

BOARD OF DIRECTORS

DATE: Thursday, June 23, 2016

TIME: 6:30pm

PLACE: Ann Arbor District Library, 343 South Fifth Avenue, Ann Arbor MI 48104

MEETING CHAIR: Eric Mahler

AGENDA

Item	Item Type	Speaker(s)
1.0 <u>Public Hearing</u>	Information	Mahler
2.0 <u>Communications and Announcements</u>	Information	All
3.0 <u>Public Time – Comment on Agenda Items</u>	Information	Public
4.0 <u>Review and Approval of Minutes</u>		
4.1 Review and Approval of Minutes of May 19, 2016	Decision	Mahler
4.2 Review and Approval of Minutes of June 8, 2016	Decision	Mahler
5.0 <u>Board and Staff Reports</u>		
5.1 Chief Executive Officer	Information	Carpenter
5.1.1 New Service Update	Verbal	
5.2 Planning and Development	Information	Gainsley
5.3 Performance Monitoring External Relations	Information	Allemang
5.4 Local Advisory Council	Information	Burke
5.5 Washtenaw Area Transportation Study	Information	Krieg
5.6 Governance	Inform/Discuss	Mahler
6.0 <u>Question Time</u>	Information	All
7.0 <u>Old Business</u>		
7.1 RTA Plan	Discussion	All
8.0 <u>New Business</u>		
8.1 FY2017 Work Plan/Capital Plan	Decision	Carpenter
8.2 MRide Agreement	Decision	Carpenter

8.3	Recruitment Firm Contract	Decision	Carpenter
9.0	<u>Public Time</u>	Information	Public
10.0	<u>Adjourn</u> [next meeting Thursday, August 18, 2016 @ 6:30pm]	Decision	Mahler

BOARD OF DIRECTORS

Eric Mahler, Chair • Mike Allemang • Jack Bernard • Eli Cooper
Sue Gott • Prashanth Gururaja • Roger Hewitt • Stephen Wade
Gillian Ream Gainsley • Larry Krieg



Proposed Minutes

May 19, 2016

Ann Arbor Area Transportation Authority Board of Directors

Ann Arbor District Library, 343 South Fifth Avenue, Ann Arbor, Michigan, 6:30 p.m.

Board: Mike Allemang, Jack Bernard, Eli Cooper, Sue Gott, Prashanth Gururaja,
Larry Krieg, Eric Mahler (Chair)

Absent with Notice: Gillian Ream Gainsley, Stephen Wade

Staff: Michael Benham, Terry Black, Matt Carpenter, Bill De Groot, Dawn
Gabay, Mary Stasiak, Phil Webb, Chris White

Local Advisory Council: Rebecca Burke

Recording Secretary: Karen Wheeler

Chairman Eric Mahler declared that a quorum was present and called the meeting to order at 6:32 p.m.

1.0 Public Hearing

There was no public hearing.

2.0 Communications and Announcements

Mr. Mahler appointed Jack Bernard Acting Secretary.

Larry Krieg announced that the Regional Transit Authority board unanimously approved the Michigan Avenue Corridor Study. Mr. Krieg characterized this as a major milestone as there could have been a block, if all counties had not voted in favor of the study.

Eli Cooper announced National Bike to Work Week, and National Bike to Work Day on May 20, 2016. Mr. Cooper encouraged people to bike to work. Mr. Cooper noted that AATA was the first transit authority in the nation to have a fully bicycle rack equipped urban fleet.

3.0 Public Time – Comment on Agenda Items

Jim Mogensen appeared before the board. Mr. Mogensen made a clarification about Mr. Bernard's questions from the April 21, 2016 board meeting regarding Mr. Mogensen's mother trying to get on the bus. Mr. Mogensen confirmed that two things happened: Mr. Mogensen's mother struggled to get on the bus as she didn't realize that she needed to ask the driver to lower the ramp to accommodate using a walker, but she was able to get on the bus. Mr. Mogensen reported that his mother also had a pass-by and had to continue on her trip in another way. Mr. Mogensen did not request an amendment to the minutes.

Carolyn Grawi appeared before the Board. Ms. Grawi expressed appreciation for the expanded bus service and complimented staff at the Blake Transit Center for directing passengers to their buses. Ms. Grawi requested that drivers are trained and required to honor ADA requests, and that drivers understand that it is not appropriate to ask customers to remind them of requests.

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

4.0 Review and Approval of Minutes of April 21, 2016

Larry Krieg moved approval of the minutes with support from Prashanth Gururaja. Mr. Krieg recommended getting clarification from Ms. Grawi on the following item in the minutes:

3.0 Public Time – Comment on Agenda Items

Ms. Grawi shared details of ARide trips, and suggested that the Will Call policy is prohibitive.

Mr. Krieg questioned whether Ms. Grawi used the word "prohibitive", and suggested that Ms. Grawi be given the opportunity to make a clarification.

Mr. Mahler invited Ms. Grawi to provide clarification. Ms. Grawi reported that because the Will Call policy does not allow passengers to get on and off service, especially at medical appointments, it is not giving people the same opportunity to use the system as people who use buses.

Mr. Mahler suggested that the wording be changed to "the Will Call policy needs improvements". Ms. Grawi agreed with the change.

The motion, with the amendment, carried. Sue Gott abstained.

5.0 Board and Staff Reports

5.1 Chief Executive Officer

Mr. Carpenter reported on the successful roll out of a major service expansion on May 1. There were no significant operational issues. There were a couple of malfunctioning destination signs on the first day of service. The great majority of riders were aware of the changes and staff was able to handle the volume of information requests without issue. The number of complaints received in the first two weeks of May was slightly lower than same period last year.

Mr. Carpenter reported that staff have been committed to listening to all comments. There have been some issues with afternoon peak-hour service on Route #32 which adds time for commuters to the Miller Road park and ride lot. Staff is looking at making a service adjustment to improve the situation. Mr. Carpenter noted that additional service increases, although much smaller in scale, are planned for August 2016 and August 2017 to fulfill the promise made to voters in 2014.

Mr. Carpenter reported on receipt of a letter from the Ann Arbor Commission on Disability Issues raising some questions about accessibility issues and sensitivity training. Staff will be reaching out to Commission leadership to find out more details, and work with them on resolving the concerns.

5.1.1 New Service Update

An update on new service was provided under item 5.1.

5.1.2 Budget 2017 Update

Mr. Carpenter reported on execution of an expedited interim budget process starting in June with a new draft Work Plan and new draft Capital Plan format; a five-year rolling schedule for both planning documents. Mr. Carpenter will seek board member reactions to the plans in committee. If things proceed along the proposed schedule, the Work Plan and Capital plan documents will form a good part of the input into the FY2017 budget. Mr. Carpenter reported that approval of the capital and operating budgets will be sought in August or September.

5.2 Planning and Development Committee

Mr. Krieg reported on the Planning and Development Committee meeting. The committee revisited a motion tabled in April to introduce new service on route 6

(6C) and a new route 61. The committee endorsed moving a resolution forward to the full board for consideration. Committee members discussed a number of suggestions for consideration in medium and long-term service planning. Mr. Krieg noted that service on new route 67 turns short of the originally designated turnaround point of the Walmart/Roundtree shopping center. This is due a reluctance on the part of shopping center management due to pavement conditions. Mr. Krieg contacted township authorities, but no resolution has been reached.

5.3 Performance Monitoring and External Relations Committee

Mr. Allemang reported on the Performance Monitoring and External Relations Committee meeting. The committee received a report from Chris White confirming that the University of Michigan (UM) has agreed to a new pricing formula for the MRide Agreement based on the Third-Party Fare Policy approved by the AAATA board in January. Other language in the MRide contract is being finalized. Staff provided an update on new service, as well as a brief report about preliminary planning and strategy regarding renewal of the millage. Staff reported on a request for additional funding for construction expenses for the Blake Transit Center, and supported moving forward a resolution for consideration by the full board. Staff presented the financial report which is favorable and consistent with what has been reported in the past several months. The performance data is similar to recent reports with fixed-route ridership down, and ARide ridership up compared to last year. The committee continued discussions about ridership trends and received a report on the revenue effects of ridership declines. Revenue losses amount to \$86,000 which is not significant in a \$40Million annual budget. However, if the trend continues, it will be important to identify the implications. It is expected that staff will report back on revenue effects in two or three months.

5.4 Local Advisory Council

Ms. Burke reported on the Local Advisory Council (LAC) meeting. LAC discussed how well the transition of RideCorp providing lift van service is going. There was one minor technology glitch that was resolved. LAC is pleased to have its newest members of the Executive Committee, Laura Padalino and Steve McNutt, on board. LAC reviewed a draft version of the revised A-Ride User's Guide. The Guide is scheduled to be mailed to riders in the coming month.

5.5 Washtenaw Area Transportation Study

Mr. Krieg reported that the Washtenaw Area Transportation Study Policy Committee meeting for May was canceled.

5.6 Governance

Mr. Mahler reminded the board of the Governance Retreat scheduled for June 20 at Weber's Inn. Susan Radwan will facilitate the retreat and review basic concepts to get policies up and running and in workable order.

6.0 Question Time

Mr. Krieg asked if consideration had been given to a suggestion he made at PDC to change head signs that read "Blake Transit Center" to "Ann Arbor" to make it easier for people to understand where the bus is going. Mr. Krieg added that the current font size is very small.

Mr. Carpenter responded that there had not been a chance to discuss the suggestion, but made a commitment to take the matter under advisement.

Mr. Bernard reported that he has been engaging with representatives from the Commission on Disability Issues due to a breakdown in communications. Mr. Bernard provided Commission representatives with Mr. Carpenter's contact information.

Mr. Gururaja asked about plans to disseminate information about the service change to people returning to the area in August and September who did not experience the change in May. Ms. Stasiak responded that would be occurring, and staff is working on identifying a process for the best way to share the information.

7.0 Old Business

Mr. White reported on a request made in April to implement added service in August that is included in the Five-Year Transit Improvement Program (5YTIP), but scheduled for a different implementation time. The request came from Pittsfield Township to add a new route #61 to provide peak hour service between Saline and Ann Arbor to connect business parks along the State Street Corridor, and expand route #6 to connect #61 riders with the rest of transit service. Mr. White explained that there were plans in FY2014 to implement a new route between Ann Arbor and Saline, but Saline did not want to go forward. The proposed new route is intended to serve the same purpose during peak hours, only by circulating through the business parks and connecting to a bus stop on Airport Boulevard near Costco and other employment destinations. PDC agreed that the change could move forward with the public input component of adding service having been satisfied through public meetings in Pittsfield Township.

Mr. White responded to impacts on the budget and fleet requirements indicating that the cost implications are included in the 5YTIP as a whole, and Pittsfield Township is paying a substantial portion through their Purchase of Service Agreement for FY2016. There is no change to overall fleet requirements.

Mike Allemang moved the following resolution with support from Eli Cooper.

7.1 5YTIP Revisions for August, 2016

Resolution 19/2016

5YTIP Revisions for August, 2016 Implementation

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

WHEREAS, AAATA promoted the 5YTIP as the basis for the transit millage election in May, 2014, and the AAATA promised to implement the 5YTIP if the election was successful, and

WHEREAS, the AAATA Board of Directors adopted a procedure to amend the 5YTIP, and

WHEREAS, a route in the plan with service for Saline and Pittsfield Township was not implemented in May, 2014 as scheduled at Saline's request and

WHEREAS, Pittsfield Township wishes the portion of the route within Pittsfield Township (route #61) to be implemented separately now, and

WHEREAS, an increase in service frequency on the #6 Ellsworth route which includes service to Airport Boulevard is included in the 5YTIP to be implemented in August, 2017, and

WHEREAS, there is a coordinated transfer between Route #61 and the expanded service on route #6 at Costco on Airport Boulevard, and

WHEREAS, Pittsfield Township has requested implementation of the Pittsfield portion (route #61) of the Saline/Pittsfield route and earlier implementation of the route #6 expansion, and

WHEREAS, Pittsfield Township considered these revisions at public meetings in October, 2015 and January, 2016, and is prepared to pay their share of the cost of this service, and

WHEREAS, a Title VI, Service and Fare Equity Analysis was conducted on the 5YTIP before adoption, and the recommended revisions do not constitute a major change from the adopted plan,

NOW THEREFORE, BE IT RESOLVED that the Ann Arbor Area Transportation Authority Board of Directors hereby adopts the revised service changes effective August 2016 briefly described as follows:

- Route 61: Implement weekday peak service connecting business parks along either side of State Street south of Ellsworth (Avis Farms)
- Route 6: Implement service every 15 minutes between the BTC and Meijer (Carpenter) including a route deviation on Airport Boulevard (Costco)

The motion carried. Larry Krieg abstained.

8.0 New Business

Mr. Carpenter introduced the resolution seeking additional funding to conclude payments for the Blake Transit Center. In December 2015 staff brought forward what was believed to be the final costs to close out the project. It was discovered shortly thereafter that there was an outstanding bill. There was an error when the project retainage fee was misunderstood to be a previous change order for permit fees which was a similar amount. Mr. Carpenter apologized for the error and made a commitment for significant improvements to handling capital projects going forward.

Mr. Allemang reported that the PMER Committee reviewed the proposal and resolution and recommend approval by the board. The committee also discussed with the CEO lessons learned on the BTC project. Mr. Allemang added that procedures will be put in place to ensure that these kinds of problems don't occur in future capital projects and projects of all kinds.

Mr. Cooper noted that hundreds of transactions are processed during the life of a construction project. Mr. Cooper expressed appreciation for the transparency in which the situation was handled, and indicated that he was confident that systems will be in place to avoid future errors.

Ms. Gott suggested that the BTC project was a learning opportunity for the board and staff. Ms. Gott provided background on the project which began with a proposed \$3.5Million budget and expanded to a nearly \$8.5Million investment. Ms. Gott encouraged the board to get enough information during planning and design for future capital projects, and consider industry standards for contingencies that might prevent overages.

Larry Krieg moved the following resolution with support from Eli Cooper.

8.1 Blake Transit Center Update

Resolution 20/2016

**APPROVAL OF ADDITIONAL FUNDS FOR THE
BLAKE TRANSIT CENTER RECONSTRUCTION CLOSEOUT**

WHEREAS, on December 17, 2015, the Board approved an additional \$175,000, from \$8,254,988 to \$8,429,988, to cover increased costs for architectural fees and construction management change orders, and

WHEREAS, construction has been completed and the building is open to the public, and

WHEREAS, 10% retainage for the construction management firm was not previously billed to the Authority and this retainage was also not included in the previous accounting of the closeout of the BTC project, and

WHEREAS, funding is available in existing Federal and State of Michigan formula grants for additional project costs requested without negatively affecting existing programs or services, therefore,

IT IS RESOLVED, that the Ann Arbor Area Transportation Authority Board of Directors increase the total project amount authorized for the Blake Transit Center by \$46,920, from \$8,429,988 to \$8,476,908.

The motion passed unanimously.

9.0 Public Time

Jim Mogensen appeared before the board. Mr. Mogensen commented on the MRide agreement and the third-party fare calculation. Mr. Mogensen requested that information on calculating transfers and incorporation of transfers in the third-party fare calculation discount be made available to the public as soon as possible in the event there is a need to raise fares. Mr. Mogensen commented on the availability of service to East Ann Arbor Medical Center and urged the board to make sure that people who live in the eastern part of county are included in that policy and have equal access. Mr. Mogensen commented on the terms of lease of the Central Campus Transit Center. Mr. Mogensen referred to the June 20 Governance Retreat. Mr. Mogensen commented on non-profit entities vs. public bodies and having conversations in a particular context; detail as opposed to policy. Mr. Mogensen commented on his interest in AAATA having a more robust community match program.

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

10.0 Executive Session

Jack Bernard moved to adjourn to Executive Session for the purpose of discussing legal advice. Sue Gott supported the motion. The motion carried on a unanimous roll call vote: Cooper – Yes; Gururaja – Yes; Krieg – Yes; Allemang – Yes; Gott – Yes; Bernard – Yes; Mahler – Yes. The Executive Session commenced at 7:32 p.m.

Larry Krieg moved to adjourn the Executive Session with support from Jack Bernard. The motion carried, and the Executive Session adjourned at 9:25 p.m.

11.0 Adjourn

Sue Gott moved to adjourn the meeting with support from Jack Bernard. The motion carried, and the meeting adjourned at 9:30 p.m.

Respectfully Submitted,

Jack Bernard, Acting Secretary



Proposed Minutes

June 8, 2016

Ann Arbor Area Transportation Authority Board of Directors

Ann Arbor District Library, 343 South Fifth Avenue, Ann Arbor, Michigan, 6:30 p.m.

Board: Mike Allemang, Jack Bernard, Gillian Ream Gainsley, Sue Gott, Prashanth Gururaja, Larry Krieg, Eric Mahler (Chair), Stephen Wade

Absent with Notice: Eli Cooper

Staff: Michael Benham, Matt Carpenter, Ron Copeland, Joel Grimm, Sarah Pressprich Gryniowicz, Dawn Gabay, Mary Stasiak, Phil Webb

Guests: Michael Ford, Liz Gerber, Alma Wheeler Smith, Ben Stupka

Recording Secretary: Karen Wheeler

Chairman Eric Mahler declared that a quorum was present and called the meeting to order at 6:33 p.m. Mr. Mahler announced the purpose of the special board meeting; to hear a presentation from the Regional Transit Authority on their Regional Master Transit Plan.

Michael Ford, Chief Executive Officer of the Regional Transit Authority (RTA), introduced Alma Wheeler Smith and Liz Gerber, RTA board members who represent Washtenaw County, and Ben Stupka, RTA's Manager of Planning and Financial Analysis.

Ms. Gerber introduced herself. Ms. Gerber is a Washtenaw County resident and University of Michigan Professor. Ms. Gerber is optimistic about the Regional Master Transit Plan (RMTP) and putting forward a successful plan that meets the needs of interests in the region both in Washtenaw County and the metro Detroit region. Ms. Gerber pledged her commitment to make sure that Washtenaw County benefits from the RTA through promoting and protecting Washtenaw County within the region. Ms. Gerber encouraged board members to reach out to her with questions.

Ms. Wheeler Smith introduced herself. Ms. Wheeler Smith is a former state senator and representative. Ms. Wheeler Smith believes the current legislation is a sound law for guidance through a regional operation. Ms. Wheeler Smith stated that the RTA board wants to work collaboratively with all partners. Ms. Wheeler Smith is looking forward to a closer relationship with the AAATA board to answer questions and address concerns.

Mr. Ford reported that the RTA's focus is on providing regional transportation through connecting with service providers. Mr. Ford thanked Mr. Carpenter and the AAATA staff for working with the RTA. The RMTP is the culmination of 14 months of outreach, engagement and

data analysis; a service plan for Wayne, Oakland, Macomb and Washtenaw Counties and the City of Detroit to build on the foundation established by providers, coordinate current service and introduce premium new rapid transit options.

Mr. Ford reported on public meetings to be held in the coming month, and announced that the RTA board will vote on the final Plan at their July 21 meeting.

1.0 Board and Staff Reports

1.1 Presentation on Regional Transit Authority Plan

Mr. Stupka made a [presentation](#) on the Regional Master Transit Plan (RMTP). The RMTP was developed in building blocks of different transit demands throughout the region to build a family of services to meet demands. The foundation block is the existing network of the local service providers. Mr. Stupka reported on working with partnership providers to review and develop the plan. A good portion of the plan relies on service providers being the provider of note.

The financial projections include looking at state and federal sources that support the providers to ensure that current funding keeps track with the providers. While the RTA would be growing, the intent is to hold the providers steady as local systems are needed to make a regional system work.

Mr. Stupka distributed a document illustrating the [RTA Service Implementation Timeline](#).

Bus Rapid Transit (BRT) is the next building block. BRT is planned to be operated in dedicated rights-of-way with traffic signal priority, level boarding at stations and stations spaced one-half to one mile apart. There are four major BRT projects: Woodward Avenue, Gratiot Avenue, Michigan Avenue, and Washtenaw Avenue (Ann Arbor to Ypsilanti; scheduled for implementation in 2026).

RTA has worked with partners in Washtenaw County, including AAATA, on the Washtenaw Avenue project to mirror what was developed in the ReImagine Washtenaw project. The project is a mixed traffic BRT with limited stops, queue jumps and traffic signal priority; focused on the best implementation given the constrained traffic situation.

Express Services are planned on Woodward and Gratiot, and Michigan/Washtenaw that would be implemented in the first or second year following the RTA's millage. The Woodward and Gratiot projects are underway and coordinated with SMART and DDOT. The Michigan/Washtenaw project is proposed to connect Ann Arbor and Detroit using express buses or other appropriate service to close the large gap in service as soon as possible.

Regional Rail between Ann Arbor and Detroit is scheduled for implementation in 2022 with stops in Ann Arbor, Ypsilanti, Wayne, Dearborn and Detroit (New Center). The service connects to M1 Rail and Detroit Metropolitan Airport from Wayne. Dedicated feeder services are included between Ypsilanti and Ann Arbor to get people in those communities to regional rail stations and people arriving on rail circulated throughout the community.

