

Proposed Minutes
 July 23, 2008
 Ann Arbor Transportation Authority
 Board of Directors Meeting
 AATA Headquarters, 2700 South Industrial Highway, 2:00 p.m.

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

Staff Present: Ken Anderson, Terry Black, Ron Copeland, Tom Cornillie, Lois Crawford, Dawn Gabay, Jan Hallberg, Mary Stasiak, Phil Webb, Chris White

Guests Present: Jim Dunn, Doug Eadie

Recording Secretary: Karen Wheeler

Mr. Nacht declared that a quorum was present and called the meeting to order at 2:08 p.m.

1.0 Public Hearing

There was no public hearing.

2.0 Communications and Announcements

Mr. Nacht introduced Jesse Bernstein, AATA's new Board Member.

Mr. Nacht presented Eli Cooper with a plaque in appreciation for Mr. Cooper's service on the Board.

Mr. Nacht read a note of appreciation from Mrs. Rosemarion Blake for the Board's proclamation in honor of her birthday.

Mr. Nacht reported on his attendance at the American Public Transportation Association's (APTA) Board Member Seminar. Mr. Nacht reported that APTA is a valuable resource and encouraged Board members to view the APTA website. Mr. Nacht requested that staff obtain access to the APTA website for each Board member, and provide a copy of APTA's weekly publication, *Passenger Transport*, to each Board member.

Mr. Nacht reported on a teleconference he and Mr. Ajegba had with Steve Bland, CEO of the Port Authority in Allegheny County, Pennsylvania. Mr. Bland shared details of his experience working with recruiters.

3.0 Executive Session – Personnel Matters

Ms. McCormick moved to adjourn the meeting to Executive Session for the purpose of discussing personnel matters. Mr. Robben supported the motion.

Mr. Nacht announced that the Executive Session was being held in accordance with Michigan's Open Meetings Act, Public Act Number 267 of 1976, as amended, the section entitled "Closed Meetings".

On a roll call vote, the motion passed unanimously: Robben – yes; McCormick – yes; Ajegba – yes; Annis – yes; Griffith – yes; Bernstein – yes; Nacht – yes. The Executive Session commenced at 2:12 p.m.

Mr. Ajegba moved to close the Executive Session with support from Mr. Annis. The motion passed unanimously. The Executive Session closed at 3:00 p.m.

4.0 Presentation by Jim Dunn on Act 196

Jim Dunn made a presentation to the Board on the Public Transportation Authority Act of 1986 (Act 196). Mr. Dunn is one of the authors of Act 196. Act 196 authorizes one or more political subdivision (counties, cities, villages, and townships) to form a public transportation authority, and allows authorities to levy a tax, with voter approval, of up to 5 mills on taxable property within the limits of the transportation authority.

Mr. Dunn provided an overview of the choices AATA would have as an Act 196 authority compared to its current status as an Act 55 authority. AATA was organized under Act 55 as a stand alone body with no taxing power. Mr. Dunn indicated that the major differences are taxation and delineations of power. The AATA Board could choose to change to an Act 196 authority by creating new articles of incorporation.

Mr. Dunn responded to questions from the Board on composition of the governing body and the cost of legal expenses to make the transition. Mr. Dunn estimated that legal expenses would run between \$5,000 and \$15,000.

Mr. Nacht thanked Mr. Dunn for his presentation.

5.0 Public Time

Carol Campaign appeared before the Board. Ms. Campaign was a driver for Yellow Cab from January 1991 until she was fired in April 2008. Ms. Campaign explained the circumstances under which she was fired; questioning the way charges are made when rides are under a contractual arrangement. Ms. Campaign suggested that Yellow Cab management is violating lease agreements and exercising unfair and unjust business practices. Ms. Campaign indicated that while she feels the Board cannot do anything, she wanted to share her concerns.

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Mr. Nacht asked Ms. Campaign if she provided AATA contract rides when she drove for Yellow Cab. Ms. Campaign responded that she did every day. Ms. Campaign explained that contract rides now fall under a new formula that penalizes cab drivers. Ms. Campaign encouraged the Board to look into the agreement between AATA and Yellow Cab.

