



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  
September 15, 2011  
Ann Arbor Transportation Authority  
Board of Directors Meeting  
Ann Arbor District Library, 343 South Fifth Avenue, Ann Arbor, Michigan, 6:30 p.m.

Board Members Present: Jesse Bernstein (Chair), Anya Dale, Roger Kerson, Rich Robben

Board Members Absent  
With Notice: Charles Griffith, Sue McCormick, David Nacht

Staff Present: Michael Benham, Terry Black, Ron Copeland, 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 6:36 p.m.

1.0 *Public Hearing*

There was no Public Hearing.

2.0 *Communications and Announcements*

2.1 *Appoint Acting Secretary*

Chairman Bernstein appointed Roger Kerson Acting Secretary.

3.0 *Public Time – Comment on Agenda Items*

Thomas Partridge appeared before the Board. Mr. Partridge commented on the meeting agenda item for Board Elections. Mr. Partridge called on the Board to give priority to bus, paratransit and senior ride services and for the services to be provided by friendly, caring people in mechanically and ride worthy vehicles. Mr. Partridge

suggested that the Board award the contract for paratransit services to a different service provider and made several allegations against the management of the current service provider, SelectRide.

Carolyn Grawi appeared before the Board. Ms. Grawi announced that the Center for Independent Living supported the proposed appointments to the Local Advisory Council. Ms. Grawi congratulated AATA for its involvement on pedestrian walkway and accessible stops and crosswalk projects. Ms. Grawi also extended congratulations to AATA for receiving a national AdWheel Campaign award for an advertising campaign including riders.

No one further appearing, Bernstein declared Public Time closed.

#### 4.0 *Review and Approval of Minutes*

##### 4.1 *Review and Approval of Minutes of August 24, 2011*

Rich Robben moved approval of the minutes as presented with support from Anya Dale. The motion passed unanimously.

#### 5.0 *Election of Officers – Term of Office October 1, 2011-September 30, 2012*

Jesse Bernstein reported that members of the Board discussed the election of officers and each Board member currently in office agreed to continue on for the coming fiscal year. Mr. Bernstein indicated that it was felt that continuity was desired with the impending transition to implement the Transit Master Plan.

Roger Kerson made a motion to elect the following officers: Jesse Bernstein – Chair; Charles Griffith – Secretary; Sue McCormick – Treasurer. Rich Robben supported the motion which passed unanimously.

##### 5.1 *Board Committee Appointments*

Mr. Bernstein announced that the Board committee appointments would continue through the next fiscal year. Planning and Development Committee: Rich Robben – Chair with Anya Dale and David Nacht; Performance Monitoring and External Relations Committee: Charles Griffith – Chair with Roger Kerson and Sue McCormick.

##### 5.2 *Appointment of WATS Representative*

Mr. Bernstein announced that the appointment of a WATS Representative was in progress.

### 5.3 *Appointment of LAC Liaison*

Mr. Bernstein announced that the appointment of a liaison to the LAC was in progress.

## 6.0 *Board and Staff Reports*

### 6.1 *Chief Executive Officer*

Michael Ford reported on continuing efforts toward launching Airport Service indicating that the project team was in the process of selecting the most responsive vendor to provide the service. Mr. Ford indicated that it is hoped that service could begin in November.

Mr. Ford reported on progress on the Transit Master Plan including an upcoming meeting of the newly formed Financial Task Force. Mr. Ford also reported on approval of Act 7 agreements and new members seated on the Unincorporated 196 (u196) Board. Mr. Ford reported on a meeting Mr. Bernstein and he recently held with the Mayor of Ann Arbor to discuss the 4-Party Agreement for countywide transit. The parties to the agreement are the City of Ann Arbor, City of Ypsilanti, Washtenaw County and AATA.

Mr. Ford referred to the action items moved forward by the two Board committees at their September meetings and noted that one item was deferred to October by the PMER committee. Mr. Ford provided progress updates on the following projects: expanded service to East Ann Arbor Health Center, Vanpool Service, and the Blake Transit Center. Mr. Ford referred to his written report for further detail.

