith about the number of new buses and drivers added for the new service. There are 12 new buses, and more than 50 new drivers have been trained.

5.1.2 AirRide Service

Mr. Carpenter reported on AirRide service. The Wayne County Airport Authority (WCAA) instituted new regulations which added a stop to AirRide service to serve people who have disabilities. The additional stop is causing some Michigan Flyer runs to be late. Michigan Flyer is proposing to suspend service to the Kensington Court Hotel to make up time. Due to a miscommunication, Michigan Flyer issued information to customers indicating that service to the Kensington would end in mid-May. AAATA has a policy for taking public comment 30 days in advance of service changes. Mr. Carpenter pledged to continue to provide the highest level of AirRide service possible.

5.2 Planning and Development Committee

Ms. Gainsley reported on the Planning and Development Committee (PDC) meeting. Ms. Gott provided an update on the University of Michigan transit center. The committee received an expansive presentation on communications efforts to prepare for the May 1 service expansion. The committee received an update on the CAD/AVL project. The tracking system being replaced by the new CAD/AVL system has been removed due to concerns about unreliable information. The new system is expected to be operational in July. The committee received an update on two proposed board retreats; a one-day retreat on board governance, and a separate one-day retreat on strategic planning. Staff reported on an emergent opportunity to apply for grant funds for the planning phase of projects through the Michigan Department of Transportation. Staff considered and evaluated several projects, and identified the Connector Study and Ypsilanti Transit Center as projects for which to submit applications.

The committee received a report on a proposal to implement new service in Pittsfield Township in August 2016, which is currently in the 5YTIP for implementation in August 2017. The new service proposal was discussed in public meetings, and the committee felt that satisfied the public input process. The committee recommended moving forward the resolution to the full board to implement the proposed service revisions in August 2016.

5.3 Performance Monitoring and External Relations Committee

Mr. Allemang reported on the Performance Monitoring and External Relations Committee meeting. The committee received updates on AirRide, retreat

planning, service expansion and CAD/AVL. Staff reported on the financials and the performance statistics which included three quarterly reports: fuel savings and technology fund accounting, cash and investment report, and the Quarterly Service Standards Report. The committee engaged in the first stage of planned discussions about declining fixed-route ridership. Mr. Allemang summarized some of the data noting that the decline is primarily due to UM riders. If UM is removed, ridership is up about 6%. Probable causes for UM ridership losses are more student housing downtown and Uber and Lift services. The committee discussed the possibility that there may be some initial ridership decline after the May 1 service expansion. The committee will continue to discuss ridership in the coming months through data analysis, issue identification and options to address how to deal with declines.

5.4 Local Advisory Council

Ms. Burke reported on the Local Advisory Council (LAC) meeting. The LAC Executive Committee brought forth two names for appointment to the Executive Committee: Stephen McNutt and Laura Padalino. Staff provided an update on the transition of ARide lift-van service to RideCorp; things are moving along as planned. Staff reported on proposed changes to the Wall Call Policy whereby riders could make unplanned return trips from a medical or shopping appointment back to the trip origin. The LAC can pursue a revision to the policy, although the sentiment on LAC is that the current guidelines meet the needs for unplanned return trips, and should remain the same. LAC received a report on the On-Time Arrival (be ready) Window which was revised from 20 minutes to 45 minutes for same-day reservations, and from 20 minutes to 30 minutes for advance reservations. Staff will monitor the expanded window and the impact on on-time performance.

5.4.1 LAC Executive Committee Appointments

Jack Bernard moved approval of appointing Stephen McNutt and Laura Padalino to the Local Advisory Council Executive Committee. Gillian Ream Gainsley supported the motion which passed unanimously.

5.5 Washtenaw Area Transportation Study

Mr. Krieg reported on the Washtenaw Area Transportation Study Policy Committee meeting. The committee received an update on the impact of the M14 closure including the number of trucks southbound on North Main Street attempting to turn onto Huron Street which is dangerous for pedestrians. The committee saw a video of the proposed US23 traffic control system, Flex Route System. Mr. Krieg reported on two changes to the overall US23 project based on public input; including roundabouts at the 8 Mile Road interchange, and the addition of a lane south of Warren Road to mitigate overcrowding on the “west

triple decker". Following a presentation by Chris White, the committee approved AAATA's application for planning funds under the Federal 5303 program administered by the State of Michigan.

5.6 Governance

Mr. Mahler opened the floor for discussion on the Carver Policy Governance Model which was introduced in April. Board members engaged in a positive discussion. The following ideas were shared about moving forward with the policy governance model:

- Use the model as a foundation, and make adjustments to accommodate the Authority's work
- Talk honestly about tradeoffs
- Given that policies can be interpreted differently by different individuals, start broad in terms of executing policy, and then refine
- Seriously consider policies at the beginning
- Consciously have an agenda item each board meeting to talk about policy and things that are working or not working
- Retain the ability to escape from the Carver structure, if necessary, under the proper circumstances
- Begin with solid principles and reorganize based on a common set of principles and an architecture for how the board wants to build the organization
- At the Governance Retreat, do actual process work and consider how constituent concerns will be addressed
- Although the board may be focusing on a higher level, continue to consider day to day information that determines what it takes to deliver the highest level of service possible
- Build on the organization's existing success and resources, including the board's expertise, with all parties engaged

Mr. Carpenter commented that he anticipates that incremental change will emerge from identifying principles and deciding outcomes. Mr. Carpenter noted that the Carver model has an interchangeable, robust set of principles that can be applied in several directions.

Mr. Mahler acknowledged that there may be times when the organization's work does not fit into the policy model, and there will be a need to adjust the model to fit the need. Mr. Mahler made a commitment to continuing to check in with stakeholders and customers when establishing policy to guide the agency.

6.0 Question Time

Mr. Krieg asked whether a suggestion to post signs on buses with old and new route numbers for the first two weeks of service, made at PDC, was considered. Mr.

Carpenter responded that may not be workable on head signs that change between routes, but that operators and customer service representatives riding buses can help customers understand the new route numbering system. Ms. Gainsley clarified the request she made at PDC which was to provide a simple, printed table of old and new route numbers in large font.

Mr. Krieg suggested that the board should be included in the testing and roll out of the customer user interface of the new real-time information system.

Mr. Krieg asked about work with the UM community to reverse ridership losses among UM staff and students. Mr. White responded that Community Relations staff began a significant increase in engagement in the fall semester to reach incoming freshmen and dorm residents to get a better understanding of what else can be done. Mr. White noted that the process is still evolving.

Mr. Wade asked about a forum for discussion and timeline for decisions about how to proceed related to AirRide, and whether discussions would fall within one board committee.

Mr. Carpenter responded that the matter would be handled by PDC. Mr. Carpenter restated some of the details from the AirRide report made earlier in the meeting, and apologized for the miscommunication with Michigan Flyer which led to them discontinuing booking reservations from the Kensington Court Hotel beginning May 19. Mr. Carpenter indicated that AAATA will proceed with holding a 30-day public comment period, and he will continue to work with Michigan Flyer to mitigate the situation.

Ms. Gainsley expressed concern that action was being taken without a public opportunity for discussion noting that the Kensington Court Hotel is the best AirRide stop option for people who live anywhere other than Ann Arbor. Ms. Gainsley asked if Michigan Flyer could adjust the AirRide schedule as opposed to eliminating the stop, and if anything could be done to make things more reasonable at the airport. Ms. Gainsley suggested holding a hearing at PDC, and using the Public Hearing on the board agenda to receive input.

Mr. Allemang asked about the proportion of AirRide customers that utilize the Kensington Court Hotel stop compared to the downtown stop. Mr. Carpenter responded that over 75% of Ann Arbor AirRide customers come from the BTC stop, and 23% board at Kensington.

Mr. Krieg suggested that the emergent nature of the AirRide situation was the responsibility of the Wayne County Airport Authority (WCAA), and not AAATA's partner, due to WCAA making a rule change with a one-week period for comment. Mr. Krieg suggested adding a bus stop on the #6 route to connect with AirRide, if service returns to the Kensington Court, as the current #6 bus stop is a block and a half away.

Mr. Gururaja noted that the AirRide line item has a small surplus, and asked what might happen, if the stop at the Kensington is lost. Mr. Gururaja also asked what staff sees as the operational solution.

Mr. Carpenter responded that revenue impacts are unknown. Mr. Carpenter added that changing the schedule is complicated by buses coming from East Lansing. Mr. Carpenter reported that work will continue to discuss possible solutions, and he will bring those forward to the board.

Mr. Cooper described AirRide as safe, accessible, efficient, effective, convenient, frequent, and comfortable service. Mr. Cooper indicated that he is looking for the CEO and team to work with partners and stakeholders to maximize meeting the strategic objectives intended for the service.

Mr. Bernard suggested that moving the original AirRide bus stop, and more recently creating segregated bus stops, are both discriminatory practices. Mr. Bernard indicated that he has seen buses stopping at the airport location where AirRide is prohibited from stopping. Mr. Bernard indicated that it is critical that AAATA promote its objective of accessibility.

Mr. Cooper commented on the real-time bus tracking system issue. Mr. Cooper suggested that this is one area where the strategic view vs. hands-on board may conflict moving forward. Mr. Cooper expressed frustration that the new real-time system is not expected until July. Mr. Cooper asked about the minimum number of devices to have coverage to have information for riders. Mr. Carpenter responded 100%, indicating that not all new vehicles have been received, and the system has not been installed on all buses in the fleet.

Mr. Cooper indicated that he has heard repeatedly from people who are agitated and have had their lifestyles affected by the inability to obtain real-time information, because they rely on the information as the basis of go or no-go. Mr. Cooper asked how to accelerate the timeline to get real-time information in the hands of AAATA's riders prior to July.