There are a series of ten corridors with Cross-County Connectors, mostly in the eastern portion of the region. Mr. Stupka explained that most mid-day, evening and weekend bus service in the corridors requires a transfer. The Cross-County Connectors, operated in partnership with SMART and DDOT, would eliminate the need for passengers to transfer.

Mr. Stupka referred to the full [RMTP Draft Plan](#) which includes a chapter detailing the policy actions needed to get to implementation including: releasing requests for proposals, developing governmental agreements with partners, design and environmental clearance.

There are four Commuter Express routes: M-59, I-75, Ann Arbor to Canton (2018 implementation) and Ann Arbor to Plymouth (2018 implementation). The Canton route assumes that RTA would take over and double the express service currently provided by AAATA.

Local Service routes are planned to provide new service with 30-60 minute headways. This includes Ypsilanti and Ann Arbor feeder connectors to the regional rail system. Mr. Stupka reported that the feeder service is conceptual. This includes a route in Ypsilanti that connects to BRT service at the eastern edge of Wayne; local route that would operate in express mode to Canton. This would allow people to travel to either end of the corridor.

Airport Express service is modeled after AAATA's AirRide service, includes five routes and RTA proposes to take over AirRide service in 2017 and incorporate regional service and other routes. Connecting service is proposed to downtown Detroit, Wayne, Novi, Oakland and Macomb. Stop locations would be limited in express-style service fashion, and consideration is being given for a stop in Ypsilanti.

M1 "Q" Line service opens in 2017 with RTA management scheduled for 2024. The specifics of Paratransit and Mobility Management are still being worked through. Expansion of the paratransit network to comply with the Americans with Disabilities Act (ADA) and providing access to new services in the region are included in the plan. RTA will be working with existing providers to identify regional administrative duties that the RTA could take on such as coordinated ADA eligibility run by the RTA and a central call center to arrange rides throughout the network.

RTA is planning an Innovative Mobility Pilot Program where future mobility is considered; expanding beyond bus and rail services, extending mobility to lower density areas of the region and providing services later in the evening. This would also include partnering with BikeShare, large campuses, employers, and shuttle programs to solve first and last mile problems.

RTA is working on a Coordinated Fare System with one card to get on all systems in the region. Mobile application technology is being explored including integration of payment via Quick Response “QR” Code and bank card. Mr. Stupka noted the importance of maintaining equity of fare payment options.

Mr. Stupka reported that RTA legislation requires that 85% of the millage generated in each county be returned to that county of origin. The RTA will ask for 1.2Mils for a 20-year program. Mr. Stupka added that a 20-year program is necessary to compete for federal funding for long-term projects such as BRT.

2.0 Question Time

Mr. Mahler opened the floor for questions. The content below is intended to capture the essence of questions and suggestions from AAATA board members and corresponding responses from RTA representatives.

Mr. Gururaja commented on the early implementation of commuter express and airport express service.

Mr. Gururaja: Is there a way to get people going between the cities in a rapid or an efficient way before the rail would start to get an idea of how many people want to ride it and get people used to the idea that this service exists and fills the gap?

Mr. Stupka: Absolutely. There is an unfortunate circumstance of the idea coming after printing. What looks like the Michigan service would focus on the Ann Arbor to Detroit connection. Yes, it is our intention to work on a commuter or an express bus style service to connect Ann Arbor and Detroit early in 2018.

Mr. Gururaja: And that would be on Michigan Avenue and local surface streets and not the freeway?

Mr. Stupka: Completely up for discussion with this board and other partners that we have worked with along the corridor.

Mr. Wade: What does “up for discussion” mean? Where does the AAATA board fit into the policy conversation? What ability does the board have over whether BRT happens in 2016 or 2020? It’s important to know who makes those decisions and how.

Mr. Stupka: Each one of the major projects that require any kind of partnership would come with a starting intergovernmental agreement. If AAATA is the operator of record, RTA would work with AAATA to partner and develop an agreement that the AAATA and RTA boards would negotiate and adopt to lay out the terms of the partnership. In terms of the BRT implementation, we did have a robust planning process around those projects and have a locally preferred alternative adopted by the RTA board. The implementation of the projects has been set up purposefully. The schedules are in the middle of conservative and aggressive. We are already talking about how to develop a transparent and purposeful reporting process in terms of what property tax revenues look like every year, how the program is being delivered and being able to have constant communication about that.

Mr. Ford: We recognize the need for checks and balances, being able to be transparent and working with you to have those infrastructures built into those types of issues for each of the providers that we are working with.

Mr. Bernard noted the order of events and the contribution that the board's constituency is going to be making, noting the board's fiduciary to the Authority and not all of Washtenaw County.

Mr. Bernard: How are we prioritizing things? One of the first things that affects the Authority is the Airport Ride; we are already doing that well. Why is that one of the first hallmarks of a process going forward? Assuming what the public is going to see about the plan, where do you think the public is going to be most critical of what the plan brings forward in Washtenaw County, and how should we be talking with them about those elements that they think are most important?

Mr. Stupka: By and large the most requested item is the Regional Rail project. The idea with the larger projects is to deliver something to each one of the spokes in the region within first six years. These are large and complex capital projects. We've tried to prioritize that project and bring it forward on the same track for example as Woodward BRT. The Airport Express service is up for discussion. If you wanted to keep it, we could bring on something else. We are looking at the two most dynamic markets and where it makes sense for us to start making that connection and help take over as a regional provider. There was nothing else than that. The Washtenaw BRT project is a little bit later in the program, by design, because we are bringing other projects forward and trying to time them out with the federal processes that we have to go through.

Mr. Bernard: When you think about how the public is going to react, what things do you think people in this constituency are going to be most concerned about with the RTA? What information do I need to have in order to be able to respond to them?

Ms. Gerber: One of the ways we can talk about the benefit of the RTA to people within TheRide's constituency in particular is that we are bringing more transit resources to the region. You folks are doing outstanding work providing transportation. I'm positive that you have additional work you would like to do. You will have resources freed up to be

able to begin to address some of those additional needs and new transit opportunities that your current budget environment does not allow you to do. From the perspective of folks within Washtenaw County and the AAATA service area that's the strongest case in favor of why this is good for your constituencies. The flip side of that is there are plenty of folks in this region who don't personally use transit. It's the same battle that you face, it's the same battle that we face; transit is "used by some, needed by all". But not everybody understands that and believes that. There are plenty of folks who will not receive direct personal benefits in the sense of their mobility changes. We all face the challenge of making the case for the broader community benefits of transit, even to individuals who are not personally going to ride, but who are going to benefit from having a more robust, richer transit system within our region.

Mr. Bernard noted Ms. Gerber's comment that the RTA would free up resources locally.

Mr. Bernard: Could you talk about that with some specificity?

Ms. Gerber: There are a number of transit needs being met by the RTA in the region. Additional service on route 4 is a continuing and growing area of transit demand. A lot of resources go to that route. By adding BRT on that route, we're not trying to take away from what you're doing, but it does allow you to reallocate resources currently being used on that route. Likewise, if a decision is made that AirRide makes more sense to couple together with other airport service and get economies of scale that RTA could find by having five AirRide services rather than one, that would also free up resources. And all of the local connectors are not only going to be serving people who are riding the commuter rail, but others moving about the region also. It's a dense system. We're not trying to take away service, revenues or the good work AAATA is doing. RTA has different resources than you do and by adding them to the pot, the AAATA board will have to have a discussion about what you do with those additional resources. We see ourselves as partners and collaborators in that, but some of that is a local problem.

Mr. Krieg commented on discussing the RMTP with leadership from Ypsilanti Township and some discouragement about what voters in Ypsilanti Township may see in terms of what is being offered. Mr. Krieg noted that Ypsilanti Township is the second largest municipality in the county. Mr. Krieg commented on the map with one station for the train and one station for BRT potentially located in Ypsilanti Township, and maybe some express service, but the bulk of the township has nothing. Mr. Krieg referred to a study about housing disparity which identified a problem in eastern Washtenaw County. The study recommended that better transit needs to be provided. Mr. Krieg noted that there is currently no way to get to job centers east in Wayne County. Mr. Krieg is hoping that the RTA can make stronger connections to Livonia. Ypsilanti Township leadership also expressed concern about the amount of time people would be paying the tax without seeing any major return of their funding. Mr. Krieg suggested that there needs to be a good response to this concern.

Ms. Gainsley commented on the Ypsilanti Connector which comes online in 2018 and connects Washtenaw County to Wayne County noting that the service connects people

in Willow Run to jobs east. Ms. Gainsley suggested thinking about the name “Ypsilanti Connector” since the route gets people from Ypsilanti into Wayne and to BRT. Ms. Gainsley raised a concern that some of the routes require going to Ann Arbor in order to get somewhere which can be unattractive from Ypsilanti.

Ms. Gainsley: What is the actual timeline for the Ypsilanti Connector local? How long would it take an airport shuttle bus to get from Ypsilanti to Wayne?

Mr. Stupka: The service is planned for 30 minute headways with an express feel.

Ms. Gainsley commented on the [RTA Service Implementation Timeline](#) and Michigan BRT scheduled for 2026. Ms. Gainsley suggested finding a different way to present the information graphically, as some connector service is planned for 2018.

Ms. Gainsley: Is it the intention that Washtenaw BRT would be operated by AAATA?

Mr. Stupka: Yes, and conversations are underway with AAATA.

Mr. Stupka commented on regional rail coming online in 2022 noting that RTA plans for four years of work to develop the service.

Ms. Gainsley suggested that the RTA has potential to add value to airport service by expanding service from Ann Arbor to the airport to Detroit and back.

Ms. Gainsley: Is that part of the intention? What are the intentions with the Lansing piece?

Mr. Stupka: RTA wants to look at both services to see a way to get the airport service and a commuter service to work together from a financial standpoint. RTA has the ability to control fares for different types of riders, especially given the economy of scale with five routes. This might need to be tested out. RTA does not assume taking on the Lansing piece.

Ms. Gott noted that the brochure describes BRT on Washtenaw as being in dedicated lanes, but Mr. Stupka’s presentation indicated that it would be in mixed traffic. Mr. Stupka confirmed that the service on Washtenaw would be in mixed traffic. Ms. Gott suggested that be made clear in Washtenaw County discussions to ward off false perceptions.

Ms. Gott: Can you help strengthen the direct and most significant benefits to Washtenaw County and articulate those in a way (simple talking points) that can be understood for the community whether it’s the direct or the indirect?

Ms. Gott noted the earlier reference to resource allocation but suggested a perception of simply a shift in expenditures vs. net new benefits.

Ms. Gott: Is the Ann Arbor Connector in the plan, but not a funded component?

Mr. Stupka: That's correct.

Ms. Gott: Is this the list [Implementation Time] of what the funded components of the plan are, but you have additional elements to the plan not listed because they are not part of the funding strategy?

Mr. Stupka: Yes.

Ms. Gott suggested that it might be helpful to be clear between the distinction of the funded and non-funded elements that are in coordination with the plan.

Mr. Stupka: Sure. We have a section in the plan that lays that out.

Mr. Allemang asked about a source to obtain more detail than provided in the presentation. Mr. Stupka referred Mr. Allemang to the full [RMTP Draft Plan](#) and outlined the areas detailed in the plan including outreach, market analysis, survey research, all plan elements in the presentation described in detail, financial analysis, capital planning assumptions, a separate planning process for each corridor, and a five-year implementation plan.

Mr. Allemang: Can all of the services in the plan be funded through the millage and not dependent on other major sources?

Mr. Stupka: There are state and federal assumptions for capital and operating. Steps were taken to ensure that Local Bus Operating (LBO) that supports AAATA and the other providers maintains at the current level and captures growth with inflation. Anything over and above that, RTA would take to support their services. The bulk of federal discretionary funding is associated with large projects, Small Starts and New Starts funding that does not currently come to the region. State capital funds are similar to the amounts that CATA in Lansing and TheRapid in Grand Rapids have been able to secure for their BRT projects.

Mr. Allemang: Does the plan include what proportion of the tax revenue will go this particular service?

Mr. Stupka: On an agency level. When RTA agrees to work with AAATA to deliver commuter express service, a subsidy is assigned to AAATA and included in the master plan.

Ms. Gerber (to Ms. Gott's earlier question): There is a Washtenaw County brochure on the website listing specific improvements to Washtenaw County and region-wide benefits. We've tried to articulate that in a number of ways so that depending on who we are talking to, some of the talking points will be useful. The Washtenaw County

benefits page isn't just about the dollars being spent in Washtenaw County but also how the regional system is going to link people to jobs in Washtenaw County.

Mr. Wade posed a hypothetical funding/decision making question.

Mr. Wade: If AAATA decided not to join in regional AirRide service and wanted to implement the Ypsilanti Connector before AirRide, could AAATA do that and still get the funding?

Mr. Stupka: RTA is in a public outreach period so there is time to adjust the plan, if you have certain concepts or ideas. The assumption is that RTA still has to meet 85% goals in the county. RTA would like to hear sooner than later, but will be reporting on a regular basis so that adjustments can be made.

Mr. Wade (to Mr. Carpenter): With regard to the financial assumptions and implications of the plan, is AAATA staff comfortable with the financial levels, and are there some things we should be concerned about? Any implications of funding streams AAATA might not have access to?

Mr. Carpenter: We have enjoyed an open relationship and dialogue with the RTA staff for some time. The question of financial implications to Washtenaw County and to this agency have been discussed. I'd like to bounce that question to colleagues at the podium to speak about financial implications of the RTA's planning efforts to this agency and to tradeoffs and have it on the table so everyone understands what those are.

Mr. Stupka: Let me break this into categories: formula funding sources where we may be competing with each other; Local Bus Operating (LBO) from the state and formula 5307 funding that comes from the Ann Arbor urbanized area. RTA assumes that AAATA is held at the current level of funding for both of those and tie that to inflation going forward. We don't assume that we are touching any of that money. We do have some growth assumptions built into the LBO and 5307 as outlined in the plan. We assume if there is new money coming to the RTA region as a whole beyond what goes to support the agencies with inflation, RTA does take that. Broadly, AAATA is reimbursed approximately 30% from LBO. We ensure that stays in a similar category. The RTA never goes above 12-13%. By state law, RTA cannot apply for reimbursement for any BRT projects. 5307 funds – similarly RTA assumes a light level of growth where RTA brings on large levels of revenue miles, assuming 1% growth, RTA assumes taking that growth on, and holding AAATA steady with inflation. By and large a lot of services RTA is looking at funding in partnership with AAATA, if the RTA is taking in money, we're giving it back to you to subsidize the service. Over and above that, RTA assumes that there will be millage dollars to support any new services such as the Ypsilanti Connector, that would be 100% funded by the RTA with brand new money. If RTA took over commuter express in Canton, that would allow for savings on route #4 because of BRT. RTA would work in partnership with feeder routes, or perhaps invest that in local routes and make those the feeders. There are lots of pieces of partnership already being worked on that

will create some savings for the agency, and that's a local decision as to how to deploy those resources.

Mr. Bernard commented on the RTA providing services for people who have disabilities suggesting that it would be useful to reframe how that is discussed. Mr. Bernard suggested that the message to the constituency of people who have disabilities should not be that we are doing just what the law requires; there should be a real investment in people who have disabilities, and people in other circumstances who rely on public transit, to be able to travel in the area of the transit authority.

Mr. Bernard requested that Mr. Stupka expand on the kinds of services the RTA is envisioning providing and what RTA will be doing to help that constituency.

Mr. Stupka: RTA is focused on being able to provide one-seat rides for people with disabilities throughout the region. The other piece is figuring out how to partner with smaller providers in outlying areas to allow for people using those services today to have a better direct connection into the regional services, and develop local service in areas where there is no service, with a focus on trying to connect into the regional service.

Mr. Bernard: What is RTA's orientation towards environmental responsibility?

Mr. Stupka: RTA is looking at developing levels of service by putting the right service in the right community to get people out of their cars and onto transit. RTA is doing some ridership modeling to look at what can be done to lower vehicle miles traveled. RTA is looking at different types of bus technology and partnerships around BRT stations to do anything alternative energy-wise.

Mr. Gururaja: Given the 85% return on investment, what is the return of the tax revenues for the communities in this service district? Because the services are mostly coming back to the Ann Arbor/Ypsilanti urban core, what is that number?

Mr. Stupka: I don't have the number off the top of my head. We look at it on a county-by-county basis. It's something that could be pulled together and shared through staff.

Mr. Gururaja commented on issues with trust among governmental entities. Mr. Gururaja indicated that while AAATA seems to be financially sound, he has concerns about the trajectory of the agency.

Mr. Gururaja: Should we trust that this plan can be sustained financially over a long period of time with budgeting for capital replacement? You mentioned reliance on federal and state funds for capital and operating. What is the confidence that those funds will come through and if they don't, why not, and what is the backup plan?

Mr. Stupka: I believe we have a solid and sustainable plan and will take great pains to make sure that the capital projects have large contingencies. We also looked at

developing operating and maintenance costs that were accurate to the inflationary time, and looked at the historic growth of transit costs in the region over the last 20 years. I feel confident that we've done as much as we can to ensure that this is going to be a sustainable plan. On the operating side we don't assume a lot of federal and state resources; it's a small amount of the overall program. On the capital side we assume that we would compete for Small Starts and New Starts and are going through a quick evaluation process and believe RTA will be competitive for all of the projects. We will be working with FTA to ensure that we can pull funding down for all projects. It's a difficult process and that is why the timelines are conservative.

Ms. Gainsley commented on ADA service in the plan noting that a lot of it is taking off of what TheRide is doing. Ms. Gainsley noted that the AAATA hears monthly that AAATA could be doing a better job on mobility services. Ms. Gainsley suggested that combining those services across the region is both an opportunity and a risk. There are good economies of scale like dispatching to get people connected to their rides more quickly.

Ms. Gainsley: If there is an issue, how do we as an agency, trying to serve our constituents, respond to that? What kind of control do we have assuming that this is a regionalized dispatching? How do we respond to those constituents effectively and make changes and address problems with regional systems?

Mr. Stupka: We would work with all the providers to develop intergovernmental agreements to be able to respond to the process through which you would do that. We would have to weigh the regional need vs. the local need and work on it together. One of the things we want to establish and identify in the master plan is a mobility management task force that comprises a group of providers and other nonprofit mobility managers throughout the region and that would be a sustained task force that keeps us on track and communicating on a regular basis.

Ms. Gainsley: If this agency has extra money and decides to invest in mobility services, it seems like there are some area where that could create a discrepancy. We want to make sure AAATA would have the freedom to invest further, go above and beyond for our constituents, and that wouldn't be prevented in any way.

Mr. Stupka: I don't think it's our intention to prevent that.

Mr. Stupka commented on an area he forgot to mention earlier. An independent financial task force went through the model and detailed assumptions and helped vet numbers included in the plan.

Mr. Mahler referred to the intergovernmental agreements, relationships between RTA and local providers and who has the operational and administrative control.

Mr. Mahler: Who is the contractor and who is the contractee?

Mr. Stupka: RTA is the contractor and AAATA is the contractee (vendor).

Mr. Mahler: To the extent you are going to rely on local providers to provide services, when we have issues on routes, will we have administrative control when we have complaints? What is the process for us to fix the problems on the spot and what is the charge-back mechanism so when we incur costs we can get that back from the RTA?

Mr. Stupka: It's something we would identify through the intergovernmental agreement and how the process would work. So if there is a breakdown on a shared service, AAATA is the vendor and RTA is the administrator we would have to figure out how that works. The operating and maintenance costs we have for all the services does cover standard operating and maintenance for all vehicles and services.

Mr. Mahler: When you say "standard operating and maintenance" one of my concerns is financial impact. What I did not hear you account for is taking AAATA staff and using it to provide RTA services, which is not in our budget and to the extent I don't hear you saying is, "We're going to provide the money to you". If we get more staff to administer these programs, that would be a strain on our budget. Can you speak to that and assure the board that's not going to restrain staff and the budget?

Mr. Stupka: The RTA uses the NTD [National Transit Database] fully allocated cost model also used by AAATA that includes: vehicle operations (staff to operate the buses), vehicle maintenance, non-vehicle maintenance, administration and there is a separate fuel category. The master plan leaves out local bus service assigned to AAATA

Mr. Mahler: Would the RTA have operations staff to interface with AAATA staff on the provision of these services for maintenance schedules, operation of equipment and capital expenses, or is that AAATA providing that information to RTA? Which way is the information going to flow? Will RTA say, "Here's the schedule", or is it up to us to give that information to you?

Mr. Stupka: It will be a little bit of a two-way street. As the operator/vendor of record you'd be working to integrate the schedule with your other schedules, blocking and facility needs. RTA would have more of an administrative role. We're not going to say, "You need to run this bus every 15 minutes and the time points are X, Y, Z". We'll say, "We're providing you funding to operate a bus with this frequency". How do we work with you to make sure that it fits in with everything else you're doing? Does that help?

Mr. Mahler: If we are the contractee, I would like to know what the contractor's responsibility is. I'm happy to have control over it, and would probably want that, because Matt and staff are the experts. I'm also interested to see how the warranties and indemnification work from a legal point of view. This is probably for Liz or Alma, when the RTA board goes forward with discharging its duties, how do you see your role in terms of interfacing with this board? In this process we have not felt totally in the loop on a lot of the plan going forward and want to make sure that we don't get edicts from a centralized power saying, "This is what the vision is going forward". The vision of the RTA is going to impact our vision and our own planning process. How does the RTA

board plan to interface with this board to make sure to not only keep us abreast of what is going on, but we have meaningful input?

