



It is the mission of the Ann Arbor Transportation Authority to provide useful, reliable, safe, environmentally responsible, and cost-effective public transportation options for the benefit of the Greater Ann Arbor Community.

Approved Minutes

July 16, 2012

Ann Arbor Transportation Authority

Board of Directors Meeting

AATA Main Office, 2700 South Industrial Highway, Ann Arbor, Michigan, 4:00 p.m.

Board Members Present: Jesse Bernstein (Chair), Eli Cooper, Anya Dale, Sue Gott, David Nacht

Absent: Charles Griffith (with notice), Roger Kerson

Staff Present: Michael Benham, Terry Black, Ron Copeland, Dawn Gabay, Michael Ford, Jan Hallberg, Ed Robertson, Mary Stasiak, Phil Webb, Chris White

Recording Secretary: Karen Wheeler

Chairman Jesse Bernstein declared that a quorum was present and called the meeting to order at 4:03 p.m.

1.0 *Public Hearing*

There was no public hearing.

2.0 *Communications and Announcements*

2.1 *Appoint Acting Secretary*

Mr. Bernstein appointed Eli Cooper Acting Secretary.

2.2 *Invitation to District Advisors to Attend August Board Meeting*

Mr. Bernstein reported on an invitation to District Advisors to attend the August Board meeting. Mr. Bernstein indicated that he would seek input on preferences for continuing to hold separate Unincorporated Act 196 "u196" board meetings, or hold joint meetings. Mr. Bernstein added that he would keep Board members posted on the status of the responses.

3.0 *Public Time – Comment on Agenda Items*

No one appearing, Mr. Bernstein declared Public Time closed.

4.0 *Review and Approval of Minutes*

4.1 *Review and Approval of Minutes of June 21, 2012*

Sue Gott moved approval of the minutes as written with support from Anya Dale. David Nacht abstained. The motion carried.

5.0 *Board and Staff Reports*

5.1 *Chief Executive Officer*

Michael Ford reported on the status of obtaining approval from the Washtenaw County Board of Commissioners on the Articles of Incorporation for an Act 196 Authority. The Articles, as well as the 4-Party Agreement, were approved by the County Ways and Means Committee. Approval from the full Board of Commissioners was to be sought on August 1.

Mr. Ford reported on an upcoming appearance before the City of Ann Arbor Planning Commission to seek approval of plans for the Blake Transit Center reconstruction project.

Mr. Ford commended staff for their outstanding work on a Triennial Review conducted by the Federal Transit Administration and a contractor the week prior. There was only one minor finding which was corrected.

Mr. Ford noted that that there had been some discussion prior to the meeting about Public Act 152 when he distributed documents recommending a change in the percentage for AATA to contribute for health care premiums for nonunion employees. In June the Board took action and set the percentage at 80% for AATA to pay. A change was being recommended to increase the amount to 90% based on a telephone conference with representatives from the US Department of Labor and a letter from the Michigan Attorney General's office.

Mr. Ford acknowledged that there had not been a check-in with legal counsel on the proposed change and indicated that a decision could be postponed until the next Board meeting pending legal review.

5.2 *Planning and Development Committee*

Anya Dale reported on the July Planning and Development Committee meeting.

Ms. Dale reported on the discussions that led to the committee supporting three resolutions: relocation of a fire hydrant for the bus garage expansion; extension of the contract with Blue Cab for Night Ride service due to increased costs and an amendment to the contract with Steer Davies Gleave for additional work on the Five Year Transit Program.

The committee discussed future bus purchases and whether hybrid or conventional vehicles should be ordered. It was suggested that there are potential reasons to consider conventional buses due to recent increases in expenses to maintain the hybrids.

6.0 *Question Time*

Jesse Bernstein echoed Michael Ford's praise of staff for their work on the Triennial Review.

Mr. Bernstein noted that Night Ride ridership had increased to correlate with increases in costs.

Mr. Bernstein asked what would happen if the Board did not rescind the resolution regarding Public Act 152 and if no action would cause problems for an August 1 implementation of the new health insurance benefit cycle.

Ed Robertson responded that he was not sure what had been transmitted to the health insurance carrier and whether that could be reversed.