Mr. Carpenter responded that the challenge with the real-time information system is that as the old technology is phased out and new technology phased in, there is a period of time when real-time information is not available. The original plan was for the switchover to occur earlier this year, but there were delays. As a result, the switch over is happening at the same time AAATA is rolling out new services. Mr. Carpenter acknowledged that the situation is disappointing, and apologized to customers. Mr. Carpenter has urged staff to let him know if additional resources are needed to accelerate the process. Mr. Carpenter pledged to provide additional resources, and work as quickly as possible to get the new system online.

Mr. Bernard complimented staff for the communications work to make the public aware of service changes and facilitate the adjustment to the new system.

Mr. Bernard noted comments during public time on the ARide Will Call Policy, and suggested that Brian Clouse make a presentation to the board on how the policy works, obligations and costs. Mr. Bernard noted that AAATA has done more than is required under the law, and suggested that there is value in giving the board the context to understand the assertions.

Mr. Bernard requested clarification about the bus ramp situation reported in the PDC meeting summary. Mr. Carpenter confirmed that the passenger was able to board the bus [after having to request that the driver deploy the ramp]. Mr. Bernard requested that the situation be investigated, if warranted.

Mr. Krieg complimented staff for a presentation on the service expansion at the Ypsilanti City Council meeting. Mr. Krieg noted that the Ypsilanti Mayor is eager to get an AirRide stop in Ypsilanti.

Mr. Wade thanked PMER for the ridership trends report adding that he is looking forward to learning about findings.

7.0 Old Business

There was no Old Business for the Board to consider.

8.0 New Business

Mr. Carpenter introduced the resolution to adopt the accelerated implementation of planned service improvements in Pittsfield Township.

Charles Griffith moved the following resolution with support from Gillian Ream Gainsley.

8.1 5YTIP Revisions for August, 2016

Resolution 19/2016 5YTIP Revisions for August, 2016 Implementation

WHEREAS, the Ann Arbor Area Transportation Authority (AAATA) Board of Directors adopted the Five-Year Transit Improvement Program (5YTIP) in January, 2014, and

WHEREAS, AAATA promoted the 5YTIP as the basis for the transit millage election in May, 2014, and the AAATA promised to implement the 5YTIP if the election was successful, and

WHEREAS, the AAATA Board of Directors adopted a procedure to amend the 5YTIP, and

WHEREAS, a route in the plan with service for Saline and Pittsfield Township was not implemented in May, 2014 as scheduled at Saline's request and

WHEREAS, Pittsfield Township wishes the portion of the route within Pittsfield Township (route #61) to be implemented separately now, and

WHEREAS, an increase in service frequency on the #6 Ellsworth route which includes service to Airport Boulevard is included in the 5YTIP to be implemented in August, 2017, and

WHEREAS, there is a coordinated transfer between Route #61 and the expanded service on route #6 at Costco on Airport Boulevard, and

WHEREAS, Pittsfield Township has requested implementation of the Pittsfield portion (route #61) of the Saline/Pittsfield route and earlier implementation of the route #6 expansion, and

WHEREAS, Pittsfield Township considered these revisions at public meetings in October, 2015 and January, 2016, and is prepared to pay their share of the cost of this service, and

WHEREAS, a Title VI, Service and Fare Equity Analysis was conducted on the 5YTIP before adoption, and the recommended revisions do not constitute a major change from the adopted plan,

NOW THEREFORE, BE IT RESOLVED that the Ann Arbor Area Transportation Authority Board of Directors hereby adopts the revised service changes effective August 2016 briefly described as follows:

- Route 61: Implement weekday peak service connecting business parks along either side of State Street south of Ellsworth (Avis Farms)
- Route 6: Implement service every 15 minutes between the BTC and Meijer (Carpenter) including a route deviation on Airport Boulevard (Costco)

Mr. Krieg raised a concern about environmental justice indicating that increasing frequency on route #6 between Meijer and downtown Ann Arbor, and not between Meijer and Ypsilanti leaves out lifeline service. Mr. Krieg related details of an experience riding route #6. At Meijer a resource contention emerged when there was not enough space near the front of the bus to accommodate passengers with strollers in the designated stroller area, senior citizens with mobility aids, and patrons with packages. The situation led to a harsh exchange among passengers. Mr. Krieg suggested that the route between Meijer and Ypsilanti is used by people who have no other alternative than to use the bus. Mr. Krieg requested that service also be increased to serve Ypsilanti. Mr. Krieg contemplated proposing an amendment to the resolution or tabling the item. Mr. Krieg noted that he would add the following underlined language to the final clause in the resolution:

- Route 6: Implement service every 15 minutes between the BTC and YTC and Meijer (Carpenter) including a route deviation on Airport Boulevard (Costco)

Mr. Krieg acknowledged that adding service would impact the schedule and resources, and deferred further action pending input on the practicality of his suggestion.

Mr. White responded to a request from Ms. Gainsley about whether sending the item back to PDC for review, potentially adding the change suggested by Mr. Krieg and readdressing the matter at the May board meeting would have an impact on the proposed service addition in Pittsfield.

Mr. White indicated that it was possible to defer a decision for a month. Mr. White added that the 5YTIP adopted by the board in January includes a specific process for adding new service noting that the proposed change is simply a quicker implementation of service already in the 5YTIP. Adding service would require a much more specific process for public input, and there would be some operational problems. Mr. White reported that while a number of requests for additional service have been received, at this point the 5YTIP should be implemented as adopted. Mr. White added that the May 1 service additions in Ypsilanti, which include increased access to shopping, may radically change how people use bus service in Ypsilanti.

Mr. Mahler suggested sending the item back to PDC.

Mr. Krieg moved to defer the resolution and revisit the discussion in PDC. Eli Cooper supported the motion to defer which passed unanimously.

9.0 Public Time

Mr. Mahler announced that there were time constraints and asked speakers to be brief.

Carolyn Grawi appeared before the Board. Ms. Grawi reminded the board that if public time calls for three minutes per person, that amount of time must be allotted per person, regardless of time constraints. Ms. Grawi commented on the AirRide stop indicating that it is difficult to use the stop due to its location. Ms. Grawi voiced opposition to elimination of the AirRide stop at the Kensington Court Hotel. Ms. Grawi suggested adjusting the route time or adding a segment. Ms. Grawi spoke in favor of the service improvements. Ms. Grawi suggested that people who are the most vulnerable are not being considered.

Michelle Barney appeared before the Board. Ms. Barney commented on the delay for the new real-time information system. Ms. Barney suggested preparing a simple letter to distribute to bus riders informing them that bus tracking will not be available, include the duration of the situation, suggest that riders take earlier buses, and provide riders with documentation for employers, if buses are late.

Jim Mogensen appeared before the Board. Mr. Mogensen expressed concern about the conversation on board governance and the idea that the board could focus on strategic matters and not details. Mr. Mogensen noted his comments on civil rights matters, service in Ypsilanti, and the millage in Ypsilanti. Mr. Mogensen speculated about what will happen, if the millage isn't renewed.

No one further appearing, Mr. Mahler declared Public Time closed.

10.0 Adjourn

Eric Mahler moved to adjourn the meeting with support from Charles Griffith. The motion carried, and the meeting adjourned at 9:00 p.m.

Respectfully Submitted,

Stephen Wade, Secretary



Proposed Meeting Summary

May 11, 2016

Ann Arbor Area Transportation Authority Planning and Development Committee

Committee: Gillian Ream Gainsley (Chair), Larry Krieg, Stephen Wade

Absent with Notice: Sue Gott

Staff: Michael Benham, Matt Carpenter, Ron Copeland, Bill De Groot, Dawn Gabay, Sarah Pressprich Gryniowicz, Mary Stasiak, Chris White

Ms. Gainsley called the meeting to order at 8:48 a.m.

1.0 Additions to Agenda

Ms. Gainsley added agenda item 3.3 Values and Considerations to Form Next Five-Year Service Plan to the Agenda.

2.0 Communications and Announcements

Mr. Krieg reported on a positive experience riding buses on the first two days of the service expansion. Mr. Krieg commended everybody involved with the planning and rollout of the service expansion, noting that there seemed to be very few people confused about the changes.

2.1 Public Participation

Clark Charnetski commented on the service expansion and the smooth transition of ARide lift van service and maintenance to Ride Corp. Mr. Charnetski commented on new transit service in Denver; a 22-mile rail link between the airport and downtown. Mr. Charnetski has concerns about the facilities for AirRide passengers at Detroit Metropolitan Airport. Mr. Charnetski encouraged the committee to consider seeking support for public-private partnerships in the future of AirRide service so the airport treats the service similar to public transportation.

Jim Mogensen commented on the Community Match Program suggesting that changes are made to the policy to improve connections and help make the community situation better. Mr. Mogensen read an excerpt from the April 2016 PMER meeting summary regarding ridership trends. Mr. Mogensen requested that because PMER is not a

meeting open to the public, that briefings are shared in PDC to make it easier than showing up at a board meeting after decisions have been made.

No one further appearing, Ms. Gainsley declared Public Time closed.

3.0 Business

3.1 New Service Update

Mr. Carpenter reported that he is pleased with the service changes, especially given the scale of the change. Most customers seem to have been quite prepared for the change. Mr. Carpenter commended staff for getting the word out. Mr. Carpenter noted one glitch with some overhead destination signs which are not working properly. Staff is actively engaged in resolving that situation.

Mr. Copeland added that things are going well very, drivers and customers are adjusting to the changes, and there have been few complaints.