Ms. Wheeler Smith: We've offered to be in constant contact with you as you see the need to communicate with us. As board members we represent Washtenaw County's interests on the board. We have to hear from you to know what you need us to bring forward. We're opening a channel tonight that we hope to sustain for the next three or four years that I'm in service to the RTA. It is certainly my intention that we talk frequently. If it means asking for a session with the executive committee of your board or 15-20 minutes at each of your board meetings so we can keep you apprised of what's going on and you can certainly tell us where you think we're missing the boat. This is an opportunity for us to step up and be your representatives and to answer questions.

Mr. Mahler: This is crucial for not only the first couple of months but through the implementation, and into the first four or five years; this is a 20-year plan. If we don't have a liaison to your board and us, it's going to be difficult. We have had a lot of board members who have RTA involvement. I think we need to hear from you on what's being said.

Ms. Wheeler Smith: Again, we're really happy to come, and between the two of us we can make any board meeting. We can make a meeting with your executive team as you're shaping up your agenda, if that's where you would prefer to interface with us. That has to be your decision.

Ms. Gerber: The board and the board meetings are not the only way for board members to interact with RTA people.

Ms. Gerber complimented Ms. Grynowicz and Ms. Stasiak being leaders among the providers.

Ms. Gerber: There are lots of ways that information flows. I totally agree that at this level, board-to-board, now that we have a plan, that we need to talk about it. It's critical to have board-to-board discussions, but there are so many other ways.

Ms. Gerber noted that Mr. Gururaja is a current member of the CAC [Citizens Advisory Committee] and Mr. Krieg has been a long-time member of that committee. There are other conversations going on as well. Not to downplay the board to board but to say we agree, and all the other stuff needs to keep going too. A plan is a plan. It's not a contract. It's a living document that necessarily is going to have to evolve over time. The staff has made thoughtful and conservative assumptions about ways we think the world might change, but we can't anticipate all of it. When the plan passes, we need to continue that conversation. Not only in the operationalization, but also in the conceptual work. The board is always available. We invite you to come to us, but we will also invite ourselves to come to you to be sure that we can continue that conversation. I do hope that we also recognize that all these other conversations are going on as well.

Ms. Gerber: This month is critical. The planning process and the discussions will continue after, but this is a critical point to get any direct input into the plan that will be considered by the RTA board in July.

Ms. Wheeler Smith: This is your chance to make changes.

Ms. Gerber announced three upcoming public meetings in Washtenaw County noting that the meetings are opportunities to get input from the collective constituencies.

Ms. Gott: Looking forward, do you imagine other engagement with us and/or county communication in order to assess Washtenaw County support/input? I think it was mentioned earlier that one of the struggles for us is that we don't represent all of Washtenaw County. We want to be respectful, but there are many other folks in the county that are not within our service area. We would like to understand how our involvement is integrated with your other countywide effort.

Ms. Wheeler Smith: We really have understood the concern that you as a board and that Matt has indicated that AAATA does not speak for Washtenaw County. We've reached out to WATS [Washtenaw Area Transportation Study] to work with them on outreach not only to the out-county, but also to Ann Arbor, Ypsilanti and Pittsfield; the groups that you already represent. That's a new direction for us within the last four weeks. We will solidify how that works with the RTA board and RTA management so that we have a smooth path. They will be including you in the discussions for all of Washtenaw. We're not going to say that we're only dealing with the out county with WATS. We're also going to have an interactive process for entire county. You've been instrumental in how RTA has come into being.

Mr. Krieg: I have been thinking about getting beyond "if" to "when". As I do so I look at the map and see that there really is nothing west of Ann Arbor or south. I'm a little concerned because even though those areas appear to have lower population, I think they do have some pretty influential people.

Mr. Krieg made three suggestions: 1. Consider supplementing the WAVE (Western Washtenaw Area Value Express) and allowing it to provide more robust service that doesn't end at the boundary of Scio Township so that people have to change buses; 2. In conjunction with the initiation of regional rail, that there be a bus that connects the regional rail station with Saline. Saline has a number of people who if they felt they were not really getting anything, they might make a significant push in the wrong direction as we look at the forthcoming campaign; 3. Folks in Dexter and Chelsea have been hoping for regional rail service. At one point that was being contemplated. It's not on the map now. Would it be possible to put it on as a tentative second phase so that there won't be a sense of complete letdown and disappointment to everybody who lives west of Ann Arbor?

Mr. Stupka: The partnership with WAVE is on our radar. The Saline connecting bus is a new concept so we'll take that as a comment and take it back with everything else. The extension westward is a little bit difficult because we've created a plan that lives within itself. If "maybe" phase 2 elements are added, it gets a little bit off what we're trying to do. We are trying to contemplate ways to add needs and projects like that to a supplemental document to the plan that indicates that if resources come in better, we will add items. That may not be in this version, but a phase 2.

Mr. Bernard: Thanks again for all the hard work. This is an opportunity for more transit and the opportunity to interact with other transit agencies where we don't have that opportunity right now. It's fantastic when we see the vision through which is the easy part. Looking at the plan with the idea that plans don't go as planned, have you given thought to where, in the published plan, is the "give" when something goes wrong?

Mr. Stupka: Are you looking for what would I cut first?

Mr. Bernard: Right. Trying to be pragmatic. You still need momentum over time. You have lots of agencies to work with. In so many ways it's all up-side, but in the end we're about to be doing this work ourselves. When looking at priorities, when push comes to shove, how will we prioritize when the priorities planned for don't get to be the way we wanted to be?

Mr. Stupka: Not having a perfect strategy for that as of yet, certainly we are governed by the 85% rule. We have to look at that first. We would have to look at an equitable way to pull back services to delay them to ensure that we still met our 85% goal. There is a lot of give on levels of service; being able to maybe introduce service at a lower frequency or more limited span. There are a lot of assumptions as to types and style of service and what that looks like. That could be adjusted, if needed. We could look at the timing of when we bring things online but have to look at 85% to ensure there is financial equity in the plan.

Mr. Bernard: There are all these agencies collaborating. Relationships occasionally collide. Has RTA given thought to places where there might be disharmony at some point in the future with AAATA?

Mr. Stupka: By and large we have had great interactions with the AAATA staff. We have talked in great detail about things and are on similar pages with things of minute detail. I don't know if we need commuter feeder services that are as robust as staff feels they need to be. I think we can make adjustments to local services when they connect to regional rail. That's a discussion we'll have to figure out.

Mr. Bernard: It's interesting for us to hear and would want to invite fellow board members to chime in, if you can think of things.

Mr. Mahler: Where we're going to have friction is bargaining power. We're going to be operating under intergovernmental agreements. If the millage passes, we're obliged to

provide service. And we are going to be operating via intergovernmental agreements. Who is going to set the terms of those? It's not going to be us; it's going to be them. What ability do we have to say we don't like those terms and therefore we're not going to provide service? That's where legal counsel comes in. What meaningful input do we have? Our choices are don't provide the service, or accept what they do. That's why I was trying to get to as much detail as possible. It will be interesting when we get the first draft to see what it's all about.

Mr. Ford: For all this to work, we have to be able to work together. I understand that there are rubs. It is in the RTA's best interest for all providers to do well. We have to raise ourselves up and work together. We come at it with that intent. This survives and makes progress when we are all on this path together. We will be working with you on those contracts for the betterment of the people we need to serve. We're not losing sight of that. That may not answer the specific contract questions or language; we will get to that.

Mr. Bernard: I agree with you, but you're uniquely situated here to anticipated places where those infelicities will emerge, and I'm wondering if you've given thought to where are the places you are likely to get pushback?

Mr. Ford: I'm sure there will be pushback in different places. I think it's how we respond to the pushback; how we adapt to the changes. We've come this far in the process and there have been things we didn't anticipate. We have had to adjust, relook at the situation, work through issues and get through hurdles.

Ms. Gerber: I think that it is instructive to look at how the RTA and providers have managed the master agreement process because it is sort of the same thing we are talking about. The legislation was vague about what the relationship between the RTA and providers needed to be. It gave the RTA powers we have chosen not to exercise like taking a lot of LBO money for example, because we need strong providers. We can't do this work without the providers being as strong as possible. The work with providers through the master agreement demonstrates the intention to continue that process. The process is collaborative and recognizes mutual need to get the benefit of RTA in the region. We have established a track record at RTA of working collaboratively and openly with the providers. That is our orientation and approach. The details of what comes up and how we deal with it are the content of what those discussions need to be going forward.

Ms. Gott: One opportunity that we have is to develop a strong tool for monitoring because part of the opportunity to be successful is to have good disclosure. Collaboration is one thing, but you can have a tool that helps expose schedule delays. Being able to track, understand have some opportunities to have some boundaries on what becomes acceptable or how we address from what we think is in the plan to what might evolve that becomes a change in the plan. It would be helpful to start developing a tool now to make clear some of the detail so that tool can be shared and fleshed out.

Mr. Ford: I appreciate the comment. We have been talking about checks and balances and how we bring folks together and show transparency and accountability in working with each other. I have been on the other side of the equation and have a unique understanding of some of the concerns that are being brought up from providers, and how we want to move forward and work with folks. That is part of our deliberation when we meet and converse. We have some perspective there too.

3.0 Public Time

Jim Mogensen appeared before the Board. Mr. Mogensen noted that the existing service maps in the master plan for AAATA have the old maps and don't have the May service changes. Mr. Mogensen noted that he does not, and others don't have a credit card which prevents some online and other types of transactions. Mr. Mogensen suggested that sometimes planning makes assumptions. Mr. Mogensen suggested that low income people don't get multi day passes because they don't have the cash flow. Mr. Mogensen commented on taking public transit to work in Silver Springs, Maryland even though he had a car. Mr. Mogensen commented on a situation when a regional group was upset because there were buses following where the Metro was going. There were people who would not take the Metro because it was more expensive. Mr. Mogensen expressed concern about the RTA's plan and a focus on commuter lines, and not on buses and people getting around. Mr. Mogensen suggested that some of the disconnects are not a technical problem, but a social problem.

4.0 Adjourn

Mr. Bernard moved to adjourn the meeting with support from Ms. Gainsley. The passed unanimously, and the meeting adjourned at 8:50 p.m.

Respectfully Submitted,

Stephen Wade, Secretary



Meeting Summary

June 8, 2016

Ann Arbor Area Transportation Authority Planning and Development Committee

Committee: Gillian Ream Gainsley (Chair), Sue Gott, Larry Krieg, Stephen Wade (departed 10:16am)

Staff: Michael Benham, Matt Carpenter, Bill De Groot, Dawn Gabay, Sarah Pressprich Gryniewicz, Julia Roberts, Mary Stasiak, Phil Webb, Chris White

Ms. Gainsley called the meeting to order at 8:54 a.m.

1.0 Additions to Agenda

There were no additions to the agenda.

2.0 Communications and Announcements

Ms. Gryniewicz reported on receipt of Gold Level recognition from the American Public Transportation Association Sustainability Commitment for AAATA's Sustainability Policy and Plan.

Ms. Roberts announced receipt of preliminary award of grant funds for scoping and design of the Ypsilanti Transit Center (YTC) project, and environmental review and concept design for phase three of the Connector project. The total award is expected to be \$800,000 (\$400,000 in federal funds for each project).

Ms. Gott requested that staff provide caveats on time limitations and implications that may accompany the awards. Mr. White reported that funds for the Connector require a \$100,000 local share which is available. Mr. White also reported that design and scoping for the YTC will need to be completed within a prescribed timeline. Mr. De Groot reported on the intended use of funding for the YTC project including hiring a consultant to complete work on programming costs, size and location of the facility, budget estimate and outlining public involvement. Ms. Gott requested that PDC be afforded the opportunity to conduct its own scoping session to set some policy direction and principles to guide initiation of the work. Ms. Roberts responded to a question about when the process could start, estimating fall. Ms. Roberts noted that the award period for this type of grant is typically two to four years.

3.0 Public Participation

No one appearing, Ms. Gainsley declared Public Time closed.

4.0 Business

4.1 New Service Update

Mr. Carpenter reported that new service continues to go well. Feedback is being accepted, and proactive steps are being taken to address concerns. Mr. White reported on a minor service adjustment to Route #32 scheduled for mid-June to relieve one of the issues. Trips on Route 32B will not serve Skyline High School after 3:30pm to improve peak trip times from campus and downtown to the park and ride lot. Service to Skyline will be available on Route 32A trips after 3:30pm. Notification is being made at the bus stop and on AAATA's website. Mr. White noted that additional minor service changes are scheduled for August.

4.2 FY2017 Work Plan/Capital Plan

Mr. Carpenter made a [presentation](#) on the one-time interim process for the Work Plan and Capital Plan for FY2017. Approval on the interim process will be sought from the Board in June or July.

Mr. Carpenter reported on new formatting of the Work Plan and Capital Plan for FY2018, both rolling five-year plans to include major projects expected to require the highest effort and cost.

Mr. Carpenter requested feedback on the design and content of the new [Work Plan](#) and [Capital Plan](#) documents; specifically, whether the documents include the right projects and priorities.

Mr. Carpenter highlighted some of the projects detailed in the [FY2017 Work Plan Project Overviews](#), and he and staff responded to questions from committee members.

Website Improvements – User testing on the real-time tools is complete with launch planned for July. Improvements will continue in an effort to streamline design, content, navigation and functionality.

BTC Boarding Area Improvement – There have been ongoing discussions in the community about development of the former Y-lot property which is adjacent to the Blake Transit Center (BTC). AAATA has an interest in the project and possible impacts to the BTC and passenger boarding areas.

It was noted that there have been meetings to discuss the vacant lot next to the BTC, as well as a broader vision for evolution of the downtown transit center and surrounding area.

Committee members made the following suggestions with regard to the BTC Boarding Area Improvement Project:

- Make the downtown a priority by working with the Downtown Development Authority and City Council regarding development of the vacant lot adjacent to the BTC
- Reconnect AAATA and DDA board members who previously met to discuss development of the area
- Have a dedicated work plan to bring a vision to closure by a specific time, and share the framework with the City
- Regroup the AAATA board taskforce identified to advise the board on development of the lot adjacent to the BTC
- Expand the scope of the AAATA board taskforce to include an overall vision for planning in the whole neighborhood; engage the public and community partners in discussions
- Make certain that there is a commitment from key community partners before engaging in a community vision; consider AAATA's capacity and priority before deciding on level of participation
- Prioritize the safety of passengers and effectiveness of transit at the BTC through improvements and enhancements
- Discuss the project at the Strategic Planning Retreat

RelImagine Washtenaw: SuperStops – RelImagine Washtenaw is a long-term vision for the redevelopment of Washtenaw Avenue as a transit-oriented corridor. There are 14 superstops included in the project to serve bus operations in the corridor.

Mr. White confirmed that there is coordination with the RTA on SuperStops for the RelImagine Washtenaw project noting the importance of designing stops that can be incorporated in the RTA's future plans.

Paratransit Review – paratransit services are experiencing growing demand and increasing costs. Although the services provided exceed legal requirements, there are requests for additional paratransit service. The Paratransit Review is a proposed consultant-led study of paratransit service parameters to gauge the community's expectations and needs to identify the level of service to provide in the future.

Ypsilanti Transit Center Planning – The Ypsilanti Transit Center (YTC) was constructed in 1993. Given the facility's age and AAATA's service improvements in Ypsilanti, staff conducted a preliminary assessment of the facility. A first phase of repairs was recently completed. Next, staff propose to work with a consultant to develop a plan for the

renovation or relocation of the YTC. This will include identifying purpose and need, public involvement, facility requirements, and final recommendations including a cost estimate.

The following suggestion was made regarding the Ypsilanti Transit Center Planning project:

- Identify a budget estimate placeholder to manage expectations and provide guidance for staff, with a notation that the figure will be refined

Mr. Wade referred to the “Intercept Lot Analysis” project in FY2018. Mr. Carpenter confirmed that the project is about park and ride lots, and a global discussion is anticipated.

Committee members suggested the following for the Intercept Lot Analysis project:

- Spend more time on “last mile” thinking around transit; how people get to and from stops and how they experience them
- Consider the quality of all bus stops, snow removal and sidewalks around bus stops; develop a plan for accomplishing the best scenarios and report back to PDC
- Use a term other than “intercept lot” that captures a more global vision of “getting to transit”
- As part of the next transit plan, consider the level of resources to expend on services for people who don’t live in the community

Mr. Carpenter responded to a question from Ms. Gott on the status of the development of a new tool integrating the operating budget with the capital budget. Ms. Gott suggested a need for illustrating how to prioritize competing interests and financial needs, essential for articulating tradeoffs. Mr. Carpenter confirmed that development of a tool is underway to display the integration, noting that the tool is expected to be part of the next stage of development.

Ms. Gainsley provided her endorsement of the Work Plan with clarifications and concept adjustments. Ms. Gott endorsed the Work Plan contingent on establishing a process for managing capital projects to include the following:

1. When initiating projects and seeking funding, either the board or a respective committee should outline priorities and guiding principles associated with that initiative to guide the process for issuing a Request for Proposals and ensure that a contract responds to board-established priorities
2. Make sure that scope, schedule, budget and deliverables are understood when the board approves a contract
3. Introduce a formal mid-way approval process, after schematic design, where updated cost estimates are generated by a project design team, with a third party estimator, to ensure that prices are consistent with the original budget, and the budget is validated prior to coming back to the board

4. A final Board approval for the award of construction contract with updated schedule and clarification of any changes to the scope approved after schematic design.

Mr. Carpenter responded that there are plans to develop a new process for design, approval and delivery of projects.

Mr. Krieg referred to the award from the American Public Transportation Association and noted that the Sustainability Plan includes a triple bottom line. Mr. Krieg suggested that it will be important to incorporate the triple bottom line in the planning process.

Mr. Carpenter asked for other priorities not included in the plan. No additional items were identified.

4.3 Ridership Trends

An [Issue Analysis](#) on Ridership Trends was included in the meeting materials. There was no discussion due to time constraints.

4.4 RTA Plan

Ms. Gainsley noted that there was a special board meeting on the evening of June 8 to receive a presentation on the RTA Plan.

5.0 Public Participation

Jim Mogensen commented on AAATA's framework pre- and post-millage. Mr. Mogensen suggested that the millage renewal may be complicated by the RTA, the paratransit conversation and the Connector. Mr. Mogensen encouraged the committee to find a way to have structured conversations about paratransit and ridership trends. Mr. Mogensen commented on meeting with the former CEO about Title VI, and indicated that he may request a meeting with staff about the Community Donations Program. Mr. Mogensen encouraged the committee to communicate with the community on areas that may be of interest to the community, such as safety.

No one further appearing, Ms. Gainsley declared Public Time closed.

6.0 Adjourn

There being no further business, Ms. Gainsley adjourned the meeting at 10:47 a.m.

Respectfully Submitted,

Karen Wheeler



Meeting Summary
June 14, 2016
Ann Arbor Area Transportation Authority
Performance Monitoring and External Relations Committee

Committee: Mike Allemang (Chair), Jack Bernard (telephone), Prashanth Gururaja (telephone; joined 4:12pm)

Absent with Notice: Eli Cooper

Staff: Michael Benham, Matt Carpenter, Dawn Gabay, Sarah Pressprich Gryniewicz, Mary Stasiak, Al Thomas, Phil Webb, Chris White

Mr. Allemang called the meeting of the Performance Monitoring and External Relations (PMER) Committee to order at 3:33pm.

1 Additions to Agenda

Mr. Carpenter added an item on RTA to the agenda.

2 Communications and Announcements

There were no communications or announcements.

3 PMER Meeting Schedule

Mr. Allemang proposed changing the timing of the PMER meeting so that the committee does not meet two days prior to board meetings. Committee members, with input from Mr. Carpenter, discussed options for changing the meeting schedule. A proposal was made for PMER to meet on the second Tuesday of the month, the day prior to PDC meetings. Mr. Carpenter reported that moving the meeting up one week would mean that financial and performance data would be preliminary when the PMER meeting packet is issued, with final data presented at the meeting. Mr. Carpenter noted that meeting packets may also need to be issued six days in advance as opposed to the current seven-day advance. Mr. Carpenter requested that less detailed meeting summaries be allowed as staff's work to complete the documents for both committees would be compressed. Mr. Bernard suggested that the committee might go a month without getting any information from staff, if no information were needed for the board to do their work. Mr. Bernard further suggested that quantity, time period and substance of the work should be considered in order to serve the objectives of the committee.

Committee members reached consensus on a pilot period meeting schedule on the second Tuesday of the month, at the same meeting time, with a delay in receiving final data, and production of higher level meeting summaries.

4 New Service Update

Mr. Carpenter reported that new service is going well from an operational and planning perspective. Feedback on the service has been received and is being addressed. Mr. White reported on two schedule adjustments to reduce travel time on Route 32. One adjustment will be made on June 15 to alleviate travel time from the downtown area to the park and ride lot. A second adjustment for service to North Maple will be made in August. Mr. White noted that input has been received about new bus stops where pedestrian areas could be improved; consideration for improvements will need to include coordination with other entities.

