



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

Approved Minutes

April 16, 2015

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

Board Present: Susan Baskett, Jack Bernard (arrived 6:41 p.m.), Eli Cooper, Anya Dale, Gillian Ream Gainsley, Sue Gott, Charles Griffith (Chair), Roger Kerson, Larry Krieg (departed 8:18 p.m.), Eric Mahler

Staff: Jan Black, Terry Black, Tracy Byrd, Gail Contrucci, Ron Copeland, Connie Curry, Bill De Groot, Deb Freer, Dawn Gabay, Bob Guenzel, Ed Robertson, Mary Stasiak, Phil Webb, Chris White, Michelle Whitlow, Reggie Whitlow

LAC Representative: Cheryl Weber

Recording Secretary: Karen Wheeler

Charles Griffith declared that a quorum was present and called the meeting to order at 6:33 p.m.

1.0 Public Hearing – None Scheduled

There was no Public Hearing.

2.0 Communications and Announcements

There were no communications or announcements.

3.0 Public Time – Comment on Agenda Items

John Heed appeared before the Board and commented on A-Ride service. Mr. Heed noted a recent survey where A-Ride received a high approval rating from customers. Mr. Heed suggested that a letter recently issued by AAATA about changes to A-Ride service was difficult for some people to understand. Mr. Heed further suggested considering changing the structure of work and contracting

with drivers as LLC's.

Nancy Frederick appeared before the Board and commented on her experience as an A-Ride driver. Ms. Frederick shared details of her interactions with customers who are difficult to understand and her ability to communicate well with the customers based on their long history together. Ms. Frederick expressed concern that new drivers may not be able to communicate with passengers as well, and may not know details of pick-up and drop-off locations; something to be considered with a new contract.

Brian Perkins appeared before the Board and commented on A-Ride. Mr. Perkins noted that SelectRide has been serving people for 25 years. Mr. Perkins suggested that a change in A-Ride vendors would hurt customers as SelectRide employees know the needs of the customers.

Kristin Persu appeared before the Board and read from a prepared statement which included details of her employment history with SelectRide, her involvement with the A-Ride program, and concerns raised about SelectRide's finances.

Alex Persu appeared before the Board and read from a prepared statement detailing his employment history with SelectRide and work with the A-Ride program in SelectRide's call center.

Melanie Reid appeared before the Board and read from a prepared statement detailing her employment history with SelectRide and her work with the A-Ride program. Ms. Reid commented on the high caliber of SelectRide's maintenance employees and advanced technology deployed by the company.

Paul Epstein appeared before the Board and commented on his near 30 years of employment at SelectRide and the evolution of the company and A-Ride service in that time. Mr. Epstein commented that SelectRide employees have the experience and knowledge, and understand the parameters and nuances of providing A-Ride service.

Michelle Barney appeared before the board. Ms. Barney commented on her use of A-Ride service in Ypsilanti and her experience with the service being late. Ms. Barney also commented on her interaction with SelectRide employees, including management.

Mark LaSarge appeared before the Board and commented on A-Ride. Mr. LaSarge shared details of a conversation he had with an A-Ride customer and the

major impact the conversation had on him. Mr. LaSarge commented on relationships built with passengers, and the value of service providers to people with disabilities. Mr. LaSarge encouraged the board to continue to contract with SelectRide.

Dave Reid appeared before the board. Mr. Reid read from a prepared statement detailing his career at SelectRide, his involvement with the A-Ride program, and personal recognition and awards received from the paratransit and contracting industry. Mr. Reid referred to a recent study which yielded favorable results about the A-Ride program. Mr. Reid apologized for recent mistakes, and indicated that they were not entirely SelectRide's fault. Mr. Reid requested that the board continue the A-Ride agreement with SelectRide.

Carolyn Grawi from the Ann Arbor Center for Independent Living appeared before the Board. Ms. Grawi commented on her experience as an A-Ride user which has mostly been positive, except for the last time that there was a change in A-Ride vendors. Ms. Grawi questioned the fate of SelectRide employees and the possible economic impact in the county, if there is a change in providers. Ms. Grawi suggested the possibility of sharing the service responsibility with more than one company. Ms. Grawi urged the board to make certain that their decision results in the best outcome for A-Ride customers and the community.

Cheryl Weber appeared before the Board. Ms. Weber commented on her experience as a public transportation rider and noted recent concerns about on-time performance on the paratransit service. Ms. Weber complimented SelectRide drivers on providing outstanding service. Ms. Weber urged the board to make the best decision for good service for people who depend on the A-Ride service.

No one further appearing, Mr. Griffith declared public time closed.

4.0 Review and Approval of Minutes

4.1 Review and Approval of Minutes of March 11, 2015

Eric Mahler moved approval of the minutes as written with support from Larry Krieg. The motion carried.

