



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

June 21, 2012

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), Eli Cooper, Anya Dale, Sue Gott, Charles Griffith, Roger Kerson

Absent with Notice: David Nacht

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

Recording Secretary: Elizabeth Tibai

Chairman Jesse Bernstein declared that a quorum was present and called the meeting to order at 6:37 p.m.

1.0 Public Hearing – Federal Program of Projects

The Public Hearing Transcript is attached.

2.0 Communications and Announcements

Michael Ford introduced Julia Roberts to the Board. Julia is the new Grants Assistant for the Ann Arbor Transportation Authority.

3.0 Public Time – Comment on Agenda Items

With no public appearing, Mr. Bernstein declared Public Time closed.

4.0 Review and Approval of Minutes

4.1 Review and Approval of Minutes of May 16, 2012

Anya Dale moved approval of the minutes as written with support from Eli Cooper. The motion carried.

5.0 *Board and Staff Reports*

5.1 *Chief Executive Officer*

Michael Ford reported that staff met with the Articles of Incorporation team to discuss amendments coming out of the Board of Commissioners working session last week. The team decided not to give further consideration to any of the recommendations. Since the meeting, contact has been made with several commissioners and it is believed that support is there for the Articles. Mr. Ford noted that he is scheduled to go back before the commissioners during a July 11 Ways and Means Committee meeting.

Mr. Ford reported that the Planning and Development Committee moved forward two action items. The items included a revised report and resolution on the WALLY Rail Project to authorize expenditures, and a resolution approving the purchase of five new small, lift-equipped vehicles to be used to provide paratransit service.

Mr. Ford reported that the PMER Committee had a lengthy discussion about compliance with Michigan Public Act 152. A resolution, including a recommendation previously endorsed by Governance, was presented but not moved forward by the Committee. At the Committee's request, an alternate resolution was prepared. The background and two resolutions were distributed to the Board.

Mr. Ford reported on the service launch of VanRide. The service began with an event on Monday held at the Zingerman's bakehouse. There are currently four new vanpools; two originating from Adrian and four from Jackson (all going to U of M). There is an interest from Zingerman's employees and efforts will continue to provide the benefits of the program.

Mr. Ford informed the Board on work being done on the countywide and Transit Master Plan efforts. Staff has focused on integrating community comments into the program. The intent is to issue a revised program for Board review in July. Staff presented recommended service revisions from the District Advisory Committee (DAC) meetings at the June u196, PDC and PMER meetings. Some of the recommendations will be tested and if problems arise, staff will examine appropriate alternatives.

Mr. Ford reported on countywide governance. The u196 board decided not to meet in July. The time will be used to meet with local leaders and plan presentations to municipal boards in July and August. The third round of DAC meetings is scheduled for August and September.

Mr. Ford had several meetings in June which included discussions with Mayor Hieftje on countywide governance, special events affecting downtown and funding for the Alternatives Analysis for the Connector Study. He met with elected officials in Lansing to relay the critical importance of ongoing funding for transit.

Mr. Ford reported on a meeting held Wednesday, June 20, 2012 with representatives from Ann Arbor Public Schools regarding school transportation. The committee will conduct a review of transportation options for student transportation. Staff will meet regularly with the goal of developing an action plan by January for the 2013-2014 school year. It was also reported that several staff members attended the Center for Independent Living spring gathering in May. Service was celebrated and veterans with disabilities were recognized. The elected officials on hand made favorable remarks about countywide efforts.

Mr. Ford requested a special Board meeting in July to consider several action items and move projects forward. Items up for discussion are an updated Five-Year Transit Program, a Night Ride contract extension, a bus advertising contract, award of a contract to relocate a fire hydrant, and the FY2013 Work Plan.

5.2 *Planning and Development Committee*

Anya Dale reported on the June Planning and Development Committee meeting. The Committee meeting began with a presentation from the Generator Group. They are looking at AATA's readiness and capacity for future organizational change. The group distributed surveys to everyone in the organization and received a great response rate. The survey contained questions regarding employee levels of engagement, readiness for change, and connection to the mission. Employee levels of engagement were found to be very high (as compared to other organizations). The Generator Group then identified some areas of improvement and some preliminary recommendations. They will continue to develop these recommendations and the Committee will receive a written report in July.

The Committee also received a presentation from Michael Benham on some recommendations regarding the Five-Year Program that came out of the DAC meetings. Mr. Benham mapped out 13 of the largest and most significant changes to the Program which will then be presented to the Board in August.

Ms. Dale reported that staff presented the Committee with an updated resolution on WALLY. Staff is also looking to replace five ELF buses for its Para-

Transit services. The vehicles have reached their useful life and are scheduled for replacement under FTA guidelines.

