

Approved Minutes  
December 8, 2009  
Ann Arbor Transportation Authority  
Special Board of Directors Meeting  
4800 E. Huron River Drive, Ann Arbor, Michigan 5:30 p.m.

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

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

Guests Present: Jeff Ammon (AATA legal counsel), Bob Foy (Flint MTA), Jerry Lax (AATA legal counsel), Bill Schomisch (Kalamazoo Metro Transit), and Peter Varga (The Rapid; Grand Rapids – via conference phone)

Recording Secretary: Karen Wheeler

Board Chair Paul Ajegba declared that a quorum was present and called the meeting to order at 5:41 p.m. Board Members and invited guests introduced themselves.

1.0 Communications and Announcements

There were no communications or announcements.

2.0 Public Time – Comment on Agenda Items

Thomas Partridge appeared before the Board. Mr. Partridge is a proponent of a countywide transportation plan and urged the Board to utilize the two public acts or proposed legislation if these acts are insufficient to bring about countywide service to move forward. Mr. Partridge urged the Board to provide the charismatic leadership necessary to bring about countywide transportation and hopefully regional and statewide transportation.

Paul Schreiber, Mayor of the City of Ypsilanti appeared before the Board. Mayor Schreiber encouraged the Board to look at a countywide solution, to be vigilant in seeking dedicated funding sources, and to move quickly to provide service not only for Ann Arbor, but for the entire county to knit the county together. Mayor Schreiber thanked the Board for putting the presentation together.

Carolyn Grawi from the Ann Arbor Center for Independent Living appeared before the Board. Ms. Grawi urged the Board to make certain that the dedicated funding source of the City of Ann Arbor millage remains intact to continue to pay for paratransit service.

Ms. Grawi stressed the importance of not losing service, but sustaining all existing service and improving service within the region. Ms. Grawi thanked the Board for their efforts to improve service over the past years.

### 3.0 Presentation on Public Act 196

Michael Ford announced that based on the Board's direction to take steps to outline a countywide service plan, the panelists were assembled to provide information on Public Acts 55 and 196 and help educate the Board and stimulate discussion. Mr. Ford thanked the guests for taking the time to participate in the meeting.

Jeff Ammon, with input from Jerry Lax, provided an introduction to Act 55, Act 196 and countywide transit. Mr. Ammon referred to summary documentation prepared by himself and Mr. Lax. The documentation is attached.

Mr. Ammon explained that AATA could go from where it is today to countywide transit using a range of options with varying degrees of simplicity and a myriad of pros and cons. Mr. Ammon indicated that the Board has the following areas to consider: how to provide countywide transit, how to fund countywide transit, and goals for working with the County and stakeholders. Mr. Ammon indicated once those decisions are made, then it will be time to look at process and procedure.

Mr. Ammon provided highlights of some of the differences between Act 55 and Act 196. Act 196 authorities may levy a millage of up to 25 years, if a portion of the funds are used for a fixed guideway system. The Act also allows for an authority to provide service outside of its own district by contract. Act 55 is an older statute and is not expressed quite as clearly. Mr. Ammon noted other differences in the acts that may be of significance:

- Only cities with fewer than 300,000 people may form Act 55 authorities, but an Act 196 authority may be formed by any city, village, township or county, or a combination of them, and a city, village or township can decide that only part of the city, village or township wants to be part of the authority. This is not an option for counties.
- Both acts allow an authority to admit additional political subdivisions as members. Act 55 allows those additional members to withdraw only with the authority's permission. Act 196, however, allows members and other political subdivisions within the district to opt out of the authority without the authority's permission in certain situations.
- Act 196 allows for more flexibility depending on your political vantage point.

Mr. Ammon referred to a diagram illustrating three ways that AATA could provide countywide transit service: Mr. Ammon reviewed each of the three options which can be accomplished as either an Act 55 or Act 196 authority.

Option 1 – Service Contracts – Negotiate contracts with one or more jurisdictions outside the City of Ann Arbor. The advantages to this option include simplicity; there is no need to create any new transit authorities. This could be accomplished with the existing Act 55 authority, or through conversion to an Act 196.

Option 2 – “Layer Cake” – This would cause two millages: one within the City of Ann Arbor and another throughout the entire County. Taxpayers in the City of Ann Arbor pay both millages: a City millage “layered” on top of a County millage.

Option 3 – “Donut” – This would be the same as a countywide authority, except the new authority would consist of the entire county, except for the City of Ann Arbor, which would exercise its right to be excluded from the new Act 196 Authority. This would result in two transit authorities with respective millages resembling a donut: the out-County millage “donut” surrounding the City as the “donut hole” to continue its current charter millage.

