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Approved Minutes

February 16, 2017

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, Sue Gott, Prashanth Gururaja, Roger Hewitt, Larry Krieg, Eric Mahler (Chair), Stephen Wade

Guest: Pam Hill and Josh Yde, Plante & Moran

Staff: Dawn Gabay, Julia Roberts, Mary Stasiak, Phil Webb

LAC Representative: Cathy-Alice Koyanagi

Recording Secretary: Karen Wheeler

Chairman Eric Mahler declared that a quorum was present and called the meeting to order at 6:32 p.m.

1.0 Public Hearing

There was no Public Hearing.

2.0 Communications and Announcements

Mr. Mahler announced that this was the last Board meeting for Dawn Gabay, Deputy CEO, who was retiring. Mr. Mahler recognized Ms. Gabay for her good work over her 42-year career with the organization. Mr. Cooper acknowledged Ms. Gabay for her leadership and her contribution to the success of the organization. Mr. Hewitt praised Ms. Gabay for being a wonderful ambassador for the organization.

3.0 Public Time – Comment on Agenda Items

Jim Mogensen appeared before the Board. Mr. Mogensen acknowledged Ms. Gabay. Mr. Mogensen commented on the Board's Policy Governance work encouraging the Board to identify a way to address policy while not losing the ability to interact. Mr. Mogensen commented on the AirRide agenda item and the question of one or two

stops inquiring about whether there would be a conversation about the implications of having only one stop.

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

#### 4.0 Review and Approval of Minutes

##### 4.1 Review and Approval of Minutes January 19, 2017

Eli Cooper moved approval of the minutes as written with support from Mike Allemang. Gillian Ream Gainsley abstained. The motion passed.

#### 5.0 Board and Staff Reports

##### 5.1 Chief Executive Officer

###### 5.1.1 FY2016 Audit Presentation

Ms. Gabay announced that the audit was complete and the auditors presented an overview of their findings to the Performance Monitoring and External Relations Committee. Mr. Webb introduced Pam Hill and Josh Yde from Plante & Moran. Ms. Hill and Mr. Yde reported on the Financial Statements and the audit opinion letter.

Mr. Yde reported that the audit letter designates an unmodified opinion, the highest level of assurance that the financial statements are accurately stated. Mr. Yde reported on highlights in the Statement of Net Position and the Statements of Revenues, Expenses and Changes in Net Position. Mr. Yde referred to the Report on Internal Control Over Financial Reporting on the federal audit of grants. There were no findings.

Ms. Hill referred to the opinion letter to the Board noting that there were no deviations from the original audit plan, and the plan did not have any issues. Ms. Hill reported on a new requirement for FY2018 related to AAATA's retiree healthcare obligation. The liability will be recorded on the Balance Sheet. Ms. Hill reported that AAATA has minimal legacy costs related to retiree health care.

Mr. Mahler thanked Ms. Hill and Mr. Yde for their presentation and thanked Mr. Webb and the AAATA team for their work.

## 5.2 Planning and Development Committee

Ms. Gainsley reported on the Planning and Development Committee (PDC) meeting. PDC supported a resolution to submit the FY2018 state funding application. PDC engaged in conversation about a Washtenaw Area Transportation Study (WATS) Policy Committee matter about funding for work on state trunk lines; specifically, the pedestrian crosswalk on Washtenaw Avenue near the County Service Center. PDC received an update on the Connector project. Bids for the next phase of the Connector Study came in higher than the funds budgeted. The project team is looking at an incremental approach going forward. PDC received a presentation on the Ypsilanti Transit Center (YTC). A Request for Proposals will be issued to hire a firm to conduct planning and public engagement around the YTC project. The timeline for completion is 8-12 months. PDC encouraged staff to engage stakeholders in the process and look for potential partners and development opportunities.