David Nacht stated the importance of following the law. Mr. Nacht referred to the draft resolution to change the percentage of health insurance premiums paid by AATA to 90% for nonunion employees. Mr. Nacht noted a reference to an oral opinion from the US Department of Labor and correspondence from the Michigan Attorney General's office regarding union employees. Mr. Nacht suggested that there may still be an obligation to follow the law with regard to nonunion employees and directed staff to get legal advice.

Board members, with input from staff, discussed the matter. Staff provided information on what other transit agencies are doing and on a provision for cities that allows governing bodies to take a 2/3 vote and opt of the law. A concern was raised about how to balance regressive impacts on employees with the Board's fiduciary responsibility to protect taxpayer funds. It was noted that in June there was consensus on the Board that there was no interest in leveling such an impact on employees due to the public policy.

It was suggested that the matter is a policy issue with legal ramifications and noted that Board members were only presented with the revised proposal as they walked into the meeting with no opportunity to review any background materials in advance. It was

also suggested that staff pursue a legal opinion and develop a policy analysis and consider calling a special meeting to decide the matter. Michael Ford indicated that the new information had just been received from the Department of Labor and legal counsel was not available for consultation prior to the meeting.

Karen Wheeler responded to questions on Board members voting via telephone or by proxy in the event all Board members could not be present for a special meeting. Ms. Wheeler indicated that neither option is included in the Bylaws.

Ed Robertson shared new information that July 23 was the final deadline for modifications to health insurance elections.

The discussion continued and the following suggestions made:

- Comply with the law pending a legal opinion which indicates that it is not necessary to follow the law;
- Compensate employees (staff) through the budgetary process in an equitable distribution;
- Institute supplemental compensation based on actual receipts.

Michael Ford indicated that he would seek a written legal opinion to bring back for a potential special meeting. Chris White clarified the Department of Labor opinion.

David Nacht requested that the legal opinion address the following questions:

- A clear legal directive on if AATA does not want to adopt Act 152 with regard to union employees, can AATA choose not to follow the law?
- A clear legal directive on if AATA does not want to adopt Act 152 with regard to nonunion employees, can AATA choose not to follow the law?
- To the extent that AATA is following the law but wants to lessen the burden on employees, what direction can be offered to adjust compensation to protect employees, should the Board choose to take that route?

7.0 *Old Business*

There was no old business for the Board to consider.

8.0 *New Business*

Eli Cooper moved the following resolution with support from Anya Dale.

8.1 *Relocation of Fire Hydrant*

WHEREAS, the recent expansion of the Ann Arbor Transportation Authority (AATA) bus storage facility at 2700 S. Industrial Highway required the relocation of a fire hydrant, and

WHEREAS, AATA's Construct Manager, Spence Brothers, received three bids for the relocation of the fire hydrant, and (in conjunction with AATA), the lowest qualified bidder was identified, now therefore

IT IS RESOLVED, that the AATA CEO is authorized to enter into a contract with RBV Contracting to relocate the fire hydrant at 2700 S. Industrial Highway for a price not to exceed \$104,000.

Eli Cooper recapped the discussion that took place at PDC that led to the committee's decision to support the resolution.

The motion carried.

Anya Dale moved the following resolution with support from Eli Cooper.

8.2 *Extension of Contract with Blue Cab for Night Ride*

WHEREAS, in 2009 as a result of a competitive procurement, the AATA contracted with Blue Cab to provide NightRide service, and

WHEREAS, the current contract includes an option for a fourth year ending in 2013, and

WHEREAS, Blue Cab has provided satisfactory service and worked with AATA to maintain service quality with an expanded service area, and

WHEREAS, in compliance with AATA policy, Blue Cab will have to implement living wage provisions, and

WHEREAS, Blue Cab has requested a cost increase of 14% in the cost per hour paid by AATA to Blue Cab to implement the living wage provisions and a general cost increase, and

WHEREAS, with the requested increase, the total increase in cost per hour - exclusive of living wage - would be 6.6% from 2009, the first year of the contract (a 1.7% average annual increase),

NOW THEREFORE BE IT RESOLVED, the CEO is hereby authorized to exercise the option for the contract with Blue Cab to operate Night Ride service until November 30, 2013 at a rate of \$32/service hour for non-accessible vehicles.

