

Approved Minutes
April 22, 2009
Ann Arbor Transportation Authority
Board of Directors Meeting
AATA Headquarters, 2700 South Industrial Highway, 5:30 p.m.

Board Members Present: Paul C. Ajegba, Ted Annis, Jesse Bernstein, Charles Griffith, David Nacht (Chair), Rich Robben

Board Members Absent: Sue McCormick

Staff Present: Ken Anderson, Terry Black, Ron Copeland, Lois Crawford, Connie Curry, Kathy Forts, Dawn Gabay, Jan Hallberg, Ken Miller, Ed Robertson, Ed Ross, Mary Stasiak, Phil Webb, Chris White

Guests Present: Michael Ford, Marjorie Young

LAC Representative: Rebecca Burke

Recording Secretary: Karen Wheeler

Chairman David Nacht declared that a quorum was present and called the meeting to order at 5:41 p.m. Mr. Nacht announced receipt of a note from Jim Saalberg, former Chair of the Board, thanking the Board and staff for their support following the recent loss of his wife, Ellen.

Mr. Nacht announced that Sam Breck's memorial service took place on April 4. Mr. Breck chaired the Local Advisory Council for a number of years, and was an active, spirited, member of the community.

1.0 Interview Executive Director Candidate Michael Ford

Mr. Nacht welcomed Michael Ford to his third interview. Mr. Nacht described the format of the interview; opportunities for each Board member to ask questions of Mr. Ford, with open discussion as appropriate.

Mr. Ford responded to questions from Board members. Some of the areas covered included employment history, operating data, organizational structure, board and staff relations, strategic planning, regional and commuter rail service, organizational vision, and theoretic milestones following the first three months in office.

Mr. Nacht thanked Mr. Ford. Mr. Ford exited the meeting and the Board agreed to take a break which began at 6:24 p.m. Mr. Nacht called the meeting back to order at 6:37 p.m.

Ted Annis moved to publicly discuss the interview with Michael Ford. Rich Robben supported the motion. The motion passed unanimously.

Board members shared their opinions of Mr. Ford's answers to their questions and discussed their perception of Mr. Ford's ability to fill the Chief Executive Officer position.

Charles Griffith moved that the Board enter into negotiations for an employment contract with Michael Ford extending him an offer for the position of Chief Executive Officer of AATA. Jesse Bernstein supported the motion.

Board members resumed discussions, sharing their impressions of Mr. Ford. Mr. Annis read excerpts from a letter of recommendation for Mr. Ford.

Marjorie Young provided additional information on Mr. Ford's references.

The motion passed unanimously.

Mr. Nacht welcomed Mr. Ford back to the Board meeting and announced that the Board voted unanimously to enter into negotiations with him for the Chief Executive Officer position.

Mr. Nacht thanked Dawn Gabay for providing exceptional leadership as Interim Executive Director. Mr. Nacht thanked Paul Ajegba, Chair of the Executive Search Committee, for managing an impressive search process. Mr. Nacht also thanked Marjorie Young, consultant to the Board, for her guidance throughout the search process.

Mr. Ajegba thanked the Executive Search Committee: Jesse Bernstein, Sue McCormick, and Rich Robben for their work and the many hours they put into the search.

2.0 Public Hearing – Federal Program of Projects

A transcript of the Public Hearing is attached to the minutes.

3.0 Communications and Announcements

Mr. Nacht made announcements at the opening of the meeting. There were no further communications or announcements.

4.0 Public Time – Comment on Agenda Items

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

5.0 Review and Approval of Minutes

5.1 Review and Approval of Minutes of March 18, 2009

Mr. Griffith moved approval of the March 18, 2009 minutes as written with support from Mr. Ajegba. The motion carried with five yes votes; Mr. Annis abstained.

5.2 Review and Approval of Minutes of March 25, 2009

Mr. Griffith moved approval of the March 25, 2009 minutes as written with support from Mr. Ajegba. The motion passed unanimously.