## 5.3 Performance Monitoring and External Relations Committee

Mr. Allemang reported on the Performance Monitoring and External Relations (PMER) Committee meeting. PMER received a presentation by the auditors. The Committee was pleased with the outcome of audit and reached consensus to bring the audit forward to the Board for acceptance. PMER received a report on the financial data for the first three months of the fiscal year including the quarterly Report to Treasurer and an accounting of the Fuel Savings and Technology Fund. Staff presented the performance data. December weekday fixed-route ridership was up from a year ago making December the fifth month in a row that weekday fixed-route ridership has increased. ARide and AirRide ridership increased and ExpressRide ridership declined. PMER received a report on long-term ridership trends; a 35-year trend of fixed-route riders, service hours and productivity, changes in fixed-route ridership for the last 10 years, and changes in average weekday, Saturday and Sunday ridership in the last five years. PMER received a report on a recommendation to award a contract for AirRide service to Michigan Flyer and considered two alternatives for negotiating the contract: 1. for the CEO to negotiate with Michigan Flyer and go to the Board for the contract to be approved, or 2. for the CEO to have the authority to negotiate and execute the contract. The Committee unanimously recommended the second alternative noting that it is consistent with the direction the Board is moving in regarding Policy Governance. The Committee received a report on a recommendation to award a new contract for Communications and Marketing Services and concurred that the resolution should come forward to the Board for approval.

#### 5.4 Local Advisory Council

Cathy-Alice Koyanagi reported on the Local Advisory Council (LAC) meeting. LAC received a presentation on Vehicle Accessibility Plans from representatives of WAVE, People's Express and Northfield Human Services. LAC received an update on the Greyhawk system as well as the IVR night before trip reminder call system. LAC is in the process of updating its brochure. Ms. Koyanagi reported that the LAC is supportive of the AAATA Board's governance restructuring.

#### 5.5 Washtenaw Area Transportation Study

Dr. Krieg reported on the Washtenaw Area Transportation Study (WATS) Policy Committee meeting. The Committee discussed a proposal for a mid-block crossing on Washtenaw Avenue east of the intersection of Carpenter and Hogback across from the County Service Center. The project is included in the Reimagine Washtenaw project, and WATS received a request to direct \$20,000 local Surface Transportation Program (STP) funds for the crossing. The site of the proposed crossing is a state trunkline under Michigan Department of Transportation (MDOT) jurisdiction and MDOT does not have funds for the project before 2022. Local funds are limited and have not been used to fund state trunkline projects. The Committee discussed the implications of trunkline use of local funds and took action to allocate the \$20,000 in local STP funds from the Reimagine Washtenaw project to rebuilding a culvert into a bridge on Cavanaugh Lake Road. Dr. Krieg noted that the action leaves the midblock crossing in limbo for placing an AAATA SuperStop at the site.

Dr. Krieg announced public input meetings for comment on the WATS 2040 Long Range Plan; and also that SEMCOG is holding a Connected Vehicle Symposium on April 25 at the Westin Hotel in Southfield.

#### 5.6 Ann Arbor Transportation Commission

Mr. Gururaja reported on the first meeting of the Ann Arbor Transportation Commission which was focused on logistics. Members introduced themselves and met City staff. Draft bylaws were introduced. Mr. Gururaja noted that there is an emphasis among members on pedestrian and bicycle safety.

#### 5.7 Governance

##### 5.7.1 Policy Governance

Mr. Mahler announced formation of a Drafting Committee including Mr. Bernard, Mr. Wade and Mr. Mahler. The Committee will focus on the

Ends and put forward a work product for review and comment. The target date for the Board to vote on Policy Governance was pushed back to April. Mr. Mahler welcomed comments on the draft Policy Template.

## 6.0 Question Time

Mr. Cooper commented on the mid-block crossing discussed in the WATS report. Board members shared ideas for determining AAATA's role for the safety of passengers to use AAATA's services and how to include safety in the Ends or Means of the Policy Governance model. The Board did not reach consensus. A summary of the comments follows:

- AAATA should make known that there is a need to respond to transit access and this is a human safety issue.
- AAATA should weigh in on public opportunities to comment on the state's processes on investment and planning decisions.
- By no one being responsible, all are responsible.
- Draft the Ends so that the CEO understands that strong leadership is required when there are unsafe, inefficient or inequitable situations.
- The Board can't afford to sit back until there is a tragedy.
- Consider having a policy position for building infrastructure into the state financial liabilities.
- This is about AAATA being relevant to the planning of other entities and relevant in local ecology.
- It may be appropriate for the Ann Arbor Transportation Commission to take up the mid-block crossing matter at some point.