Chris White responded to questions about customer satisfaction levels with Blue Cab. Mr. White indicated that complaints are very low noting that there has been some increase in the past few months. However, complaints have not risen compared to the level of ridership. Mr. White added that he has been very pleased with how Blue Cab representatives have addressed complaints when they occur.

Eli Cooper offered a friendly amendment to note the actual percentage, 14%, of the cost increase requested by Blue Cab. The number was inadvertently omitted from the resolution included in the Board packet.

Ms. Dale accepted the friendly amendment and the motion carried.

Eli Cooper moved the following resolution with support from Sue Gott.

8.3 *Amendment to Steer Davies Gleave Contract*

Whereas, the Ann Arbor Transportation Authority Board of Directors authorized execution of a contract with the firm Steer Davies Gleave (SDG) for the development of a Transit Master Plan (TMP) on April 21, 2010, and,

Whereas, AATA initially required consulting services to: provide national and international perspective and expertise; to provide sufficient analytical resources to work through a large and diverse set of issues; and establish an extremely aggressive and transparent public outreach campaign, and

Whereas, AATA now has expanded internal capabilities that were lacking when SDG was originally contracted; and

Whereas, the planning effort now consists essentially of revisions and refinement of the Program rather than its creation, and as the Program moves toward implementation, the Authority must mainstream it into AATA's regular workflow, and

Whereas, AATA has maximized the value from outside consultants, and internalizing the work will, reduce expense, and improve turnaround time for analysis, while responding to new issues as they arise.

Now, Therefore, Be It Resolved, that the AATA seeks a final contract amendment to the SDG contract in order to undertake the transition of planning tools and capabilities to AATA staff, and those activities may consist of (but are not limited to): documentation and turnover of FYTP financial spreadsheet developed in conjunction with the Financial Task Force; documentation and turnover of urban bus network enhancement spreadsheet model; assistance in the development of the methodology for an equity analysis of the Program; refinements as needed to the Five Year Transit Program service proposals, based on additional public input; on-going high level contributions to the strategic development of the Program and participation at regular update meetings, including support with Board briefings and review of public relations materials; design of the long term DAC strategy and turnover of near term DAC implementation activities; on-going monitoring and evaluation of the DAC process, including development and tracking of measures of effectiveness of the committees; DAC recruitment assistance; continued administration of the community remarks planning tool including possible transition to AATA for on-going use.

Be It Further Resolved, that the Ann Arbor Transportation Authority Board of Directors hereby authorizes an increase in the value of the contract with Steer Davies Gleave, by \$60,000, for an amount not to exceed \$780,622.72. Twenty-five thousand (\$25,000) dollars of this contract increase is dedicated to the work of Carlisle Wortman Associates, a local firm as stated in the letter from SDG requesting the increase. The \$60,000 is included in the adopted budget and requires only a transfer between line items.

Board members discussed the proposed amendment to the Steer Davies Gleave (SDG) contract. It was noted that a portion of the additional funds would be going to Carlisle Wortman, a local company, to begin the transition of work currently provided by the firm to in-house management. Michael Benham confirmed that the extension would be the last for Steer Davies Gleave under the existing contract. Additional work at a later date with the firm would need to be made under a separate contract.

In response to an inquiry Mr. Benham outlined SDG's value including a knowledgeable staff with international experience and expertise to complete complex work and depth on the SDG team in terms of the number of individuals to complete a large volume of work. Much of the knowledge from SDG has been transferred locally to the project team in preparation for operating a countywide system. Mr. Benham described the work to be completed by Carlisle Wortman. Mr. Benham noted that more work is ahead to be prepared a year from now in terms of understanding every particular piece in the Five Year Transit Program.

The motion carried.

David Nacht moved the following resolution with support from Anya Dale.