#### 6.1.1 *Website Development*

Mary Stasiak reported on progress on the Website Development Project. Ms. Stasiak indicated that usability studies will be conducted prior to the website launch. Proposals to complete the work vary greatly in scope and price and the project team is working to determine the best course. Ms. Stasiak reported on work to finalize an agreement with the website developer to make sure that AATA owns the website outright. Ms. Stasiak noted that once the preliminary designs are complete, input will be sought from Board members.

#### 6.1.2 *WALLY*

Michael Benham provided a progress report on the WALLY rail project. Mr. Benham highlighted work completed to date, citing examples of the

rehabilitation of railcars with mobile lifts and grade crossing improvements. Mr. Benham reported on projected operating costs and possible sources of funding, and reviewed staffing and planning costs incurred to date.

Mr. Benham reported on next steps on the project which include seeking a renewed commitment from the Michigan Department of Transportation, meeting with representatives from Ann Arbor Railroad, evaluating support from Livingston County partners, and developing a revised position statement on WALLY for the Board's consideration.

Mr. Benham referred to a written report distributed to Board members detailing commuter rail initial capital costs at select properties. Mr. Benham noted the completion of several capital cost items for WALLY which has decreased remaining capital costs. Mr. Benham noted a resolution included in New Business regarding WALLY Rail Project Expenditures.

## 6.2 *Planning and Development Committee*

Rich Robben reported that he and Anya Dale were present at the committee meeting. David Nacht was absent but called in his support for the resolutions being considered by the Board.

Mr. Robben reported that the committee received a presentation on the WALLY rail project. Mr. Robben noted that the committee is requiring staff to pursue commitments in the report before making additional expenditures on the project.

The committee reviewed the FY2012 Work Plan which is aggressive and includes development of a transition from current service to countywide service, improvements to core service and expanding the following service options: Airport, Vanpool, and additional work transportation between Ann Arbor and Ypsilanti. Mr. Robben listed the following additional projects included in the plan: redevelopment of the website, Information Technology Strategic Plan, expanding the current bus garage, expanding Night Ride service to Ypsilanti and reconstruction of the Blake Transit Center. Mr. Robben indicated that the committee requested that the full Board support adopting the FY2012 Work Plan.

Mr. Robben reported that the committee endorsed the resolution to approve the FY2012 Operating Budget totaling \$30.36 Million. The budget will maintain and improve the agencies core services, fund the Work Plan and support implementation of the Transit Master Plan (TMP). Mr. Robben reported on one-

time costs associated with moving the TMP forward such as creating district and countywide governance. Mr. Robben indicated that the use of unrestricted net assets was proposed to cover the costs and noted that the use of savings will still reserve 3.1 months of funding and is above the level prescribed by the Board.

Mr. Robben reported on the committee's recommendation that the Board support approval of a resolution awarding the contract for vanpool services. The committee adopted its meeting schedule for the coming year and received updates on a number of different items in progress; the details of which were included in the meeting summary.

### 6.3 *Performance Monitoring and External Relations Committee*

Roger Kerson reported on the committee's recommendation to award a contract for Auditing Services. The committee reviewed the Public Input Policy and made suggestions for including a provision to cycle procedures so that the Board is not approving an item in the same month that it is first presented in committee. Staff made a commitment to revise the proposal and present it again in October.

Mr. Kerson indicated that most of the meeting was spent receiving a presentation from RNR, the consultant developing the Information Technology Strategic Plan. The project is in the middle stages; the consultants are reviewing systems.

Mr. Kerson reported that staff presented the financials which are in good shape. It is expected that the budget will yield a slight positive variance at fiscal year end. Mr. Kerson noted ridership increases on fixed-route and express bus service indicating that one of the express bus trips is near capacity and staff is at the point of deciding what to do, if capacity is reached.

Staff reviewed the proposed service increases for the #4 Washtenaw Route and provided several updates detailed in the meeting summary.

### 6.4 *Local Advisory Council*

Jody Slowins reported on the Council's recommendation to appoint members to the Executive Committee. Ms. Slowins announced an accessible vehicle demonstration scheduled for October 11 at AATA headquarters. The vehicles, an MV1 model manufactured by VPG Autos and a Braun Town & Country manufactured by Chrysler are to be on site and will be considered in the upcoming replacement vehicle process.