Mr. White concurred that relatively few problems have been reported, and all received will be evaluated to determine whether something needs to be done. Mr. White noted that the problem with the destination signs will have an impact on ridership computation; specifically, allocating riders to routes. Clever Devices representatives are on site to solve the problem.

Ms. Gainsley reported that her experience has been positive all around. Ms. Gainsley noted that service improvements to the Ypsilanti local routes, which has reduced headways, and changed the dynamic at the Ypsilanti Transit Center.

Mr. Wade inquired about the process for making adjustments to bus stops or routes. Mr. White responded that bus stops are reviewed on a continual basis. Mr. White noted that minor changes could be made in August, if warranted, but decisions would need to be made quickly in order to get everything done.

Mr. Krieg requested clarification on why route 47 stops two blocks short of the Roundtree Shopping Center. Mr. White responded that Walmart owns the lot, and Walmart management turned down AAATA's request to turn the bus around. Mr. White confirmed that he previously engaged the township, but not since Walmart declined AAATA's request. Mr. Krieg offered to contact the township.

Mr. Krieg noted that destination signs bound for Ann Arbor read "Blake Transit Center" (BTC) suggesting that people not familiar with the system will not understand what the BTC is. Mr. Krieg suggested that it would be more communicative for the signs to read "Ann Arbor" as they used to.

3.2 5YTIP Acceleration of Service

Ms. Gainsley reported that PDC considered a resolution in April to accelerate extending service on route #6 and adding route #6C. A question was raised about the possibility of extending route #6C to Ypsilanti. Ms. Gainsley noted that the original proposal is included in the 5YTIP and the public participation process was satisfied through public meetings in Pittsfield Township. The addition of service would require another public participation process.

Mr. Krieg announced that despite his reservations, he is in favor of more service. Ms. Gainsley expressed concern about creating a route (#61) that is only accessible from another route (#6C), and not a transit center. This will require two transfers, if someone is traveling from the YTC. Ms. Gainsley suggested that it is a good operations principle that when passengers are at a transit center, only one transfer point should be required. Mr. Wade made a motion to forward the resolution to the full board for consideration. Ms. Gainsley supported the motion which passed unanimously.

3.3 Values and Considerations to Form Next Five-Year Service Plan

Ms. Gainsley reported that a number of questions have arisen during the course of the service changes. Ms. Gainsley inquired about the next review, opportunities to look at adjusting routes prior to 2018, and the timeline for discussing what will go into the next plan.

Mr. White responded that two types of changes are possible; changes for the near future based on operational need, and changes in response to ridership (for new and existing service). Mr. White indicated that the collection of information and ideas can start immediately. How soon planning can begin depends on the type of service, and available funding.

Committee members shared the following ideas for consideration in the next service plan:

- When passengers are at a transit center, only one transfer point should be required
- Recognize that transit is a useful way to equalize access to jobs from various parts of the county suffering from low housing values and low revenue
- Straighten out many of the routes in Ypsilanti to extend them farther east
- Reduce travel times from the eastern side of the county to job centers
- Push signal preference for buses and queue jump lanes on the Washtenaw Avenue and Packard Road arteries
- Place importance on serving people with lifeline needs
- Establish a process for the board to have a structured, principled way to guide the conversation around adjusting route and priorities

- Determine AAATA's role in equalizing service between municipalities given that the three member municipalities have very different funding situations
- Consider the question of equity and parity in services, and have a constructive conversation about funding when looking at the plan as a whole
- Start responding to crowding issues and lower rider times as being just as important as the number of people who get on and off a bus
- Revisit the idea that people getting on a bus should have the region pay for their trip boarding
- Consider the idea that areas with employment centers benefit from transit service because the cost of parking saved by those areas is considerable
- Talk about principles and changes to feed into capital planning and service planning over the next five years; take the information shared and let it help inform the strategic retreat, and formulate a structured discussion to create values as the plan is formulated

3.4 AirRide

Mr. Carpenter provided an update on AirRide service. The Wayne County Airport Authority (WCAA) implemented new regulations and added a stop at the McNamara Terminal. This has increased time on the AirRide route as buses are required to circle within the airport network. Michigan Flyer needs to save time on the route, and is proposing to eliminate service to the AirRide stop at the Kensington Court Hotel. Due to a miscommunication, Michigan Flyer notified customers that they will no longer serve Kensington effective May 19. To comply with AAATA's public input policy for service changes, AAATA should be seeking input 30 days prior to discontinuation of service. Mr. Carpenter is working with Michigan Flyer officials to identify an alternative to discontinuing service to Kensington until the public input process can be completed. Mr. Carpenter noted that the Kensington stop serves as a backup stop 20 days a year when the AirRide stop at the BTC is not accessible due to street closures.

Mr. Carpenter responded to questions about whether the stop is stipulated in the contract indicating that it is not explicit. A suggestion was made to consider prioritizing resolving the short-term problem, and then engaging in a longer term discussion about the contractual relationship. Mr. Carpenter indicated that he will continue to work to resolve the process.

3.5 Budget 2017 Update

Mr. Carpenter reported that the traditional approach to preparing for the FY2017 budget does not fit into the sequence of upcoming board retreats, as he previously advised the board.

Mr. Carpenter provided an overview of the proposed interim budget process for FY2017:

- Develop new format draft capital and works plans (present in May)
- Seek Board feedback (June)
- Seek Board approval of plans (June/July)
- Annual budget approval (August/September)

Mr. Carpenter distributed a draft Capital Program Summary for the committee's review and comment.

Committee members made the following requests:

- Prepare a document linking the operational budget and capital budget illustrating how the two budgets interact and how funding could be used between the two sources
- Identify pieces that are flexible and pieces that are priorities, and to what extent funding is available for both pieces so that the board can consider the tradeoffs to make priorities happen
- Include superstops for Washtenaw Avenue in the capital program summary
- Indicate the source of funding for projects identified as policy priorities
- Engage in a tactical discussion about three projects the Board identified as priorities for which capital funding is "Pending": Space Planning, Ypsilanti Transit Center, and Connector
- Identify where projects fit on the timeline

4.0 Public Participation

Jim Mogensen commented on the issue of equity in transit systems indicating that he does not believe that the Authority is to blame for an underlying societal demographic problem. Mr. Mogensen suggested that the 2008 millage helped solve a crisis, the 2014 millage allowed AAATA to address long standing issues, and raised a concern that if the millage is not renewed, there could be another crisis. Mr. Mogensen commented on living in the Washington, DC area and taking different modes of public transit service. Mr. Mogensen raised a concern that route realignment for the Connector could have a negative economic impact for some riders.

Clark Charnetski commented on the possible discontinuation of the AirRide stop at the Kensington Court hotel noting that there are several other hotels within walking distance of that stop. Mr. Charnetski suggested reaching out to Dr. Curtis Ivery, former RTA board member and current WCAA board member, to leverage the airport to work something out. Mr. Charnetski suggested reevaluating bus routes on the northeast side of Ann Arbor to better serve the Huron High School student population. Under the current route structure, students must take three AAATA buses to travel two miles from Nixon Road to the school. Mr. Charnetski suggested extending the end point of Route #66 from the Green Road Park and Ride Lot to the Plymouth Road Park and Ride lot to make the route more accessible.

No one further appearing, Ms. Gainsley declared public time closed.

5.0 Adjourn

There being no further business, Ms. Gainsley adjourned the meeting at 10:13 a.m.

Respectfully Submitted,

Karen Wheeler

MAY 10, 2016 LAC MEETING MINUTES

UNLESS POSTED, LAC MEETINGS ARE HELD THE SECOND TUESDAY OF EVERY MONTH (EXCEPT JULY) FROM 10 A.M. TO 12 NOON AT AAATA's MAIN OFFICE: 2700 S. INDUSTRIAL HWY., ANN ARBOR (734) 973-6500

1.0 INTRODUCTION OF ATTENDEES

LAC Executive Members Present:

Rebecca Burke, Cheryl Weber, Jody Slowins, Clark Charnetski, John Kuchinski, Stephen McNutt

Board Liaison:

TheRide Liaison: Brian Clouse

LAC Members:

LAC Guests: Andrea Henry (CIL), Darryl Johnson (RideCorp), Bill DeGroot (AAATA)

Commonly Used Acronyms	
AACIL	Ann Arbor Center for Independent Living
AAATA	Ann Arbor Area Transportation Authority
AAA1B	Area Agency on Aging 1B
AADL	Ann Arbor District Library
ADA	Americans With Disabilities Act
BTC	Blake Transit Center
CAC	Citizens Advisory Council (RTA)
CSR	Customer Service Representatives
ETA	Estimated Time of Arrival
FOIA	Freedom of Information Act
JFS	Jewish Family Services
LAC	Local Advisory Council
MDOT	Michigan Department of Transportation
PPA	Partners in Personal Assistance
PEX	Peoples Express
PMER	Performance Monitoring and External Relations
RICC	Regional Interagency Consumer Committee
RFP	Request For Proposal
RTA	Regional Transportation Authority
SMART	Suburban Mobility Authority for Regional Transportation
WATS	Washtenaw Area Transportation Study
WCC	Washtenaw Community College
WAVE	Washtenaw Area Value Express

MAY 10, 2016 LAC MEETING MINUTES

2.0 COMMUNICATIONS AND ANNOUNCEMENTS

Mr. Clouse informed the LAC that Ms. Aldrige and Mr. Bernard would not be in attendance.

3.0 REVIEW AND APPROVAL OF MINUTES

The LAC approved the April minutes with an amendment to the second sentence in item 7.3 to include the missing word (**to**).

4.0 PUBLIC COMMENT TIME (5 MINUTE TIME LIMIT PER SPEAKER)

4.1 Mr. Charnetski announced the Visions 2016 event at WCC on May 11, and commented on the articulated bus demo at AAATA's main office.