5 FY2017 Work Plan/Capital Plan

Mr. Carpenter reported on an interim budget process for input on the FY2017 operating budget, and development of a new process for budgeting for FY2018. Input is being sought on a new design for the Work Plan and Capital Plan. Approval of the FY2017 operating budget will be sought in August.

Mr. Carpenter presented the proposed Work Plan, a concise, rolling five-year table to identify major change activities that are related to major capital expenses or significant investment of agency time or financial resources. Each year the board will be asked to consider the first year for formal approval and following years for planning. Mr. Carpenter noted that the proposed Work Plan includes assumed priorities in place from the 2016 board retreat.

Mr. Carpenter presented the proposed Capital Plan which includes expenditures approved for projects that carryover for multiple years, or are necessary to maintain existing service. Mr. Carpenter noted that some of the projects do not include a specific budget number; available and anticipated funding will be included when determined.

Mr. Carpenter responded to a question on handling capital planning and funding indicating that projects will be funded as the best sources are determined. Mr. Carpenter confirmed that there will be monitoring of project funding, and the plan can be amended to adjust to changes in anticipated funding, and for emergent priorities based on direction of the board.

Mr. Carpenter responded to a question on the relationship of the Research and Development categories listed on both the Work Plan and Capital Plan. Mr. Carpenter reported that the projects listed in the Work Plan are for planning exercises and work that may lead to operational or capital changes and require staff or consultant time. The listing in the Capital Plan anticipates pursuit of capital funding and may change the operation or require a procurement. Mr. Carpenter indicated that the Capital Plan

includes placeholders for likely future spending projects, still in the research and development phase, such as planning for the Ypsilanti Transit Center. Completion of the study phase is expected to provide some definition of cost estimates.

Mr. Carpenter responded to an inquiry on whether the prospect of the Regional Transit Authority (RTA) redirecting a portion of AAATA's Local Bus Operating funds will be considered in the FY2017 budget. Mr. Carpenter indicated that if the RTA referendum is not successful, that would need to be considered and that staff would look into the potential impact. Mr. Carpenter noted the importance of recognizing that possibility and identifying priorities so that if a budget reduction is necessary, the lowest priorities are easily identified.

6 MRide Agreement

Mr. White reported on a recommendation to extend the current MRide program to 2021. AAATA and the University of Michigan (UM) have negotiated a new five-year agreement. Mr. White noted the substantial changes to the agreement: an increase in the payment per trip to \$1.19 (an 11% increase from this year, and based on the third-party fare structure adopted by the board earlier this year), and inclusion of a description of the method used to calculate the payment per trip. Mr. White reported that there is agreement between AAATA and UM on the cooperative portions of the agreement. Final approval of the boilerplate language from UM's Purchasing Department is pending. Mr. White referred to the exhibits and schedule which detail terms of facility use and payment terms for ExpressRide service, details of service to East Ann Arbor Medical Center and Domino's Farms, and references to VanRide and the Connector Project.

The committee reached consensus on moving forward the resolution for Authorization to Execute the MRide Agreement to the full board for consideration.

7 Financials

Mr. Webb reported on financial data eight months into the fiscal year. The Report of Operations reflects a \$741,000 surplus. Revenues are 2.5% under budget due to lower passenger fares; expenses are under budget 5.2% due mainly to vacant positions. Fuel and fuel futures expenses are also under budget. Mr. Webb reported an increase in ARide expenses following the first month of the contractor providing lift van service. Mr. Webb suggested that a budget amendment may be desired, if expenses continue to increase.

Mr. Carpenter responded to a question from Mr. Bernard about the reliability of the model of balancing out the budget between ridership that is having a negative effect on revenue, and savings from vacant positions. Mr. Carpenter confirmed that vacant positions are planned to be filled.

Mr. Gururaja suggested that there is no evidence that ridership will increase over time, and asked about the potential consequences. Ms. Gabay responded that balancing a revenue loss needs to be looked at separately from hiring personnel which could impact service on the road. Mr. Allemang encouraged staff to address the matter as part of the FY2017 budgeting process.

Mr. Webb referred to the Report to Treasurer which shows 1.73 months of Unrestricted Net Assets which is below the board policy of a 2.5-month minimum. This is due to a recent payment of \$4.3Million of local funds for new buses for the service expansion. Mr. Webb noted that the .7 millage rate did not account for maintaining reserves.

Mr. Webb responded to a question about bus purchases indicating that in the past, 99.7% of bus purchases were made with federal and state funds. It is anticipated that federal funds will be available for future replacement buses. Mr. Carpenter noted that the millage and expansion does not include funding to replace the new buses, purchased for the service expansion, 12 years from now at the end of their useful life. Mr. Carpenter indicated that planning is included in the Work Plan to be clear on funding requirements for the fleet for future years.

8 Performance

Mr. White reported on ridership for first month of the service expansion. Average weekday fixed-route ridership is slightly lower than May of last year despite one additional weekday this year. Mr. White noted that ridership data by route will be available when the new CAD/AVL system is in effect. ARide ridership increased from a year ago when RideCorp began operating service.

Mr. White reported that August is expected to be a good indication of changes in ridership when vacations end and school resumes. Mr. White responded to a question on presenting ridership data for average day based on a full week vs. the current reporting of weekday passengers. Mr. White indicated that this may be an opportune time to consider changing the reporting as changes to spreadsheets will be required with implementation of the new CAD/AVL software.

9 Response to Ridership Trends

Ms. Stasiak reported on efforts to increase ridership. Service was expanded in Scio Township and Pittsfield Township and new service has been actively promoted throughout the communities. Ms. Stasiak noted that analysis has concluded that overall ridership has decreased slightly, but overall ridership increased 6%, when UM student ridership is removed. Completion of the new CAD/AVL system will provide state-of-the-art information in several formats. It is hoped that the real-time information and plan-a-trip applications will help attract student ridership. Launch of the new CAD/AVL system is planned for July.

Ms. Stasiak reported on major outreach efforts for back to school and a heavy focus on reaching new students. Staff recently conducted outreach to students at UM and EMU through a train-the-trainer program with resident hall advisors and student staff. Due to changes in the environment including where students live, the focus will be on destination type promotions with major retailers and shopping centers. Ms. Stasiak reported on opportunities to seek out unique partnerships with public libraries and rental and leasing companies. Consideration will be given to free ride promotions to encourage people to try the service. Ms. Stasiak acknowledged that the programs are a work in progress, and encouraged board members to share ideas and concepts.

Mr. Gururaja encouraged staff to consider long term thinking about ways to facilitate student ridership through facilitating travel from residences and the immediate area to other parts of the city.

10 AirRide

Mr. Carpenter provided an update on AirRide service. Mr. Carpenter and staff have been engaged in discussions with the service provider to identify an alternate stop on days when the Fifth Avenue stop is not available due to street closures. Mr. Carpenter reported that he met and staff met with Kensington Court Hotel representatives to request consideration for use of the Kensington stop, previously served by regular AirRide service, as the temporary stop. Mr. Carpenter agreed to keep the board apprised of emerging developments.

11 RTA

Mr. Carpenter reported that he and staff are working on responses to board member questions and concerns raised during and following the RTA's June 8 presentation. Mr. Carpenter noted that the RTA is holding several public meetings in the community which afford the opportunity for additional learning and input.

12 Adjourn

There being no further business, Mr. Allemang adjourned the meeting at 6:03 p.m.

Respectfully Submitted,

Karen Wheeler

**Ann Arbor Area Transportation Authority
Financial Report of Operations - Unaudited
For the Eight Months Ended May 31, 2016**

					Comparison to Prior Year		
	5/31/2016	5/31/2016	Favorable		5/31/2015	Favorable	
	Year to Date	Year to Date	(Unfavorable)	Percent	Year to Date	(Unfavorable)	Percent
Revenues:	Budget	Actual	Variance		Actual	Variance	Percent
Passenger Revenue	\$1,546,492	\$1,437,411	(\$109,081)	-7.1% 1	\$1,447,472	(\$10,061)	-0.7%
Subcontracted Revenue	1,147,768	1,204,778	57,010	5.0% 1	1,151,576	53,202	4.6%
Special Fares (EMU,UofM,go!Pass)	1,551,164	1,412,123	(139,041)	-9.0% 1	1,539,676	(127,553)	-8.3%
Advertising, Interest, and Other	199,292	232,014	32,722	16.4%	195,945	36,069	18.4%
Local Property Tax Revenue	9,181,840	9,180,522	(1,318)	0.0% 2	9,069,056	111,466	1.2%
Purchase of Service Agreements	907,282	910,437	3,155	0.3%	635,064	275,373	43.4%
State Operating Assistance	7,860,894	7,342,603	(518,291)	-6.6% 3	6,978,549	364,054	5.2%
Federal Operating Assistance	3,333,128	3,342,121	8,993	0.3%	3,080,282	261,839	8.5%
Total Revenues	25,727,860	25,062,009	(665,851)	-2.6%	24,097,620	964,389	4.0%
Expenses:							
Operations Wages	7,150,020	6,868,741	281,279	3.9%	6,109,905	(758,836)	-12.4%
Maintenance Wages	1,895,638	1,794,353	101,285	5.3%	1,515,266	(279,087)	-18.4%
Administrative Wages	2,083,597	1,969,357	114,240	5.5%	1,836,130	(133,227)	-7.3%
Total Wages	11,129,255	10,632,451	496,804	4.5% 4	9,461,301	(1,171,150)	-12.4%
Fringe Benefits:							
Payroll Taxes	831,145	756,332	74,813	9.0%	669,229	(87,103)	-13.0%
Pension	828,435	755,709	72,726	8.8%	686,508	(69,201)	-10.1%
Medical Insurance	1,908,141	1,827,984	80,157	4.2%	1,591,933	(236,051)	-14.8%
Post-Retirement Benefits & HCSP	333,252	312,697	20,555	6.2%	273,628	(39,069)	-14.3%
Other Fringe Benefits	686,111	638,350	47,761	7.0%	547,050	(91,300)	-16.7%
Fringe Benefits	4,587,084	4,291,072	296,012	6.5% 5	3,768,348	(522,724)	-13.9%
	41.2%	40.4%					
Purchased Services:							
Contracted Maintenance	495,952	400,573	95,379	19.2% 6	392,061	(8,512)	-2.2%
Consulting Fees	249,809	177,163	72,646	29.1% 6	216,746	39,583	18.3%
Security Services	229,120	203,634	25,486	11.1%	194,378	(9,256)	-4.8%
Other Purchased Services	A 547,038	467,212	79,826	14.6%	578,312	111,100	19.2%
Purchased Services	1,521,919	1,248,582	273,337	18.0%	1,381,497	132,915	9.6%
Materials and Supplies:							
Diesel Fuel and Gasoline	1,319,136	737,789	581,347	44.1% 7	1,048,448	310,659	29.6%
Fuel Futures (Gains) or Losses	0	151,624	(151,624)	100.0% 7	287,893	136,269	47.3%
Bus Parts	584,128	551,078	33,050	5.7%	494,594	(56,484)	-11.4%
Printing	152,946	122,766	30,180	19.7% 8	112,058	(10,708)	-9.6%
Other Materials and Supplies	B 838,404	810,426	27,978	3.3%	680,964	(129,462)	-19.0%
Materials and Supplies	2,894,614	2,373,683	520,931	18.0%	2,623,957	250,274	9.5%
Utilities	C 403,734	325,066	78,668	19.5% 9	453,311	128,245	28.3%
Casualty & Liability Insurance	516,664	476,912	39,752	7.7%	423,161	(53,751)	-12.7%
Purchased Transportation:							
ARide and Good as Gold	1,832,810	2,168,648	(335,838)	-18.3% 10	2,053,691	(114,957)	-5.6%
Night Ride	379,845	369,530	10,315	2.7%	382,750	13,220	3.5%
Air Ride	752,904	814,117	(61,213)	-8.1%	815,083	966	0.1%
WWAVE, Northfield, MyRide, GRH	984,560	975,841	8,719	0.9%	1,053,760	77,919	7.4%
Purchased Transportation	3,950,119	4,328,136	(378,017)	-9.6%	4,305,284	(22,852)	-0.5%
Other Expenses	D 453,284	373,146	80,138	17.7%	349,933	(23,213)	-6.6%
Local Depreciation	198,664	271,600	(72,936)	-36.7% 11	198,000	(73,600)	-37.2%
Total Expenses	25,655,337	24,320,648	1,334,689	5.2%	22,964,792	(1,355,856)	-5.9%
Gain (Loss) from Operations	\$72,523	\$741,361	\$668,838		\$1,132,828	(391,467)	

Variations:

Detail of Budget Variances - Positive (Negative):

	May	May
	Year to Date	Year to Date
A: Other Purchased Services Variances:		
Management & Agency Fees	10,914	
Physical Exam Fees	2,770	
Legal Fees	35,194	
IT Services	(761)	
Custodial Services	(19,428)	
Internet Services	40,734	
Towing	(64)	
Admin Fee - Benefit Source	10,467	
	<u>79,826</u>	
B: Other Materials and Supplies Variances:		
Lubricants	12,148	
Tires, Tubes and Wheels	3,563	
Tools and Equipment	853	
Equipment Repair	5,085	
Other Materials and Supplies	(1,445)	
Computer Software	7,774	
	<u>27,978</u>	
C: Utilities Variances:		
Natural Gas		30,700
Electricity		35,694
Water		4,453
Telephone		<u>7,821</u>
		<u>78,668</u>
D: Other Expenses Variances:		
Uniform Expense		9,274
Postage		7,992
Dues and Subscriptions		4,082
Conference and Travel		3,416
Media costs		19,538
Employee Development		43,178
Wellness & Appreciation		8,396
Recruitment and Hiring		1,540
Equipment Rental		<u>(17,278)</u>
		<u>80,138</u>



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MEMO

To: Board of Directors, Ann Arbor Area Transportation Authority
From: Philip Webb, Controller/Manager of Finance
Date: June 8, 2016
Re: Notes to the Financial Report of Operations – May 31, 2016

Message: The following are the explanations and notes for budget to actual variances for the AAATA's year-to-date unaudited financial report of operations, generally +/- 5.0% and \$20,000.

OVERALL – The Report of Operations reflects a **\$741,000** surplus for the first eight months of the fiscal year. As planned, a portion of the July 2016 property tax millage will be allocated toward the purchase of vehicles rather than used for operating expenses in FY 2016. This will amount to \$1.0 million in FY 2016.

REVENUES: Total Revenues are 2.6% under budget (unfavorable).

1. Passenger fares are under budget for fares on the bus from cash, tokens and 30-day passes. Subcontracted fares are higher than budget for ARide and AirRide. Special fares are under budget for UofM and go!passes due to lower ridership. Overall, fares are \$191,000 under budget or 4.5%.
2. Property taxes reflects all the property tax millages which will be levied on July 1, 2016, along with the deferment of \$1.0 million from operating to capital for bus purchases in FY 2016. We will use \$3.85 million from the July 1, 2014 levy from FY 2014 and \$2.4 million from the July 1, 2015 levy and \$1.0 million from the July 1, 2016 levy to purchase 15 large buses and 2 small buses to provide the additional 5YTIP services.
3. State Urban Operating Assistance is under budget by \$517,000, because it is calculated on incurred eligible expenses x 30.8%, which are less than budgeted.

EXPENSES: Total Expenses are 5.2% under budget (favorable).

4. Wages are under budget for operations, maintenance and administration due to a few vacant positions, which are gradually being filled.
5. Fringe Benefits are under budget due to overall wages being under budget. Overall fringes are 40.4% of wages compared to the budgeted amount of 41.2%.
6. Contracted maintenance is under budget due to timing differences for projects. Some monthly expenses are estimated, such as custodial, security, etc. where we have known monthly amounts, while others expenses are not, due to their variable nature, such as legal fees, contracted maintenance and towing. We have had fewer snow storms this winter. Consulting fees are under budget due to timing of projects.
7. Fuel and fuel futures expenses are under budget by \$430,000, after consideration of the loss on fuel futures. We have averaged \$1.44 per gallon for fuel deliveries for October through May, compared to the budget of \$2.45 per gallon. However, we have had realized losses on fuel futures of \$151,600. Fuel prices have rebounded slightly, with the May 27, 2016 ultra-low sulfur biodiesel (B10%) fuel delivery at \$1.66 per gallon, the highest price per gallon since November 2015.
8. Printing is under budget by \$30,200 due to timing of projects. We incurred more printing for the service expansion and some of those invoices are still coming in.
9. Utilities are under budget by \$78,700 due to timing of bills received and a milder winter.
10. ARide is over budget as demand has increased over the last few months and the subcontractor started operating the lift-van services on May 1, 2016.
11. Local depreciation is over budget due to the recent purchase of minivans for the VanRide program in late FY 2015. These vehicles were purchased with local funds.

Ann Arbor Area Transportation Authority
 Report to the Treasurer: Summary Operating Statement by Mode
 For the Eight Months Ended May 31, 2016

Year-To-Date Summary Operating Statement by Mode							
	Fixed	Demand	Express		N/S Rail, GDT,	Total	
Revenues (except Property Tax):	Route	Response	NonUrban	Ride	AirRide	UrbanCore, Van	Actual
Passenger Revenue	\$1,302,103	\$135,308	\$0	\$0	\$0	\$0	\$1,437,411
Subcontracted Revenue	\$0	\$352,407	\$69,600	\$0	\$753,494	\$29,277	\$1,204,778
Special Fares (EMU,UofM,go!Pass)	\$1,323,715	\$11,104	\$0	\$77,304	\$0	\$0	\$1,412,123
Advertising, Interest, and Other	\$206,825	\$0	\$0	\$0	\$0	\$25,189	\$232,014
Purchase of Service Agreements	\$443,134	167,123	\$268,389	\$10,000	\$0	\$21,791	\$910,437
State Operating Assistance	\$5,486,472	\$1,252,329	\$296,482	\$59,898	\$189,994	\$57,428	\$7,342,603
Federal Operating Assistance	\$2,443,825	\$60,000	\$139,976	\$47,271.36	\$0	\$651,048	\$3,342,121
Total Revenues	\$11,206,075	\$1,978,270	\$774,447	\$194,473	\$943,488	\$784,733	\$15,881,487
Expenses:							
Wages	9,512,722	595,050	24,076	103,027	57,769	339,806	\$10,632,451
Fringe Benefits	3,811,188	255,021	10,318	44,155	24,758	145,631	4,291,072
Purchased Services	1,034,648	0	3,746	11,836	14	198,338	1,248,582
Diesel Fuel, Net of Futures	859,091	22,400	0	7,922	0	0	889,413
Materials and Supplies	1,395,942	35,286	2,969	13,586	2,108	34,379	1,484,270
Utilities	307,510	14,660	0	2,896	0	0	325,066
Insurance	430,934	38,153	3,577	4,248	0	0	476,912
Purchased Transportation	0	2,766,085	728,268	0	814,117	19,666	4,328,136
Other Expenses	268,506	7,129	1,493	4,384	44,722	46,913	373,146
Local Depreciation	269,181	0	0	2,419	0	0	271,600
Total Expenses	17,889,722	3,733,785	774,446	194,473	943,488	784,733	24,320,648
Net Local Property Tax Applied	\$6,683,647	\$1,755,515	\$0	\$0	\$0	\$0	\$8,439,161
Percent of Total	79.2%	20.8%	0.0%	0.0%	0.0%	0.0%	100.0%
Local Property Taxes							\$9,180,522
Authority Wide Surplus (Loss)							\$741,361
Service Hours	155,150	75,710		1,382	6,144		238,386
Cost per Service Hour	\$ 115.31	\$ 49.32		\$ 140.72	\$ 153.56		
Passengers	4,215,888	112,771		19,976	59,461		4,408,096
Cost per Passenger	\$ 4.24	\$ 33.11		\$ 9.74	\$ 15.87		\$ 5.52
Percent of Expenses Paid by Riders	14.7%	13.4%	9.0%	39.8%	79.9%		16.7%
Percent of Expenses Paid by Local Tax	37.4%	47.0%	0.0%	0.0%	0.0%		34.7%