4.2 Review and Approval of Minutes of March 19, 2015

Roger Kerson moved approval of the minutes as written with support from Eli

Cooper. Larry Krieg noted a correction needed to item 8.2 Consideration of Resolution 16/2015 Revise FY2015-2019 Capital and Categorical Grant Program

Chris White reported that the actual allocation of federal funds was lower than the amount published in the Federal Register. The shortfall necessitated a reduction to the FY2015 Capital and Categorical Grant Program. Planning funds were recommended for reduction to balance the program. The planning budget appears to be healthy enough to withstand a reduction the expenditure. Mr. White cautioned that if Congress does not take up new transportation authorizing legislation in the summer, a longer term look needs to be taken as to what to do with the programs.

Mr. Kerson accepted the friendly amendment. The amended motion carried. Sue Gott abstained.

5.0 Board and Staff Reports

5.1 Chief Executive Officer

Bob Guenzel presented a summary of his written report to the Board. Mr. Guenzel reported on follow-up items from the March Board meeting. Mr. Guenzel reported on a resolution endorsed by the Planning and Development Committee to rescind the November 2014 resolution awarding the A-Ride contract to SelectRide and authorizing negotiations with the second vendor, Blue Cab for A-Ride service to begin May 1. Mr. Guenzel reported the details of concerns raised about the current paratransit service provider SelectRide. Some employees operating A-Ride service were not paid the Living Wage which is required by the current contract. The concerns were substantiated which resulted in a breach of contract. Mr. Guenzel reported that the decision to recommend a change in providers was not arrived at lightly, and the primary concern remains providing good service to paratransit customers. Mr. Guenzel reported that staff had been working on alternate service plans on a temporary basis with AAATA providing lift services and a contractor providing sedan service. Mr. Guenzel restated the recommendation to rescind the November action and enter into negotiations with the second bidder.

Mr. Guenzel reported that the annual Board Retreat was scheduled for Wednesday, May 20 and would take place at the Hilton Garden Inn on Briarwood Circle.

Mr. Guenzel reported on a recommendation from the Governance Committee to approve a contract with Matthew Carpenter for the Chief Executive Officer position. Mr. Guenzel noted that the contract is a five year commitment.

Mr. Guenzel introduced State Representative Adam Zemke. Representative Zemke made a [presentation on Proposal 1](#), a statewide ballot initiative to be considered by voters on May 5. Representative Zemke outlined the need for additional state funds for road repairs, aid for schools, people on fixed incomes and local governments. Additional funding would be achieved through increasing the state sales tax from 6% to 7% and converting the existing gasoline and diesel taxes to a wholesale version while removing the sales tax on fuel.

In 2017-2018 when fully implemented, the impact of the package would raise an estimated \$1.9Billion for distribution among state and local road agencies (\$1.3Billion) with the remaining funds going toward public transportation, school aid and an expanded earned income tax credit.

Roger Kerson asked what the initiative would do for transit. Representative Zemke responded that while the exact numbers weren't yet known, a favorable vote was expected to increase funding for mass transit by \$100Million.

Representative Zemke responded to a question from audience member Michelle Barney regarding assurances that funding for roads and schools would be distributed fairly, including the cities of Flint and Detroit. Representative Zemke confirmed that a fair distribution of funds to local governments for roads was intended.

Representative Zemke encouraged everyone to show up to the polls. Mr. Griffith thanked Representative Zemke for his presentation.

5.2 Planning and Development Committee

Sue Gott reported on the April Planning and Development Committee (PDC) meeting. PDC discussed the SelectRide contract and voted on a resolution brought forward and outlined by Bob Guenzel. Committee members discussed the US23 corridor proposal by the Michigan Department of Transportation. A number of concerns were expressed by different committee members, and staff provided clarification on some of the issues. Committee members discussed the board retreat which

continues to be a work in progress. The committee moved two action items forward to the full board: a process for updating the adopted Five-Year Transit Improvement Program and the A-Ride contract. Staff provided updates on several projects detailed in the meeting summary. Ms. Gott expressed appreciation to members of the public who attend and provide comments and feedback to PDC meetings.

5.3 Performance Monitoring and External Relations Committee

Roger Kerson reported on the Performance Monitoring and External Relations Committee meeting. The Committee supported one action item: award of a contract for natural gas. Staff reported on finances, ridership and the quarterly service standards. The Committee discussed the service standard of bus cleanliness which is not currently being met. While customers are not complaining about the cleanliness of vehicles, staff will be paying close attention to bringing the standard up.

Washtenaw Area Transportation Study

Larry Krieg reported that after considerable debate the Washtenaw Area Transportation Study (WATS) Policy Committee recommended approval of the Michigan Department of Transportation's US-23 proposal.

5.4 Local Advisory Council

Cheryl Weber presented the Local Advisory Council (LAC) report. LAC members discussed the A-Ride contract and support the direction AAATA is taking. The LAC received some concerns about the delivery of current paratransit service, specifically on-time performance. It is hoped that a provider change will improve the reliability of A-Ride service.

6.0 Old Business

There was no Old Business for the Board to consider.

7.0 Executive Session – Review Written Opinion of Legal Counsel

On a roll call vote, the board voted unanimously to go into Executive Session. The Executive Session commenced at 7:54 p.m.