5.3 *Performance Monitoring and External Relations Committee*

Charles Griffith reported on the June Performance Monitoring and External Relations Committee meeting. Staff provided a briefing on revisions to the health benefits to comply with Michigan Act 152. MI Public Act 152 limits the amount publicly funded bodies can contribute to an employee's health plan. If the employer doesn't act on the law, a "cap" goes into effect thus limiting employer contributions. Otherwise, the organization may choose to have an 80/20 split between the employer and its employees. The Committee looked at what sister agencies have done regarding this legislation. Many of these agencies decided they would delay movement until union contracts are renewed. The Committee was comfortable with limiting the contribution to health benefits yet sought further discussion and input from other Board members before making a recommendation.

Staff reported on several performance reports during the meeting. There continues to be an increase in ridership numbers. However, numbers are still down slightly for demand-response service. This may be due to having more passengers riding with more buses and expenses associated with them. It may take some time for these operational expenses to go down.

5.4 *Local Advisory Council*

Cheryl Weber reported on the June Local Advisory Council (LAC) meeting. The Committee discussed providing accommodation to citizens at UM with a protected entrance. The Committee was looking for a response to this inquiry and Sue Gott previously indicated she would follow-up with the members. The Committee is awaiting a response.

The LAC received an update on vehicle purchases. Concerns were raised regarding public behavior on the buses. There were also concerns regarding those needing alternative seating and the public response to these needs. The Committee received helpful information, on both aspects, from Ron Copeland.

Two representatives from MARK attended the June LAC meeting. They have attended many transit meetings throughout the state and were impressed with the way the LAC meeting was run.

6.0 *Question Time*

Sue Gott addressed Cheryl Weber stating that an email was supposed to be forwarded to her in regards to the entrance issue at UM. Ms. Weber assured Ms. Gott that the email will be forwarded to her so the issue can proceed.

Jesse Bernstein asked staff for information regarding efforts to test actual routes that will go into the Five-Year Program. Chris White reported that staff will test the proposed routes to make sure they are viable since the point has been reached where more detailed information is needed. Efforts will ensure there are no problems with the proposed routes. Staff will verify that the lengths of routes are appropriate and that the routes fit into the system as a whole. Testing was scheduled to begin in the next week and take place over a two week period. Staff will go to the u196 board and the DAC's to assure them that the service is operable. Mr. Bernstein confirmed the importance of the testing phase and Michael Ford added that safety of routes and bus shelters will be evaluated.

Jesse Bernstein asked Anya Dale to clarify the definition of 'high level of engagement' as it applied to the survey distributed by the Generator Group. Ms. Dale defined 'engagement' as the employee's overall connection to the mission of our organization.

Lastly, Mr. Bernstein asked what would happen to the old paratransit vehicles. Terry Black stated that the vehicles will be retired and taken to auction to be sold.

7.0 *Old Business*

There was no old business for the Board to consider.

8.0 *New Business*

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

8.1 *Resolution Approving Expenditure of WALLY Funds*

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 Ann Arbor Transportation Authority Board of Directors agreed by resolution in September, 2008, to serve as the designated Authority for the development of WALLY as an inter-county commuter rail system, 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, the AATA has received contributions from other organizations to support WALLY project development work – specifically \$50,000 from Washtenaw County, \$50,000 from the Ann Arbor Downtown Development Authority, \$37,000 from the City of Howell Downtown Development Authority, and \$48,000 in Federal Section 5304 funding through the State of Michigan, and

WHEREAS, AATA has sought 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 has drafted 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 are approved for expense by the Board.

IT IS FURTHER RESOLVED, AATA continues to support the WALLY project and appreciates the financial and technical support provided by the state of Michigan as well as by local communities. AATA will continue its support of the WALLY project as long as MDOT is supportive and as long as there continues to be a reasonable level of support from the WALLY host communities. The WALLY project will also be examined as part of the AATA Transit Master Plan process to confirm whether the project has merit within the context of a county-wide system.

AATA recognizes that funding gaps exist for both capital construction and operating expenses. AATA will continue to support development of a WALLY demonstration service as long as 1) there is a reasonable expectation that these funding gaps can be closed using Federal, State, local public or other sources, and 2) there continues to be reasonably strong public support for the project.

AATA makes no commitment to providing either capital or operating funding at this time, and AATA currently takes no position regarding the start date of service due to the uncertainty with respect to funding. AATA will continue to work with MDOT and the local communities to seek and apply for federal funding of the project. Once funding issues are fully resolved, AATA will commit to a service start-up date.

Michael Benham reported that in 2011 the Board passed the WALLY resolution. However, the Board directed staff to obtain more information regarding public support for the project before proceeding. There were concerns that the support was not where it should be. Staff met with MDOT in the fall of 2011 and they are in support of the project. Howell is the most supportive community thus far. Genoa Township is going along with the project but has not taken a

position. Mr. Benham expressed to the Board his interest in working on the station design, once and if the budget funds are released.

The motion carried.