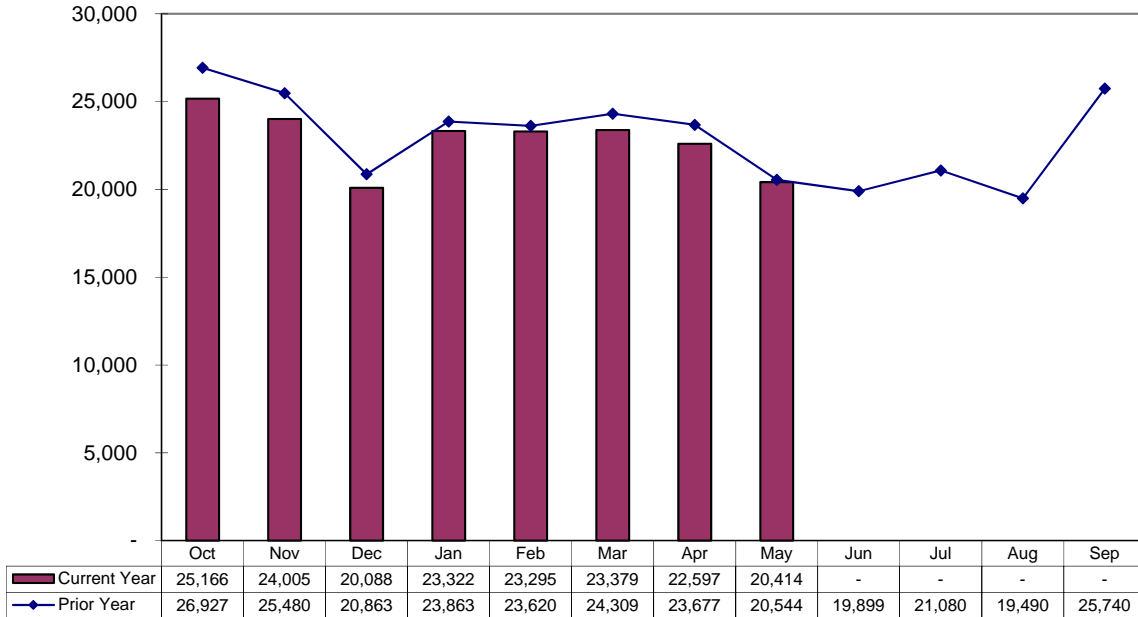
Balance Sheet	
Assets:	5/31/2016
Cash & Investments	\$5,853,639
Accounts Receivables	400,578
Grants Receivables	3,374,128
Other Receivables	9,895,454
Inventory (Parts, Fuel)	854,364
Prepaid Expenses	832,191
Total Current Assets	21,210,354
Land & Buildings	36,103,440
Equipment	71,605,543
Accum Depreciation	(48,548,416)
Net Capital Assets	59,160,567
Total Assets	\$80,370,921
Liabilities:	
Accounts payable	\$502,696
Accrued Payroll	747,420
Accrued Sick/Vacation	1,412,257
Other Accruals	411,355
Unearned Revenue	931,167
Post-Retire Benefits	260,977
Total Liabilities	4,265,872
Net Position	
Unrestricted (GASB 31)	11,087,523
Unrestricted (Fuel Savings)	271,256
Unrestricted (Available)	5,585,703
Total Unrestricted	16,944,482
Invested in Capital Assets	59,160,567
Total Net Position	76,105,049
Total Liab & Net Position	80,370,921
Total FY 2016 Expenses*	\$38,655,850
Months in Unrestricted	
Net Assets (Min 2.5)	1.73
Amount below Minimum	(\$2,467,599)

*Expenses do not include R&D projects

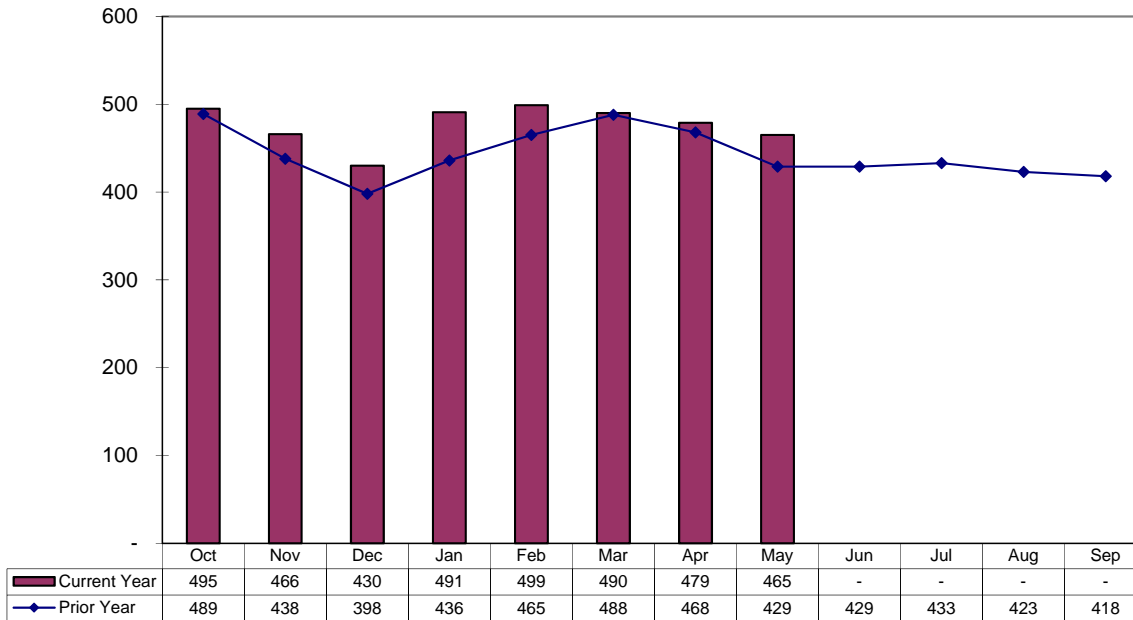
Average Weekday Passengers

May 2016

Fixed Route Average Weekday Passengers



A-Ride Average Weekday Passengers



Ann Arbor Area Transportation Authority

Performance Report - Year to Date

Urban Fixed-Route Service

May 2016

Performance Indicators	Actual	Budgeted		Previous Year	
	Year to Date	Year to Date	% Variance	to Same Date	% Variance
Average # of Weekday Passengers	22,407			23,305	-4%
Passengers per Service Hour	27.2	31.4	-14%	29.9	-9%
Operating Expense per Passenger	\$ 4.24	\$ 3.93	8%	\$ 3.93	8%
Operating Expense per Service Hour	\$ 115.31	\$ 123.66	-7%	\$ 117.40	-2%
Operating Expense per Service Mile	\$ 8.65	\$ 8.85	-2%	\$ 8.52	1%
Percent of Cost paid by Passenger	14.7%	15.7%	-6%	16.3%	-10%

Base Data	Actual	Previous Year	
	Year to Date	to Same Date	% Variance
Service Inputs			
AAATA Operating Expenses	\$ 17,889,722	\$ 16,867,467	6.1%
Service Outputs			
AAATA Service Hours	155,150	143,679	8.0%
AAATA Service Miles	2,069,169	1,978,982	4.6%
Service Consumption			
AAATA Passengers	4,215,888	4,290,874	-1.7%
AAATA Passenger Revenue	\$ 2,625,818	\$ 2,753,178	-4.6%
Total # of Weekday Passengers	3,809,232	3,938,519	-3.3%

Number of Weekdays
 Fy 2015: 169
 Fy 2016: 170

Ann Arbor Area Transportation Authority

Performance Report - Year to Date

Urban Demand-Response Service

May 2016

Performance Indicators	Actual		Budgeted		Previous Year	
	Year to Date		Year to Date	% Variance	to Same Date	% Variance
Average # of Weekday Passengers	539				517	4%
Passengers per Service Mile	0.125		0.145	-14%	0.126	-1%
Operating Expense per Passenger	\$ 33.11		\$ 27.81	19%	\$ 29.62	12%
Operating Expense per Service Mile	\$ 4.14		\$ 4.04	2%	\$ 3.72	11%
Percent of Cost paid by Passenger	13%		18%	-26%	15%	-12%

Base Data	Actual		Previous Year	
	Year to Date		to Same Date	% Variance
Service Inputs				
Urban DR Operating Expenses	\$ 3,733,785		\$ 3,275,219	14%
Service Outputs				
Urban DR Service Miles	902,893		879,847	3%
Service Consumption				
Urban DR Passengers	112,771		110,587	2%
Urban DR Passenger Revenue	\$ 498,819		\$ 496,542	0%
Total # of Weekday Passengers	93,785		90,006	4%

Number of Weekdays Fy 2015: 173
 Fy 2016: 174

Ann Arbor Area Transportation Authority

Performance Report - Year to Date

ExpressRide - Fixed-Route Service

May 2016

Performance Indicators	Actual	Budgeted		Previous Year	
	Year to Date	Year to Date	% Variance	to Same Date	% Variance
Average # of Weekday Passengers	118			144	-18%
Passengers per Service Hour	14.5	19.9	-28%	17.7	-18%
Operating Expense per Passenger	\$ 9.74	\$ 6.79	43%	\$ 8.13	20%
Operating Expense per Service Hour	\$ 140.71	\$ 135.39	4%	\$ 143.85	-2%
Operating Expense per Service Mile	\$ 5.32	\$ 5.14	4%	\$ 5.44	-2%
Percent of Cost paid by Passenger	39.8%	60.0%	-34%	53.0%	-25%

Base Data	Actual	Previous Year	
	Year to Date	to Same Date	% Variance
Service Inputs			
Operating Expenses	\$ 194,473	\$ 197,639	-2%
Service Outputs			
Service Hours	1,382	1,374	1%
Service Miles	36,576	36,360	1%
Service Consumption			
Passengers	19,976	24,298	-18%
Passenger Revenue	\$ 77,304	\$ 104,706	-26%
Total # of Weekday Passengers	19,976	24,298	-18%

Number of Weekdays
 Fy 2015: 169
 Fy 2016: 170

Ann Arbor Area Transportation Authority

Performance Report - Year to Date

AirRide - Fixed Route Service

May 2016

Performance Indicators	Actual		Budgeted		Previous Year		
	Year to Date		Year to Date	% Variance	to Same Date	% Variance	
Average # of Weekday Passengers	253				235	8%	
Passengers per Service Hour	9.7		8.4	16%	9.4	3%	
Operating Expense per Passenger	\$	15.87	\$	19.06	\$	17.20	-8%
Operating Expense per Service Hour	\$	153.55	\$	159.44	\$	161.73	-5%
Operating Expense per Service Mile	\$	4.73	\$	4.93	\$	4.98	-5%
Percent of Cost paid by Passenger	79.9%		53.0%	51%	72.1%	11%	

Base Data	Actual		Previous Year		
	Year to Date		to Same Date	% Variance	
Service Inputs					
Operating Expenses	\$	943,488	\$	964,804	-2%
Service Outputs					
Service Hours		6,144		5,966	3%
Service Miles		199,408		193,608	3%
Service Consumption					
Passengers		59,461		56,086	6%
Passenger Revenue	\$	753,494	\$	695,249	8%
Total # of Weekday Passengers		44,102		40,680	8%

Number of Weekdays
 Fy 2015: 173
 Fy 2016: 174

JUNE 14, 2016 LAC MEETING MINUTES

UNLESS POSTED, LAC MEETINGS ARE HELD THE SECOND TUESDAY OF EVERY MONTH (EXCEPT JULY) FROM 10 A.M. TO 12 NOON AT AAATA's MAIN OFFICE: 2700 S. INDUSTRIAL HWY., ANN ARBOR (734) 973-6500

1.0 INTRODUCTION OF ATTENDEES

LAC Executive Members Present:

Cheryl Weber, Jody Slowins, Clark Charnetski, Stephen McNutt, Liz Aldridge, Laura Padalino

Board Liaison: Jack Bernard

TheRide Liaison: Brian Clouse

LAC Members:

LAC Guests: Andrea Henry (CIL), Darryl Johnson (RideCorp), Tracy Byrd (AAATA), Mary Stasiak (AAATA) Cathy-Alice Koyanagi (Rider)

Commonly Used Acronyms	
AACIL	Ann Arbor Center for Independent Living
AAATA	Ann Arbor Area Transportation Authority
AAA1B	Area Agency on Aging 1B
AADL	Ann Arbor District Library
ADA	Americans With Disabilities Act
BTC	Blake Transit Center
CAC	Citizens Advisory Council (RTA)
CSR	Customer Service Representatives
ETA	Estimated Time of Arrival
FOIA	Freedom of Information Act
JFS	Jewish Family Services
LAC	Local Advisory Council
MDOT	Michigan Department of Transportation
PPA	Partners in Personal Assistance
PEX	Peoples Express
PMER	Performance Monitoring and External Relations
RICC	Regional Interagency Consumer Committee
RFP	Request For Proposal
RTA	Regional Transportation Authority
SMART	Suburban Mobility Authority for Regional Transportation
WATS	Washtenaw Area Transportation Study
WCC	Washtenaw Community College
WAVE	Washtenaw Area Value Express

JUNE 14, 2016 LAC MEETING MINUTES

2.0 COMMUNICATIONS AND ANNOUNCEMENTS

- 2.1** Ms. Weber informed the LAC of service closure on the July 4 holiday and that there will be no LAC meeting in July.
- 2.2** Mr. Charnetski provided a brief update on the Low Vision event he attended at WCC on May 11.
- 2.3** Mr. Charnetski expressed his concerns for the challenges persons with low vision might have navigating within the Kellogg Eye Center.

3.0 REVIEW AND APPROVAL OF MINUTES

The LAC approved the May minutes with an amendment to the second sentence in item 7.3 to include the missing word (**to**).

4.0 PUBLIC COMMENT TIME (5 MINUTE TIME LIMIT PER SPEAKER)

- 4.1** Mr. McNutt inquired on standing orders, stating that he understood standing orders were not being taken. Open discussion over the importance and efficiency of standing orders ensued. Mr. Clouse explained the purpose and administration process required to implement and maintain standing orders. Mr. Clouse encouraged Mr. McNutt to email his standing order request to him for review.
- 4.2** Ms. Koyanagi complimented one driver for being courteous and properly assisting her. She also explained that drivers need additional training and gave personal experiences on how one driver attempted to assist her by grabbing her hand, and that other drivers do not provide door-to-door assistance or use common courtesy when greeting her. She suggested that persons with disabilities also be involved in sharing experiences with drivers during training. Mr. Bernard encouraged Ms. Koyanagi to share her experiences with AAATA as soon as possible and to continue sharing them at LAC meetings. Mr. Clouse stated that disability awareness training is provided and that he and Mr. Johnson from RideCorp are making customer service training a top priority. Mr. Clouse also encouraged riders to ask their driver for assistance when the assistance they expect or require is not immediately provided. Ms. Koyanagi explained how some individuals with disabilities might not ask for assistance due to anxiety or fear. Mr. Clouse stated that in these events a solution to resolve communication gaps could be found.

JUNE 14, 2016 LAC MEETING MINUTES

5.0 AAATA BOARD MEETING REPORT

- 5.1 Mr. Bernard reported on the RTA presentation. He explained how the RTA proposed to meet the minimum requirements of the ADA for paratransit service and the plans lack of substance. He also expressed his disappointment over the RTA plan. He explained how services for persons who have disabilities should always strive to exceed the minimum requirements of the ADA. Ms. Slowins complimented Mr. Bernard, stating he has been the best board liaison for the LAC.
- 5.2 Mr. Charnetski also expressed his concerns with the lack of accessible services for persons with disabilities in the Detroit area. He also inquired on the reorganization plan of AAATA's management. Mr. Bernard explained that Mr. Carpenter will present his plan at the June 20 Board retreat and that he is also interested in seeing the reorganization structure.

Governance Committee LAC Items: None

6.0 BUSINESS ITEMS

6.1 A-Ride Transition:

Mr. Clouse provided the LAC with on-time performance data, stating that A-Ride lift-buses were 98% on time and ARide delivery was 99% on time overall. Mr. Clouse expressed his appreciation that a stable service delivery model has been achieved and that adjustments to improve performance and continued training can be made moving forward. Ms. Aldrige complimented Mr. Clouse on the development of the User's Guide, stating that the guidelines and rules are clearly defined and written well.

6.2 Web Update

Ms. Stasiak reported on new tool developments on the website that will allow riders to track their bus and plan trips. She explained that 99% of visitors to AAATA's website are interested in tracking their bus, planning trips and reviewing routes and schedules. She provided an update on AAATA's new website front page and that improvements on navigating the website will be made. She explained that the new technology installed on AAATA buses would improve features such bus tracking, on board announcements, visual displays and camera systems. She thanked Ms. Burke, Mr. Bernard and Ms. Grawi for participating in a recent usability test that helped AAATA identify web improvements. Mr. Charnetski complimented Ms. Stasiak on providing good communication for customers for the May 1 transition. Ms. Slowins thanked Ms. Stasiak for all the hard work.

JUNE 14, 2016 LAC MEETING MINUTES

6.3 Ann Arbor Connector

Mr. Charnetski described the Ann Arbor Connector project and explained the planned route for the Connector. A video that explained the overall planned connector service was played.

6.4 LAC Board Retreat

Ms. Weber opened discussion over planning the first LAC Executive Committee retreat. Ms. Padalino volunteered to set up a Doodle Poll for executive members to select the best date and time in July for the retreat. It was agreed that AAATA would host the retreat at the main office, and provide food and drink.

7.0 PUBLIC COMMENT TIME (5 MINUTE TIME LIMIT PER SPEAKER)

7.1 Ms. Henry explained her personal experiences with ARide, stating that she was not consistently receiving arrival call notices, was not receiving door-to-door assistance and recently experienced a booking error. She also asked Mr. Clouse to help resolve an issue so drivers could receive the entire message for her pickup location on their tablets. Mr. Clouse stated he would address her concerns.

8.0 FUTURE AGENDA ITEMS

1. Board Retreat Report

9.0 ADJOURN

Meeting unanimously adjourned at 12:15 noon

Respectfully Submitted,

Brian Clouse, TheRide Paratransit Coordinator

Next Meeting, Tuesday, August 9, 2016, 10:00 a.m. to 12 noon

Issue Brief: FY2017 Work Plan and Capital Plan

Board Meeting Date: June 23, 2016

Agenda Item #8.1

Recommended Committee/Board Action:

- That the Board approve a resolution acknowledging that staff will utilize the FY 2017 Work Plan and Capital Plan, revised per committee comments, as the Board's input for developing the FY 2017 budget.

Alternative Action:

- That the Board provides further input on the 2017 Work Plan and Capital Plan at July meetings.

Prior Relevant Board Actions and Policies:

- April 2016: Governance Committee approved an interim Budget Process for accommodating Board input, which was also discussed at PDC and PMER.

Issue Summary:

Board committees have reviewed and given feedback on a draft FY 2017 Work Plan and Capital Plan that staff will use to start developing the FY 2017 Capital and Operating Budget. Staff have incorporated feedback. AAATA's budget will need to be approved no later than September.

Attachments:

- FY 2017 Work Plan: "Change Initiatives and Major Projects"
- FY 2017 Project Overviews
- FY 2017 Capital Plan draft for board input

Author: Sarah Pressprich Gryniwicz

Reviewed by: Matt Carpenter

Approved by: Matt Carpenter

Date: June 16, 2016

Change Initiatives and Major Projects: Five Year Work Plan

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Notable Events	RTA Millage (Nov 2016) Retirement of Key Staff/Onboard staff FTA Title VI Compliance Review	FTA Triennial Review Renewal Millage		FTA Title VI Compl.Review	FTA Triennial Review
State of Good Repair "maintain existing services and assets"	Fleet Planning		Replace 15 large buses		
	AirRide Tendering				
	Labor Agreement				
	Replace Timekeeping Software				
Value Added "making things work better"	CAD/AVL Phase II: Paratransit Text My Bus/Stop IDs Responsive Telephone Menu				
	Website Improvements				
	Purchasing and Asset Management Software Replacement (EAM)	Integrate EAM with CAD/AVL			
	BTC Boarding Area Improvement	BTC Boarding Area Improvement			
	Governance Evolution				
	Management Evolution	Management Evolution			
Expansion "implementing new, approved service"	5YTIP Execution: Rte 93: Ypsi T Express and Park&Ride Rte 61: Meijer/Sams Ypsi T Dial-A-Ride Plus				
	ReImagine Wash: SuperStops				
Research and Development	Fixed Route Service Eval & Planning: Update Service Plan Bus Capacity	Update Service Plan			
	Paratransit Review				
	YTC Planning	YTC Planning			
	NS Rail Study Completion				
	Connector: Env Analysis & Concept Development	Connector: Env Analysis & Concept Development	<i>Connector: TBD</i>	<i>Connector: TBD</i>	<i>Connector: TBD</i>
	Propulsion Research				
	Operational Space Assessment				
		Fare Strategy Prep	Farebox Upgrade (if no RTA project)		
		Park and Ride Analysis			
	BRT & Traffic Signal Priority Studies (if no RTA project)				
RTA Activities [with successful RTA referendum]	<i>Reg. Fare Card, Tech. Upgrades Paratransit Planning Implementation Preparation</i>	<i>"Pre-BRT" on Wash Ave Traffic Signal Priority Regional Rail Development</i>	<i>Regional Rail Development</i>	<i>Regional Rail Development</i>	<i>Regional Rail Development</i>
Board Emergent Priorities					

italics = assumptions
grey box=led by others
red= funds from RTA millage

Pending
<i>TBD</i>
<i>Paratransit Update</i>
<i>YTC Phase II</i>
<i>Connector</i>
<i>Alt. Propulsion Tech</i>
<i>Op. Space Implem.</i>
<i>South Side Intercept Lot</i>
<i>Traffic Signal Priority BRT Study (RTA or 2018)</i>

Change Initiatives and Major Projects: Five Year Work Plan

FY 2017 Project Overviews

Updated: June 15, 2016

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State of Good Repair

Fleet Planning

Replacement of revenue vehicles follows a schedule developed by the Federal Transit Administration (FTA); large buses – 12 years, medium buses – 10 years, small buses/cutaways 5-7 years, vans- 4 years. Multi-year purchase agreements with vehicle suppliers provide price and delivery schedule predictability. AAATA typically retains the 6-10 large buses in the best condition after retirement in a contingency fleet available for emergencies, events, and to implement expanded service until new buses can be delivered.