Gillian Ream Gainsley moved to close the Executive Session. The motion carried and the Executive Session closed at 8:23 p.m. Note: Larry Krieg was not present

for the vote as he departed at 8:18 p.m.

8.0 Question Time

Eli Cooper reported on progress being made on proposed revisions to expense policies. Mr. Cooper reported that he planned to touch base with board members in the coming month, and hoped to resolve the matter by June.

9.0 New Business

Gillian Ream Gainsley moved the following resolution with support from Eric Mahler.

9.1 Consideration of Resolution 21/2015 2015 Updates of the Adopted Five-Year Transit Improvement Program

WHEREAS, the Ann Arbor Area Transportation Authority (AAATA) Board of Directors adopted the Five-Year Transit Improvement Program (5YTIP) in January, 2014, and

WHEREAS, the 5YTIP includes a 2015 element which includes specific services to be implemented and changes to route #3, #33, and new route #41 that are optional for 2015 dependent on agreement with EMU, and

WHEREAS, the AAATA Board adopted an annual process to update and revise the 5YTIP in December, 2014, and

WHEREAS, consistent with the update process, staff proposed several revisions to the 5YTIP service changes for August, 2015, and

WHEREAS, AAATA staff disseminated information to riders and the public about the proposed plan revisions, solicited comments and questions, provided multiple and diverse opportunities for riders and the public to understand the proposed revisions and provide comments, objections, and suggestions, and

WHEREAS, staff has considered the public input, changed the proposed revisions in response to the input, and provided the input for, and

WHEREAS, AAATA staff developed a Title VI analysis of major changes for Board consideration which did not find a disparate impact as a result of the change on protected populations,

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts the 2015 plan revisions briefly described as follows:

- Operation of Sunday service on routes #10, 11, 20 beginning in August, 2015

- Operation of weekday service on new route #67 in Pittsfield Township beginning in August, 2015
- Operation on an additional bus on route #3 only during weekday peak hours
- Operation of an additional partial trip weekdays on route #14 to better coincide with the afternoon bell time at Pioneer High School
- Deviation of two trips per weekday on route #46 to serve Arbor Prep High School

BE IT FURTHER RESOLVED that the Board of Directors hereby acknowledges that the following optional elements will not be implemented in 2015:

- Elimination of route #33
- Operation of new route #41
- Operation of an additional bus on route #3 midday

Board members voiced support for updates to the Five-Year Plan to deliver more service earlier than expected and over delivering on promises made during the millage vote. It was noted that a Title VI analysis was completed and no disparate impact was found. Staff was complimented for their consistent work engaging the public.

The motion carried.

Eric Mahler moved the following resolution with support from Roger Kerson.

9.2 Consideration of **Resolution 22/2015 Approval of Contract Award for A-Ride Paratransit Services**

WHEREAS, the Ann Arbor Area Transportation Authority's (TheRide) primary consideration is to continue to provide A-Ride service for people with disabilities and seniors without interruption and with consistently high quality service, and

WHEREAS, TheRide issued Request for Proposal (RFP) # 2014-01 "Para-transit Service Providers" for the purpose of identifying firms to deliver para-transit services, and

WHEREAS, on November 20, 2014 TheRide Board approved the CEO to enter into negotiations with Select Ride for demand response paratransit services (A-Ride) beginning May 1, 2015, and

WHEREAS, in preparation for negotiations it was determined that Select Ride was not in adherence to current contractual terms for paratransit services (A-Ride) due to expire on April 30, 2015 resulting in a Breach of Contract, and

WHEREAS, consistent with TheRide's purchasing procedures, it can enter into negotiations with the next responsive and responsible proposer for these services,

NOW, THEREFORE, BE IT RESOLVED, that the TheRide Board of Directors rescinds its resolution #1/2015, dated November 20, 2014, and authorizes the CEO to negotiate and enter into a contract with the next responsive and responsible proposer, Blue Cab Company, beginning May 1, 2015 for up to a three year contract term, with the award amount not-to-exceed an annual amount of \$2,000,000, for the first year, subject to annual negotiation in subsequent years, and

BE IT FURTHER RESOLVED, that because Blue Cab is not prepared to undertake full operation of the service by May 1, 2015 due to the short time to prepare, TheRide will directly operate accessible service during an initial transition, and

BE IT FURTHER RESOLVED, that staff will evaluate long-term operating alternatives including complete operation of the service by TheRide, complete contracted service, and a mixture of directly operated and contracted service, and make a recommendation to TheRide Board of Directors by December 31, 2015 for the long-term operation of existing paratransit services (A-Ride) and the expanded service included in the adopted Five-Year Transit Improvement Program.

Board members discussed the resolution commenting on SelectRide's history of providing good service for many years and the difficulty of being faced with the decision to change providers due to breach of contract. It was noted that providing good service and giving the utmost care to customers are the paramount concerns. Brian Clouse responded to concerns about driver training and on-time performance, if a new vendor is selected. Mr. Clouse reported that A-Ride drivers would undergo training on disability awareness and performance will be monitored, regardless of the service provider.