Tom Partridge appeared before the Board. Mr. Partridge called to the Board's attention the serious and egregious problems that occur when the Board takes action to termination paratransit ride services to his housing community. Mr. Partridge detailed the ongoing problems of senior citizens and people with disabilities when they do not have access to door-to-door paratransit service. Mr. Partridge suggested that AATA contracts do not have sufficient oversight and supervision, personnel, or appropriate policies in place.

Mr. Nacht indicated that it was his understanding that Scio Township representatives had arranged for additional transit service in the township.

Mr. Partridge responded that he was aware of some rumors, but had received no official communication on the new service. Mr. Partridge called for the AATA Board to transform itself into a countywide ride authority at a minimum, with expansion statewide. Mr. Partridge indicated that having paratransit service only where there is AATA service is very harmful. Mr. Partridge alleged that some paratransit service drivers have hostile attitudes toward the public and control where passengers sit in the vehicles.

Mr. Nacht encouraged Mr. Partridge to avail himself of the formal complaint process.

Mr. Partridge responded that the complaint process has not worked for him, and is untenable and unworkable.

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

6.0 Review and Approval of Minutes

There were no minutes presented for the Board's consideration.

7.0 Board and Staff Reports

7.1 Strategic Development Program Steering Committee Report

Mr. Ajegba introduced the Strategic Development Program Steering Committee. The committee is comprised of Mr. Ajegba, Mr. Griffith, Ms. McCormick, and Mr. Robben. Mr. Ajegba reported that the final Action Report from the committee to the Board was transmitted prior to the meeting. Committee members made a presentation on the Action Report's Phase I initiatives. A copy of the presentation is attached hereto and included as part of the minutes.

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Board members discussed the Phase I initiatives. It was suggested that the Executive Director's role on the Governance Committee be ex-officio and non-voting.

Mr. Annis noted that the governance structure contains some contradictions with the Bylaws. Mr. Eadie indicated that staff should make a thorough review of the governance structure and Bylaws, identify contradictions, and report back to the Board with recommended changes.

Mr. Nacht thanked the members of the committee, Ms. Gabay and Mr. Eadie for their exceptional work in identifying and recommending significant changes to the Board structure and processes.

8.0 Question Time

There were no questions for Ms. Gabay.

7.0 Old Business

There was no Old Business.

8.0 New Business

Mr. Nacht read the following resolution.

8.1 Consideration of Resolution Amending Bylaws

Whereas, the Bylaws of the Ann Arbor Transportation Authority may be amended by the Board, and

Whereas, the Board desires to make the following amendments to the Bylaws:

ARTICLE IV, Board Meetings

Section 1 – change the start time of Board meetings to 6:30 p.m.;

Section 8 – modify the order of business at each regular meeting of the Board by eliminating the first occurrence of Public Time;

Section 9 – reduce the amount of time each member of the audience may address the Board during Public Time and any public hearing from no longer than five minutes to no longer than two minutes; the time can be extended by the Chair.

Now, Therefore, Be It Resolved, that the Ann Arbor Transportation Authority Board of Directors hereby adopts the amendments to the Bylaws listed above effective July 23, 2008.

Mr. Annis moved the resolution with support from Ms. McCormick. The motion, on a roll call vote, passed unanimously: Robben – yes; McCormick – yes; Ajegba – yes; Annis – yes; Griffith – yes; Bernstein – yes; Nacht – yes.

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

8.2 Consideration of Resolution Adopting Board Governing Mission

Whereas, the Ann Arbor Transportation Authority's (AATA's) long-term effectiveness and growth in a changing, challenging environment depend on the high-impact leadership of a Board of Directors that continuously answers three critical questions in a full and timely fashion: Where should AATA be headed, and what should it become, over the long run? What should AATA be now and in the near-term? How is AATA performing as a nonprofit organization, both financially and programmatically? and

Whereas, the AATA Board of Directors is committed to functioning as a high-impact governing body, providing AATA with the strong leadership required to ensure AATA's future success in a changing, challenging world; and

Whereas, providing such high-impact leadership requires a clearly defined Board of Directors governing role; and

Whereas, the Action Report on the May 27, 2008 Strategic Work Session recommends that the Board of Directors adopt a Board Governing Mission spelling out the major governing responsibilities of the AATA Board of Directors as AATA's governing body;

Now, Therefore, Be it Resolved that the AATA Board of Directors adopts the Board of Directors Governing Mission that is attached to, and made a part of, this Resolution, and directs that this Governing Mission be periodically updated and that it serve as a framework for further developing the Board's governing work, structure, and processes over time in the interest of high-impact governing.