The FY 2017 and FY 2018 programs include the delivery of 5 and 4 replacement buses, respectively, which were deferred from FY 2015. In FY2019, 15 Hybrid buses will reach their 12-year life span. Staff will be coordinating fleet planning, operational space needs, and propulsion research in preparation for this and future replacement needs.

Source of funds: Capital Program for buses and other vehicles. TBD for propulsion options. Operating budget for planning work.

AirRide Tendering

The original 5-year contract for the AirRide service will come to its natural conclusion at the end of March, 2017. To ensure the continuity of the AirRide service a new contract will be necessary. A competitive tendering process will require a few months, and additional time will need to be allowed if a new supplier is selected. The next contract is now in development with an intent to begin the public bidding process in Sept/Oct 2016. A selection should occur around December 2017. Considerable staff time will likely be required in the first quarter of 2017 to ensure successful implementation. In addition, the regulatory environment continues to evolve and disruptive changes may require additional time to address.

Source of funds: Operating Budget

Labor Agreement

The current collective bargaining agreement between AAATA and the TWU Local 171 expires June 30, 2017. Historically, the Authority has been successful negotiating 5 year contracts. Because of the typical length of the contracts, a great deal of key staff time and effort to prepare for negotiations and to actually negotiate the new agreement are critical. Although preliminary planning will begin during the summer of 2016, it is anticipated that extensive preparatory work and strategy meetings will occur during the fall and winter with negotiations beginning May or June 2017.

Source of funds: Operating Budget

Replace Timekeeping Software

Trapeze, a vendor, is ending support for Trapeze MidasBD, the timekeeping system for Transportation. It will be replaced with Trapeze OPS with baseline functionality. This will take significant effort from Operations. There are options to increase capabilities and improve internal processes which staff will be evaluating.

Source of funds: Capital Program

Value Added

CAD/AVL Phase II

Phase I of CAD/AVL comprised installation and configuration of technology on fixed route buses and nearing completion and is a very significant effort for IT, Maintenance, and Operations. Phase II is another significant effort for IT, Transportation, Community Relations, and Maintenance. It comprises the launch of real time information (realtime tool on website, data streams (APIs) for 3rd party developers, responsive telephone menu (IVR), Text My Bus), CAD/AVL on Paratransit vehicles, and Automated Vehicle monitoring (for maintenance). Work on real time information has already commenced. Phase II is expected to be completed in second quarter of FY2017.

Source of funds: Capital Program

Website Improvements

Real-time tools will be launched on TheRide.org in FY2016. However, staff, particularly Community Relations, will continue to make improvements to streamline design, content, navigation and functionality of TheRide.org by incorporating best practices aimed at customers and stakeholders.

Source of funds: Operating Budget

Maintenance, Purchasing, and Asset Management Software Replacement

Staff have been working to replace outdated Maintenance, Purchasing, and Asset management software. This is a significant effort for Maintenance, Purchasing, Finance, and IT. Work is underway and will conclude in November 2017.

Source of funds: previously approved capital (2014)

BTC Boarding Area Improvement

There have been ongoing discussions in the community about development at the former Y-lot property. AAATA, as a direct neighbor, has interest in this project in how it could affect passenger boarding areas and/or become an opportunity for partnership. Staff will continue to monitor how discussions in the community progress, with the goal that future development provides a safe and efficient coexistence for transit users and that creative workable solutions for this area are explored.

Source of funds: Operating budget for current efforts, monitoring for capital implications

Governance Evolution

The Board of Directors has initiated discussions regarding board governance. These efforts will likely continue in to FY 2017.

Source of funds: Operating Budget

Management Evolution

The Administrative team is discussing and initiating a series of internal changes intended to help improve internal administration. These improvements will continue through 2018. Recruitments for senior positions are also possible in 2017.

Source of funds: Operating Budget

Expansion

5YTIP Execution

The final phase of the 5YTIP implementation is scheduled for August, 2107. It includes:

- Route 61: New weekday route south of Ellsworth, east of Carpenter Rd. including service to Sam's Club and the Arbor Meadows community either as an extension of the #6 route from Meijer or as a new route.
- Route 93: A new express route with weekday peak-hour service between Ypsilanti Township near Huron St. / I-94 and Ann Arbor including stops at the U-M Medical Center, central campus, and downtown.
- Development of Ypsilanti Township Dial-A-Ride Plus

Source of funds: previously approved capital was used for buses. Intercept lot project will be monitored for capital implications, but a partnership using an existing lot is preferable.

ReImagine Washtenaw: SuperStops

ReImagine Washtenaw is a long-term vision for the redevelopment of Washtenaw Avenue as a transit-oriented corridor. One focus is on communities' planning and zoning along Washtenaw to require/encourage redevelopment consistent with TOD. The second focus is on transit and traffic improvements on Washtenaw Ave. This includes 14 superstops - 7 in each direction – serving bus operations in the corridor. Superstops will serve high-volume boarding locations and provide special features such as distinctive signs, a high level of passenger amenities, bus pull-offs, lighting and art.

A Superstop Design Guide is nearly complete. Candidate locations include: Pittsfield, Glencoe Crossings, Golfside, Glencoe Hills apartments, County Service Center (Carpenter Road), Hewitt, and Huron Parkway. Each location has strengths and challenges (easement availability, development activity, ease and safety of pedestrian movements, design readiness). These factors must be further evaluated to

select a site to focus on first. Staff will coordinate with RTA as appropriate. Grant funding is on hand to develop at least one Superstop in FY 2017.

Source of funds: previously approved capital (2015)

Research and Development

Fixed Route Service Evaluation and Planning

Staff will be evaluating the new and revised service, and assessing capacity on key routes. As needed, staff may undertake development and implementation of revised service, subject to board approval. The level of effort is still being determined.

Source of funds: Operating Budget

Paratransit Review

The Authority's paratransit services, ARide and the complementary sedan service, are experiencing steadily growing demand and increasing costs which may jeopardize the financial sustainability of the service and customer satisfaction.

Although the amount of paratransit services has historically been well above minimum legal requirements and similar services in comparable communities, some riders and advocates have made criticisms of the service parameters and demanded even higher levels of service, which would lead to additional cost increases. There has not been a structured public discussion about the role, purpose and priority of paratransit service in at least 15 years.

The Paratransit Review is a proposed study of the Authority's paratransit service parameters, the community's expectations and needs, and the overall operating context. The result will be useful, contextualized information, observations and conclusions that will help the Authority be confident in the level of service it provides in the future.

Although a formal scope has not yet been developed it is envisioned that this consultant-led project will involve a considerable amount of public and staff engagement, analysis, documentation, comparison, and benchmarking.

Source of funds: Operating Budget

Ypsilanti Transit Center Planning

The YTC was constructed in downtown Ypsilanti in 1993 as a partnership with the City of Ypsilanti, Eastern Michigan University and TheRide. The YTC is a vital link for the residents of the City of Ypsilanti to access local bus service and service to the job center in the City of Ann Arbor. Given the facility's age and AAATA's service improvements in Ypsilanti TheRide staff conducted a preliminary assessment of the Ypsilanti Transit Center. A first "State of Good Repair" phase (bathrooms, the planter wall, HVAC, general painting, and the facility's roof) was recently completed.

Next, staff will work with a consultant to develop a plan for the renovation or relocation of the Ypsilanti Transit Center (YTC). This will include detailing Purpose and Need for the project, public and stakeholder involvement, estimating facility requirements, alternatives analysis, planning and Environmental linkages, a Feasibility Report, and final recommendations including a cost estimate. At least two alternatives will be submitted to TheRide as final alternatives. The presented alternatives shall list the operational design, minimum property requirement, basic location of the property, and preliminary project costs including acquisition of property and construction cost estimates.

Source of funds: Discretionary grant

NS Rail Study Completion

The N-S Commuter Rail (WALLY) project proposes new rail service on existing state-owned tracks between Howell and Ann Arbor. Many, but not all, prospective riders live in Livingston County and work at UM or downtown Ann Arbor. Benefits to Ann Arbor are mainly in the form of traffic and parking relief. AAATA became the "designated authority" for the project by Board resolution in 2008. AAATA, in cooperation with MDOT, applied for and was awarded a \$640,000 grant to undertake feasibility work aimed at qualifying the project for federal funding. A final report in mid-2016 will address the full range of feasibility questions and will help decide whether the community has an appetite for pursuing the project further.

Source of funds: previously approved grant

Connector Environmental Analysis and Concept Development

The Connector is a developing plan for high-capacity transit in an arc from northeast to south Ann Arbor, connecting major destinations including downtown, University of Michigan campuses and medical center, and commercial areas. The first phase Feasibility Study was completed from 2010-2011. In early 2016, The Connector project team (AAATA, UM, City of Ann Arbor, and the AA DDA) completed an Alternatives Analysis, identifying a Preferred Alternative for further development: light rail/street car for the minimum operable segment is between northeast Ann Arbor and downtown. An extension between downtown and Briarwood is recommended as a second phase.

The next step in the federal process toward funding is called "project development" and would include preliminary engineering and environmental review. UM has pledged the bulk of the \$3-4 million in funding for this project phase, and will be taking over the lead of the project. AAATA, DDA and the City of Ann Arbor will remain active participants and will contribute about 10% of the funding to this phase. This phase of the project will generate more precise cost estimates, and must yield a Finding of No Significant Impact in order for the project to qualify for federal funding for final design and construction. Project development may take up to two years.

Source of funds: Discretionary grant and possibly operating budget

Propulsion Research

Bus propulsion has significant implications on AAATA's environmental impact, operations, facilities, capital program, and operating budget. Pursuant to Board Resolution 04/2015, staff, with contracted assistance as necessary, will continue to evaluate new and emerging alternative bus technologies and configurations for deployment in the Ann Arbor Area and coordinate with the Fleet Planning process and Operational Space Assessment.

Source of funds: Operating Budget

Operational Space Assessment

With the expansion of services provided to the community, AAATA is reaching the limits of capacity for maintenance, bus storage, driver's facilities, offices and parking. Preliminary assessments by staff suggested a need to investigate options for reconfiguring, relocating and/or enlarging facilities. A space planning consultant will assist a more in-depth definition and evaluation of space options. The planning effort is designed to generate a vision of future space requirements, order-of magnitude costs, and alternative spatial concepts (e.g. centralized vs. decentralized), and a transition plan.

Source of funds: Operating Budget

RTA Activities

The Regional Transit Authority will put a referendum on the November 2016 ballot. If successful, the RTA will start to make significant investments in Washtenaw County and necessitate a high-level of coordination with AAATA over many years. Several near-term AAATA projects such as Traffic Signal Priority, Bus Rapid Transit Study, etc are anticipated to be included in RTA funding. Other coordination needed in FY2017 would be Regional Fare Card and Technology Upgrades, Paratransit Planning, and planning for other projects' implementation. These efforts are likely to involve several departments including Administration, Planning, Finance, Transportation, IT, and others.

Source of funds: TBD. RTA millage, corresponding state and federal funds, and possible discretionary grants.

Board Emergent Priorities

While staff have attempted to incorporate known board priorities into the Work Plan, there may be other projects that the Board identifies as priority.

Source of funds: TBD

Capital Plan Summary

Category	Project Description	FY 2017	FY 2018	FY2019	FY2020	FY2021
State of Good Repair	Large bus replacement	\$2,863,000	\$1,821,000	\$6,830,000		
	Small/Medium bus replacement	\$150,000	\$600,000	\$625,000		
	Vanpool vehicles	\$495,000	\$270,000	\$432,000		
	Timekeeping Software Replacement	\$300,000				
	Maintenance: Components, Tools and Equipment	\$450,000	\$250,000	\$250,000		
	IT - Hardware and software	\$150,000	\$150,000	\$150,000		
Sub-total		\$4,408,000	\$3,091,000	\$8,287,000	\$0	\$0
Value Added	CAD/AVL Phase II (Additional Improvements)					
	2700 Facility Upgrades					
	Rider amenities and accessibility	\$100,000	\$100,000	\$100,000		
Sub-total		\$100,000	\$100,000	\$100,000	\$0	\$0
Expansion	ReImagine Washtenaw Superstops					
	Vanpool vehicles	\$337,500	\$337,500	\$288,000		
Sub-total		\$337,500	\$337,500	\$288,000	\$0	\$0
Research and Development <i>(Studies that may lead to Capital Projects)</i>	Fixed Route Planning					
	Paratransit Review					
	Ypsilanti Transit Center	<i>\$400,000 Discretionary Grant awarded for scoping in FY2017</i>				
	Connector	<i>\$400,000 Discretionary Grant awarded for scoping in FY2018. Other AAATA funding may be required.</i>				
	Propulsion Research					
	2700 Operational Space Assessment					
	Traffic Signal Priority Analysis					
	BRT Study					
Sub-total		\$0	\$0	\$0	\$0	\$0
Capital Projects Total		\$4,508,000	\$3,191,000	\$8,387,000		

PENDING
TBD
TBD
TBD
TBD
TBD
TBD
TBD
\$0

Operating/ Preventative Maintenance Assistance*		\$4,505,000	\$4,505,000	\$4,505,000		
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*FTA Guidelines allow for a transit agency to use a portion of Annual Federal Formula Funds to fund operations directly. This line item includes Operating Assistance for Fixed Route Operations; Preventative Maintenance and Capital Cost of Contracting; Grant Administration and Planning; Rideshare (getDowntown) Programs, and Congestion Mitigation and Air Quality.

REVENUES: AVAILABLE REVENUES WILL BE INCLUDED IN CAPITAL BUDGET. STAFF ANTICIPATES SUFFICIENT FUNDING FOR FY2017 PROGRAM.

Resolution 21/2016

FY 2017 Work Plan and Capital Plan as Input to Develop FY 2017 Budget

WHEREAS, Ann Arbor Area Transportation Authority (AAATA) Staff developed a Work Plan and Capital Plan detailing change initiatives and major projects for Fiscal Year 2017, and illustrating the next four fiscal years, to help guide major projects that are important to the advancement of public transportation, and

WHEREAS, the Work Plan was presented to the Board Governance, Planning and Development Committee (PDC), Performance Monitoring and External Relations Committee for feedback, and

WHEREAS, the programs and projects contained within the FY 2017 Work Plan and Capital Plan will be incorporated into the recommended FY 2017 Budget as appropriate in order that they may be funded,

WHEREAS, the Board will discuss and approve the final FY 2017 Budget in August or September 2016,

NOW THEREFORE, BE IT RESOLVED, staff will utilize the FY 2017 Work Plan and Capital Plan as the Board's input for developing the FY 2017 budget.

Eric Mahler, Chair

June 23, 2016

Stephen Wade, Secretary

June 23, 2016

Issue Brief: M-Ride Agreement 2016-2021

Meeting: Board

Date: June 23, 2016

Agenda Item #8.2

Board Meeting Date: June 16, 2016

Recommended Committee Action(s):

- Recommend for action in June

Prior Relevant Board Actions and Policies:

- Resolution 16/2016 February 18, 2016 – Approval of Procedure for Determining Third-Party Fare Rate
- MRide Approved Contract 2015-2016
- MRide Approved Contract July 1, 2010 to June 30, 2015

Issue Summary:

AAATA and the University of Michigan have had a fare agreement for many years and is referred to as the M-Ride Agreement. The existing contract was a one (1) year agreement extension from a five (5) year agreement started on July 1, 2010 and ends June 30, 2016. The one-year extension was negotiated because of the recommendation to change the Third Party Fares methodology. This methodology was delivered to the Board and approved by resolution in February.

Based on the newly approved resolution and the end of the current contract, AAATA and University of Michigan Staff have negotiated a new five-year agreement. As mentioned previously, the substantial change is to the cost structure section of the agreement:

- Increase the payment per trip to \$1.19, an 11% increase from this year
- Include a description of the method used to calculate the payment per trip
- Change language to bring the agreement up to date, including changing AATA to AAATA and updating the description of AAATA fixed-route service to include 5YTIP changes

This agreement is intended to include not just the U-M payment of fares for staff and students, but also the other cooperative programs. They are included in attachments (supplemental schedules). There are some revisions to the schedules as follows:

- Schedule 1 – Park and Ride. We are no longer using the tennis center parking lot for park and ride. It was overflow for the State St. lot which is no longer required since the State St. lot was remodeled. Also, the federal interest in the State St. lot has expired after 20 years, and is no longer included in the schedule.
- Schedule 3 – Express Ride. The schedule was updated to reflect current route numbers, and to add the Ypsilanti Express route scheduled to begin service in 2017.
- Schedule 4 – East Ann Arbor Medical Center and Domino’s Farms. The payment schedule has been updated to reflect current cost of A-Ride service.
- Schedule 5 – VanRide. A new schedule is included to recognize the on-going cooperation with the AAATA vanpool program which was begun since the last agreement was executed.

- Schedule 6 – Connector. A new schedule simply to reference the multi-party agreement for the next phase of the Connector development that is expected to be signed during the life of this M-Ride agreement

Background:

Attachments:

- M-Ride Agreement 2016-2021

Impacts of Recommended Action(s): here's how this item affects these areas of sustainability

- **Budgetary/Fiscal:** Fare revenue from MRide is estimated to be \$2.7M annually.
- **Social:** The fare charged for rides paid by organizations should be equitable compared to the fare paid by individuals.
- **Environmental:** Having the fare paid by the University rather than the rider has proven to be a powerful tool to persuade commuters to choose to use transit service as an alternative to driving. It has significantly increased ridership.
- **Governance:** This agreement implements Board policy.

Authors: Chris White/William De Groot

Reviewed by: Matt Carpenter

Approved by: Matt Carpenter

Date: 6/8/2016

Confidential? No

**AGREEMENT
BETWEEN
THE REGENTS OF THE UNIVERSITY OF MICHIGAN
AND
THE ANN ARBOR AREA TRANSPORTATION AUTHORITY**

This AGREEMENT is made between THE REGENTS OF THE UNIVERSITY OF MICHIGAN (“University”), a Michigan Constitutional Corporation, Ann Arbor, Michigan, and the Ann Arbor Area Transportation Authority (“AAATA”), 2700 South Industrial Hwy., Ann Arbor MI (“Supplier”). This agreement is a continuation until 2021 of an agreement between the parties which began in 2004.

The following terms and conditions shall be observed. Any Supplier terms and conditions included with Supplier’s invoice or any other document provided by Supplier shall be of no effect.

1.0 Description of Services. **MRide**

1.1 Purpose of the Agreement. It is understood that this MRide agreement is intended to benefit the University, AAATA, and the Ann Arbor community in the following ways:

- Increase the use of transit service by University students, faculty, and staff
- Reduce demand for parking and the need to construct additional parking
- Increase the productivity and cost-effectiveness of AAATA’s transit service
- Provide for the operation of additional public transit service
- Reduce total vehicle miles travelled in Ann Arbor
- Reduce the demand on the City streets and roadway system
- Reduce transportation emissions
- Increase sustainability of transportation
- Increase housing options and access to the community
- Reduce the cost of travel and parking costs for students, faculty, and staff
- Increase transportation equity

1.2 MRide Unlimited Access. This agreement provides for the payment of passenger fares by the University to AAATA for students, faculty, and staff to ride public transit service operated by the AAATA. This arrangement is commonly referred to as “unlimited access.” The public name given to this unlimited access program is MRide.

1.2.1 Identification. It is understood that all eligible University students, faculty, and staff have been issued an identification card with their picture, called an Mcard. Any active University student, faculty, or staff member who presents their Mcard will be permitted to board and ride eligible AAATA services with their fare paid by the University under this agreement.

1.2.2 Transit Services Included. All regularly-scheduled, local fixed-route service operated by AAATA (route # 1-79) are included in unlimited access. Not included are special or event services including A-Ride, Night Ride, senior taxi service, Football Ride, or Art Fair shuttles. ExpressRide service (current routes # 91-92) is not included in unlimited access. University participation in ExpressRide is included in Section 1.4, below. AirRide service (route # 98) is not included in unlimited access.

1.2.3 New or Revised Transit Services. It is understood that during the term of this agreement, AAATA may develop and implement new service or revisions to existing fixed-route service which may incidentally improve service to University students, faculty, and staff. The AAATA agrees to discuss planned service changes with the University in advance, in order for the University to provide input and facilitate communications about service changes within the University. Unless the service changes are specifically requested by the University, the new or revised service is included in unlimited access without modification. Types or modes of service (e.g. commuter rail service, connector routes to outlying communities, express service with premium fares, route deviation service) are not included in this agreement for unlimited access.

1.2.4 Cost for Unlimited Access. Both parties have an interest in developing a financial structure for this agreement that supports the goal of increasing participation in unlimited access; that is equitable and sustainable; and that provides budget predictability for the University and AAATA.

The University agrees to pay the amount of \$1.19 for each passenger boarding an AAATA bus on eligible service who presents a valid Mcard as described in Section 1.2.7, below.