The motion carried.

Eric Mahler moved the following resolution with support from Eli Cooper.

9.3 **Consideration of Resolution 23/2015 Approval of Contract Award for Purchase of Natural Gas**

WHEREAS, Ann Arbor Area Transportation Authority (AAATA) requires natural gas to heat its three facilities, and

WHEREAS, the Federal Transit Administration does not require the competitive procurement of a utility service, and

WHEREAS, AAATA issued Invitation to Bid (IFB) 2015-13B – Natural Gas Supply for the purchase and distribution of natural gas to our three facilities, and

WHEREAS, one bid was received, and

WHEREAS, AAATA staff evaluated the bid and determined that the submittal from Constellation NewEnergy – Gas Division, LLC (CNEG) was responsive and responsible to support the purchase and distribution of natural gas , and

WHEREAS, the fixed price bid of \$3.76 per million British Thermal Unit (MMBtu) for thirty-six months is less than the prior year contract price of \$4.75 per MMBtu and also less than the current DTE Energy price of \$4.07 per MMBtu, which is subject to change with the market, and

WHEREAS, the actual cost will also include distribution costs up to \$2.50 per MMBtu, and

WHEREAS, the actual cost will be based on actual usage, which is expected to be between 20,000 and 35,000 MMBtu, with an annual cost of between \$125,000 and \$220,000 per year, and

WHEREAS, the costs are included in the current FY 2015 operating budget and will be included in future annual operating budgets, therefore

NOW, THEREFORE BE IT RESOLVED, that the Ann Arbor Area Transportation Authority Board of Directors authorizes the Interim Chief Executive Officer to execute a contract for the purchase natural gas.

The motion carried.

Sue Gott moved the following resolution with support from Jack Bernard.

9.4 **Consideration of Resolution 24/2015 Approval of Agreement with Matthew Carpenter**

WHEREAS, the Ann Arbor Area Transportation Authority (AAATA)

Board of Directors authorized the Governance Committee to negotiate an agreement with the preferred candidate for the Chief Executive Officer position, and

WHEREAS, the Governance Committee has been successful in doing that,

NOW, THEREFORE, BE IT IS RESOLVED, that the Ann Arbor Area Transportation Authority Board of Directors hereby approves an employment agreement with Matthew Carpenter, a copy of which is attached hereto and made a part hereof.

AGREEMENT

Between

Matthew Carpenter

And

The Ann Arbor Area Transportation Authority Board of Directors for

EMPLOYMENT AS THE AUTHORITY'S CHIEF EXECUTIVE OFFICER

This Agreement is made and entered into by and between the Ann Arbor Area Transportation Authority (hereinafter referred to as "AAATA"), through its Board of Directors (hereinafter referred to as the "Board"), and Matthew Carpenter (hereinafter sometimes referred to as the "Employee").

WHEREAS, the Board is desirous of appointing Matthew Carpenter as the Chief Executive Officer (hereinafter referred to as "CEO") of the Ann Arbor Area Transportation Authority, and

WHEREAS, Matthew Carpenter has indicated a willingness to accept the responsibilities and render specific performance to the Board as the CEO of AAATA, and

WHEREAS, both parties have determined that it would be mutually beneficial to have a contract between them, setting forth the agreements and understandings that provide the terms and conditions under which Matthew Carpenter will serve as the CEO of AAATA,

NOW, THEREFORE, in consideration of the mutual covenants and promises, which the parties set forth below, the Board and Matthew Carpenter agree as follows:

ARTICLE I

APPOINTMENT OF MATTHEW CARPENTER

- 1.1 The Board hereby appoints Matthew Carpenter as the Chief Executive Officer of the Ann Arbor Area Transportation Authority, and Matthew Carpenter hereby accepts such appointment upon the terms and conditions hereinafter set forth.

**ARTICLE II
CEO RESPONSIBILITIES**

- 2.1 The Board agrees to employ Matthew Carpenter as CEO of AAATA
- 2.2 Employee shall have, and agrees to perform in good faith, the duties and responsibilities of CEO. As such, Employee shall provide general supervision and management of the affairs of the AAATA under the direction of the Board, shall perform the functions and duties specified in the policies and resolutions of the Board, and shall perform such other legally permissible and proper duties and functions as may be assigned from time to time by the Board. Specific expectations are outlined in the CEO's written job description (Appendix A).

