



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

Agenda

June 16, 2011

Ann Arbor Transportation Authority

Board of Directors Meeting

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

- 1.0 Public Hearing – None Scheduled
- 2.0 Communications and Announcements
 - 2.1 Board Governance (p. 1-5)
- 3.0 Public Time – Comment on Agenda Items
- 4.0 Review and Approval of Minutes
 - 4.1 Review and Approval of Minutes of May 19, 2011 (p. 6-23)
- 5.0 Board and Staff Reports
 - 5.1 Chief Executive Officer (p. 24-30)
 - 5.2 Planning and Development Committee (p. 31-37)
 - 5.3 Performance Monitoring and External Relations Committee
 - 5.4 Local Advisory Council
- 6.0 Question Time
- 7.0 Old Business
- 8.0 New Business
 - 8.1 Resolution Adopting Living Wage Policy (p. 38-44)
 - 8.2 Resolution Authorizing Release of Volume I and Volume II of the Transit Master Plan Document (p. 45)
- 9.0 Public Time
- 10.0 Adjourn



Ann Arbor Transportation Authority Board of Directors
Governing Committees

In 2008 the AATA Board and senior management team worked with consultant Doug Eadie to improve the work process of the AATA Board.

At the conclusion of the project the Board adopted a Board Governing Mission and a structure of three Board Committees to support the AATA Board governance responsibilities:

- **Planning and Development:** PDC works closely with the CEO and senior managers in designing and coordinating Board member involvement in AATA strategic and operational planning and budget preparation. PDC meetings are public meetings.
- **Performance Monitoring/External Relations:** PMER is responsible for designing financial and operational performance reports, in close collaboration with the CEO and senior managers, for monitoring AATA financial and operational performance, and for maintaining a positive AATA public image and productive working relationships with key stakeholders.
- **Governance:** Headed by the Board Chair and consisting of the chairs of the other two Governing Committees and the CEO, the Governance Committee manages and coordinates Board operations, including setting the agenda for each Board meeting based on the work of each committee.

AATA BOARD GOVERNING MISSION

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

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

AATA BOARD OF DIRECTORS GOVERNING COMMITTEE DESCRIPTIONS

GOVERNANCE COMMITTEE

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

- Coordinating the functioning of the AATA Board and its two other Governing Committees, and any ad hoc committees, keeping the Board Governing Mission updated, setting Board member performance standards, and monitoring Board member performance.
- Developing the agenda of the regular Board of Directors business meeting.
- Determining which of the Board Governing Committees should deal with a particular matter when it is not clear which Governing Committee has jurisdiction.
- Recommending revisions to the AATA Bylaws in the interest of strong governing and management of AATA affairs.
- Developing and keeping an updated profile of preferred Board member attributes and qualifications, and fashioning and executing strategies to promote the appointment of qualified candidates to fill Board vacancies by serving in an advisory capacity to the City of Ann Arbor.
- Developing and overseeing execution of a formal Board member capacity building program, including such elements as orientation of new members, continuing education and training, and a mentoring program pairing new Board members with senior Board members.
- Ensuring that the Executive Director position description is updated as necessary to reflect changing AATA needs, priorities, and circumstances.
- Annually negotiating Executive Director performance targets and annually or semi-annually evaluating the Executive Director progress in achieving these targets.

PLANNING AND DEVELOPMENT COMMITTEE

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

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

PERFORMANCE MONITORING/EXTERNAL RELATIONS COMMITTEE

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

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

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Proposed Minutes
May 19, 2011
Ann Arbor Transportation Authority
Board of Directors Meeting
Ann Arbor District Library, 343 South Fifth Avenue, Ann Arbor, Michigan, 6:30 p.m.

Board Members Present: Jesse Bernstein (Chair), Anya Dale, Charles Griffith, Roger Kerson, Sue McCormick, David Nacht, Rich Robben

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

Recording Secretary: Karen Wheeler

Chairman Jesse Bernstein declared that a quorum was present and called the meeting to order at 6:36 p.m.