AATA BOARD GOVERNING MISSION

The Board of Directors, as AATA's governing body:

- Serves as the steward and guardian of AATA values, vision, mission, and resources.

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- Plays a leading, proactive role in AATA's strategic decision making, and in setting strong, clear strategic directions and priorities for all of AATA's operating units and programs.
- Monitors AATA performance (both operational and financial) against clearly defined performance targets.
- Ensures that AATA's image and relationships with the wider community and key stakeholders are positive, and that they contribute to AATA's success in carrying out its mission.
- Makes sure that the AATA possesses the financial and other resources necessary to realize its vision and carry out its mission fully.
- Strives to ensure that the Board's composition is diverse, that its members possess the attributes and qualifications required for strong governance, and that the governing knowledge and skills of Board members are systematically developed.
- Ensures that Board members are fully engaged in the governing process and that the resources they bring to the Board are fully utilized in governing.
- Takes accountability for its own performance as a governing body by setting clear, detailed Board governing performance targets, and by regularly monitoring and assessing Board performance.
- Appoints an Executive Director who is responsible for providing executive direction to all AATA operations, works in close partnership with the Executive Director to ensure that clear, detailed Executive Director performance targets are set, and periodically evaluates Executive Director performance against these targets.

The motion, on a roll call vote, passed unanimously: Robben – yes; McCormick – yes; Ajegba – yes; Annis – yes; Griffith – yes; Bernstein – yes; Nacht – yes.

The following resolution was moved by Ms. McCormick with support from Mr. Robben.

8.3 Consideration of Resolution Adopting Board Governing Committee Structure

Whereas, the Action Report following up on the May 27, 2008 Strategic Work Session recommends that the Ann Arbor Transportation Authority (AATA) Board of Directors create three Governing Committees consisting of Board members for

the purpose of accomplishing the detailed governing work of the Board: the Governance Committee; the Planning and Development Committee; and the Performance Monitoring/External Relations Committee;

Now, Therefore, Be It Resolved, that the three Board Governing Committees recommended in the Action Report be adopted as the governing structure of the Board of Directors of AATA and that the functions of these three Governing Committees adhere to the committee descriptions that are set forth in the Action Report and in the attached Governing Committee Functional Descriptions and Governing Committee Organization Chart.

GOVERNANCE COMMITTEE

Headed by the Board Chair and consisting of the Chairs of the other two Governing Committees and the Executive Director, the Governance Committee is responsible for the effective functioning of the AATA Board of Directors and for the maintenance and development of the Board-Executive Director working relationship. In this capacity, it is accountable for:

- Coordinating the functioning of the AATA Board and its two other Governing Committees, and any ad hoc committees, keeping the Board Governing Mission updated, setting Board member performance standards, and monitoring Board member performance.
- Recommending revisions to the AATA Bylaws in the interest of strong governing and management of AATA affairs.
- Developing and keeping an updated profile of preferred Board member attributes and qualifications, and fashioning and executing strategies to promote the appointment of qualified candidates to fill Board vacancies by serving in an advisory capacity to the City of Ann Arbor.
- Developing and overseeing execution of a formal Board member capacity building program, including such elements as orientation of new members, continuing education and training, and a mentoring program pairing new Board members with senior Board members.
- Ensuring that the Executive Director position description is updated as necessary to reflect changing AATA needs, priorities, and circumstances.
- Annually negotiating Executive Director performance targets and annually or semi-annually evaluating the Executive Director progress in achieving these targets.