**ARTICLE III
CONDITIONS OF EMPLOYMENT**

- 3.1 Employee shall faithfully perform his duties to the best of his ability in accordance with the highest professional and ethical standards, and shall comply with all general rules, policies, and regulations established by the Board or required by law.
- 3.2 Employee shall devote his full time, energies, interests and abilities to the performance of the duties and responsibilities of CEO and shall not engage in any activities or employment that conflict with, or interfere with, the performance of this Agreement.
- 3.3 Employee shall not engage in any activity which is or may become a conflict of interest, which is prohibited by contract, or which may create an incompatibility of office. The Employee shall complete such disclosure forms as may be required by law or by the Board.
- 3.4 The Employee may, from time to time and with approval from the Board, participate in transit-industry peer advisory services for other communities or agencies, and receive honoraria and expenses for same. Such activities shall not negatively impact the CEO's obligations to the Board or the AAATA.
- 3.5 Employee acknowledges that the duties of his position may require an average of more than forty (40) hours per week, and that some day-to-day hours may vary significantly. Employee will not be compensated for overtime hours worked or otherwise earn or be entitled to compensatory time off for hours worked in excess of eight (8) per day or forty (40) per week.

**ARTICLE IV
TERM OF EMPLOYMENT**

- 4.1 Subject to the provisions for termination set forth in this Agreement, the term of Employee's employment shall begin June 1, 2015 (hereafter referred to as "Anniversary Date") and shall continue for five (5) years, unless terminated as provided for elsewhere in this Agreement. This Agreement may be extended at any time during its term by mutual agreement of the Board and Employee.
- 4.2 No less than ten (10) months prior to the expiration of this Agreement, the Board and Employee shall meet to begin discussing the renewal of this Agreement, the process and timeline for renewal, and any changes the parties may wish to mutually make or negotiate with respect to its terms and conditions.
- 4.3 Should the Board choose to not renew the Agreement, the Board will provide the Employee with written notification of same not less than six (6) months before the end of the term.

**ARTICLE V
SALARY AND COMPENSATION**

- 5.1 As compensation to Employee for the services rendered to the AAATA during the term of this Agreement, Employee shall be paid a base annual salary of not less than \$160,000, payable in accordance with the AAATA's regular payroll procedures, and subject to customary and mandatory withholdings.
- 5.2 During the term of the Agreement, the base salary and/or benefits can be increased in such amounts as the Board may approve based on a performance evaluation to be conducted at least once a year in accordance with this Agreement.

**ARTICLE VI
SUPPLEMENTAL BENEFITS**

- 6.1 Except as provided otherwise by this Agreement, the Board shall provide Employee the same benefits and privileges as those provided to other non-union represented employees in the AAATA Management Personnel Handbook, as they may be amended from time to time. All actions taken by the Board relating to increased benefits for such employees shall be considered actions granting the same benefits to Employee.
- 6.2 As used herein, the term "benefits" shall include, but is not limited to: holidays, sick leave, vacation, pension plan contributions, health insurance, vision insurance, dental

- insurance, health care savings plan contributions, short and long term disability insurance, life insurance, flexible benefits plan, and tuition reimbursement.
- 6.3 The Employee will be provided with 20 days of vacation annually to be accumulated in the same manner as other non-union employees. Employee will not be allowed to accumulate more than the amount of annual vacation to which he is entitled, and any excess unused vacation will be forfeited each September 30 unless the Board grants an exception to this limitation or adopts a policy allowing Employee to convert all or part of his unused vacation.
- 6.4 To ensure adequate family and personal time, Employee will be credited with five (5) days of vacation, and three (3) days of sick leave upon beginning of this Agreement in 2015.
- 6.5 The Board will pay \$10,000.00 annually to a deferred compensation vehicle to be identified by Employee. Payments will be made on a bi-weekly basis.
- 6.6 Employee may use AAATA fleet automobiles for purposes of performing AAATA business.

ARTICLE VII TERMINATION/SUSPENSION

- 7.1 Regardless of any other provision in this Agreement, Employee understands and acknowledges that the position of CEO is an “At-Will” position which is exempt from accruing or receiving property rights, other than set forth in this Agreement, and that the Employee serves at the pleasure and at the will of the Board.
- 7.2 Nothing within this Agreement shall prevent, limit, or otherwise interfere with the right of the Board to revoke the appointment of Employee, with or without cause at any time, subject to Employee’s contract rights hereunder, except to the extent prohibited by state or federal law.
- 7.3 Subject to the right of the Board to terminate this agreement without cause as provided in Sections 7.1 and 7.2, this Agreement may also be terminated:
- a) By mutual agreement and upon such terms and conditions as agreed to in writing by Employee and the Board;
 - b) By the adoption of a resolution approved by the affirmative vote of a majority of the Board for the removal of Employee as CEO for cause;
 - c) By resignation of Employee;

d) By the Board if Employee is permanently disabled or otherwise unable to perform his duties and responsibilities because of sickness, accident, injury, mental incapacity, or health for a period of sixty (60) days; and

e) By the death of Employee.