It is mutually understood that this rate is based on the current AAATA fare structure. The current AAATA full cash fare is \$1.50. The MRide contracted rate of \$1.19 is lower than the full cash fare due to (Refer to Exhibit C for the full formula calculations):

- Reduced fares for people with disabilities, low-income persons and seniors. The AAATA fare structure includes discounts for these population groups. 2015 survey data was used to determine the percent of total Mcard boardings by these groups.
- Transfers. The AAATA fare structure provides for a free transfer between bus routes within 90 minutes. Mcard boarding data from 2015 was used to calculate the actual transfer rate.
- Bulk fare purchase. The AAATA fare structure provides for a 10% discount for large fare purchases, for which MRide qualifies.

The parties agree to maintain the cost per rider of \$1.19 for the first three years of the contract (i.e. until August 1, 2019). For the remainder of the term of the agreement, the rate will remain at \$1.19 unless the AAATA implements a fare increase. Before adopting any increase in the passenger fare, AAATA shall

- Consult with the University before the increase is proposed for adoption by the AAATA Board of Directors, and
- Jointly determine the estimated financial impact on the University of any resulting change in the price per ride upon which the University payment is based, and
- Negotiate in good faith a contract revision to take effect upon implementation of an increase in the passenger fare if it includes a change in the University price per ride.

Annual University Ridership is estimated to be 2,264,000 in the first year of this agreement (2016-17). The estimated Total Program Cost is \$2,694,160. The actual amount will be determined by the actual ridership for the program year as determined by the method described in Section 1.2.6.

1.2.5 Other Financial Considerations. The Federal Transit Administration makes an annual allocation of federal formula transit funds (Section 5307) to the Ann Arbor urbanized area. A portion of the annual allocation is based on the transit service operated and funded by the University. The amount to be paid by the University to AAATA will be reduced by the portion of the annual allocation of Section 5307 funds attributable to the University bus operation. State funds received to match Section 5307 funds (if any) will also be applied to the program cost. The University submits an annual National Transit Database (NTD) report to the Federal Transit Administration. Section 5307 funds are allocated based on a formula published annually in the Federal Register from which the portion attributable to University bus operations can be calculated. The AAATA will perform the calculation each year and provide the calculation to the University. The University agrees to permit the AAATA to apply the funds applied to this agreement to fund general AAATA operating expenses.

1.2.6 Payments. Before the beginning of each year of the agreement, the AAATA and University will agree on an estimated Ridership, Price per Ride, and Section 5307 funds (including any State match) on which the estimated annual payment will be made according to the formula described in Section 1.2.4 . The University agrees to make 12 equal monthly payments based on the estimated total. Within 60 days after the end of the program year, the AAATA and University will reconcile the actual payment owed with the estimated payments that have been made. Within 30 days after this reconciliation, the AAATA will pay the University any amount which was overpaid or the University will pay AAATA any amount which was underpaid.

1.2.7 Recording Ridership. All AAATA buses will be equipped with electronic fareboxes which can read and validate the magnetic stripe of the University's Mcards in their existing format, and record each passenger boarding. AAATA agrees to compile data and provide a report to the University showing ridership by University riders by route for each semester and year. AAATA agrees to provide data on all boardings including Mcard id numbers in a mutually agreeable format upon request by the University. The University reserves the right to audit the passenger count process for accuracy. AAATA agrees to use data on boardings to accumulate aggregate statistical data only. AAATA will not release any other data to another party without written consent from the University. Maintenance and replacement of electronic fareboxes is the responsibility of AAATA.

1.2.8 Program Evaluation. The primary goal for both the University and AAATA is to promote the use of public transit and increase ridership. To measure progress toward the primary goal, AAATA will produce ridership statistics on a semester and annual basis, by route, showing total AAATA rides and University rides.

1.3 Meetings.

1.3.1 Marketing and Communication Meetings. To monitor and promote the MRide program, AAATA and the University will meet six (6) times a year to discuss current issues and opportunities. Topics of discussion at these meetings may include proposed service changes, promotional opportunities, improved coordination of services between the AAATA and University bus systems, potential synergies that should be considered, and possible expanded service offerings.

- 1.3.2 Annual meeting. The parties will meet to agree on ridership and federal funding estimates for the following contract year to determine the amount to be billed to the University for the coming fiscal year for unlimited access.
- 1.4 Other Services and Programs. In addition to the MRide unlimited access program in Section 1.2, above, the University and AAATA are cooperating on other services and programs and may develop additional services and programs during the term of this agreement. It is intended that this agreement incorporate all cooperative programs. To that end, schedules are attached to incorporate other services and programs. Other schedules may be added to this master agreement from time to time. Unless specifically stated in the schedules, the terms and conditions of this master agreement shall apply.
- 2.0 Term. The term of this Agreement will begin on August 1, 2016 and end on July 31, 2021. Time is of the essence in this Agreement.
- 3.0 Performance Standard. Supplier agrees to perform the Services described in this Agreement to the satisfaction of the University and with the standard of care and skill of an expert regularly rendering Services of the type required by this Agreement, and in conformance with all applicable federal, state, local and University law, regulation, ordinance and license.
- 4.0 Warranties and Representations of Supplier. Supplier acknowledges that the University is relying on these representations and warranties as essential elements to this Agreement, representing as they do, material inducements, without which the University would not have entered into this Agreement.
- 4.1 General Services Warranty. Supplier warrants that all Services provided shall conform to the level of quality performed by experts regularly rendering this type of Service. Supplier warrants for ninety (90) days after accepted completion of a requested Service that its Services are fully satisfactory to the University and will repair, replace or redo at no additional cost to the University any unsatisfactory Services.
- 4.2 Qualifications. Supplier warrants that it, as well as its employees, agents and subcontractors engaged to provide items or Services under this Agreement (collectively "Supplier Personnel"), has and will maintain all the skills, experience, and qualifications necessary to provide the Services contemplated by this Agreement, including any required training, registration, certification or licensure.
- The required qualifications, by way of example only and without limitation, shall expressly include (a) all qualifications identified in Exhibit A and (b) all qualifications identified in Section 1.0 of the base agreement.
- 4.3 Conflict of Interest. Supplier warrants that to the best of Supplier's knowledge, there exists no actual or potential conflict between Supplier and the University, and its Services under this Agreement, and in the event of change in either Supplier's private interests or Services under this Agreement, Supplier will inform the University regarding possible conflict of interest which may arise as a result of the change. Supplier also affirms that, to the best of Supplier's knowledge, there exists no actual or potential conflict between a University employee and Supplier.
- 4.4 Nondiscrimination. Supplier warrants that Supplier is an equal opportunity employer and that, during the performance of this Agreement, it will comply with Federal Executive

Order 11246, as amended, The Rehabilitation Act of 1973, as amended, and the respective regulations thereunder, and the Michigan Civil Rights Act of 1976.

- 4.5 Good Standing. Supplier warrants that Supplier is a legally organized entity in good standing under the laws of the state of its organization and, where required, in good standing under the laws of the State of Michigan.
- 4.6 Noninfringement. Supplier warrants that the Supplier's Services and/or the University's use of products, processes, techniques and methodologies provided by Supplier or developed by Supplier shall not infringe upon the copyright, patent or other proprietary rights of others.
- 4.7 Not Excluded. Supplier warrants that neither Supplier, nor, to the best of Supplier's knowledge, Supplier Personnel and/or any of its Principals, is excluded from participating in the Medicare or Medicaid program nor currently debarred, suspended, proposed for debarment, declared ineligible for the award of contracts by any U.S. Federal agency or listed in the U.S. Government System for Award Management (SAM) www.SAM.gov in accordance with Executive Orders 12549 and 12689, "*Debarment and Suspension*". Supplier shall immediately notify the University if it or Supplier Personnel and/or any of its Principals becomes debarred or suspended during the term of this Agreement.

Supplier further represents that no adverse action by the federal government that will or may result in exclusions from a federal health care program has occurred or is pending or threatened against Supplier or its affiliates, or to the best of its knowledge, against any Supplier Personnel. Supplier agrees that it shall not perform any act that shall cause Supplier to be excluded from a federal health care program or debarred, suspended or listed in the U.S. Government System for Award Management (SAM) as excluded from participating in Federal Procurement or Nonprocurement Programs during the term of this Agreement.

"Principals" for the purposes of this certification, means officers; directors; owners; partners; principal investigators; and persons having primary management or supervisory responsibilities with a business entity (e.g., general manager; plant manager; head of a subsidiary, division or business segment, and similar positions).

- 4.8 Bonded. Supplier warrants that it is bonded as may be required by law for the Services.
- 5.0 Financial Arrangement. The detailed financial arrangement is in Exhibit B and Exhibit C.
- 6.0 Termination.
 - 6.1 Termination for Breach. Either party may terminate this Agreement upon breach by the other party of any material provision of this Agreement, provided the breach continues for thirty (30) calendar days ("Cure Period") after receipt by the breaching party of written notice of the breach from the non-breaching party. Cure of the breach within the Cure Period shall continue the Agreement in full force and effect, provided however three (3) breaches of a material provision are an independent material breach not subject to cure.
 - 6.2 Immediate Termination. The University shall have the right to terminate this Agreement immediately upon notice to Supplier should any of the following situations occur:

- 6.2.1 Supplier or Supplier Personnel do anything to harm the business reputation of the University;
 - 6.2.2 Supplier or any Supplier Personnel is excluded from a federal health care program and such exclusion is not cured within 30 days or is unable to be cured within 30 days;
 - 6.2.3 If any warranty or representation of the Supplier in this Agreement is or becomes false or untrue and such exclusion is not cured within 30 days or is unable to be cured within 30 days;
 - 6.2.4 A person's health or safety is or may be in imminent and serious danger due to the actions or inaction of Supplier or Supplier Personnel;
 - 6.2.5 There may be imminent and serious harm to the environment or the University property from Supplier's acts or inactions or those of Supplier Personnel; or
 - 6.2.6 The University reasonably determines Supplier has violated a law in providing the Services.
- 6.3 Effect of Termination. Upon notice of termination for any reason, Supplier shall cease all activity. Supplier has sixty (60) days from the date of termination to submit final invoices for final satisfactory Services under this Agreement. University will have no obligation to assist in billing issues or issue payment under the terms of this Agreement for invoices submitted after the sixty (60) day period.
- 6.4 Without Cause Termination. It is expressly understood and agreed that either party may terminate this Agreement, with or without cause, by providing at least one hundred twenty (120) days advance written notice of the termination date to the other party.
- 6.5 Change in Law. If, subsequent to the execution of this Agreement, it is determined by either party's legal counsel that this Agreement or any of its provisions may violate or does violate any law, rule, or regulation, the parties agree to renegotiate the provision(s) so that it (they), as well as this entire Agreement, complies with the law, rule or regulation. If the parties are unable to come to an agreement within thirty (30) calendar days, either party may, without further notice, immediately terminate this Agreement.
- 7.0 Compliance with Laws, Policies & Procedures. Supplier is advised that the University has established a compliance program to assure compliance with applicable laws and University policies designed to prevent and detect fraud, waste, and abuse. To the extent applicable to the Services, Supplier shall fully comply with all federal, state, local, and University laws, rules, regulations, ordinances, policies and licenses, including applicable building policies and procedures, the University's Ordinances (reference website <http://www.umich.edu/~regents/ordinance.html>) and any standards of the Centers for Medicare and Medicaid Services ("CMS"), Michigan Department of Community Health ("MDCH") and The Joint Commission, all as may be amended from time to time. Supplier acknowledges that Information about (1) the UMHS Compliance Program, (2) UMHS policies and procedures, (3) federal and state false claims and false statements laws, as well as (4) information about whistleblower protection under these laws, is available at <http://www.med.umich.edu/vendors/>. Supplier agrees to further disseminate information about applicable University policies, as necessary, to ensure that all Supplier Personnel and subcontractors, as applicable, involved in performing the Services are aware of the existence and location of applicable University policies as well as how and where to make reports to the University regarding any compliance concerns. To the extent that University policies provide for reviews or audits of claims or services arising from this Agreement, Supplier agrees to participate in such audit insofar as it is relevant and applicable to Supplier and Supplier Personnel's interaction with University. If Supplier identifies

potential non-compliance with any applicable laws, regulations or policies in connection with the provision of the Services, Supplier shall promptly contact the University of Michigan Compliance Hotline at 866-990-0111 and provide details concerning the suspected wrongdoing sufficient to facilitate an investigation by University.

Supplier shall be solely responsible for insuring that any recommendations made in connection with the Services comply with all applicable federal, state, local and University laws, rules, regulations, policies and procedures. Unless otherwise expressly provided for in this Agreement, Supplier shall obtain and comply with all permits, licenses and similar authorizations that are necessary to provide the Services. By executing this Agreement, Supplier warrants and represents that it has all legally required licenses and permits needed to perform the Services.

8.0 Patents, Copyright, Data and Documents. Intentionally omitted.

9.0 Insurance Coverage and Levels. Unless more specific insurance provisions are attached, Supplier shall, at Supplier's expense, obtain and maintain the following coverages:

9.1 Commercial General Liability Insurance, including contractual products and completed operations insurance (\$1 million per occurrence/\$3 million annual aggregate).

9.2 Professional Liability/Errors and Omissions Insurance with limits not less than \$1 million per occurrence and \$2 million annual aggregate if the activity is deemed professional in nature or performed by someone with a professional designation and is excluded from the Commercial General Liability Insurance.

9.3 Worker's Compensation at statutory limits in accordance with the appropriate State of jurisdiction including Employer's liability (with minimum \$500,000).

9.4 Automobile liability for owned, non-owned and hired vehicles minimum limit (\$8 million each accident).

9.5 Supplier agrees to have the Regents of the University of Michigan added as additional insured with respect to Commercial General Liability Insurance for purposes of contract performance and any personal or property damages arising out of Agreement.

9.6 Supplier agrees to provide the University with thirty (30) days prior written notice of any reduction in limits or cancellation of any of the above insurance.

9.7 If any of the required insurance is on a "claims made" basis and is cancelled during the term of this agreement, Supplier agrees to purchase **tail coverage** or **prior acts coverage** so that such insurance is in effect from the date the Agreement is executed to three (3) years after its termination.

9.8 Supplier shall provide the University with a certificate of the above insurance coverages and amounts. Compliance with the foregoing requirements as to carrying insurance and furnishing evidence of it will not relieve the Supplier of its liabilities and obligations under this Agreement.

10.0 Indemnity. Each party shall defend, indemnify and hold harmless the other party, its board members, officers, employees, agents and students (if the University) from and against any costs, losses, damages, liabilities, expenses, demands and judgments, including court costs and attorney

fees, which may arise out of the indemnifying party's acts or omissions under this Agreement for which the indemnifying party would be liable in law or equity.

The indemnifying party shall keep the other reasonably apprised of the continuing status of the claim, including any proceedings resulting from it, and shall permit the other party, at its expense, to participate in the defense or settlement of the claim. When a claim is resolved by the indemnifying party's payment of money, it shall have final authority regarding defense and settlement. When a claim resolution requires equitable relief against the non-indemnifying party or the indemnifying party has not or will not pay the money required for resolution, the parties shall cooperate regarding defense and settlement.

- 11.0 Audit. The Supplier is responsible for keeping accurate and reasonable records related to its performance and obligations under this Agreement. In particular, records will be kept documenting any price, cost or budget computations required under the Agreement. The Supplier agrees that the University or its duly authorized representative has the right to audit any directly pertinent books, documents, papers and records related to transactions and/or performance of the terms and conditions of the Agreement. The Supplier shall make available to the University or its agents all such records and documents for audit on the Supplier's premises during regular and reasonable working hours within ten (10) business days of a written request for availability. Supplier agrees to either (a) allow the University to make and retain copies of those documents useful for documenting the audit activity and results or (b) sequester the original or copies of those documents the University identifies for later access by the University. The Supplier further agrees to disclose within ninety (90) days of receipt any independent auditors' reports, which bear directly on the performance or administration of this Agreement.

The right to audit shall include periodic examinations of records throughout the term of the Agreement and for a period of three (3) years after its termination. The right to audit shall also apply to agents and subcontractors hired by the Supplier for the purpose of fulfilling the Agreement. In the event that audits discover substantive findings related to fraud, misrepresentation or non-performance, the University may recoup the costs of the audit work from the Supplier.

- 12.0 Confidentiality. Supplier shall keep confidential and not disclose to third parties any information developed or created under this Agreement or provided by the University or by private individuals, organizations or public agencies pursuant to this Agreement, including protected financial information under Gramm-Leach-Bliley Act, unless Supplier has received the prior written consent of the University to make the disclosure or unless required by law or legal process. Only Supplier Personnel with a need to know may have access to or use University information.

This obligation of confidentiality does not extend to information that is or shall become through no fault of Supplier available to the general public.

- 13.0 Removal of Supplier Personnel. Intentionally omitted.

- 14.0 Operational Matters.

14.1 On-site Supplier Personnel shall follow and adhere to the University policies and procedures applicable to the provision of the Services including, by way of example only and without limitation (a) sign-in procedures, (b) identification badges, (c) executing confidentiality statements, (d) participation in any required training, parking regulations.

- 14.2 Except as otherwise expressly provided in this Agreement, Supplier shall be responsible for payment of all business expenses incurred while providing the Services.
- 14.3 Supplier agrees to timely cooperate and assist with any applicable performance improvement and quality assurance activities of the University as they may relate to the Services.
- 14.4 Supplier Cooperation. Supplier shall cooperate and make adjustments as necessary in the methods and timing for provision of reasonable Services under this Agreement so that other Suppliers and University personnel can perform their independent obligations to the University.
- 14.5 Access to Books and Records. The parties agree that *if* this Agreement is subject to the Medicare statutes and regulations governing access to books and records of subcontractors (Section 952 of the Medicare and Medicaid provisions of the Omnibus Reconciliation Act of 1980, which amends section 1861(V) (1) of the Social Security Act), Supplier shall retain and, for four (4) years after Services are furnished by Supplier, shall allow the authorized representatives of the Comptroller General, the University, and the Department of Health and Human Services access to this Agreement and to the books, records, and other documents of Supplier that are necessary to verify the nature and extent of the costs of the Services. In the event Supplier receives a request for access, Supplier agrees to notify the University immediately and to consult with the University regarding what response will be made to the request. This Agreement to provide access shall continue for four (4) years after the Services are terminated.

If Supplier carries out any responsibilities under this Agreement through the use of a subcontractor, including any organization related by ownership or control with Supplier, when the subcontract is worth or costs \$10,000 or more over a twelve (12) month period, Supplier shall obtain and forward to the University the subcontractor's written promise to be bound as Supplier is under this same access Agreement.

- 15.0 Duties of the University. Except as otherwise expressly provided in this Agreement, the University will furnish Supplier with the space, facilities and accommodations, the University deems reasonably necessary to support Supplier in the provision of the Services contemplated by this Agreement.

16.0 Miscellaneous.

- 16.1 Use of the University Name and Marks. The University acknowledges Supplier's right to make, without the consent of the University, public statements regarding the existence of the contract, its terms and conditions and an accurate description of the products or services being supplied. However, except as permitted by the previous sentence, Supplier may not, without the prior written consent of the University's Office of Global Communications, make any public statement (for example through a press release or any form of advertisement) characterizing the University's relationship with Supplier or implying or stating the University's endorsement of Supplier or Supplier's product or services. The University may withhold its consent in its absolute discretion. Supplier acknowledges that the University will require ten (10) business days to consider any request for consent. Supplier may not under any circumstances use any University Trademark.

- 16.2 Use of Premises or the University Property. Supplier shall neither use nor allow Supplier Personnel to use any part of the University premises or property for any purpose other than the performance of the Services under this Agreement. Without limiting the generality of the statement above, Supplier shall not use the University in any manner that might jeopardize the Medicare provider status of the University or the tax exemptions or casualty insurance of the University.
- 16.3 Independent Contractor Status of Parties. It is expressly understood that Supplier is an independent contractor and not the agent, partner, or employee of the University. Supplier and Supplier Personnel are not employees of the University and are not entitled to tax withholding, Worker's Compensation, unemployment compensation, or any employee benefits, statutory or otherwise. Supplier shall not have any authority to enter into any contract or agreement to bind the University and shall not represent to anyone that Supplier has such authority.
- 16.4 Assignment. Supplier may not subcontract, assign or transfer this Agreement or any interest or claim under this Agreement without prior written approval of the University. Notwithstanding any consent by the University to any assignment, Supplier shall at all times remain bound to all warranties, certifications, indemnifications, promises and performances, however described, as are required of it under the Agreement unless specifically released from the requirements, in writing, by the University. The Supplier shall retain the right to pledge payment(s) due and payable under this Agreement to third parties.
- 16.5 Notices. Any notice to either party must be in writing, specifically reference this Agreement and signed by the party giving it. Service upon the University shall be addressed to: Procurement Services, 7071 Wolverine Tower, 3003 S. State Street, Ann Arbor, Michigan, 48109-1282 USA. Service upon the Supplier shall be served to the address indicated on this Agreement for Supplier (or to such other address as may be later designated by written notice). Notice shall be by personal delivery, recognized overnight courier service, or by the United States mail, first-class, certified or registered, postage prepaid, return receipt requested. All such notices shall be effective when received, but in no event later than three (3) days after being placed in the hands of the United States Post Office or private courier service.
- 16.6 Entire Agreement, Amendment. This Agreement and its Exhibits constitute the entire understanding between the parties with respect to the subject matter and may not be amended except by an agreement signed by Supplier and an authorized representative of the University. Any handwritten changes on the face of this document shall be ignored and have no legal effect unless initialed by both parties.
- 16.7 Severability. The terms of this Agreement are severable. If any term or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.
- 16.8 Governing Law, Construction and Venue. This Agreement shall be governed by and construed under the laws of the State of Michigan without regard for principles of choice of law. Any claims, demands, or actions asserted against The Regents of the University of Michigan shall be brought in the Michigan Court of Claims. Supplier, its successors and assigns, consent to the jurisdiction of the Washtenaw County Circuit Court for the State of Michigan with respect to any claims arising under this Agreement.