1.0 Public Hearing

There was no public hearing.

2.0 Communications and Announcements

There were no communications or announcements.

3.0 Public Time – Comment on Agenda Items

Thomas Partridge appeared before the Board. Mr. Partridge commented on a recent decision made by Ann Arbor City Council to increase taxi rates. Mr. Partridge called on the Board to continue efforts to make services accessible, and to expand transportation countywide, especially for senior citizens and people with disabilities. Mr. Partridge requested that accessible, countywide transportation and paratransit service be made affordable.

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

4.0 *Review and Approval of Minutes*

4.1 *Review and Approval of Minutes of April 21, 2011*

Charles Griffith moved approval of the minutes as written with support from Anya Dale. The motion passed unanimously.

5.0 *Board and Staff Reports*

5.1 *Chief Executive Officer*

Michael Ford announced the reappointment of Charles Griffith and Rich Robben to the Board for terms to May 2016. Mr. Ford thanked all of the Board members for their support, and for their work to help move the agency forward.

Mr. Ford reported on the Planning and Development Committee's action recommending that the full Board consider execution of a contract for Construction Management Services. Mr. Ford reported that there were no action items for consideration by the Performance Monitoring and External Relations (PMER) Committee. PMER received a presentation on on-time performance. Mr. Ford deferred to the committee chairs for more full reports.

Mr. Ford reported on funding from the Federal Rail Administration recently awarded to the Michigan Department of Transportation. Included in the funding is \$2.8Million for the City of Ann Arbor for the Fuller Road Station project. Mr. Ford indicated that this new developments gets AATA closer to an intermodal facility that will better serve the community and commuters, and would also be part of the Transit Master Plan (TMP).

Mr. Ford reported on a recent meeting of project partners on another component of the TMP, the Connector Study. The partners discussed closure of the first phase of the project. URS, the project consultant, is expected to make a presentation to the City of Ann Arbor in the fall. The team discussed the next phase of the project including potential grant funds that if secured, would be used for preliminary engineering and environmental assessments. Mr. Ford agreed to report back to the Board with an update.

Mr. Ford reported on recent TMP meetings: Leadership and Technical Committees as well as a series of TMP public meetings. Mr. Ford thanked Jesse Bernstein for moderating a panel of elected officials at the Leadership meeting. Mr. Ford noted that community outreach continues with over a dozen presentations scheduled for the coming month.

Mr. Ford reported on extensive work with TMP governing partners and presentations made to the boards of several municipalities. Mr. Ford noted that Ann Arbor Township and Superior Township adopted Act 7 agreements.

Mr. Ford referred to his written report included in the Board packet with details of additional meetings held over the past month.

5.2 *Planning and Development Committee*

Committee Chair Rich Robben reported on the Planning and Development Committee's (PDC) deliberations. The committee reviewed materials and considered a recommendation from staff to award a contract for Construction Management Services. The committee recommended that the full Board consider award of a contract to Spence Brothers. The contract could be as high as \$384,000 but Mr. Robben noted that final pricing can be negotiated under the Brooks Act.

Mr. Robben reported that committee members, with input from staff, spoke at length about a draft Living Wage Policy patterned after the City of Ann Arbor's Living Wage Ordinance. The committee reached consensus on following the City's wage calculations included in the ordinance. Staff will make updates based on recommendations from committee members and present a final draft at the June PDC meeting.

Mr. Robben listed the topics of updates received from staff noting that details for each item were included in the meeting summary.

5.3 *Performance Monitoring and External Relations Committee*

Committee Chair Charles Griffith provided a report on the Performance Monitoring and External Relations (PMER) Committee meeting. Staff reviewed financial and performance reports which illustrate that the budget and performance data are on track with annual projections. Committee members, with input from staff, discussed increased ridership on the A2 Express Routes from Chelsea and Canton. The increases in ridership are believed to be due at least in part to recent promotions which staff detailed.

The committee received an informative presentation on how staff is evaluating on-time performance including adjustments that are being made to keep service close to schedule.