Ms. Slowins reported on the appeal process individuals can use, if their application for paratransit services is denied. Ms. Slowins indicated that a

member of the LAC may soon be included in considering appeals.

#### 6.4.1 *Executive Committee Appointments*

Rich Robben moved that the Board elect and reappoint the following individuals to the Local Advisory Council Executive Committee: Gloria Kolb, Cheryl Weber, Clark Charnetski, Mary Wells, John Kuchinski, Lena Ricks, Eleanor Chang, and Stephen McNutt. Anya Dale supported the motion which passed unanimously.

Mr. Bernstein expressed appreciation to the Executive Committee members for their service.

#### 7.0 *Question Time*

There were no questions from Board members.

#### 8.0 *Old Business*

There was no Old Business for the Board to consider.

#### 9.0 *New Business*

Rich Robben moved approval of the FY2012 Board and Committee meeting schedule with support from Roger Kerson.

#### 9.1 *FY 2012 Board and Committee Meeting Schedule*

*Board Meetings; start time 6:30 p.m. – public meeting*

Thursday, October 20, 2011

Thursday, November 17, 2011

Thursday, December 15, 2011

Thursday, January 19, 2012

Thursday, February 16, 2012

Thursday, March 15, 2012

Thursday, April 19, 2012

Thursday, May 17, 2012

Thursday, June 21, 2012

July 2012 – No Scheduled Meeting

Thursday, August 16, 2012

Thursday, September 20, 2012

*Planning and Development Committee; start time 3:00 p.m. – public meeting*

Tuesday, October 11, 2011

Tuesday, November 8, 2011

Tuesday, December 6, 2011

Tuesday, January 10, 2012

Tuesday, February 7, 2012

Tuesday, March 6, 2012

Tuesday, April 10, 2012

Tuesday, May 8, 2012

Tuesday, June 12, 2012

Tuesday, July 10, 2012

Tuesday, August 7, 2012

Tuesday, September 11, 2012

*Performance Monitoring and External Relations Committee; start time 3:30 p.m.*

Tuesday, October 18, 2011

Tuesday, November 15, 2011

Tuesday, December 13, 2011

Tuesday, January 17, 2012

Tuesday, February 14, 2012

Tuesday, March 13, 2012

Tuesday, April 17, 2012

Tuesday, May 15, 2012

Tuesday, June 19, 2012

Tuesday, July 17, 2012

Tuesday, August 14, 2012

Tuesday, September 18, 2012

Anya Dale asked if there was an opportunity to have some of the meetings at earlier times. Michael Ford responded that he was open to discussing the concept. Jesse Bernstein agreed that he was open to discussing alternate times once the meeting dates

were firm.

The motion passed unanimously.

Jesse Bernstein read the following resolution into the record.

9.2 *Consideration of Resolution Regarding WALLY Rail Project Expenditures*

**WHEREAS**, the Transit Master Plan (TMP) adopted, by the Ann Arbor Transportation Authority (AATA) Board of Directors in April, 2011, includes the Washtenaw and Livingston Railway (WALLY) project as a possible long-term commuter transportation improvement, and

**WHEREAS**, the AATA Board wishes to insure that future expenditures of public funds for WALLY are contingent upon there being viable, realistic, and sustainable public support for the project, and

**WHEREAS**, AATA will seek assurances and renewed commitments for WALLY from the State of Michigan, Livingston County, The City of Howell, the Ann Arbor Railroad, and others important to the success of the project, and from this information will draft an updated WALLY position statement, now therefore

**IT IS RESOLVED**, that funds contained in AATA's 2012 Fiscal Year Budget and designated for WALLY purposes will not be expended without the future express consent of the Board.

Roger Kerson moved the resolution with support from Anya Dale.

Board members discussed the resolution. It was noted that viability of the WALLY project was previously called into question and that is what led to the project update by staff. Support was voiced for continuing work to assess the prospect of closing the remaining gaps in both capital and operating funds going forward. It was noted that WALLY may very well be a wise use of resources toward identifying a solution for dealing with increasing congestion. Jesse Bernstein thanked staff for an excellent report and for work completed on the project.

The motion passed unanimously.