- 7.4 A vote on a resolution by the Board to revoke the appointment of Employee and terminate this Agreement will only be made in full and open public session. Discussions prior to any such decision to terminate this Agreement may be made by the Board in closed session consistent with the Michigan Open Meetings Act prior to the Board acting upon such a resolution in a public session. Prior to a vote on any termination resolution, the Employee will be provided with at least thirty (30) days prior notice, a written statement of reasons for the resolution, and will be provided with an opportunity to appear before the Board in both a confidential and public setting.
- 7.5 The Employee shall be provided with the opportunity to choose to resign his office instead of being terminated. In such an event, the public announcement shall state that Employee has resigned.
- 7.6 Nothing within this Agreement shall prevent, limit, or otherwise interfere with the right of Employee to resign at any time from his position; provided, however, that Employee shall give the Board written notice at least sixty (60) days prior to the effective date of such resignation (except as otherwise noted above).
- 7.7 Regardless of the reason for Employee's termination, for a period of one (1) year after such termination, Employee agrees not to disrupt relations or business of the Board by soliciting employees to terminate their employment with the AAATA. All data, studies, reports and other documents prepared by or on behalf of Employee while performing his duties during the term of this Agreement shall be furnished to and become the property of the Board without restriction or limitation on their use.
- 7.8 The Board may suspend the Employee with full pay and benefits by the affirmative vote of a majority of the Board of Directors. The Employee will be provided with a written statement of reasons for the suspension, and will be provided with an opportunity to appear before the Board.
- 7.9 Nothing in this Agreement shall limit the rights and remedies the parties may otherwise have in the event of a breach of the Agreement by the other party not resolved within thirty (30) days after the notice of such breach.

ARTICLE VIII COMPENSATION AFTER TERMINATION

- 8.1 If this Agreement is terminated by the Board “for cause,” the Board shall have no further obligation under this Agreement and Employee shall not be entitled to any severance. “For cause” is defined as the following:
- a) Employee’s willful breach of contract, duties, obligations, or policies of the AAATA;
 - b) Employee’s continued neglect of duties or obligations required of the CEO after written notice of same and reasonable time to remedy the deficiency;
 - c) Employee’s continued violation of written rules and policies after written notice of same;
 - d) Conduct of Employee that is of such nature that it will likely have a substantial negative impact on the reputation of the AAATA.
 - e) Employee’s conviction of any criminal act amounting to a felony while employed as CEO of the AAATA;
 - f) Employee’s confirmed commission of any dishonest act in a public or private capacity such as theft, fraud, misappropriation or embezzlement of funds;
 - g) Employee’s engagement in acts which would constitute grounds for immediate dismissal of any employee by the AAATA under existing policies or as may be enacted.
- 8.2 If the grounds for Employee’s termination are other than those set forth in section 8.1, the Board shall pay Employee severance equal to six (6) months aggregate compensation. Aggregate compensation shall consist of the following:
- a) CEO’s normal salary;
 - b) CEO’s sick leave and vacation accrual and payout consistent with AAATA policy;
 - c) An amount equal to the value of the foregone contribution to deferred compensation and pension programs; and
 - d) An amount equal to the value of AAATA’s normal contribution to Employee’s health insurance plan for the tier of coverage selected as of the date of separation, or if no coverage is selected, the amount available to other AAATA management employees who waive health insurance coverage.

Employee may elect to receive his severance package on a bi-weekly schedule as part of AAATA’s normal payroll cycle; or upon written request may receive the total amount of severance due in the form of one lump sum payment.

- 8.3 As a condition to the payment of any severance package, Employee shall deliver to the Board a signed Agreement and Release, in the form prescribed by the Board, holding AAATA and the Board harmless and releasing AAATA, the Board, and their officers, agents, attorneys and employees, past and present, from any and all liability relative to the Employee's employment, including termination of his appointment as CEO.
- 8.4 If this Agreement is terminated by resignation of Employee, the Board shall have no obligations under this Agreement other than providing such benefits to Employee as other employees of AAATA would be entitled to upon resignation.

**ARTICLE IX
PERFORMANCE REVIEWS,
EVALUATIONS AND COMPENSATION ADJUSTMENTS**

- 9.1 The Board shall review and evaluate the performance of Employee at least once annually based upon criteria developed by the Board in consultation with the Employee. Such criteria must be developed and made available to the Employee prior to the beginning of the period covered by the evaluation. The Board's written job description for the CEO position (Appendix A), shall provide the foundation for expectations and the evaluation unless mutually agreed upon by both parties.
- 9.2 Employee's reviews and performance evaluations shall be conducted annually and be completed prior to Employee's Anniversary Date, unless otherwise agreed to by Board and Employee.
- 9.3 The Board agrees to consider increasing the base salary and/or other benefits of Employee, in such amounts and to such an extent as the Board may determine that it is desirable to do so, on the basis of annual salary and performance review.
- 9.4 Employee's annual compensation, including any one-time bonus payments for exceptional performance, may be adjusted at the discretion of the Board at an official Board meeting. Adjustments to compensation will be made on a fiscal-year basis.

**ARTICLE X
EXPENSES**

- 10.1 The AAATA shall reimburse Employee for reasonable and necessary business expenses of the Employee, as determined by the Board, incurred in the performance of the duties and responsibilities set out in this Agreement, and in accordance with AAATA policy.
- 10.2 Reimbursement shall be made for those expenses allowed under the AAATA policy found in the AAATA Management Personnel Handbook and this Agreement. The Employee will seek cost-effective and practical means of fulfilling his duties. Expenses that generally will be reimbursed include the following:
- Airfare or train fare for business travel in coach or economy class, or the lowest available fare.
 - Car rental fees for mid-sized or full sized non-luxury automobiles.
 - Airport shuttle buses or other public transportation modes.
 - Taxi fares only when there is no less expensive alternative.