- 16.9 Headings. The paragraph headings in this Agreement are inserted for convenience only and shall not be construed to limit or modify the scope of any provision of this Agreement.
- 16.10 Waiver. No delay or omission by either party to exercise any right or remedy under this Agreement shall be construed to be either acquiescence or the waiver of the ability to exercise any right or remedy in the future.
- 16.11 Survivability. Provisions surviving termination or expiration of this Agreement are those which on their face affect rights and obligations after termination or expiration and also include provisions concerning indemnification, confidentiality, warranty and choice of law and venue.
- 16.12 Execution. This Agreement may be executed in duplicate, each of which when executed and delivered shall be an original. The parties acknowledge and agree that this Agreement has been mutually discussed, negotiated, and drafted by the parties.
- 16.13 No Third Party Rights. Nothing in this Agreement shall be construed as creating or giving rise to any rights in third parties or persons other than the named parties to this Agreement.
- 16.14 Force Majeure. Neither Supplier nor the University shall be liable for failure to perform its respective obligations under the Agreement when failure is caused by fire, explosion, water, act of God, civil disorder or disturbances, strikes, vandalism, war, riot, sabotage, weather and energy related closings, or like causes beyond the reasonable control of the party (“Force Majeure Event”). In the event that either party ceases to perform its obligations under this Agreement due to the occurrence of a Force Majeure Event, the party shall: (a) as soon as practicable notify the other party in writing of the Force Majeure Event and its expected duration; (b) take all reasonable steps to recommence performance of its obligations under this Agreement as soon as possible, including, as applicable, abiding by the disaster plan in place for the University. In the event that any Force Majeure Event delays a party’s performance for more than thirty (30) calendar days following notice by the delaying party pursuant to this Agreement, the other party may terminate this Agreement immediately upon written notice.
- 16.15 Tax Exempt Status. Supplier acknowledges that the University is a tax-exempt institution, granted such status by authorized taxing units of State of Michigan, and is exempt from Federal Excise Tax and Michigan General Sales Tax (see Michigan Public Act 167 of 1933.Section 4 as amended).
- 16.16 Dispute Resolution. Supplier and the University will attempt to settle any claim or controversy arising from this Agreement through consultation and negotiation in good faith and a spirit of mutual cooperation. The dispute will be escalated to appropriate higher-level managers of the parties, if necessary.
- 16.17 Freedom of Information Act. Nothing in this Agreement shall in any way limit the ability of the University to comply with any laws or legal process concerning disclosures by public bodies. The parties acknowledge that any responses, materials, correspondence or documents provided to the University are subject to the State of Michigan Freedom of Information Act (“Act”) and may be released to third parties in compliance with that Act or any other law will not constitute a breach or threatened breach of this Agreement.

- 16.18 Supplier Damage to the University Property. Without regard to any other section of the Agreement, Supplier shall be responsible for the costs to return to “as was” condition from any damage caused to the building, grounds, or other equipment and furnishings caused in whole or part by Supplier Personnel while performing activities arising under this Agreement. Supplier shall immediately report in writing the occurrence of any damage to the Building/Project Manager.
- 16.19 Supplier Clean-up. Supplier will remove all packing materials, rubbish and dirt from the University premises associated with Supplier’s provision of Services under this Agreement.
- 17.0 Confidentiality of Health Information. The parties agree that Supplier’s provision of the Services under this Agreement does not qualify Supplier as a “Business Associate” of the University as defined in regulations promulgated under the Health Insurance Portability and Accountability Act of 1996, (which act and regulations as amended, restated and superseded from time to time, are collectively referred to as “HIPAA”). Supplier will take all necessary steps to ensure Supplier Personnel do not seek or obtain access to protected health information created, maintained, or received by the University. In the event the scope of Supplier’s Services changes or HIPAA changes (including governmental guidance offered on HIPAA) such that the University concludes the Agreement must be amended or further documents executed to ensure the University’s compliance with HIPAA, the parties agree to promptly take all actions necessary to ensure the University compliance with HIPAA.
- 18.0 Federal Grant and Contract Terms & Conditions. Federal funds may be used to pay for all or part of these purchases under this Agreement. These terms and conditions are dictated by the funding agency. The University must comply by insuring that the Supplier understands and can abide by the funding agency requirements and as such, this Agreement is subject to the terms and conditions dictated by the funding agency, which may be accessed electronically at http://procurement.umich.edu/sites/default/files/380.14-1_federal_grant_terms_and_conditions.pdf and http://procurement.umich.edu/sites/default/files/380.14-02_federal_contract_terms_and_conditions.pdf The cited references carry the same force and effect as if given in full text. All references to granting agency in the regulations cited are understood to refer to University; all references to grantee or recipient are understood to refer to Supplier.

This Agreement becomes binding when signed by both parties.

SUPPLIER:

FOR THE REGENTS OF THE UNIVERSITY OF MICHIGAN:

By: _____
 Printed Name: _____
 Title: _____
 Date of Signature: _____

By: _____
 Printed Name: Kevin Hegarty _____
 Title: Executive Vice President and CFO _____
 Date of Signature: _____

Address (for notices):

Address (for notices):

__7071 Wolverine Tower_____
__3003 S. State Street_____
__Ann Arbor, MI 48109-1282_____

EXHIBIT A
ADDITIONAL SCOPE OF SERVICES
General Services

- 1.0 Changes, Alterations and Modifications to Services. AAATA agrees to negotiate in good faith with the University concerning any modifications to services requested by the University.
- 2.0 Schedules 1-6 acknowledge related services and agreements between the University and AAATA that are related to this Agreement for the MRide services.
- 3.0 Reporting.
 - 3.1 Contacts. In performing the Services under this Agreement, Supplier shall report to the Executive Director of University of Michigan Parking & Transportation Services.
 - 2.2 Reports Format. AAATA agrees to compile data and provide a report to the University showing ridership by University riders by route for each semester and year. AAATA agrees to provide data on all boardings including Mcard id numbers in a mutually agreeable format upon request by the University. The University reserves the right to audit the passenger count process for accuracy. AAATA agrees to use data on boardings to accumulate aggregate statistical data only. AAATA will not release data to any other party without written consent from the University.
 - 2.3 Program Evaluation. The primary goal for both the University and AAATA is to promote the use of public transit and increase ridership. To measure progress toward the primary goal, AAATA will produce ridership statistics on a semester and annual basis, by route, showing total AAATA rides and University rides.

EXHIBIT B
FINANCIAL ARRANGEMENT
General Services

The University will pay fees to Supplier for Services performed under this Agreement as follows:

- 1.0 Expenses. The University is not responsible for paying AAATA expenses unless specifically addressed in this Agreement.
- 2.0 Invoicing. The invoice must detail the Services performed, the dates the Services were completed and shall detail expenses apart from the Supplier Fees. Any discounts, rebates or other credits and the basis and calculation for each should also be included. Supplier must submit to the University all invoices related to this Agreement within ninety (90) days from the date that Products are delivered or services rendered. The University is not obligated to pay any invoices submitted after this time frame.
- 3.0 Payment Terms. Payment will be made within thirty (30) days after the University's receipt of an invoice from Supplier.
- 4.0 Taxes. The fees, expenses and costs payable under this Agreement include all applicable taxes and shall not be changed as the result of the Supplier's failure to include any applicable tax, or as a result of any change in the Supplier's tax liabilities.

EXHIBIT C
MRIDE 3rd PARTY FARE CALCULATION
General Services

Fare Structure:

\$1.50 Full cash fare
 \$0.75 Half-fare for:
 K-12 students
 Income-eligible persons
 Seniors age 60-64
 Persons with disabilities not qualified for ADA service
 \$0.00 Free fare for:
 ADA-eligible persons with disabilities
 Seniors age 65+
 \$0.00 Free transfer

MRide Rates:

<u>Rate</u>	<u>Source of Data</u>
10% Transfer	Sample of 50,356 FY15 boardings - 7 full days
0% Half-fare	FY 2016 Rider Survey
0% K-12 Student	
0% Income eligible	
0% Age 60-64	
0% Disability	
2% Free fare	FY 2016 Rider Survey
1% ADA-eligible	
1% Age 65+	

Calculation

100 MRide boardings for calculation purposes
 10 Less transfer boardings at no fare
 90 Boardings paying fares

 0 Half fare boardings (0% of 90 fare-paying boardings)
 \$0.75 Half-fare
 \$0.00 Subtotal for half-fare

 1.8 Free-fare boardings (2% of 84 fare-paying boardings)
 \$0.00 Free fare
 \$0.00 Subtotal for free-fare

88.2 Full-fare boardings (84 fare-paying boardings minus half and full-fare boardings)
\$1.50 Full-fare
\$132.30 Subtotal for full-fare

\$132.30 Total Revenue per 100 boardings
\$1.32 Average fare per boarding

3rd-Party Fare Recommendation for MRide

\$1.32 Average fare per boarding
\$0.13 less 10% discount for bulk purchases
\$1.19 Fare per boarding

Assumptions for Exhibit C calculation are:

- 1) Based on current AAATA fare structure identified above
- 2) Adjustments to AAATA fare structure based on:
 - a) Sample of FY15 boardings to determine percentage of transfers eligible for AAATA free fare
 - b) FY16 Rider Survey to determine percentage ridership falling into eligibility categories qualifying for AAATA half and free fares
- 3) Rate of \$1.19 is fixed for the first three years (until August 1, 2019)
- 4) Rate will remain at \$1.19 for the remainder of the agreements term unless AAATA implements a fare increase
- 5) AAATA and the University will negotiate in good faith a revision to take effect upon implementation of an increase in the passenger fare for the remainder of the agreement term

Supplemental Schedule #1

Park and Ride Lots on University Property

The University agrees to continue to permit AAATA the use of University-owned and operated parking lots listed below on weekdays between the hours of 6 a.m. and 7 p.m. to provide park and ride services. This includes the operation of AAATA buses, provision of a passenger boarding area, and parking open to the general public.

- State Street Commuter Lot (SC34), 450 spaces
- North Campus Commuter Lot (NC37)

It is understood that the parking and transit service at these locations is primarily intended for people commuting to and from the University. The University and AAATA agree to discuss any proposed changes in transit service, parking availability, boarding location or other operational details that may have an effect on commuters using the lots. Maintenance, repairs, and enforcement are provided by the University.

Construction of the State Street Commuter Lot was partially funded by AAATA in 1997 using federal funds. On-going obligations of the AAATA and the University concerning this lot are included in the "Park and Ride Agreement" between the two parties dated June 27, 1997 and expires June 27, 2017, is acknowledged here as related to the services provided under this Agreement. The Park and Ride agreement for the North Campus Commuter Lot expired April 11, 2016, is acknowledged here as related to the services provided under this Agreement.

Supplemental Schedule # 2

Central Campus Transit Center (CCTC)

Cost sharing for the construction of the CCTC, roles and responsibilities for the on-going operation and maintenance of the facility, is covered in a separate agreement between the University and AAATA dated February 28, 2010, and as amended in the future and is acknowledged here as related to the services provided under this Agreement.

Supplemental Schedule # 3

ExpressRide Service

The AAATA operates express routes (#91, #92 and #93) between Ann Arbor and Canton; Ann Arbor and Ypsilanti Township to the east, and Chelsea to the west. The AAATA charges a higher fare for this service than for local, fixed-route service. The service is designed primarily for commuters. Available fares include a 30-day pass and 10-ride ticket. The University agrees to sell 30-day passes and 10-ride tickets at mutually-agreeable University locations at a discount determined by the University for active University faculty and staff. The University agrees to pay to AAATA the full cost of the passes sold upon receipt of a properly-documented monthly invoice from AAATA. AAATA and the University mutually agree to consult in the following areas:

- On marketing of service to the University faculty and staff
- Before making any change in the price of the pass
- Before making any change in the discount or eligibility for the discount

Supplemental Schedule # 4

East Ann Arbor Medical Center and Domino’s Farms

The University Health System operates facilities in Ann Arbor Township east of U.S. 23, north and south of Plymouth Road. Because Ann Arbor Township does not participate in the AAATA, no transit service is operated by AAATA to serve this area. The University operates a route providing service between these locations and other facilities of the University Health System (North-East Shuttle).

This schedule provides for the following:

- The expansion of Ann Arbor Area Transportation Authority (AAATA) A-Ride service to East Ann Arbor Medical Center and University of Michigan clinics at Domino’s Farms with the University providing the local share of the cost.
- Improved coordination between the University’s North-East Shuttle route, and connecting bus service operated by AAATA.

A-Ride Service

A-Ride is door-to-door transportation service for people with disabilities and senior citizens provided by the AAATA. Under this agreement, AAATA will provide A-Ride trips for eligible individuals between locations in the AAATA service area and East Ann Arbor Medical Center and University clinics at Domino’s Farms.

- The AAATA service area includes the cities of Ann Arbor and Ypsilanti, and portions of the townships of Pittsfield, Ypsilanti, Scio and Superior.
- A-Ride service is operated by a private provider, RideCorp, under contract to AAATA. Service is provided in small buses and taxicabs.
- Eligible users are persons with disabilities and senior citizens (age 65+) who have applied for and received an AAATA identification card.
- A-Ride generally operates Monday – Friday 6:30 a.m. – 11:45 p.m.; Saturday 8:00 a.m. – 10:45 p.m.; Sunday 8:00 a.m. – 7:15 p.m.

Cost and Payment

The University agrees to pay the local cost of A-Ride trips based on Chart 1, below. The local cost is AAATA’s cost less the passenger fare and state operating assistance. For trips with an origin or destination in the City of Ann Arbor, AAATA will pay half of the local cost. The University’s cost for trips to/from Ann Arbor in Chart 1 reflects this cost sharing.

CHART 1	University Payment	Trip Type
	\$8.50	To/from Ann Arbor by ambulatory user
	\$17.17	To/from Ann Arbor by wheelchair person
	\$22.37	To/from outside Ann Arbor by ambulatory user
	\$45.11	To/from outside Ann Arbor by wheelchair person

Invoicing

AAATA will submit an invoice summarizing the total University Payment Due for trips taken to these two facilities from the previous quarter.

- Period – Quarterly reimbursement for the previous 3-month period.
- Terms – once AAATA submits an invoice to the University it shall be paid within a Net 30 days

Documentation – With the invoice, AAATA will provide a summary of trips provided by type in a mutually-agreeable format. In addition, AAATA will provide records for each individual trip upon request.

Information and Promotion

The University and AAATA agree to jointly develop information on transit options for East Medical Campus including A-Ride service and fixed-route bus service.

Supplemental Schedule # 5

VanRide

The University has supported a vanpool program for its employees for many years. Since 2012 AAATA has operated VanRide, the local vanpool program for Washtenaw County. AAATA and University staff have worked together to manage and support the program for University employees. During FY2017, the AAATA will evaluate a reorganization of the program as part of the statewide MichiVan program. University staff will participate in the evaluation. Resulting from this evaluation, a vanpool schedule for this agreement will be developed to detail the responsibilities of the parties including the management and support of the vanpool program.

Supplemental Schedule # 6

Connector Project

The University, AAATA, City of Ann Arbor, and the Ann Arbor Downtown Development Authority are currently conducting a feasibility study to create a light rail transit system that will connect the University campuses (North and Main) with downtown Ann Arbor. The roles and responsibilities for this project will be covered in a separate agreement between the University and AAATA but this acknowledges this related collaboration.

Resolution 22/2016

Authorization to Execute the MRide Agreement

WHEREAS, the MRide Agreement between the Ann Arbor Area Transportation Authority (AAATA) and University of Michigan (U-M) will expire on July 31, 2016, and

WHEREAS, the MRide Agreement includes the MRide program by which U-M pays the fare for faculty, students and staff on all AAATA local fixed route service, as well as additional cooperative programs including park-and-ride lots, the Central Campus Transit Center, U-M fare payment for AAATA ExpressRide service, and U-M payment for A-Ride trips to and from East Medical Campus and U-M clinics at Domino's Farms, and

WHEREAS, the MRide program has resulted in benefits to the community, U-M, and AAATA, such as: expanded service, increased ridership, enhanced productivity, and other benefits as enumerated in the agreement, and

WHEREAS, the AAATA Board's intent has been to ensure equity in establishing third-party fares, and

WHEREAS, the AAATA board approved changes to the third-party fares policy in February 2016,

NOW, THEREFORE, BE IT RESOLVED, that the Ann Arbor Area Transportation Authority Board of Directors hereby authorizes the CEO to enter into a five-year agreement, known commonly as the MRide agreement, with the University of Michigan.

Eric A. Mahler, Chair

June 23, 2016

Stephen Wade, Secretary

June 23, 2016

Issue Brief: Authorize CEO to Hire Recruitment Firm

Meeting: [Board]:

Date: June 21, 2016

Agenda Item #8.3

Board Meeting Date: June 23, 2016

Recommended Committee Action(s):

- That the Board authorize the CEO to enter in to a contract for professional recruitment services with the firm of Harris Rand Lusk.

Alternative Option(s):

- Defer decision to July or August.
- Do not hire recruitment firm.

Issue Summary:

The AAATA will be seeking to fill at least three senior staff vacancies over the next 12 months. The need for experienced candidates is high. The CEO believes that traditional means of recruiting will likely not produce an adequate pool of candidates and possibly lead to delays in filling important positions. To increase the likelihood of successful and timely recruitments, the CEO recommends retaining a professional recruiting firm. This should allow the development of a deeper and more qualified talent pool from which to select new team members.

The CEO regrets the suddenness of this request for authorization. The timeliness of the approval is important to avoid a delay in beginning recruitment for the first position. The Board can choose to defer approval until July (no Board meeting scheduled) or August 18, 2016. However, this would delay the beginning of the recruitment for the first position by 30-60 days. This delay, in turn, could jeopardize the opportunity for the arriving staff member overlap with, and learn from, retiring staff.

Background:

Recognizing the need for special assistance in recruiting, the CEO initiated a competitive bidding process (Request for Proposals) in April 2016. Proposals were received from eight qualified firms. Proposals were reviewed by a panel of four senior staff. Two firms were interviewed in person. Ultimately, the firm of Harris Rand Lusk (HRL) was selected as the successful bidder. This firm has worked for the AAATA in the recent past.

Staff's evaluation found that HRL was far more qualified than other proponents and could deliver a level of service the agency could not provide on its own. HRL's costs were competitive with those proposed by other bidders. HRL had neither the highest or lowest proposed costs.

Recruitment fees are based in part on the final salaries of recruited employees so the final costs will not be known until after the final position is filled. The total estimated cost for recruiting the first three staff vacancies is estimated at around \$105,000 (based on present salary ranges). These costs would be spread over fiscal years 2016 and 2017. Costs incurred in FY 2016 would be paid for via an already existing surplus in the budget (due to lower than anticipated fuel prices). Costs expected in FY 2017 would be incorporated into that annual budget.

While not insignificant, the CEO believes the fees for HRL can be accommodated in the current and future budgets without impacting services. The CEO would also note that leaving positions vacant or hiring less-qualified candidates creates financial risks for the agency that could easily exceed the fees outlined above.

Impacts of Recommended Action(s):

- **Budgetary/Fiscal:** Unplanned costs in FY 2016 and additional costs in FY 2017.
- **Social:** NA
- **Environmental:** NA
- **Governance:** NA

Attachment A: Resolution 23/2016 Authorize CEO to Enter into Contract with Recruiting Firm

Author: MC

Reviewed by: *MC and Dawn Gabay*

Approved by: *MC*

Date: June 21, 2016

Document Number: xxx

Confidential?

Attachment A:

Resolution 23/2016

Authorize CEO to Enter into Contract with Recruiting Firm

WHEREAS the Ann Arbor Area Transportation Authority (Authority) anticipates 3-6 vacancies among senior staff over the next two years, and

WHEREAS, anticipated staff retirements over the next two years could reduce the Authority's effectiveness by depriving the agency of important leadership and transit-industry experience, and

WHEREAS, the Authority desires to hire the most suitable and qualified new staff available nationwide, and

WHEREAS, the Authority recognizes the need to proactively recruit candidates in order to ensure a qualified pool of applicants,

NOW THEREFORE LET IT BE RESOLVED, that the Board of Directors authorizes the CEO to enter into a contract with Harris Rand Lusk for the purposes of providing assistance to the CEO in recruiting the most qualified and suitable candidates available.

Eric A. Mahler, Chair

June 23, 2016

Stephen Wade, Secretary

June 23, 2016