Anya Dale moved the following resolution with support from Rich Robben.

9.3 *Consideration of Resolution Adopting FY2012 Work Plan*

**WHEREAS**, through discussions with the Planning and Development Committee (PDC) the Ann Arbor Transportation Authority (AATA) Staff has developed a



work plan for the 2012 fiscal year to help guide programs and projects that are important to the advancement of public transportation, and

**WHEREAS**, the programs and projects contained within the 2012 fiscal year work plan have been incorporated into the 2012 Operating Budget in order that they may be appropriately funded, now therefore

**IT IS RESOLVED**, that the 2012 Work Plan prepared by Staff and reviewed by the PDC is hereby received by the Board of Directors, and

**IT IS FURTHER RESOLVED**, that the 2012 Work Plan is assigned to PMER for appropriate monitoring of AATA's activities, and progress toward goals and objectives associated with it, during the 2012 fiscal year.

Board members commented on the aggressive work plan and impressive progress made on projects in the current fiscal year. Michael Ford and staff were credited for their accomplishments to increase service and for the planning completed on airport service and a vanpool program.

The motion passed unanimously.

Anya Dale moved the following resolution with support from Rich Robben.

#### 9.4 *Consideration of Resolution Adopting FY2012 Operating Budget*

**WHEREAS**, the Ann Arbor Transportation Authority (AATA) Planning and Development Committee (PDC) is responsible for planning and developing the agency's annual operating budget, and

**WHEREAS**, the PDC has worked with AATA Staff to develop a budget for FY 2012 that will maintain and improve the agency's core services, properly fund the FY 2012 work plan, and move the agency toward its desired Transit Master Plan (TMP), and

**WHEREAS**, the budget includes many one-time expenses associated with the TMP that results in expenditures exceeding expected revenues by less than one million dollars, and

**WHEREAS**, the AATA Board of Directors' policy is for AATA to maintain unrestricted net assets (reserves) equal to at least three months of operating expenses so the agency may address unexpected changes in federal or state funding, better respond to emergency services disruptions, take advantage of sudden opportunities, institute and test new services, and to provide a sufficient cash working fund, and

**WHEREAS**, AATA's reserves are projected to reach 3.65 months of operating expenses as of September 30, 2011, which is \$1,200,000 above its required level, now therefore

**IT IS RESOLVED**, that the Operating Budget of \$30,410,616 for Fiscal Year 2012 is adopted for AATA and will become effective October 1, 2011, and

**IT IS FURTHER RESOLVED**, that reserves above those required by the Board and totaling less than one million dollars will be utilized to balance the budget, and

**IT IS FINALLY RESOLVED**, that the budget will be assigned to the Performance Monitoring and External Relations Committee for appropriate monitoring and reporting to the full Board during the 2012 fiscal year.

Board members discussed the proposed operating budget which goes hand in hand with the Work Plan. It was suggested that the budget may not be sustainable, but rather a transition catapult into countywide service. It was noted that the decision to utilize reserves was not taken lightly, but it was ultimately decided that the timing was right to commit some reserves. It was also noted that several items in the budget are one-time expenses necessary for the community, and that the next challenge will be to identify financing that is sustainable. The TMP Financial Task Force was mentioned as a diverse group of talented individuals who will be developing solutions for the countywide transition.

The motion passed unanimously.

Rich Robben moved the following resolution with support from Roger Kerson.

9.5 *Consideration of Resolution Awarding a Contract for Vanpool Services*

**WHEREAS**, the Michivan Program, sponsored by the Michigan Department of Transportation (MDOT) will continue to provide vanpool services for FY 2012 only for the current number of vanpools in Ann Arbor area, and

**WHEREAS**, the Ann Arbor Transportation Authority (AATA) is planning to manage vanpool services for new vanpools during FY 2012, and prepare for assuming responsibility for all area vanpools in the future, and

**WHEREAS**, AATA in conjunction with the Capital Area Transportation Authority (CATA) issued a request for proposals for vanpool operations, and one proposal was received from VPSI, Inc. which was determined to be responsive and responsible, and

**WHEREAS**, AATA and CATA have negotiated with VPSI and achieved a reduction in the proposed price, and are in the process of negotiating the terms and conditions of an agreement with VPSI, and

**WHEREAS**, the payment to VPSI will be a monthly cost per van, which will be paid by the vanpool riders, and the capital cost of the vans will come from federal and state grants,

**NOW, THEREFORE, BE IT RESOLVED**, that the AATA Board of Directors hereby authorizes its Chief Executive Officer to enter into a contract with VPSI for vanpool services for one year, with an option for one additional year, and

**IT IS FURTHER RESOLVED**, that the cost for VPSI's services to AATA under this agreement shall not exceed \$6,600 per year for each new AATA owned/managed van.