Mr. Cooper expressed praise for many years of clean audits and commended staff for their work. Dr. Krieg, Mr. Wade and Mr. Allemang echoed Mr. Cooper's praise.

Dr. Krieg commented on the YTC project suggesting engaging in collaborative activities with relevant entities and community partners.

Mr. Mahler thanked Board members for their comments and welcomed further suggestions on how not allowing unsafe conditions could fit into the Ends or Means.

## 7.0 Old Business

There was no Old Business for the Board to consider.

## 8.0 New Business

Ms. Gabay introduced the resolution on the FY2018 State Funding Application. Ms. Roberts responded to a question on submission of a draft budget indicating that there

will be an opportunity to revise the budget to reconcile with AAATA's federal grant application.

Larry Krieg moved the following resolution with support from Sue Gott.

8.1 FY2018 State Funding Application

Resolution 7/2017

RESOLUTION OF INTENT TO APPLY TO APPLY FOR FINANCIAL ASSISTANCE FOR FISCAL YEAR 2018 UNDER ACT 51 OF THE PUBLIC ACTS OF 1951, AS AMENDED

WHEREAS, pursuant to Act 51 of the Public Acts of 1951, as amended (Act 51), it is necessary for the Ann Arbor Area Transportation Authority (AAATA) established under Act 55 of 1955 to provide a local transportation program for the state fiscal year of 2018 and, therefore, apply for state financial assistance under provisions of Act 51; and

WHEREAS, it is necessary for the AAATA, to name an official representative for all public transportation matters, who is authorized to provide such information as deemed necessary by the State Transportation Commission or department for its administration of Act 51; and

WHEREAS, it is necessary to certify that no changes in eligibility documentation have occurred during the past state fiscal year; and

WHEREAS, the performance indicators for this agency have been reviewed and approved by the AAATA; and

WHEREAS, the AAATA, has reviewed and approved the proposed balanced budget and funding sources of estimated federal funds \$4,350,400, estimated state funds \$11,639,173, estimated local funds \$18,556,181, estimated fare box \$6,742,104, estimated other funds \$1,064,395, with total estimated expenses of \$42,352,253.

NOW THEREFORE, be it resolved that the AAATA hereby makes its intentions known to provide public transportation services and to apply for state financial assistance with this annual plan, in accordance with Act 51; and

HEREBY, appoints Matthew Carpenter as the Transportation Coordinator, for all public transportation matters, who is authorized to provide such information as deemed necessary by the State Transportation Commission or department for its administration of Act 51 for 2018.

The motion passed unanimously.

Mike Allemang moved the following resolution with support from Eli Cooper.

8.2 Accept Audit Report

Resolution 8/2017  
Acceptance of Audited Financial Statements  
For the Year Ended September 30, 2016

**WHEREAS**, the Ann Arbor Area Transportation Authority (Authority) engaged Plante & Moran, PLLC, professional auditors, to perform a financial audit and Federal single audit for the year ended September 30, 2016, and

**WHEREAS**, the Authority management has prepared financial statements and the auditing firm has completed their audit of the financial statements and Federal grant programs and summarizing their findings, and

**WHEREAS**, the Authority management has received and reviewed the communications required under Generally Accepted Auditing Standards, Section AU 260, "*The Auditor's Communication with Those Charged with Governance*," also known as a management letter,

**NOW, THEREFORE, BE IT RESOLVED**, that the Ann Arbor Area Transportation Authority Board of Directors acknowledges and accepts the audited financial statements for the year ended September 30, 2016, based upon the auditing firm presentation to the Board of Directors.

The motion passed unanimously.

8.3 AirRide Contract

Ms. Gabay introduced the resolution on the AirRide Contract. A Request for Proposals yielded two responses and Michigan Flyer was determined to be the most responsive proposer.

Board members commented on the resolution as follows:

- Consider discussing a second Ann Arbor stop and a stop in the Ypsilanti area with the vendor
- PMER may want to advise the CEO about concerns about the number of stops as the CEO goes about negotiating with Michigan Flyer
- The public-private partnership allows quality service to be provided at a reasonable cost to AAATA and riders

Ms. Gott offered language to add to the resolution to memorialize the suggestions to urge additional steps:

...the AAATA Board of Directors, in an advisory and monitoring capacity, authorizes the Chief Executive Officer to enter into negotiations...