Staff reviewed the second quarter Work Plan update, and reported on progress on the website redevelopment project. Committee members gave their input on the website architecture information presented. The committee started a discussion about an auditor rotation policy. Mr. Griffith noted that the

committee agreed to include Sue McCormick (who was unable to attend the meeting) in a more full discussion at the committee's June meeting as Ms. McCormick originally raised the issue with the Board. Mr. Griffith indicated that the plan is to bring a recommendation for a policy to the full Board in June in order to have enough time to issue a Request for Proposals for auditing services.

5.4 *Local Advisory Council*

Jody Slowins reported on the Local Advisory Council's recent work indicating that the Council's work has evolved and the discussions are focused on new programs. Ms. Slowins complimented Brian Clouse, AATA Paratransit Coordinator, for his efforts working with the committee.

Ms. Slowins reported on details of a proposed driver appreciation program to recognize positive behavior with the hope that other drivers will emulate the behavior and aspire to be recognized. A signage subcommittee was convened to study getting signage in the front of buses where people with disabilities can see it, and having large enough print for people who are visually impaired.

Jesse Bernstein thanked Ms. Slowins for her report and for the work the Council is doing, in coordination with staff, to improve services.

6.0 *Question Time*

Jesse Bernstein asked about data on the impact of high fuel prices. Phil Webb responded that the subject was discussed at PMER noting that there are many factors that influence why people take the bus. Mr. Webb indicated that it is difficult to pinpoint the precise reasons for increased ridership. Mr. Bernstein asked if the increase in fuel prices has impacted the budget. Mr. Webb responded that there has not been a negative impact due to unwinding the fuel futures contract. This has resulted in a gain in the budget year-to-date for the fuel line item.

Roger Kerson requested an update on the status of Transit Master Plan governance discussions. Michael Ford provided details of meetings with officials from Ann Arbor Township and Superior Township noting that both entities recently passed Act 7 agreements. Mr. Ford referred to a map of the county identifying different quadrants where groups are getting together to determine their participation. Mr. Ford reported that meetings with several other entities in the county had taken place and Act 7 agreements were being put forth to additional municipal boards for a vote. Mr. Ford indicated that a lot of work lies ahead, and the plan is to begin forming an unincorporated governance structure by fall.

Jesse Bernstein requested an update on the Blake Transit Center project. Terry Black reported on internal design and aesthetics meetings. Mr. Black indicated that efforts continue to acquire 10' of green space from the GSA, and a 6' strip of land from the City

of Ann Arbor. Mr. Black reported that once approval was received to award a contract for a Construction Manager, the project team will perform checks and balances with the design firm.

7.0 *Old Business*

There was no Old Business.

8.0 *New Business*

Rich Robben moved the following resolution with support from Sue McCormick.

8.1 Consideration of Resolution Authorizing Execution of Contract for Construction Management Services

WHEREAS, the Ann Arbor Transportation Authority (AATA) plans to reconstruct the Blake Transit Center (BTC) in downtown Ann Arbor, and to expand its bus storage facility at 2700 S. Industrial Highway, and both these projects are considered major in scale and scope, and

WHEREAS, AATA wishes to both comply with applicable federal regulations and insure the quality, aesthetics, sustainability, and durability of the design and construction of these projects, and

WHEREAS, a Request for Proposal (RFP) for Construction Management Services associated with these projects was widely distributed, respondents were thoroughly evaluated in accordance with federal regulations, and a finalists was identified, now therefore

IT IS RESOLVED, the contract for Construction Management Services for the BTC and the bus storage facility projects is awarded to the firm of Spence Brothers of Ann Arbor, Michigan, up to the amount of \$384,000, and

IT IS FURTHER RESOLVED, that the AATA staff is authorized to negotiate the specific language and terms of the contract under which these Services will be provided by Spence Brothers and overseen and directed by AATA.

The motion passed unanimously.

Sue McCormick moved approval of the Employment Agreement with Michael Ford with support from Anya Dale.