4.2 Ms. Poster inquired if same-day trips are available outside the Ann Arbor City limits to which Mr. Clouse replied that same-day trips are only available within the Ann Arbor City limits.

4.3 Mr. Kuchinski expressed a concern with a driver that did not come to the correct door to pick him up and that he rarely receives courtesy arrival call notifications, to which Mr. Johnson from RideCorp replied that he would address these issues. Mr. Johnson explained how new staff training during the transition may have caused the pickup issue.

4.4 Mr. Charnetski said that Metro Airport is debating the differences of public transit access and for-profit transit access to the airport.

5.0 AAATA BOARD MEETING REPORT

5.1 Ms. Burke reported on the Board's appointment of Ms. Padalino and Mr. McNutt to the LAC Executive Board.

Governance Committee LAC Items: None

6.0 BUSINESS ITEMS

6.1 A-Ride Transition:

Mr. Clouse explained how a minor technical issue with export of lift-van trips to RideCorp was discovered and resolved. Open discussion related to how this impacted service ensued. Mr. Clouse expressed his appreciation that a stable service delivery model has been achieved and that adjustments to improve performance can be identified and made moving forward. Mr. De Groot also expressed his appreciation to the LAC for their involvement in this long process. Ms. Slowins stated that the transition is going smoothly. Mr. McNutt stated how he likes the lift-drivers uniforms. Mr. Charnetski stated that both the A-Ride and line bus transitions occurred on the same day, and both seem to be going well.

MAY 10, 2016 LAC MEETING MINUTES

6.2 LAC Executive Appointments

The LAC recognized Ms. Padalino and Mr. McNutt as the newest appointed LAC Executive members.

6.3 A-Ride User's Guide

Mr. Clouse presented a draft version of the May 2016 A-Ride User's Guide. The LAC reviewed the User's Guide and provided corrective comments on wording and structure. Mr. Clouse explained how he converted the User's Guide to meet the standards for Free Matter mailing, noting that no envelope will be used. This will save the Authority from paying high mailing costs. He stated that the User's Guide will be mailed to riders later in the month, and will be available on TheRide's website as soon as possible. Open discussion over various options to make the User's Guide available in alternative formats ensued.

7.0 PUBLIC COMMENT TIME (5 MINUTE TIME LIMIT PER SPEAKER)

7.1 Due to time constraints there was no public comment period.

8.0 FUTURE AGENDA ITEMS

1. A-Ride Transition Update
2. Ann Arbor Connector (Mr. Charnetski)

9.0 ADJOURN

Meeting unanimously adjourned at 12 noon

Respectfully Submitted,

Brian Clouse, TheRide Paratransit Coordinator

Next Meeting, Tuesday, June 14, 2016, 10:00 a.m. to 12 noon

Issue Brief: 5YTIP Revisions for August, 2016 (Revised from April)

Meeting: PDC Date: May 11, 2016

Agenda Item #7.1

Board Meeting Date: May 19, 2016

Recommended Committee Action(s):

- Recommend to Board for adoption.

Prior Relevant Board Actions and Policies:

- Adoption of 5-Year Transit Improvement Program (5YTIP) – January, 2014 following an extensive public input process on the plan
- Adoption of 5YTIP Update Process – December, 2014

Issue Summary:

Staff is proposing to implement added service in August, 2016 that is included in the Five-Year Transit Improvement Program (5YTIP), but scheduled for implementation at a different time. These changes were discussed at the April PDC meeting, and the committee determined that this change could be done consistent with the adopted update process.

Background:

In the FYTIP, no service revisions/additions were scheduled for August, 2016. As a result of a request from Pittsfield Township, staff is proposing to implement two services in August, 2016:

- New route #61 State-Avis Farms route. In the adopted 5YTIP, a new route between Saline and Ann Arbor was included for implementation in 2014. The route included service to the business parks in Pittsfield Township along S. State St. between Ellsworth and Textile Roads. The route was not implemented because Saline decided not to proceed with expanded fixed-route service in their community. Pittsfield requested that AAATA develop a plan to implement their portion of the route separately. Staff developed the shortened route, which has been reviewed and accepted by Pittsfield Township. Service on the new route #61 is being implemented as soon as practical after the decision by Saline. The route is entirely within Pittsfield Township. The adopted 5YTIP Update Process provides for services for POSA partners such as this to proceed without going through the formal approval process.
- Accelerated implementation of increased service on the #6 Ellsworth route. The 5YTIP includes expanded weekday service on the #6 route between downtown Ann Arbor and Meijer (Carpenter) scheduled for implementation in August, 2017. The routing includes a variation that provides service to Costco on Airport Blvd. in Pittsfield Township. Route #6 is to be implemented a year earlier without other changes. No other service in the 5YTIP is affected.

Attached are the maps for new route #61 and expanded route #6. Service includes a coordinated transfer between the two routes on Airport Blvd., on the west side of Costco.

Impacts of Recommended Action(s): here's how this item affects these areas of sustainability

- **Budgetary/Fiscal:**
 - The entire local cost of new route #61 is to be paid by Pittsfield Township. A portion of the added service on route #6 is also in Pittsfield. The Pittsfield purchase of service agreement for FY16 includes the cost of these added services for the final month of the agreement. Pittsfield has been given the added cost of the service for FY2017. The local cost of implementing added service on route #6 is about \$250,000 for the additional year.
- **Social:**
 - Title VI analysis was done as part of the overall 5YTIP
- **Environmental:**
 - Environmental analysis was done as part of the overall 5YTIP
- **Governance:**

Attachments:

- Map for new route #61 and expanded route #6
- Resolution

Author: Chris White

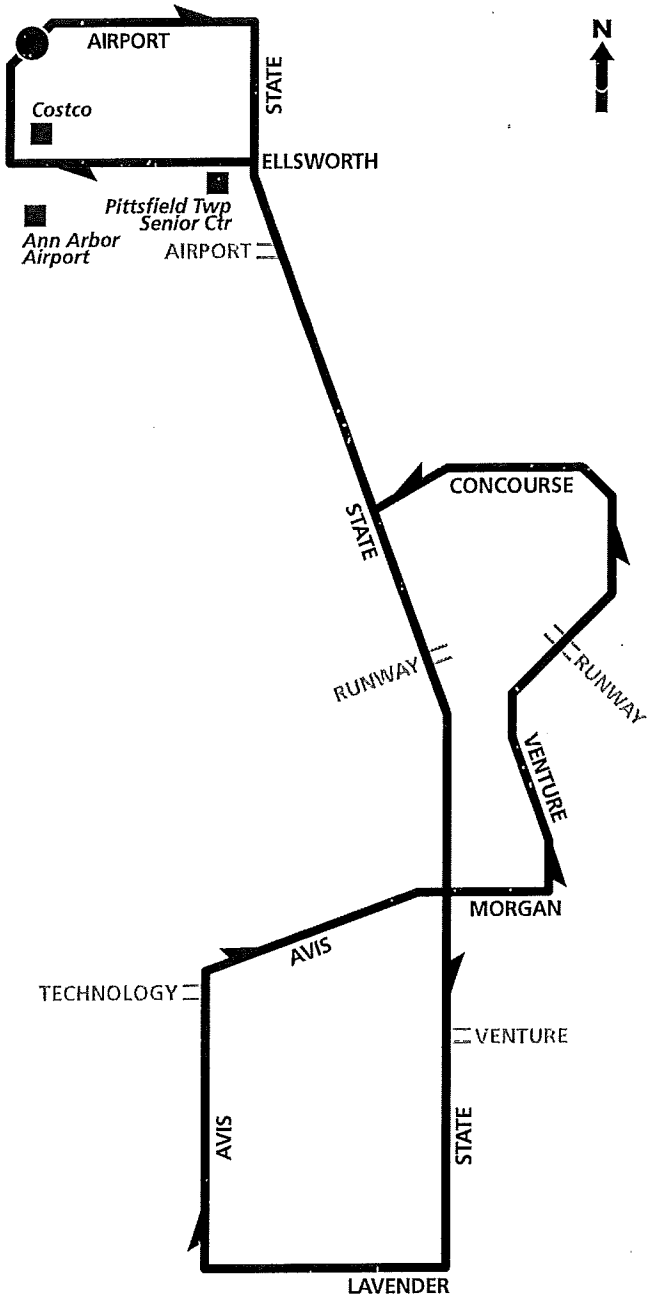
Reviewed by: Matt Carpenter

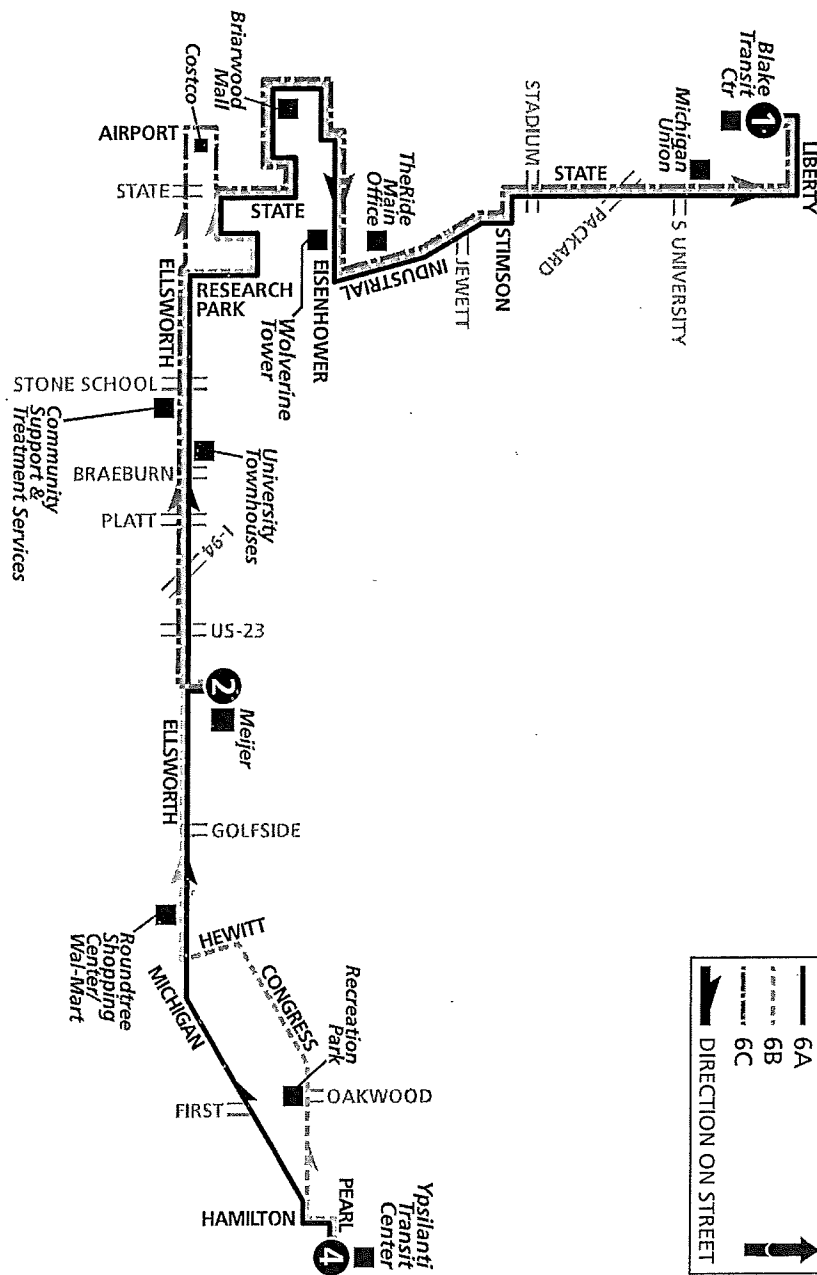
Approved by:

Date:

Document Number:

Confidential? No





ROUTE VARIATIONS

- 6A
- 6B
- 6C

DIRECTION ON STREET

N

Resolution 19/2016

5YTIP Revisions for August, 2016 Implementation

WHEREAS, the Ann Arbor Area Transportation Authority (AAATA) Board of Directors adopted the Five-Year Transit Improvement Program (5YTIP) in January, 2014, and

WHEREAS, AAATA promoted the 5YTIP as the basis for the transit millage election in May, 2014, and the AAATA promised to implement the 5YTIP if the election was successful, and

WHEREAS, the AAATA Board of Directors adopted a procedure to amend the 5YTIP, and

WHEREAS, a route in the plan with service for Saline and Pittsfield Township was not implemented in May, 2014 as scheduled at Saline's request and

WHEREAS, Pittsfield Township wishes the portion of the route within Pittsfield Township (route #61) to be implemented separately now, and

WHEREAS, an increase in service frequency on the #6 Ellsworth route which includes service to Airport Boulevard is included in the 5YTIP to be implemented in August, 2017, and

WHEREAS, there is a coordinated transfer between Route #61 and the expanded service on route #6 at Costco on Airport Boulevard, and

WHEREAS, Pittsfield Township has requested implementation of the Pittsfield portion (route #61) of the Saline/Pittsfield route and earlier implementation of the route #6 expansion, and

WHEREAS, Pittsfield Township considered these revisions at public meetings in October, 2015 and January, 2016, and is prepared to pay their share of the cost of this service, and

WHEREAS, a Title VI, Service and Fare Equity Analysis was conducted on the 5YTIP before adoption, and the recommended revisions do not constitute a major change from the adopted plan,

NOW THEREFORE, BE IT RESOLVED that the Ann Arbor Area Transportation Authority Board of Directors hereby adopts the revised service changes effective August 2016 briefly described as follows:

- Route 61: Implement weekday peak service connecting business parks along either side of State Street south of Ellsworth (Avis Farms)
- Route 6: Implement service every 15 minutes between the BTC and Meijer (Carpenter) including a route deviation on Airport Boulevard (Costco)

Eric A. Mahler, Chair

May 19, 2016

Acting Secretary

May 19, 2016

Issue Brief: [Additional Funds for Blake Center Reconstruction Closeout](#)

Board Meeting Date: May 19, 2016

Agenda Item #8.1

Recommended Committee Action(s):

That the PMER Committee receive and recommend \$46,920 in additional funds for the Blake Transit Center Reconstruction closeout.

Prior Relevant Board Actions and Policies:

- The Board approved Resolution 2/2013 on October 18, 2012 to authorize the contracts for the construction of the new Blake Transit Center for \$8,129,988, including a contingency fee of \$275,000, about 4.1% of hard construction costs.
- The Board approved Resolution 24/2014 on May 15, 2014 to authorize an additional \$125,000 for cost overruns due to extraordinary winter weather and unforeseen site conditions discovered during excavation, which delayed the project completion by six months. Total project budget increased to \$8,254,988.
- The Board approved Resolution 6/2016 on December 17, 2015 to authorize an additional \$175,000 due to additional expenses incurred by both the architect and construction manager for design changes and project delays. Total project budget increased to \$8,429,988.

Issue Summary:

- The construction management firm had an early change order of \$46,920 for permit fees that was overlooked in the final accounting during the closeout of the project in 2015. The reason this liability was missed was that they was also a separate withholding of 10% retainage or “holdback” on the previous construction management invoices of \$43,325. Both of these amounts were approximately the same magnitude and offset each other. The change order was missed when comparing total contract amount to payments. The permit fees were \$46,920 and the retainage was \$43,325, a difference of \$3,595.
- Had this error been caught before December 2015, the requested amount would have been \$221,920, instead of \$175,000.

Background:

- In 2010, the BTC reconstruction project began as a \$3.5 million project. However, community input, environmental analysis and the City’s approval process added to the costs. Before the bids were let, the cost estimate for the project was \$7.0 million. The initial budget did not include an amount for contingency for unexpected costs.
- After the bidding process, the original project costs came in at \$8.5 million and the PMER committee directed staff to reduce the project costs to \$8.0 million. Some elements of the project were cut and the contingency fee was reduced from \$300,000 to \$275,000, about 4.1% of construction costs. The estimated cost became \$8,049,988 for the project.
- On October 18, 2012, the Board approved the project costs for the construction of the new Blake Transit Center for \$8,129,988, which included the Board’s decision to restore \$80,000 for LEED certification. During the Board discussion, the question of the contingency fee was raised by the

Board and the outside construction manager expressed concern that the contingency was low and that the expanded design called for a 10% contingency.

- Funding was provided by seven separate Federal grants and matching state grants.
- After the May 15, 2014 Board approval of additional funds and after construction was complete, the architect and the construction manager submitted invoices for additional expenses, which were incurred due to design changes, extended construction phases, and other delays.
- The architectural firm requested additional fees for work performed in the amount of \$111,080 but agreed to accept a negotiated amount of \$88,720, about 20% less.
- The construction management firm requested additional fees for work performed in the amount of \$213,077 but agreed to accept a negotiated amount of \$152,478, about 28% less. This amount was exclusive of the retainage, which was not apparent at the time of the negotiation.
- On December 2015, the Board approved an additional \$175,000 in project costs required for the increase in architectural and construction management costs.
- After the December 2015 Board meeting, the construction management firm presented an invoice for the negotiated amount of \$152,478, plus the previously withheld retainage of 10%. This is when staff realized the retainage was not previously included in the final accounting of the project.
- To date, of the \$8,254,988 that has been previously approved by the Board, there is \$25,000 remaining to complete signage on the project and \$1,122 remaining for the final LEED certification work.
- The final cost of the project is now projected to be \$8,476,908.

Impacts of Recommended Action(s):

- **Budgetary/Fiscal** – The additional funds are will be covered in Federal and state matching grant, but this amount will not be available for other future projects.
- **Social** – No impact.
- **Environmental** – No impact.
- **Governance** – No impact.

Attachment:

- Draft Resolution for Additional Funds for Blake Transit Center Reconstruction Closeout

Author: Philip Webb
 Approved by: Matt Carpenter

Reviewed by: Terry Black, Michelle Whitlow, Dawn Gabay
 Date: April 26, 2016

Resolution 20/2016**APPROVAL OF ADDITIONAL FUNDS FOR THE
BLAKE TRANSIT CENTER RECONSTRUCTION CLOSEOUT**

WHEREAS, on December 17, 2015, the Board approved an additional \$175,000, from \$8,254,988 to \$8,429,988, to cover increased costs for architectural fees and construction management change orders, and

WHEREAS, construction has been completed and the building is open to the public, and

WHEREAS, 10% retainage for the construction management firm was not previously billed to the Authority and this retainage was also not included in the previous accounting of the closeout of the BTC project, and

WHEREAS, funding is available in existing Federal and State of Michigan formula grants for additional project costs requested without negatively affecting existing programs or services, therefore,

IT IS RESOLVED, that the Ann Arbor Area Transportation Authority Board of Directors increase the total project amount authorized for the Blake Transit Center by \$46,920, from \$8,429,988 to \$8,476,908.