Board members discussed the suggestion to modify the resolution. It was noted that PMER discussed the concerns with the CEO. It was also noted that there has been a change in Airport leadership and the relationship between the Airport and Michigan Flyer appears to have improved. It was suggested that the Board advising and governing may be meddling with the Means of Policy Governance.

After the discussion, Ms. Gott withdrew the proposed modification.

Jack Bernard moved the following resolution with support from Mike Allemang.

Resolution 9/2017  
APPROVAL OF CONTRACT AWARD FOR  
AIRPORT TRANSPORTATION (AirRide) SERVICES

**WHEREAS**, the Ann Arbor Area Transportation Authority's (AAATA) primary consideration is to continue providing cost-effective, high-quality service between Ann Arbor and Detroit Metropolitan Airport (DTW), and

**WHEREAS**, AAATA conducted a competitive procurement process and determined that Indian Trails/Michigan Flyer, LLC (MI Flyer) was the most responsive and responsible proposer,

**NOW, THEREFORE, BE IT RESOLVED**, that the AAATA Board of Directors authorizes the Chief Executive Officer to enter into negotiations and implement a contract with MI Flyer to operate AirRide.

The motion passed unanimously.

#### 8.4 Communications and Marketing Services Contract

Ms. Stasiak introduced the resolution to award a contract for Communications and Marketing Services to Berline, Inc. Ms. Stasiak reported that the services were previously awarded to multiple vendors. Ms. Stasiak noted that Berline offers the services needed, and was found to be the most responsive vendor.

Larry Krieg moved the following resolution with support from Prashanth Gururaja.



Resolution 10/2017  
AUTHORIZATION TO AWARD COMMUNICATIONS  
AND MARKETING SERVICE CONTRACT

WHEREAS, the need for professional communications and marketing services by consulting firms continues due to the expertise required to support the Ann Arbor Area Transportation Authority's (AAATA's) ongoing initiatives, public engagement efforts and communications needs, and

WHEREAS, AAATA publicly sought proposals from companies to provide marketing and communications services and Berline, Inc. was selected as a result of a thorough proposal evaluation process, and

WHEREAS, the cost of these professional communication and marketing 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,

NOW THEREFORE, BE IT RESOLVED, that the AAATA Board of Directors (Board) authorizes the CEO to purchase professional communications and marketing services from Berline, Inc. for the contract term of three years, with an option to extend the term for up to two additional one-year periods, provided that the contract shall allow the Board to terminate the contract without penalty with 30 days' notice at any point.

The motion passed unanimously.

9.0 Public Time

Cathy-Alice Koyanagi appeared before the Board. Ms. Koyanagi commended ARide driver Ronda Green for being kind, compassionate and caring when assisting another passenger board an ARide bus. Ms. Koyanagi described details of what could have been a dangerous situation as the passenger was having difficulty maneuvering her mobility aid onto the lift. Ms. Koyanagi suggested that it may be appropriate for the passenger to receive travel training, and inquired about guidance and limitations to ensure the safety of ARide employees, riders and other passengers.

Jim Mogensen appeared before the Board. Mr. Mogensen commented on the Connector project and the Morgantown personal rapid transit system. Mr. Mogensen suggested that as next steps on the Connector are explored, it's important to note that the problem has not gone away, but the issues of funding and how it works remain. Mr. Mogensen commented on his efforts as a community activist and the idea that when needed, interest in different initiatives, such as the transit millage and the crosswalk on Washtenaw, can be given greater emphasis.

Michelle Barney appeared before the Board. Ms. Barney expressed appreciation for SeniorRide grocery trips. Ms. Barney reported on difficulty she experienced with booking ARide trips, and ARide trips being late in the last month.

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

10.0 Adjourn

Roger Hewitt moved to adjourn the meeting with support from Gillian Ream Gainsley. The motion passed unanimously and the meeting adjourned at 8:20 p.m.

Respectfully Submitted,

Stephen Wade, Secretary