6.0 Board and Staff Reports

6.1 Report on FY2007-2008 Audit

Dawn Gabay introduced Dave Fisher from Rehmann Robson. Mr. Fisher provided an overview of the audit report indicating that overall AATA is in very good financial shape. AATA received a clean opinion on the financial statements. Mr. Fisher referred to the management letter to the Board noting that there were no disagreements, no significant deficiencies in internal controls, nor any unusual accounting processes found during the audit.

Mr. Fisher reported on two recommendations contained in the management letter that if followed, would provide a complete audit trail. Mr. Fisher responded to a question from Mr. Nacht on Rehmann Robson advising AATA on investments during the recent financial crisis to reduce AATA's vulnerability. Mr. Fisher indicated that the firm did not provide any specific investment advice. Mr. Fisher noted, however, that AATA funds should be secure as they are FDIC insured and cannot be invested in high risk accounts. Mr. Nacht expressed concern and indicated that he expects Rehmann Robson to provide proactive advice. Mr. Annis reported on the Finance and Audit Committee's decision last year to go completely risk adverse and place AATA funds in treasury bills.

Mr. Bernstein commented on his perception of the role of the auditing firm; to review records and procedures of the prior fiscal year to determine if AATA is following acceptable accounting practices. Mr. Bernstein suggested that Mr. Nacht's concerns should be directed at any financial consultant or accounting firm under contract with AATA.

Mr. Annis went on record stating that Board members took the initiative to make the decision to become risk adverse. Mr. Annis noted that the Board members acted on their own, without external advice.

Mr. Fisher noted that during the financial crisis AATA funds were invested in certificates of deposit and money market accounts as opposed to higher risk stock accounts. Mr. Fisher referred to the management letter to the Board included with the audit that points out that the Authority's investments are in violation of the Authority's investment policy by having too much money invested in one particular financial institution. The letter specifically recommends that the Authority reduce its investment, or amend the policy. Mr. Fisher noted that this recommendation was included in previous management letters.

Phil Webb explained that the overage in the bank was due to the timing of receipt of the City of Ann Arbor tax millage levy. Mr. Webb indicated that it is his

responsibility to diversify the funds to come into compliance with the investment policy. In response to a question from Mr. Bernstein on a plan for receipt of this year's millage funds, Mr. Webb indicated that he will take the necessary steps to comply with the investment policy.

Mr. Nacht thanked Mr. Fisher for the audit report.

Ms. Gabay noted that the monthly performance reports were included in the Board packet.

Mr. Robben reported on the April 21 Planning and Development Committee (PDC) meeting. Mr. Robben distributed a resolution supporting the Ann Arbor Transportation Plan Update (AATPU) and indicated that the committee recommended adoption of the resolution. Mr. Robben noted the Board's prior discussions surrounding the level of funding commitments for AATA included in the Plan.

The following language was included in the resolution to address funding concerns: "...AATA will work cooperatively with the City of Ann Arbor to evaluate AATPU recommendations and to assist in implementing, modifying, changing, or otherwise adapting them as may be necessary to adjust to changing conditions and the availability of funding."

Mr. Robben moved the following resolution with support from Mr. Ajegba.

RESOLUTION IN SUPPORT OF
THE ANN ARBOR TRANSPORTATION PLAN UPDATE

WHEREAS, the Ann Arbor Transportation Plan Update (AATPU) includes future public transportation related initiatives and improvements that correlate to, coincide with, or complement many of the long-term goals and visions of the Ann Arbor Transportation Authority (AATA), and

WHEREAS, the AATPU includes transportation improvement recommendations totaling \$183 million over the next twenty years, with \$63 million of those improvements being attributed to AATA, and

WHEREAS, AATA wishes to express its support for public transportation improvements found in the AATPU, although funds for such projects are not currently available nor have future sources of funding for such improvements been identified, therefore

BE IT RESOLVED, that AATA supports the City's efforts to improve and expand public transportation and will continue to work collaboratively with the City toward that end, using the AATPU as an important element in the overall framework upon which to address the region's public transportation needs.

IT IS FURTHER RESOLVED that AATA will work cooperatively with the City of Ann Arbor to evaluate AATPU recommendations and to assist in

implementing, modifying, changing, or otherwise adapting them as may be necessary to adjust to changing conditions and the availability of funding.