Eric A. Mahler, Chair

May 19, 2016

Acting Secretary

May 19, 2016



Meeting Summary
May 17, 2016
Ann Arbor Area Transportation Authority
Performance Monitoring and External Relations Committee

Committee: Mike Allemang (Chair), Jack Bernard, Eli Cooper (telephone), Prashanth Gururaja

Staff: Michael Benham, Terry Black, Matt Carpenter, Bill De Groot, Dawn Gabay, Mary Stasiak, Phil Webb, Chris White

Mr. Allemang called the meeting of the Performance Monitoring and External Relations (PMER) Committee to order at 3:36 p.m.

1 Additions to Agenda

There were no additions to the agenda.

2 Communications and Announcements

Mr. Carpenter announced that Ann Arbor City Council approved a 2% contribution for expenses related to the next phase of the Connector light rail study. The amount is a reduction from the City Administrator's original budget proposal. Mr. Carpenter noted that the City is calling on the University of Michigan pay 90% of the costs noting that UM made a prior commitment to fund "at least 75%" of expenses for the next phase. Council proposes that AAATA pay 6%, and the Ann Arbor DDA the remaining 2%. Mr. White reported that AAATA submitted an application for \$500,000 of federal grant funds through the Michigan Department of Transportation (MDOT) for the Connector. It is hoped that there will be an answer on the MDOT application within the month. Mr. Cooper stated a preference for MDOT funding to be utilized to reduce the non-UM share for the project partners. Mr. Carpenter suggested that once the fate of the grant application is known, it will be appropriate for the project partners to discuss fund allocation.

2.1 MRide Agreement

Mr. White provided an update on the MRide Agreement and discussions with UM representatives. Agreement has been reached on the price per ride consistent with the Third Party Fare Policy approved by the Board. Mr. White added that the Agreement includes detailed schedules for the use of UM facilities for park and ride, UM's payment for ARide service to East Ann Arbor Health Center and Domino Farms, as well as terms for use of the Central Campus Transit Center. Mr. White

reported that the second draft of the Agreement will be sent to PMER for review prior to the committee's June meeting.

3 New Service Update

Mr. Carpenter reported that the new service has received a generally favorable response by the public. There have been some problems with destination signs displaying incorrect route information. Mr. Carpenter complimented staff for the extensive outreach which made sure that passengers were aware of changes in advance. Mr. Carpenter noted that there have been some concerns received, and those will be addressed. Mr. White reported that there is a specific issue with Route #32 serving Skyline High School before going to the park and ride lot in the afternoon. A small change to the route is being planned for the near future, and a more systematic change before August. The other primary issue raised is about passengers having to cross streets. Staff are working on bus stop issues to address the concerns. Mr. White noted that the number of complaints for the first two weeks of May this year is lower than the same period a year ago. Mr. Carpenter added that the change to ARide service, to have the contractor provide lift van service, has gone very well.

Mr. White responded to questions on the CAD/AVL system and changes to schedules. Mr. White reported that ridership by route is lacking on some routes due to the CAD/AVL system. It is hoped that the problem will be resolved in the next couple of weeks; the new CAD/AVL system is on track for completion by July 1. Mr. White confirmed that the schedules of some routes have changed due to extended service. Mr. Gururaja suggested that there are impacts not being reported, noting that he learned about a passenger who had to adjust her work schedule due a to change in bus schedules.

4 AirRide

Mr. Carpenter provided an update on AirRide service. The current five-year service contract expires in March 2017. A competitive tendering process for a new contract is scheduled to be undertaken, and could take several months. The process is planned to be brought to conclusion so that a new contract is in place by April 1, 2017.

5 Millage Renewal

Mr. Benham reported on planning work underway to prepare for AAATA's millage renewal to take place on or before May 2019 to ensure the flow of funding needed to support the new level of AAATA transit services.

6 BTC Update

Mr. Carpenter reported on a request for \$46,920 for a retainage fee owed to the construction management firm for the Blake Transit Center Reconstruction project. The retainage fee was mistaken for an early change order for permit fees which was a similar amount. The retainage fee would have been included in the prior request to the board, if it had been known. Mr. White responded to an inquiry on the source of funds

to be used indicating that federal grant funds, with matching state grant funds would be used for the expense. Mr. Allemang noted that Mr. Carpenter has reported to the committee on lessons learned and procedures being put in place to ensure that overruns will not be happening on a major project in the future.

Mr. Allemang moved that the committee support moving forward the resolution to approve additional funds for the Blake Transit Center Reconstruction Closeout to the full board for consideration. Mr. Cooper supported the motion which passed unanimously.

7 Financials

Mr. Webb reported on the financial reports for the seven months ended April 30, 2016. Revenues, which are 2.6% under budget, are offset by expenses which are 5.5% under budget due in part to vacant positions and contracted maintenance which is under budget due to a mild winter. The Report of Operations includes a \$765,000 surplus.

7.1 Budget 2017 Update

Mr. Carpenter reported on the proposed interim budget process for FY2017 necessitated by the new Board retreat structure this year. The one-time process for FY2017 will include development of new capital and work plans. Board input will be sought on the plans in June, approval sought in June or July, and approval of the FY2017 budget requested in August or September for funding for October.

Mr. Carpenter reported on development of a new process for budgeting for FY2018. The new process will reflect the Board's priorities which will be illustrated through a rolling five-year plan.

8 Performance

Mr. White reported on performance data seven months into the fiscal year noting that while weekday passengers are down, weekend ridership is up significantly. Mr. White reported that passenger revenues are down and operating expense per passenger is up due to increased expenses and lower ridership. Mr. White reported that ridership growth on new service will hopefully happen over time noting that service increases in Ypsilanti largely serve the same area, but service is more frequent spreading passengers over more service. Mr. White shared information from a nationwide report about college ridership which indicates lower ridership across the country for a variety of reasons.

Mr. White confirmed that high ridership in the Washtenaw Avenue corridor is due to high density when compared to other territories, many origins and destinations, and mixed use of the service.

Mr. White reported on an increased in Urban Demand-Response service ridership, significant decreases in ExpressRide commuter service, and continued strong ridership on AirRide service. Mr. White noted that AirRide passengers are paying 78.6% of trip

costs which is extraordinarily high for transit service. Mr. White responded to a question about ridership by time of day indicating that ridership is down during weekday peak hours, and Saturday and Sunday ridership is significantly higher.

9 Response to Ridership Trends

Mr. Webb reported on the revenue effects of ridership trends. For the near term, ridership and fare revenue are down this year compared to prior year revenues and budget. Mr. Webb noted that although fare revenue is down, due to other pluses and minuses in the budget, a surplus of revenue over expenses is projected for FY2016 year end. Mr. Webb reported that for the longer term the 5YTIP includes a projected 19% increase in ridership and passenger revenue in FY2019 after full implementation of service improvements. Mr. Webb noted that based on current ridership trends, it is doubtful that the level of ridership growth required will be realized by FY2019.

Committee members, with input from staff, discussed the need to assess the financial implications, if declining ridership trends continue. Suggestions included forecasting a budget decrease and identifying actions that could be taken to mitigate a shortfall. It was suggested that any planning exercise is undertaken based on board policy for how to allocate resources.

Mr. White responded to a question about when a conclusion about the effect of the expanded service on ridership might be drawn, suggesting the end of September.

10 Adjourn

There being no further business, Mr. Allemang adjourned the meeting at 5:40 p.m.

Respectfully Submitted,

Karen Wheeler

**Ann Arbor Area Transportation Authority
Financial Report of Operations - Unaudited
For the Seven Months Ended April 30, 2016**