PLANNING AND DEVELOPMENT COMMITTEE

The Planning and Development Committee is accountable for developing and leading the Board's participation in all AATA planning, including annual budget preparation, and for overseeing the development of AATA's financial resources. In this capacity, it is accountable for:

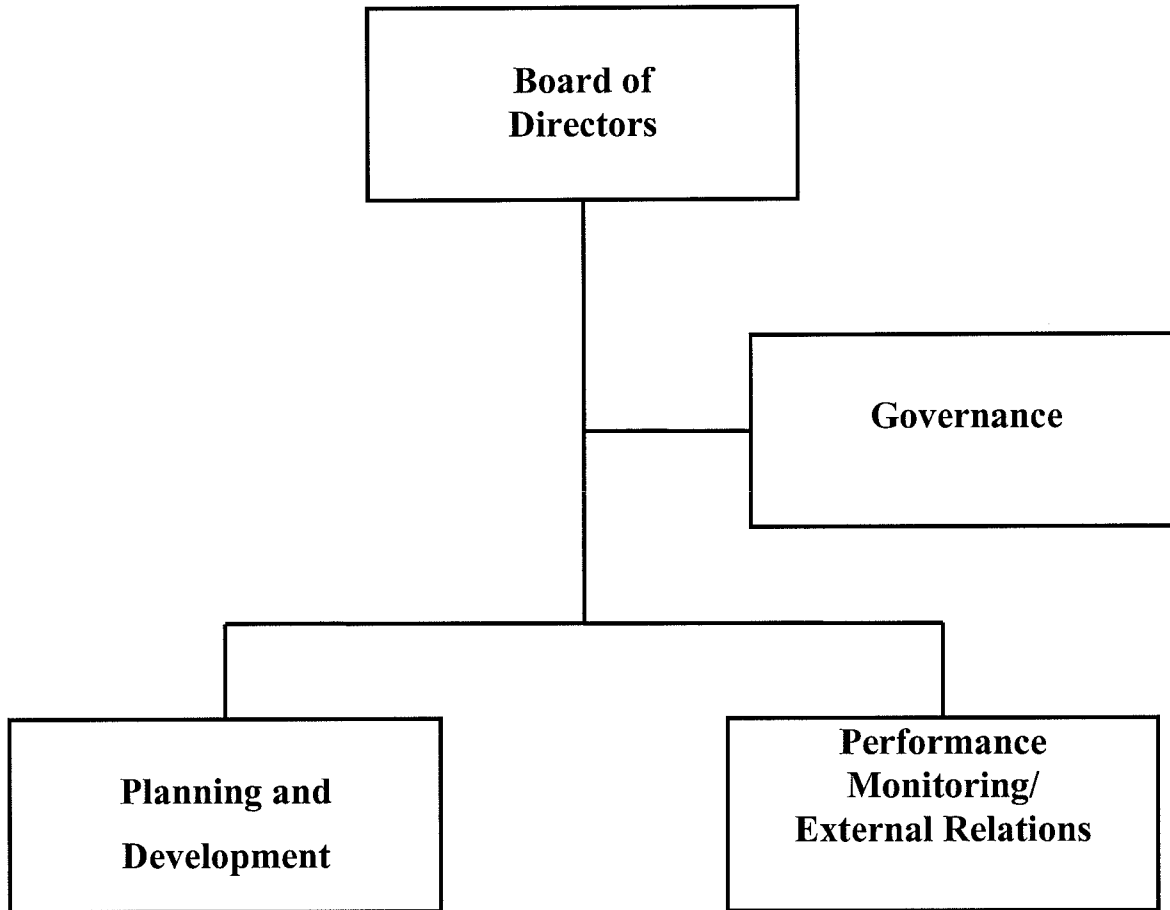
- Reaching agreement with the Executive Director on the detailed design of AATA's planning and budget development cycle, with special attention to the Board's role in planning, and on the annual planning calendar to ensure that the Board participates fully and proactively in the planning process.
- Overseeing preparation for, and hosting, the periodic Board-Executive Team strategic planning work session to kick off the annual planning cycle.
- Recommending to the full Board the strategic issues on which AATA's strategic planning should focus, and reviewing and recommending to the Board such critical planning products as updated values, vision, and mission statements, operational planning priorities, the annual budget, and other strategic and policy-level products that merit full Board attention. (Note that the annual budget is a major operational planning product and, therefore, falls under the Planning and Development Committee. CONTROL of the budget after it has been adopted is a FINANCE function falling under the Performance Monitoring/External Relations Committee.)
- Ensuring, as part of the annual operational planning/budget preparation process, that all program plans include both financial and operational performance targets that the Performance Monitoring/External Relations Committee can use in monitoring the operational and financial performance of all of AATA's programs and operating units.