- Costs for standard accommodations in mid-priced hotels, motels, or similar lodgings.
- The cost of meals and incidental expenses not to exceed the per diem rate established by the US General Services Administration (GSA).
- Tips not exceeding 20% of the total cost of a meal, service, taxi, etc.
- Mileage for use of Employee's personal vehicle in conducting AAATA business,
- Pre-approved conferences, short courses, seminars and training necessary for Employee's professional development and for service in the best interest of the AAATA

Expenses that will not generally be eligible for reimbursement include, but are not limited to, the following:

- First-class travel.
- Personal items and gifts.
- Wine, beer, liquor, or other alcoholic spirits.
- Entertainment costs such as movies, concerts, athletic events, etc.
- Expenses of family members or friends.
- Personal phone calls.
- Social club dues.
- Non-business related club dues.
- Any expenses requiring pre-approval that were not pre-approved.

10.3 In accordance with Board policy, AAATA shall pay reasonable professional dues and subscriptions of Employee for his participation in international, national, regional, state, and local associations, and organizations deemed by the Board as appropriate for his continued professional development and/or for the benefit of AAATA.

10.4 The Board shall pay the full cost of any fidelity or other bonds required of or for Employee pursuant to any law, ordinance, or Board policy.

10.5 Employee shall be reimbursed by the Board for the necessary and reasonable one-time expenses of relocating the Employee, his immediate family and their belongings from Alberta to Michigan. The reimbursement shall be at 75% of the actual cost. Employee shall be responsible for the remaining 25%. The total cost for AAATA of such reimbursements will not exceed \$20,000. All receipts for such expenses must be submitted within six (6) months of the beginning of Employees' term in 2015. All expenses are subject to Board approval. Examples of reasonable relocation expenses include:

- Maximum of two family trips to/from Michigan for the purposes of finding housing.
- Packing and moving services,

- Transitional health insurance,
- Temporary storage,
- Penalties for early termination of existing mortgage,
- Legal fees,
- Duties/customs/import fees,
- Transitional housing,
- Final transportation of Employee and family.

ARTICLE XI INDEMNIFICATION

- 11.1 The Board shall defend, hold harmless and indemnify Employee against and from any and all claims, legal or administrative actions or demands, consistent with the provisions of law, including actions for equitable relief whether groundless or otherwise, including attorney's fees and costs, arising from any act or omission either alleged or real, which occur or occurred during his employment as CEO of AAATA, and which are within the scope of the CEO's employment and performance of his duties as CEO, so long as Employee acted in good faith and in a manner reasonably believed not to be opposed to AAATA's interests, or in the case of a criminal proceeding, Employee had no reasonable cause to believe the conduct was unlawful. Indemnification shall not apply to any claims of AAATA against Employee.
- 11.2 The Board may compromise and settle any claim or suit and pay the amount of any settlement or judgment rendered thereon, together with attorney's fees associated therewith. Employee shall cooperate fully in the defense, compromise, or settlement of any claims, actions, or demands for which Board defends, holds him harmless, or indemnifies him.
- 11.3 Any unreasonable failure by Employee to provide full information or to cooperate with Board's attorneys shall be cause for the Board to deny Employee the defense, hold harmless and/or indemnification rights under this Article.
- 11.4 The Board and Employee acknowledge and agree that even though the Board may proceed to handle a claim, action or demand against Employee, the Board reserves the right not to indemnify, or to recover costs of indemnification, if it is determined that the Employee's actions did not satisfy the standards of this Article.
- 11.5 The obligations of this Article shall survive the termination of this Agreement however terminated.

ARTICLE XII
DISPUTE RESOLUTION, JURISDICTION, VENUE AND GOVERNING LAW

- 12.1 Upon the written approval of both parties, disputes arising out of this Agreement may be submitted to binding arbitration for resolution. If binding arbitration is chosen as the means to resolve an issue, the parties shall mutually agree upon the selection of an arbitrator who will hear the evidence presented and render a written decision within thirty (30) calendar days from the date of the conclusion of all hearings or submission of briefs, whichever is later. The arbitrator shall not have jurisdiction to subtract from or modify any of the terms of this Agreement or any written amendments hereof, or to specify the terms of a new Agreement, or to substitute her/his discretion for that of the parties. All filing and administrative fees and other such costs related to the arbitration shall be paid by the AAATA. All other costs, including attorneys' fees, (unless allowed by the arbiter) shall be borne by the party incurring the costs. The decision of the arbitrator shall be final, conclusive, and binding upon both parties and the parties agree that they shall have no recourse to the arbitrator's decision. Judgment upon an award rendered by an arbiter may be entered in and enforced by any court having jurisdiction.
- 12.2 For disputes in any action or proceeding arising out of, or relating to this Agreement that are not presented to an arbitrator for binding resolution, the Board and Employee hereby irrevocably submit to the jurisdiction of the state courts located in Washtenaw County or the U.S. District Court for the Eastern District of Michigan, and irrevocably agree that venue for any such dispute shall be exclusively in the state courts located in Washtenaw County or in the U.S. District Court for the Eastern District of Michigan. This agreement shall be construed by and controlled under the laws of the State of Michigan.