					Comparison to Prior Year			
	4/30/2016	4/30/2016	Favorable		4/30/2015	Favorable		
	Year to Date	Year to Date	(Unfavorable)	Percent	Year to Date	(Unfavorable)	Percent	
Revenues:	Budget	Actual	Variance		Actual	Variance		
Passenger Revenue	\$1,357,993	\$1,269,136	(\$88,857)	-6.5% 1	\$1,295,105	(\$25,969)	-2.0%	
Subcontracted Revenue	1,007,134	1,038,725	31,591	3.1% 1	1,013,381	25,344	2.5%	
Special Fares (EMU,UofM,go!Pass)	1,381,670	1,288,114	(93,556)	-6.8% 1	1,369,226	(81,112)	-5.9%	
Advertising, Interest, and Other	175,568	205,693	30,125	17.2%	172,796	32,897	19.0%	
Local Property Tax Revenue	8,034,110	8,033,064	(1,046)	0.0% 2	7,935,424	97,640	1.2%	
Purchase of Service Agreements	783,894	798,520	14,626	1.9%	554,474	244,046	44.0%	
State Operating Assistance	6,894,432	6,413,169	(481,263)	-7.0% 3	6,088,456	324,713	5.3%	
Federal Operating Assistance	2,915,553	2,924,546	8,993	0.3%	2,674,617	249,929	9.3%	
Total Revenues	22,550,354	21,970,967	(579,387)	-2.6%	21,103,479	867,488	4.1%	
Expenses:								
Operations Wages	6,232,287	5,971,854	260,433	4.2%	5,322,635	(649,219)	-12.2%	
Maintenance Wages	1,655,462	1,560,155	95,307	5.8%	1,322,144	(238,011)	-18.0%	
Administrative Wages	1,820,154	1,719,253	100,901	5.5%	1,604,904	(114,349)	-7.1%	
Total Wages	9,707,903	9,251,262	456,641	4.7% 4	8,249,683	(1,001,579)	-12.1%	
Fringe Benefits:								
Payroll Taxes	736,784	663,633	73,151	9.9%	585,069	(78,564)	-13.4%	
Pension	731,809	660,975	70,834	9.7%	596,505	(64,470)	-10.8%	
Medical Insurance	1,660,994	1,588,827	72,167	4.3%	1,390,277	(198,550)	-14.3%	
Post-Retirement Benefits & HCSP	291,044	272,713	18,331	6.3%	238,567	(34,146)	-14.3%	
Other Fringe Benefits	595,274	553,449	41,825	7.0%	574,480	21,031	3.7%	
Fringe Benefits	4,015,905	3,739,597	276,308	6.9% 5	3,384,898	(354,699)	-10.5%	
	41.4%	40.4%						
Purchased Services:								
Contracted Maintenance	436,146	387,956	48,190	11.0% 6	371,298	(16,658)	-4.5%	
Consulting Fees	194,746	130,708	64,038	32.9% 6	169,587	38,879	22.9%	
Security Services	200,480	185,727	14,753	7.4%	174,708	(11,019)	-6.3%	
Other Purchased Services	A 478,444	387,478	90,966	19.0%	523,550	136,072	26.0%	
Purchased Services	1,309,816	1,091,869	217,947	16.6%	1,239,143	147,274	11.9%	
Materials and Supplies:								
Diesel Fuel and Gasoline	1,154,244	636,927	517,317	44.8% 7	940,390	303,463	32.3%	
Fuel Futures (Gains) or Losses	0	221,787	(221,787)	100.0% 7	251,357	29,570	11.8%	
Bus Parts	511,112	483,040	28,072	5.5%	413,221	(69,819)	-16.9%	
Printing	132,109	102,883	29,226	22.1% 8	110,360	7,477	6.8%	
Other Materials and Supplies	B 752,871	741,769	11,102	1.5%	538,290	(203,479)	-37.8%	
Materials and Supplies	2,550,336	2,186,406	363,930	14.3%	2,253,618	67,212	3.0%	
Utilities	C 366,736	285,886	80,850	22.0% 9	426,557	140,671	33.0%	
Casualty & Liability Insurance	452,081	429,060	23,021	5.1%	362,985	(66,075)	-18.2%	
Purchased Transportation:								
ARide and Good as Gold	1,606,404	1,827,122	(220,718)	-13.7% 10	1,852,950	25,828	1.4%	
Night Ride	332,923	318,714	14,209	4.3%	329,623	10,909	3.3%	
Air Ride	657,248	719,117	(61,869)	-9.4% 11	712,109	(7,008)	-1.0%	
WWAVE, Northfield, MyRide, GRH	863,740	811,608	52,132	6.0%	862,894	51,286	5.9%	
Purchased Transportation	3,460,315	3,676,561	(216,246)	-6.2%	3,757,576	81,015	2.2%	
Other Expenses	D 398,111	307,271	90,840	22.8%	307,075	(196)	-0.1%	
Local Depreciation	173,831	237,650	(63,819)	-36.7% 12	173,250	(64,400)	-37.2%	
Total Expenses	22,435,034	21,205,562	1,229,472	5.5%	20,154,785	(1,050,777)	-5.2%	
Gain (Loss) from Operations	\$115,320	\$765,405	\$650,085		\$948,694	(183,289)		

Variances:

Detail of Budget Variances - Positive (Negative):

	April	April
	Year to Date	Year to Date
A: Other Purchased Services Variances:		
Management & Agency Fees	12,579	
Physical Exam Fees	3,130	
Legal Fees	25,611	
IT Services	3,490	
Custodial Services	4,398	
Internet Services	31,808	
Towing	1,236	
Admin Fee - Benefit Source	8,714	
	<u>90,966</u>	
B: Other Materials and Supplies Variances:		
Lubricants	12,642	
Tires, Tubes and Wheels	61	
Tools and Equipment	252	
Equipment Repair	4,596	
Other Materials and Supplies	(3,072)	
Computer Software	(3,377)	
	<u>11,102</u>	
C: Utilities Variances:		
Natural Gas		37,830
Electricity		30,162
Water		5,789
Telephone		<u>7,069</u>
		<u>80,850</u>
D: Other Expenses Variances:		
Uniform Expense		14,075
Postage		6,115
Dues and Subscriptions		2,311
Conference and Travel		7,225
Media costs		20,945
Employee Development		41,767
Wellness & Appreciation		7,979
Recruitment and Hiring		(126)
Equipment Rental		<u>(9,451)</u>
		<u>90,840</u>



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MEMO

To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: May 11, 2016
Re: Notes to the Financial Report of Operations – April 30, 2016

Message: The following are the explanations and notes for budget to actual variances for the AAATA's year-to-date unaudited financial report of operations, generally +/- 5.0% and \$20,000.

OVERALL – The Report of Operations reflects a **\$765,000** surplus for the first seven months of the fiscal year. As planned, a portion of the July 2016 property tax millage will be allocated toward the purchase of vehicles rather than used for operating expenses in FY 2016. This will amount to \$1.0 million in FY 2016.

REVENUES: Total Revenues are 2.6% under budget (unfavorable).

1. Passenger fares are under budget for fares on the bus from cash, tokens and 30-day passes. Subcontracted fares are higher than budget for ARide and AirRide. Special fares are under budget for UofM and go!passes due to lower ridership. Overall, fares are \$150,800 under budget or 4.0%.
2. Property taxes reflects all the property tax millages which will be levied on July 1, 2016, along with the deferment of \$1.0 million from operating to capital for bus purchases in FY 2016. We will use \$3.85 million from the July 1, 2014 levy from FY 2014 and \$2.4 million from the July 1, 2015 levy and \$1.0 million from the July 1, 2016 levy to purchase 15 large buses and 2 small buses to provide the additional 5YTIP services.
3. State Urban Operating Assistance is under budget by \$424,000, because it is calculated on incurred eligible expenses x 30.8%, which are less than budgeted.

EXPENSES: Total Expenses are 5.5% under budget (favorable).

4. Wages are under budget for maintenance and administration due to a few vacant positions, which are gradually being filled.
5. Fringe Benefits are under budget due to overall wages being under budget. Overall fringes are 40.2% of wages compared to the budgeted amount of 42.1%.
6. Contracted maintenance is under budget due to timing differences for projects. Some monthly expenses are estimated, such as custodial, security, etc. where we have known monthly amounts, while others expenses are not, due to their variable nature, such as legal fees, contracted maintenance and towing. We have had fewer snow storms this winter. Consulting fees are under budget due to timing of projects.
7. Fuel and fuel futures expenses are under budget by \$295,500, after consideration of the loss on fuel futures. We have averaged \$1.41 per gallon for fuel deliveries for October through April, compared to the budget of \$2.45 per gallon. However, we have had realized losses on fuel futures of \$221,800. Fuel prices have rebounded slightly, with the May 3, 2016 ultra-low sulfur biodiesel (B10%) fuel delivery at \$1.55 per gallon.
8. Printing is under budget by \$29,200 due to timing of projects. We incurred more printing for the service expansion and some of those invoices are coming in May.
9. Utilities are under budget by \$80,800 due to timing of bills received and a milder winter.
10. ARide is over budget as demand has increased over the last few months.
11. Local depreciation is over budget due to the recent purchase of minivans for the VanRide program in late FY 2015. These vehicles were purchased with local funds.

Ann Arbor Area Transportation Authority
 Report to the Treasurer: Summary Operating Statement by Mode
 For the Seven Months Ended April 30, 2016

Year-To-Date Summary Operating Statement by Mode							
	Fixed	Demand	Express		N/S Rail, GDT,	Total	
Revenues (except Property Tax):	Route	Response	NonUrban	Ride	AirRide	UrbanCore, Van	Actual
Passenger Revenue	\$1,142,496	\$126,640	\$0	\$0	\$0	\$0	\$1,269,136
Subcontracted Revenue	\$0	\$290,054	\$60,900	\$0	\$658,494	\$29,277	\$1,038,725
Special Fares (EMU,UofM,go!Pass)	\$1,205,667	\$11,104	\$0	\$71,343	\$0	\$0	\$1,288,114
Advertising, Interest, and Other	\$185,040	\$0	\$0	\$0	\$0	\$20,653	\$205,693
Purchase of Service Agreements	\$378,499	153,098	\$236,382	\$8,750	\$0	\$21,791	\$798,520
State Operating Assistance	\$4,791,199	\$1,076,136	\$263,616	\$53,009	\$179,080	\$50,129	\$6,413,169
Federal Operating Assistance	\$2,197,713	\$60,000	\$114,854	\$39,004.65	\$0	\$512,975	\$2,924,546
Total Revenues	\$9,900,613	\$1,717,032	\$675,752	\$172,106	\$837,574	\$634,825	\$13,937,903
Expenses:							
Wages	8,271,499	520,669	21,067	90,149	50,548	297,330	\$9,251,262
Fringe Benefits	3,319,699	223,144	9,029	38,635	21,663	127,427	3,739,597
Purchased Services	931,498	0	3,276	10,623	14	146,459	1,091,869
Diesel Fuel, Net of Futures	831,321	19,600	0	7,793	0	0	858,714
Materials and Supplies	1,251,986	31,790	2,655	12,414	1,510	27,337	1,327,692
Utilities	270,398	12,893	0	2,594	0	0	285,886
Insurance	387,624	34,325	3,218	3,894	0	0	429,060
Purchased Transportation	0	2,312,180	635,279	0	719,117	9,985	3,676,561
Other Expenses	224,056	7,129	1,229	3,848	44,722	26,286	307,271
Local Depreciation	235,493	0	0	2,157	0	0	237,650
Total Expenses	15,723,575	3,161,730	675,752	172,106	837,574	634,825	21,205,562
Net Local Property Tax Applied	\$5,822,961	\$1,444,698	\$0	\$0	\$0	\$0	\$7,267,659
Percent of Total	80.1%	19.9%	0.0%	0.0%	0.0%	0.0%	100.0%
Local Property Taxes							\$8,033,064
Authority Wide Surplus (Loss)							\$765,405
Service Hours	133,445	65,445		1,211	5,383		205,484
Cost per Service Hour	\$ 117.83	\$ 48.31		\$ 142.12	\$ 155.60		
Passengers	3,747,006	98,939		17,559	53,397		3,916,901
Cost per Passenger	\$ 4.20	\$ 31.96		\$ 9.80	\$ 15.69		\$ 5.41
Percent of Expenses Paid by Riders	14.9%	13.5%	9.0%	41.5%	78.6%		17.0%
Percent of Expenses Paid by Local Tax	37.0%	45.7%	0.0%	0.0%	0.0%		34.3%