PERFORMANCE MONITORING/EXTERNAL RELATIONS COMMITTEE

The Performance Monitoring/External Relations Committee is responsible for overseeing AATA's operational and financial performance and maintenance of positive relationships with the general public and key stakeholders. In this capacity, it is accountable for:

- Reaching agreement with the Executive Director on the key elements of the operational and financial reporting process, including the content, format, and frequency of performance reports to the Board, and overseeing implementation of the process.
- Reviewing performance reports in committee meetings and reporting operational and financial performance to the full Board.
- Reviewing operational policies meriting Board attention (such as policies to govern AATA's accounting system and practices), identifying the need for their revision, and recommending those policy revisions to the full Board.
- Overseeing the administration of customer satisfaction surveys, reviewing such surveys, and reporting survey results to the full Board as appropriate.
- Serving as the AATA Audit Committee, including overseeing the process of selecting the external audit firm, reviewing external audit reports and overseeing corrective actions.
- Overseeing the development and implementation of strategies to foster a positive public image for AATA, and for maintaining close, positive relationships between AATA and its customers and its key external stakeholders.
- Overseeing the development and implementation of governmental relations policies and strategies.
- Recommending positions on legislative issues to the full Board.
- Coordinating opportunities for Board members to speak on behalf of AATA in appropriate forums.
- Fashioning strategies and plans to enhance external communication.
- Fashioning strategies and plans to promote community involvement in AATA's planning, service development, and operations.

GOVERNING COMMITTEE ORGANIZATION CHART



Mr. Annis proposed a friendly amendment to the structure of the Governance Committee naming the Executive Director an “ex-officio, non-voting member”. McCormick and Mr. Robben accepted the friendly amendment.

The motion, on a roll call vote, passed unanimously: Robben – yes; McCormick – yes; Ajegba – yes; Annis – yes; Griffith – yes; Bernstein – yes; Nacht – yes.

The following resolution was moved by Mr. Griffith with support from Mc. McCormick.

8.4 Consideration of Resolution Adopting Formal Governing Committee Guidelines

Whereas the Action Report on the May 27, 2008 Strategic Work Session recommends that the Board of Directors adopt guidelines to ensure that the Board’s Governing Committees function as “strong governing engines;”

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Now, Therefore, Be It Resolved that the Ann Arbor Transportation Authority Board of Directors adopts the Governing Committee guidelines set forth in the Action Report and directs the Board's Governance Committee to periodically update the guidelines to ensure that the Board's Governing Committees function smoothly and productively, carrying out their responsibilities in a full and timely fashion.

The motion, on a roll call vote, passed unanimously: Bernstein – yes; Griffith – yes; Annis – yes; Ajegba – yes; McCormick – yes; Robben – yes; Nacht – yes.

9.0 Public Time

Tom Partridge appeared before the Board. Mr. Partridge objected to the Board's action amending the Bylaws eliminating one session of Public Time and reducing the amount of speaking time from five minutes to two minutes. Mr. Partridge indicated that the Board should not have taken the action without a public hearing. Mr. Partridge stated that he previously called on the Board to be more open to the public.

Mary Stasiak appeared before the Board. Ms. Stasiak commended the Board for including community members in the strategic design process. Ms. Stasiak encouraged the Board to expand public input opportunities to include the values and mission of the organization.

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


11.0 Adjournment

Mr. Annis moved to adjourn the meeting with support from Mr. Nacht. The motion passed unanimously. Mr. Nacht adjourned the meeting at 5:37 p.m.