ARTICLE XIII
SEVERABILITY

- 13.1 If any provision or any portion hereof contained in this Agreement is held to be unconstitutional, invalid, or unenforceable, the remainder of this Agreement or portion thereof shall be deemed severable, shall not be affected, and shall remain in full force and effect.

ARTICLE XIV
ENTIRE AGREEMENT

- 14.1 Employee and the Board acknowledge and agree that this Agreement constitutes their final understanding and agreement with respect to the subject matter hereof, and supersedes all prior or contemporaneous negotiations, promises, covenants, agreements, or representations concerning all matters directly or indirectly, or

- collaterally related to the subject matter of this Agreement.
- 14.2 Employee and the Board acknowledge, understand, and agree that nothing within this Agreement can be modified, amended, or revoked except by and with the express written consent of both Employee and the Board.
- 14.3 All dollar amounts herein are in US currency.
- 14.4 The waiver by the Board of a breach of any provision of this Agreement by Employee shall not operate or be construed as a waiver of a subsequent breach by Employee.

ARTICLE XV ASSIGNMENT

- 15.1 This Agreement is not assignable by either the Board or Employee. Any assignment by either party shall be void.

ARTICLE XVI ACKNOWLEDGEMENT

- 16.1 Employee hereby acknowledges that he was provided with this Agreement prior to its execution, and that he had the time and opportunity to review this Agreement and provide comment prior to his execution of this Agreement. Employee agrees that he has had an opportunity to consult with an attorney of his choice on the terms and conditions of this Agreement and has had an opportunity to clarify any terms and conditions which were not understood by him. Employee further acknowledges that he has read this Agreement; and by his signature below acknowledges that he fully understands and agrees to the contents, terms, and conditions of this Agreement.

ARTICLE XVII NOTICES

- 17.1 Any notices required by this Agreement shall be in writing and either given in person or by first class mail with the postage prepaid and addressed as follows:

TO THE BOARD: Chair of the Board
Ann Arbor Area Transportation Authority
2700 South Industrial Highway
Ann Arbor, Michigan 48104
United States

TO EMPLOYEE: Matthew Carpenter
662 22560 Wye Road
Sherwood Park, Alberta T8A 4T6

Canada

Changes of addresses of either party shall be relayed to the other party within ten (10) days of such changes becoming effective.

**ARTICLE XVIII
COUNTERPARTS**

18.1 This Agreement shall be executed simultaneously in three counterparts and each shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, The Board has caused this Agreement to be signed and executed in its behalf by its Chairperson, duly attested, and executed by Matthew Carpenter this _____ day of _____, 2015.

Matthew Carpenter

Charles Griffith

ATTEST:

Charles Griffith commented on the terms of the Agreement with Matthew Carpenter.

The motion carried.

10.0 Public Time

Carolyn Grawi appeared before the Board. Ms. Grawi commented on the need to provide good, timely service for people with disabilities, and to have community involvement in major decisions. Ms. Grawi suggested that the information shared with paratransit riders about a possible service change was confusing and urged the board to make sure that riders receive accurate information going forward.

Nancy Frederick appeared before the board and commented on concerns about A-Ride service and reports of unsuccessful attempts to lodge a concern with the person in charge at SelectRide. Ms. Frederick urged the board to bring current A-Ride drivers to a new contract.

Michelle Barney appeared before the Board. Ms. Barney commented on the Board's vote on the A-Ride contract and encouraged the board to find work for the SelectRide A-Ride drivers who know what the service is like.

An unidentified speaker appeared before the Board and commented on the decision on the A-Ride contract and how it will impact A-Ride passengers.

Dave Reid appeared before the Board. Mr. Reid commented on the SelectRide Living Wage issue indicating that there was a significant difference of opinion regarding the city minimum wage issue and SelectRide's current contract, and their ability to have the information for the bid. Mr. Reid commented on Mr. Guenzel's remarks stating that SelectRide did not base their bid for the current contract on the Living Wage as they were not given that information in the scope of services. Mr. Reid read from a statement from the LAC suggesting that a word was omitted which changed the LAC's intent with regard to a change in providers. Mr. Reid expressed appreciation to AAATA for their business and the ability to serve the A-Ride community. Mr. Reid apologized for mistakes and difficulties that may have been caused.

No one further appearing, Mr. Griffith declared public time closed.

11.0 Adjourn

Sue Gott moved to adjourn the meeting with support from Eric Mahler. The motion carried and the meeting adjourned at 9:02 p.m.

Respectfully Submitted,

Susan Baskett, Secretary