Balance Sheet	
Assets:	4/30/2016
Cash & Investments	\$11,914,105
Accounts Receivables	412,459
Grants Receivables	1,366,020
Other Receivables	8,662,736
Inventory (Parts, Fuel)	835,169
Prepaid Expenses	691,296
Total Current Assets	23,881,785
Land & Buildings	36,103,441
Equipment	66,991,205
Accum Depreciation	(48,514,466)
Net Capital Assets	54,580,180
Total Assets	\$78,461,965
Liabilities:	
Accounts payable	\$524,417
Accrued Payroll	628,586
Accrued Sick/Vacation	1,412,257
Other Accruals	346,016
Unearned Revenue	846,951
Post-Retire Benefits	237,622
Total Liabilities	3,995,849
Net Position	
Unrestricted (GASB 31)	11,087,523
Unrestricted (Fuel Savings)	271,256
Unrestricted (Available)	8,527,157
Total Unrestricted	19,885,936
Invested in Capital Assets	54,580,180
Total Net Position	74,466,116
Total Liab & Net Position	78,461,965
Total FY 2016 Expenses*	\$38,655,850
Months in Unrestricted	
Net Assets (Min 2.5)	2.65
Amount above Minimum	\$473,855

*Expenses do not include R&D projects

Ann Arbor Area Transportation Authority

Performance Report - Year to Date

Urban Fixed-Route Service

April 2016

Performance Indicators	Actual	Budgeted		Previous Year	
	Year to Date	Year to Date	% Variance	to Same Date	% Variance
Average # of Weekday Passengers	22,733			23,725	-4%
Passengers per Service Hour	28.1	31.4	-11%	30.3	-7%
Operating Expense per Passenger	\$ 4.20	\$ 3.93	7%	\$ 3.87	8%
Operating Expense per Service Hour	\$ 117.83	\$ 123.66	-5%	\$ 117.12	1%
Operating Expense per Service Mile	\$ 8.65	\$ 8.85	-2%	\$ 8.54	1%
Percent of Cost paid by Passenger	14.9%	15.7%	-5%	16.5%	-10%

Base Data	Actual	Previous Year	
	Year to Date	to Same Date	% Variance
Service Inputs			
AAATA Operating Expenses	\$ 15,723,575	\$ 14,867,732	5.8%
Service Outputs			
AAATA Service Hours	133,445	126,940	5.1%
AAATA Service Miles	1,817,314	1,741,918	4.3%
Service Consumption			
AAATA Passengers	3,747,006	3,840,013	-2.4%
AAATA Passenger Revenue	\$ 2,348,163	\$ 2,459,267	-4.5%
Total # of Weekday Passengers	3,387,252	3,535,058	-4.2%

Number of Weekdays
 Fy 2015: 149
 Fy 2016: 149

Ann Arbor Area Transportation Authority

Performance Report - Year to Date

Urban Demand-Response Service

April 2016

Performance Indicators	Actual		Budgeted		Previous Year	
	Year to Date		Year to Date	% Variance	to Same Date	% Variance
Average # of Weekday Passengers	541				524	3%
Passengers per Service Mile	0.125		0.145	-14%	0.127	-2%
Operating Expense per Passenger	\$ 31.96		\$ 27.81	15%	\$ 29.29	9%
Operating Expense per Service Mile	\$ 3.98		\$ 4.04	-2%	\$ 3.72	7%
Percent of Cost paid by Passenger	14%		18%	-25%	16%	-13%

Base Data	Actual		Previous Year	
	Year to Date		to Same Date	% Variance
Service Inputs				
Urban DR Operating Expenses	\$ 3,161,730		\$ 2,852,983	11%
Service Outputs				
Urban DR Service Miles	794,258		766,533	4%
Service Consumption				
Urban DR Passengers	98,939		97,407	2%
Urban DR Passenger Revenue	\$ 427,798		\$ 442,717	-3%
Total # of Weekday Passengers	82,253		79,573	3%

Number of Weekdays Fy 2015: 152
 Fy 2016: 152

Ann Arbor Area Transportation Authority

Performance Report - Year to Date

ExpressRide - Fixed-Route Service

April 2016

Performance Indicators	Actual		Budgeted		Previous Year	
	Year to Date		Year to Date	% Variance	to Same Date	% Variance
Average # of Weekday Passengers	118				147	-20%
Passengers per Service Hour	14.5		19.9	-27%	18.0	-20%
Operating Expense per Passenger	\$ 9.80		\$ 6.79	44%	\$ 7.92	24%
Operating Expense per Service Hour	\$ 142.08		\$ 135.39	5%	\$ 142.85	-1%
Operating Expense per Service Mile	\$ 5.37		\$ 5.14	5%	\$ 5.40	-1%
Percent of Cost paid by Passenger	41.5%		60.0%	-31%	53.3%	-22%

Base Data	Actual		Previous Year	
	Year to Date		to Same Date	% Variance
Service Inputs				
Operating Expenses	\$ 172,106		\$ 173,043	-1%
Service Outputs				
Service Hours	1,211		1,211	0%
Service Miles	32,057		32,057	0%
Service Consumption				
Passengers	17,559		21,846	-20%
Passenger Revenue	\$ 71,343		\$ 92,268	-23%
Total # of Weekday Passengers	17,559		21,846	-20%

Number of Weekdays Fy 2015: 149
 Fy 2016: 149

Ann Arbor Area Transportation Authority

Performance Report - Year to Date

AirRide - Fixed Route Service

April 2016

Performance Indicators	Actual		Budgeted		Previous Year			
	Year to Date		Year to Date	% Variance	to Same Date	% Variance		
Average # of Weekday Passengers	260				233	12%		
Passengers per Service Hour	9.9		8.4	19%	9.3	6%		
Operating Expense per Passenger	\$	15.69	\$	19.06	-18%	\$	17.47	-10%
Operating Expense per Service Hour	\$	155.59	\$	159.44	-2%	\$	163.19	-5%
Operating Expense per Service Mile	\$	4.79	\$	4.93	-3%	\$	5.03	-5%
Percent of Cost paid by Passenger	78.6%		53.0%	48%	70.8%	11%		

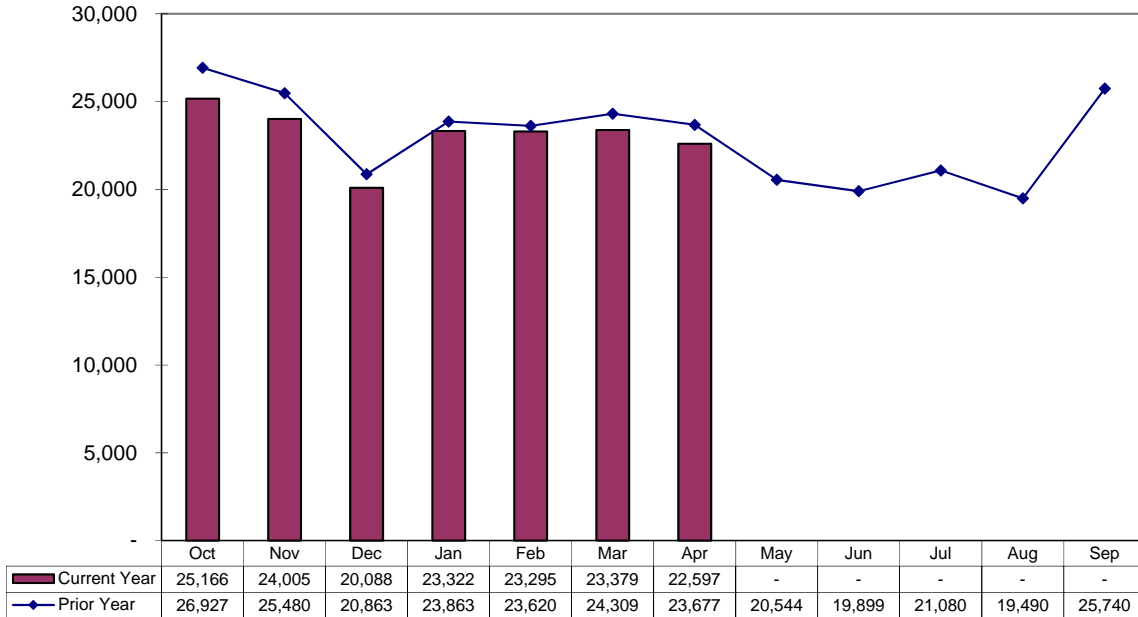
Base Data	Actual		Previous Year		
	Year to Date		to Same Date	% Variance	
Service Inputs					
Operating Expenses	\$	837,574	\$	849,352	-1%
Service Outputs					
Service Hours		5,383		5,205	3%
Service Miles		174,709		168,909	3%
Service Consumption					
Passengers		53,397		48,631	10%
Passenger Revenue	\$	658,494	\$	601,591	9%
Total # of Weekday Passengers		39,590		35,457	12%

Number of Weekdays Fy 2015: 152
 Fy 2016: 152

Average Weekday Passengers

April 2016

Fixed Route Average Weekday Passengers



A-Ride Average Weekday Passengers