Respectfully submitted,




Paul C. Ajegba, Secretary




ACTION REPORT TO THE AATA BOARD
STEERING COMMITTEE
STRATEGIC DEVELOPMENT PROGRAM

July 23, 2008




STRATEGIC DEVELOPMENT PROGRAM
TWO COMPONENTS

- High-Impact Governing Component
- Strategic Enterprise Development Component




THREE PROGRAM PHASES

- I July 1 – September 30, 2008
- II October 1 – December 31, 2008
- III January 1 – June 20, 2009




PHASE I ACTION INITIATIVES
HIGH-IMPACT GOVERNING COMPONENT
JULY 1 – SEPTEMBER 30, 2008




4 ACTION INITIATIVES

- I-A Adopt Board of Directors Governing Mission
- I-B Adopt new Board governing committee structure
- I-C Adopt governing committee guidelines
- I-D Carefully manage implementation of the new governing committee structure



I-A ADOPT BOARD GOVERNING MISSION


- See Exhibit B, page 31
- Serves as a high-level board "job description"
- Should be updated periodically



I-B ADOPT STRUCTURE OF 3 BOARD GOVERNING COMMITTEES


(See Exhibit C, page 33)

- Governance
- Planning and Development
- Performance Monitoring/External Relations



BENEFITS OF WELL-DESIGNED COMMITTEES

- Divide governing work into manageable chunks
- Enable Board members to acquire in-depth governing experience and expertise
- Provide Board members with considerable satisfaction




THE RECOMMENDED COMMITTEES

- Match the Board's governing functions
- Are not narrow operational or administrative silos
- Cut across all AATA functions and operations




GOVERNANCE COMMITTEE

- Headed by Board Chair and consisting of the chairs of the other two governing committees and the Executive Director
- Responsible for:
 - Management and coordination of Board operations
 - Development of the Board agenda




GOVERNANCE COMMITTEE (2)

- Coordination of committee work
- Development of the Board's governing capacity
- Development of the Board as a human resource
- Board performance oversight
- Maintenance of the Board-Executive Director partnership




PLANNING AND DEVELOPMENT COMMITTEE

- Design and oversight of the AATA strategic and operational planning/budget preparation process
- Coordination of Board member participation in the planning process
- Design and hosting of Board strategic planning work sessions




**PLANNING AND DEVELOPMENT
COMMITTEE (2)**

- Recommendation of key planning “products” to the full Board, such as:
 - Updated vision and values statement
 - Updated mission statement
 - Strategic issues deserving attention
 - Operational planning priorities
 - Annual budget




**PERFORMANCE MONITORING/
EXTERNAL RELATIONS COMMITTEE**

- Agreement with Executive Director on content, format, and frequency of operational and financial performance reports to the Board
- Review and report performance to the full Board at regular business meetings
- Administration of customer satisfaction surveys
- Policy updates as appropriate



**PERFORMANCE MONITORING/
EXTERNAL RELATIONS (2)**


- Serve as AATA audit committee
- Clarify AATA’s desired public image in eyes of customers and key stakeholders
- Oversee strategies for communicating with the public-at-large and key stakeholders
- Recommend policy positions in the governmental relations/legislative area



I-C ADOPT GOVERNING COMMITTEE GUIDELINES


Most important guidelines include:

- Each Board member assigned to one and only committee (except chairs also serve on Governance)
- Board Chair appoints committee chairs and members
- Only Board members serve on Board governing committees
- Governing committees can create ad hoc bodies such as task forces involving non-Board members




GOVERNING COMMITTEE GUIDELINES (2)

- All items on full Board agenda come through the governing committees
- All reports (informational and action) at full Board meetings made by governing committee chairs and members
- Committees determine when special board work sessions should be scheduled
- Chairs and members regularly rotated among the governing committees




GOVERNING COMMITTEE GUIDELINES (3)

- Strong executive support to be provided to the governing committees, especially a Chief Staff Liaison designated for each committee by the Executive Director
- Governance Committee not empowered to screen reports of the other governing committees
- Board member service on ad hoc bodies created by the Board discouraged




I-D CAREFULLY MANAGE IMPLEMENTATION OF GOVERNING COMMITTEE STRUCTURE

- Employ an ad hoc structure – the Strategic Development Program – with a Steering Committee to oversee and manage implementation
- Put in place a strong executive support structure and process to ensure effective committee operations



PHASE I ACTION INITIATIVES

STRATEGIC ENTERPRISE DEVELOPMENT COMPONENT



II-A MAKE POWERFUL USE OF UPDATED AATA STRATEGIC FRAMEWORK

- Finalize and adopt AATA Values and Vision Statements
- Put Values and Vision Statements to work for AATA