Mr. Annis suggested changing the title of the resolution to reflect the Board's stance that while there is support for the Plan, there is no firm commitment of funding. Board members discussed Mr. Annis' suggestion. Mr. Nacht suggested that the Board, through Ms. McCormick, can convey to the City where AATA stands.

The motion passed unanimously.

Ms. Gabay referred to a resolution authorizing execution of an agreement with the Michigan Department of Transportation (MDOT) to construct and operate a park and ride lot on MDOT property. Ms. Gabay reported that she polled the Board earlier in the month to meet contract deadlines. The resolution was approved. Ms. Gabay noted that Mr. Griffith was out of town and not available as Secretary. Mr. Nacht appointed Sue McCormick Acting Secretary. Mr. Nacht read the resolution into the record.

Resolution 17/2009

Authorization to Enter into an Agreement with Michigan Department of Transportation (MDOT) to Construct and Operate a Park and Ride Lot on MDOT Property (09-5072)

WHEREAS, the Ann Arbor Transportation Authority (AATA) desires to develop a park and ride lot in the southwest quadrant of the interchange of Plymouth Road and U.S. 23 to provide a new transit alternative for commuters into Ann Arbor, and

WHEREAS, because the property is owned by the Michigan Department of Transportation an agreement between the two parties is necessary, and

WHEREAS, AATA and MDOT staff have developed such an agreement to permit the construction and operation of the lot by AATA,

NOW, THEREFORE, BE IT RESOLVED, that the AATA Interim Executive Director is hereby authorized to enter into and execute on behalf of the AATA contract # 09-5072 between MDOT and AATA.

Mr. White provided an update on the park and ride project indicating that it is proceeding. Construction documents are currently under review by MDOT.

Mr. Robben distributed a memorandum on Purchase of Service Agreements (POSAs) prepared by Chris White. Mr. Robben reported that in 2008 the Board directed staff to change the purchase of service agreements so that they were based on AATA's fully allocated cost by 2012. Mr. Robben asked Mr. White to report.

Mr. White referred to payment schedules with equal increases for each entity over the next three years agreed to by the PDC. Mr. White noted that the costs include projected increases in fare revenue for fixed-route and demand response service based on the fare

increase that will take effect May 3. Mr. White noted the inclusion of calculations of demand response service, which is already at the fully allocated cost. The average range increase is from five to nine percent when the demand response calculation is included, which makes the total calculation more palatable. Mr. White indicated that it will be necessary to discuss the proposed increases and potential impact on POSA partners in advance of preparing the AATA budget for FY2010.

Board members discussed the proposed POSA increases. Concerns raised included the perceived inability or unwillingness of partners to pay the increases due to declining local and state government revenues. It was noted, however, that this may generate support for identifying funding alternatives for a regional transportation system. Suggestions on the subject included operating AATA at a lower dollar cost per bus service hour; maintaining some flexibility on the approach with POSA partners; and the Board being ready to address what action to take, if a municipality says no to paying the additional cost.

Mr. Robben moved to adopt the report so that staff can go into negotiations with consent of the Board. Mr. Ajegba supported the motion.

Mr. Annis announced that he was not able to support the proposal including a \$103 cost per bus service hour.

The motion carried: Ajegba – Yes; Bernstein – Yes; Griffith – Yes; Nacht – Yes; Robben – Yes; Annis – No.

Mr. Griffith reported that the Performance Monitoring and External Relations Committee received a report on the highest ridership quarter in AATA's history. Mr. Griffith noted that ridership was up 5% from the number of passengers from a year ago, and passenger revenues were up 7% from a year ago. Ms. Gabay thanked Mr. Griffith for announcing the information on ridership which Ms. Gabay noted was included in the Board packet.

Mr. Nacht noted documentation contained in the packet regarding countywide service. Ms. Gabay reported that a presentation on countywide service is planned for the May 12 Planning and Development Committee meeting.