8.4 *Marketing and Public Relations Services Contract*

WHEREAS, the need for professional marketing and public relations services by consulting firms continues due to the expertise required to support AATA's ongoing initiatives, public outreach and other communications needs,

WHEREAS, AATA publicly sought proposals from companies to provide public relations and marketing services and the two firms, Quack! Media and Pace & Partners, Inc., were selected as a result of a thorough proposal evaluation process, and

WHEREAS, the cost of these professional public outreach, education, and other communication services is expected to exceed \$100,000 over the award period, and Board policy requires advance authorization to purchase products or services over \$100,000, therefore,

IT IS RESOLVED that the Board of Directors authorizes the AATA CEO to purchase professional marketing and public relations services from Quack!

Media and Pace & Partners, Inc., for an amount not to exceed \$500,000 without prior notice to the Board by the CEO, for the contract term of three years, with an option to extend the term for up to two additional one-year periods, for public relations, education, community outreach and other communication services in support of AATA's initiatives and general operations.

Mary Stasiak responded to questions on the procurement process for the Marketing and Public Relations Services Contract. The preferred firms were chosen based on their relative experience and qualifications, ability to move the organization forward, their specific experience, approaches and management styles to help move the marketing strategic plan forward.

Mary Stasiak confirmed that the RFP was designed as a result of a recent marketing study. David Nacht noted that the firm who completed the marketing study was also one of the firms chosen for the contract. Ms. Stasiak indicated that all of the bidders were provided with the findings of the plan and no firm was given any additional information. Ms. Stasiak added that the RFP was created by staff and reviewed by management and the two firms chosen are believed to be the best qualified to meet AATA's needs.

Michael Ford responded to questions on the "not to exceed" amount of \$500,000 for the life of the contract. Mr. Ford explained that contracts normally have a three year term and include two, one-year option extensions. Ms. Stasiak noted that the last contract for marketing and public relations services totaled approximately \$427,000 over a three year period. It was felt that the "not to exceed" amount of \$500,000 should be sufficient for the full five years of a new contract.

In response to a question from Eli Cooper, Ms. Stasiak confirmed that billings are based on hourly rates and the contract is a task order agreement. David Nacht requested and received confirmation that the ability exists to limit the work and that the contract includes a termination clause. Sue Gott suggested a midpoint assessment for reaffirmation at a strategic point so that the Board is collectively comfortable with the image and direction. Jesse Bernstein indicated that PMER would be asked to provide substantial reporting on the deliverables including costs incurred associated with the scope of work. It was noted that Roger Kerson was part of the evaluation team.

Any proposed to amend the "RESOLVED" clause in the resolution as follows:

IT IS RESOLVED that the Board of Directors authorizes the AATA CEO to purchase professional marketing and public relations services from Quack! Media and Pace & Partners, Inc., for an amount not to exceed ~~\$500,000~~ \$300,000 without prior notice to the Board by the CEO, for the contract term of three years, with an option to extend the term for up to two additional one-year periods, at \$100,000 each year, for public relations, education, community outreach and other communication services in support of AATA's initiatives and general operations.

David Nacht proposed a second amendment to add the following language to the last sentence of the resolution:

...provided that the contract shall allow the board to terminate the contract with 30 days' notice at any point.

There were no objections to either friendly amendment. The motion, as amended twice, carried.

9.0 *Public Time*

Jim Mogensen appeared before the Board. Mr. Mogensen referred to and commented on an AATA plan from 1975 suggesting that there are similar concepts in the current expansion plans. Mr. Mogensen referred to 15 amendments presented at the PDC meeting and suggested establishing a central place for the information.

Thomas Partridge appeared before the Board. Mr. Partridge commented on the contract extension for Blue Cab and the award of a contract for marketing and public relations services. Mr. Partridge called on the Board to implement having Board members or AATA managers act as test riders and questioned whether the AATA contracts with SelectRide and Blue Cab are being adequately served, suggesting that there are major problems. Mr. Partridge suggested exploring the option of AATA staff providing marketing and public relations services versus paying expensive contract rates.

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

10.0 *Adjourn*

Anya Dale moved to adjourn the meeting with support from Sue Gott. The motion carried and the meeting adjourned at 5:03 p.m.

Respectfully Submitted,

Eli Cooper, Acting Secretary