In response to a request for an explanation of the Vanpool Services, Chris White provided an overview of the program and detailed AATA's participation. Mr. White indicated that VPSI will continue to operate the 100 vanpools already established through a contract with the Michigan Department of Transportation. There is no ability to expand the program under that contract.

Therefore, AATA will contract for a turnkey operation to provide expansion vanpools. This will provide the opportunity to gain experience with the program so that AATA can gradually transition into accomplishing the ultimate objective which is to operate all vanpools in this area.

Mr. White explained the procurement process which resulted in the recommendation to contract with VPSI for a one year contract with a one year extension. Mr. White described the financial arrangements for the program which include vanpool riders paying the direct operating costs for vanpool services and the capital costs funded through federal and state grants.

The motion passed unanimously.

Roger Kerson moved the following resolution with support from Anya Dale.

9.6 *Consideration of Resolution to Award Contract for Auditing Services*

WHEREAS, the Ann Arbor Transportation Authority (AATA) is required to provide audited financial statements which include an independent auditors' report on the basic financial statements and the single audit relative to federal financial awards under OMB A-133 in order to be eligible for Federal and State of

Michigan funds, and

WHEREAS, the AATA issued a Request for Proposals (RFP) #2011-18 for a two year contract for auditing services with two one-year options starting with the fiscal year ending September 30, 2011, and

WHEREAS, the AATA sent the RFP to 19 public accounting firms and received three proposals, and

WHEREAS, the AATA evaluated these proposals and determined that the proposal from Plante & Moran, PLLC has the best combination of technical and cost proposal in accordance with the criteria in the RFP, and

WHEREAS, the AATA recently adopted an auditor rotation policy limiting work with any one auditing firm to a total of eight years, AATA informed the incumbent firm, Rehmann Robson, that they were no longer eligible to provide auditing services to AATA,

NOW, THEREFORE, BE IT RESOLVED, that the Ann Arbor Transportation Authority Board of Directors directs the CEO to enter in a one-year contract for auditing services with Plante & Moran, PLLC in accordance with their proposal in response to RFP #2011-18.

Phil Webb responded to a request for an explanation of the recommendation to award a contract for Auditing Services. Mr. Webb reported that a Request for Proposals was issued to 19 CPA firms who have conducted similar audit work. Three responses were received and the proposals were weighted 60% for technical criteria and 40% for cost. Mr. Webb indicated that the Plante Moran proposal was found to have the best combination.

The motion passed unanimously.

#### 10.0 Public Time

Larry Krieg appeared before the board. Mr. Krieg extended congratulations on the group of impressive people put together on the Financial Task Force. Mr. Krieg encouraged the Board to encourage the Task Force to employ “out of the box” thinking when working to identify funding mechanisms, and to involve significant public and private participation in a useful way.

Thomas Partridge appeared before the Board. Mr. Partridge commented on the Board proceeding with elections when three members were absent. Mr. Partridge complained that staff members get people to come to meetings to salute egregious incompetence suggesting that the public is being cheated by publicly funded vehicles being put on the

road that should never be on the road. Mr. Partridge made allegations against a publicly funded contractor suggesting that the company is perpetuating the discrimination of employees, and the assignment of vehicles is being made in a discriminatory manner which impacts riders of the service. Mr. Partridge indicated that he had made complaints within the last 60 days which he characterized as having been whitewashed in an incomprehensible manner.

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

11.0 Adjourn

Anya Dale moved to adjourn the meeting with support from Rich Robben. The motion carried and the meeting adjourned at 7:32 p.m.

Respectfully Submitted,

Roger Kerson, Acting Secretary