Ms. Gabay reported that the PDC received a presentation on the East/West rail project from Carmine Palombo of the Southeast Michigan Council of Governments. Mr. Palombo estimated that some service will begin in the fall of 2010. The project team does not have solid ridership or cost figures as negotiations with rail companies must be concluded before this can be done. Ms. Gabay noted that the Governor is interested in seeing both the East/West and North/South rail projects go on line in 2010. Mr. Palombo agreed to keep staff informed on progress of the East/West project.

Mr. Nacht announced that Governor Granholm appointed a new transportation advisor, Jeff Donofrio. Mr. Donofrio agreed to discuss issues of concern to AATA. Mr. Nacht directed staff to develop talking points and schedule a meeting to include Mr. Nacht, Mr. Donofrio, Ms. Gabay, and perhaps Michael Ford. Ms. Gabay noted that she was awaiting word from MDOT on the review of documents related to the North/South rail project, and suggested that it may be appropriate to hold off on a meeting until some decisions are made by MDOT.

Mr. Robben requested that staff distribute the April 21 PDC meeting summary to Board members.

Phil Webb reviewed the Report of Operations at the request of Mr. Nacht. Mr. Webb responded to questions on futures and the City of Ann Arbor tax levy which the City recently projected will be a 1.2% decrease in July 2009 and a 5.2% decrease in July 2010. Mr. Webb noted that the decrease in 2010 is due to the Pfizer property which is expected to be off the tax rolls. In response to a question from Mr. Nacht on how the reductions in local revenues will be covered, Mr. Webb indicated that the 2009 budget is on target to be balanced as a small surplus was originally budgeted.

Mr. Annis requested a report on MRide ridership.

7.0 Question Time

There were no additional questions for Ms. Gabay.

8.0 Old Business

There was no Old Business.

9.0 New Business

There was no New Business.

10.0 Public Time

Carolyn Grawi from the Ann Arbor Center for Independent Living appeared before the Board. Ms. Grawi requested that the #6 Route be modified to serve the Center for Independent Living. Ms. Grawi described how this change would benefit AATA fixed-route passengers and offered to discuss her request with AATA staff. Ms. Grawi commented on a City of Ann Arbor traffic study to determine the necessity of a traffic light Research Park Drive and Ellsworth Road. Ms. Grawi requested a change to the location of the bus stop at the TI Building at Washtenaw Community College to provide a safer, warmer, and more visible location for passengers to wait.

Ms. Grawi reported on her attendance at a statewide transit day where it was announced that the state budget may be significantly decreased, and there may be no more matching funds in three years. Ms. Grawi urged meeting attendees to contact legislators to urge them to support transportation funding.

Ms. Grawi requested that Board committee meetings and agendas be posted on the AATA website.

Ms. Grawi announced two upcoming Center for Independent Living (CIL) events: the CIL annual picnic scheduled for Saturday, June 6 at the CIL, 3941 Research Park Drive; and the Independence Bicycle Ride across the state August 6-9.

Thomas Partridge, Local Advisory Committee member, appeared before the Board. Mr. Partridge made allegations of significant lapses in AATA policies, procedures and overall direction, calling on the Board to give attention to transforming AATA into the Washtenaw Area Transportation Study. Mr. Partridge commented on a 2006 transportation study which yielded favorable results from Washtenaw County residents to the concept of expanding AATA services countywide. Mr. Partridge called on the Board to commission the new Executive Director to be an advocate for extending transit services throughout the county. Mr. Partridge called on the Board to eliminate purchase of service agreements and provide free regional transportation services.

Mr. Partridge commented on AATA's contract with the University of Michigan. Mr. Partridge commented on the recent changes to the fare structure voted in by the Board claiming that they are unjustifiable during this dire Michigan recession. Mr. Partridge claimed this was an obvious attempt by Board member Mr. "Anus" [Annis] and other Board members to attack the most vulnerable residents of the county, disabled and senior citizens, by placing an unfair burden on them. Mr. Partridge announced that he previously called for the resignation of the Interim Manager, AATA administrators, and the Paratransit Administrator. Mr. Partridge alleged that AATA staff, with support of the Board, is engaging in illegal, discriminatory acts against paratransit service riders by levying fines for missed paratransit trips. Mr. Partridge characterized the actions of staff as abusive, discriminatory and tortuous.