A copy of the diagram and a description of the three options are attached.

Mr. Ammon noted that Options 2 and 3 would require discussion with the County about how funds would be shared. Mr. Ammon stressed the importance of understanding that converting to an Act 196 authority does not require AATA to become a countywide agency. This might put AATA in a more flexible position to negotiate countywide transit, but it is not necessary to get some form of countywide transit. Mr. Ammon noted that a sample timeline for converting AATA from Act 55 to Act 196 was included in the background materials. A copy of the sample timeline is attached.

Mr. Ammon explained that conversion would end up with an authority controlled by the City of Ann Arbor, and the City would make decisions about the board structure. Jerry Lax asked the Board to keep in mind that the statutes are the building blocks; the legal tools are available. If the goal is to operate broader transit service, then the building blocks provide opportunities for the jurisdictions to opt out. If the decision is made to impose a millage, there will be a vote. However, there needs to be some consensus as to the goal trying to be achieved. The political aspect really hovers over the entire discussion because without that, having the building blocks will not get you from here to there.

Bill Schomisch provided an overview of Kalamazoo Metro Transit:

- Began service as a department of the City of Kalamazoo.
- Incorporated as an Act 55 Authority in 1985 (however, remained a City department).
- A separate Act 196 Authority was created in 2006/2007 with the intent that if the millage election for the Act 196 Authority was successful, the Act 55 Authority would be dissolved.

- The Act 196 millage election scheduled for 2008 failed at the same time the Act 55 millage expired. As a result, Kalamazoo now operates with two authorities.
- In 2009, the Act 196 millage passed in the county, and the Act 55 millage passed in the city.
- Currently, the Act 196 Authority in the out-county collects a small millage and contracts with the Act 55 Authority in the City of Kalamazoo to provide its services.
- The Act 55 Authority provides both City and County services.
- Kalamazoo Transit is still a department of the City of Kalamazoo; however, the Act 55 Board approves the agency's budget and fare increases, but does not get involved in the system's everyday operations.
- General Manager Schomisch, as a department head, answers to the City Manager.

Peter Varga provided an overview of The Rapid.

- Originally was known as Grand Rapids Area Transit System (GRATA) and was originally incorporated as an Act 7 Authority.
- Reorganized as The Rapid (a regional transit system) under Act 196 in 2000.
- The Rapid is currently an Act 196 Authority comprised of six independent cities.
- Services to locations outside the six cities are provided under Purchase of Service Agreements (POSA's), such as to surrounding townships and to Grand Valley State University.
- The Rapid's POSA's are for long term periods with provisions for built-in contractual adjustments.
- The Rapid currently levies 1.12 mills (which currently provides about \$12 million).
- Act 196 elections can be held in February, May, August, or November of each year.
- The Rapid goes out for a millage election one year before the existing millage is scheduled to expire, but the new millage does not take effect until the next year (when the existing millage would normally expire – this is to allow for the full non-Headlee adjusted millage to take effect).

Bob Foy provided an overview of Flint MTA.

- The MTA was originally incorporated in 1972 as an Act 55 Authority for the City of Flint.
- The Act 55 Authority re-incorporated in 1991 to include Flint and Davison.
- The Act 55 Authority re-incorporated in 1996 as a county-wide transit authority.

- In 2001, services were extended through inter-local agreements to a 5-county area (Washtenaw, Livingston, Genesee, Oakland, and Saginaw Counties) to provide job-related transit services through Joint Access/Reverse Commute.
- The Act 55 Authority currently has 3 separate millages: 0.6 for the City of Flint, 0.4 county-wide, and another 0.4 county-wide. (County residents pay a total of 0.8 mills, while City residents pay a total of 1.4 mills.)

Mr. Foy stressed the importance of telling voters what you are going to do, and being prepared to do it.

#### 4.0 Discuss Presentation on Public Act 196

Panelists responded to questions from Board Members. A transcript of the questions and answers is attached.

#### 5.0 Public Time

Panelists responded to questions from members of the audience. The questions and answers are included in the attached transcript.

Michael Ford thanked the invited guests for attending the meeting and sharing their expertise.

#### 6.0 New Business

There was no New Business.

#### 7.0 Adjournment

Mr. Robben moved to adjourn the meeting with support from Mr. Annis. The motion passed unanimously. The meeting adjourned at 8:02 p.m.

Respectfully Submitted,

Charles Griffith, Secretary