Sue Gott moved the following resolution with support from Eli Cooper.

8.2 *Resolution Small Vehicle Purchase*

WHEREAS, the Ann Arbor Transportation Authority (AATA) provides paratransit services for people with disabilities and seniors through a private subcontractor, and furthermore provides wheelchair lift-equipped paratransit vehicles for use by that subcontractor, and

WHEREAS, five of the paratransit vehicles previously provided have reached the end of their useful life and require replacement, and AATA has secured federal and state grant funds to purchase replacement vehicles, and

WHEREAS, the State of Michigan has previously conducted a competitive procurement process through its MiDeal Program which permits the AATA to procure vehicles that meet our requirements at a favorable cost, now therefore

IT IS RESOLVED, that the Chief Executive Officer of AATA is authorized to buy up to five new wheelchair lift-equipped paratransit vehicles from Champion under the State of Michigan contract for an amount not to exceed \$390,000 for use by its subcontractor.

Terry Black reported on the need for replacement paratransit vehicles. The life of these vehicles is 7 years and 5 vehicles have reached their useful life, under the FTA guidelines. The vehicles will be purchased from Mobility Transportation Services, a Michigan based company, under the State of Michigan MDEAL contract. Staff looked into alternative fuel vehicles, body manufacturer designs, and low floor versus ramp style versus lift vehicles. It was found that the 2010 clean diesel was the best alternative. Sue Gott thanked staff for their efforts on researching clean and environmentally friendly vehicles.

The motion carried.

Charles Griffith moved the following resolution with support from Anya Dale.

8.3 *Resolution to Comply with the Michigan Publicly Funded Health Insurance Contribution Act 152 of 2011*

WHEREAS, the Michigan Publicly Funded Health Insurance Contribution Act 152 (the Act) became law on September 27, 2011, and impacts all employee medical

benefit plans of the Ann Arbor Transportation Authority (AATA) with a plan coverage year beginning after January 1, 2012, and

WHEREAS, the Act limits the contributions AATA may make toward its non-union employees' medical benefit plans to an annual statutory dollar cap of \$5,500 for single person coverage, \$11,000 for two person coverage, and \$15,000 for family coverage, and

WHEREAS, AATA may, by a majority vote of its Board of Directors, annually elect to comply with the Act by limiting AATA's contribution toward its employees' medical coverage to no more than 80% of the cost of the medical benefit plan it offers, now therefore

IT IS RESOLVED, that AATA shall offer health care benefits to its non-union employees through the Blue Care Network Core Plan, and shall provide options whereby an employee may choose to enroll in a Buy Up Plan providing additional benefits at an additional cost entirely paid by the employee, or to enroll in a Buy Down Plan providing less benefits at a lesser cost to the employee, and

IT IS FURTHER RESOLVED, that AATA shall contribute 80% of the premium for the Blue Care Network Core Plan toward the total cost of its non-union employees' medical benefits for the medical benefit plan year beginning August 1, 2012.

Ed Robertson presented the resolution to the Board. Charles Griffith commended staff on their excellent work on developing a solution to the problem, with the least disruption to employee benefits. Mr. Griffith expressed hesitation with regard to the resolution because the solution would double the amount currently paid for health insurance by the non-union employees. However, if the automatic portion of Act 152 goes into effect, employees would see an increase of four times the amount currently paid. Mr. Griffith expressed interest in what sister organizations are doing in regards to Act 152. He felt it may be beneficial to delay action in order to gain this information. It was also debated whether to take action now or wait until the labor agreement, which covers union employees, is negotiated at the end of the calendar year.

Roger Kerson raised concerns over Act 152 at the PMER meeting. The committee took no action but looked for alternative resolutions. Roger was in support of waiting until January to take action. Sue Gott asked what legal counsel advised on this matter. Legal interpretation was on the Act itself and the opinion is that there is no legal standing to separate non-union employees from union employees.

Jesse Bernstein stated that he would like to see all employees made whole from the differences in compensation resulting from Act 152. He requested staff to come up with

a fair and equitable way to make employees whole by the passage of the Act at the end of this year and to bring ideas to the appropriate committee. He indicated that the agency would still be in compliance with the law while ensuring that employees are not hurt in the process. Ed Robertson stated that the amount to make an employee whole again would be dependent on what amount of coverage they choose. Eli Cooper expressed his support for the resolution and Mr. Bernstein's suggestion to staff.

Roger Kerson and Charles Griffith were opposed. Eli Cooper, Sue Gott, Anya Dale and Jesse Bernstein supported the motion.

The motion carried.

9.0 *Public Time*

With no public appearing, Mr. Bernstein declared Public Time closed.

10.0 *Adjourn*

Sue Gott moved to adjourn the meeting with support from Charles Griffith. The motion carried and the meeting adjourned at 7:39 p.m.

Respectfully Submitted,

Charles Griffith, Secretary