Mr. Nacht announced that the Board has previously looked into the objections raised by Mr. Partridge and that the Board will continue to monitor the situation and stay in close touch with the LAC, seeking views of other LAC members on the subjects. Mr. Nacht stated that the Board remains on record as supporting an expansion of the AATA system, and that there is no intent to abandon the prior work completed.

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

Mr. Nacht requested confirmation, which Ms. Gabay provided, that the Executive Session was being called in compliance with the terms of the Michigan Open Meetings Act.

11.0 Executive Session – Personnel Matters

Mr. Ajegba moved to enter Executive Session for the purpose of discussing personnel matters. Mr. Bernstein supported the motion. The motion passed unanimously. The Executive Session commenced at 8:22 p.m.

Mr. Bernstein moved to adjourn the Executive Session. Mr. Nacht supported the motion. The motion passed unanimously. The Executive Session closed at 8:47 a.m.

Board members discussed how to proceed with negotiations with Michael Ford. Board members agreed that the Executive Search Committee will conduct the negotiations.

12.0 Adjournment

Mr. Bernstein moved to adjourn the meeting with support from Mr. Griffith. The motion passed unanimously. The meeting was adjourned at 8:49 p.m.

Respectfully Submitted,



for
Charles Griffith, Secretary

Ann Arbor Transportation Authority
Public Hearing Transcript
Federal Program of Projects
April 22, 2009

David Nacht (AATA Board Chair)

Mr. Nacht opened the Public Hearing at 6:38 p.m.

Mr. Nacht I now declare open a public hearing of the Federal Program of Projects. This is for fiscal year 2009. This has been posted on the web and published in The Ann Arbor News. The key thing is that it is the intent of the AATA to apply for federal assistance from the Federal Transit Administration under a variety of different statutes and programs to do a bunch of different things: purchase six buses, associated capital maintenance, computer hardware and software, improved bus stop safety and accessibility, park and ride lots, preventative maintenance. There's more, but the big budget item is the buses, and then the second one is park and ride lots. Preventative maintenance is also significant.

Anyone from the public wishing to address the Board on the fiscal year 2009 program of projects? Ms. Grawi.

Carolyn Grawi Carolyn Grawi, Ann Arbor Center for Independent Living, 3941 Research Park Drive, Ann Arbor. I just would like to say that the CIL is always in favor and support of looking for additional funding for our transit authority and that we support AATA in continuing to make our service area better and safer.

Mr. Nacht Ms. Grawi, thank you. Anyone else from the public wishing to address the Board as part of the public hearing? Mr. Partridge; the subject is the 2009 program of projects.

Thomas Partridge Thomas Partridge, 4220 Eyre Drive, Ann Arbor. Board Chairman Nacht, AATA Board members, members of the public gathered here for this Board meeting in this too small board room without broadcast facilities, I am here to call on the Board to revise the applications made to the Federal Department of Transportation as well as the Michigan Department of Transportation and all other possible grant providers to give priority, as Carolyn just mentioned, to the need for expanding AATA ride services on a countywide basis and linking them up to other ride authorities throughout southeastern Michigan on a regional basis and I advocate Board chairman David Nacht, other Board members and any new Executive Director of the AATA be ready to stand up for expansion of bus, paratransit, senior ride services and other possible ride services as

well connections to a commuter rail line in public. I am critical of the fact that perhaps because of time constraints it has not been the role of the current Interim Director to attend public meetings of the Ann Arbor City Council.

Mr. Nacht Well now I think we are moving off subject, but you did just address what you would like us to seek money for.

Thomas Partridge I'm tying this all to be more public, more open about the goals of the AATA and those goals to be seeking funding for countywide expansion and giving priority to paratransit senior ride services and also giving priority to eliminating discrimination in the current AATA programs. That will be all.

Mr. Nacht Thank you sir. Anyone else from the public wishing to address the Board on the fiscal year 2009 program of projects, a public hearing that was noticed in The Ann Arbor News? Seeing none, I now declare this public hearing closed.

The public hearing closed at 6:44 p.m.