8.2 Approval of Employment Agreement with Michael G. Ford

AGREEMENT

**Between
Michael G. Ford
And**

The Ann Arbor Transportation Authority Board of Directors for

EMPLOYMENT AS THE AUTHORITY'S CHIEF EXECUTIVE OFFICER

This Agreement is made and entered into by and between the Ann Arbor Transportation Authority (hereinafter referred to as "AATA"), through its Board of Directors (hereinafter referred to as the "Board"), and Michael G. Ford (hereinafter sometimes referred to as the "Employee").

WHEREAS, the Board is desirous of appointing Michael G. Ford as the Chief Executive Officer (hereinafter referred to as "CEO") of the Ann Arbor Transportation Authority, and

WHEREAS, Michael G. Ford has indicated a willingness to accept the responsibilities and render specific performance to the Board as the CEO of AATA, and

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

NOW, THEREFORE, in consideration of the mutual covenants and promises, which the parties set forth below, the Board and Michael G. Ford agree as follows:

**ARTICLE I
APPOINTMENT OF MICHAEL G. FORD**

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

**ARTICLE II
CEO RESPONSIBILITIES**

- 2.1 The Board agrees to employ Michael G. Ford as CEO of AATA to perform the functions and duties specified in the policies and resolutions of the Board, and to perform other legally permissible and proper duties and functions as the Board may from time to time assign.

May 19, 2011

Page 6

- 2.2 Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules, policies, and regulations established by the Board.
- 2.3 Employee shall not engage in any activity which is or may become a conflict of interest, which is prohibited by contract, or which may create an incompatibility of office. Prior to performing any services under this Agreement and annually thereafter, the Employee must complete such disclosure forms as may be required by law or by the Board.

ARTICLE III TERM

- 3.1 This Agreement shall commence on October 1, 2010, and shall renew annually upon its anniversary date until terminated by either party in accordance with the provisions set forth in Article 4, or until terminated by the event of the death or permanent disability of Employee. For purposes of this Agreement, the terms “anniversary date” and “anniversary” shall be deemed to be October 1 of each year.
- 3.2 No later than sixty (60) days prior to each anniversary of this Agreement, the Board and Employee shall meet to discuss the upcoming renewal of this Agreement and any changes the parties may wish to mutually make or negotiate with respect to its terms and conditions.
- 3.3 Employee agrees to refrain from acting in any other work capacity of employment, activity, consulting service, or other enterprise, for compensation, or otherwise which would restrict or interfere with his ability to devote his full time to employment as CEO of AATA, to faithfully perform the duties and work of the office of the CEO, and at all times to work in the best interest and furtherance of the general business of the Ann Arbor Transportation Authority.
- 3.4 Employee acknowledges that the duties of his position may require an average of more than forty (40) hours per week, and that some day-to-day hours may vary significantly. Employee will not be compensated for overtime hours worked or otherwise earn or be entitled to compensatory time off for hours worked in excess of eight (8) per day or forty (40) per week.

ARTICLE IV AT WILL EMPLOYMENT

- 4.1 Regardless of any other provision in this Agreement, Employee understands and acknowledges that the position of CEO is an “At-Will” position which is exempt from accruing or receiving property rights, other than set forth in this Agreement, and that the Employee serves at the pleasure and at the will of the Board.
- 4.2 Nothing within this Agreement shall prevent, limit, or otherwise interfere with the right of the Board to revoke the appointment of Employee, with or without cause at any time,

subject to Employee's contract rights hereunder. Employee hereby waives any rights he may have pursuant to Michigan Statutes, or any other applicable federal, county, or local law now in effect or subsequently adopted, to any prescribed notice of hearing prior to termination.

- 4.3 The decision by the Board to revoke the appointment of Employee and terminate this Agreement will only be made by a formal resolution of the Board in full and open public session. Discussions prior to any such decision to terminate this Agreement may be made by the Board in closed session consistent with the Michigan Open Meetings Act prior to the Board acting upon such a resolution in a public session. In recognition of Employee's professional status and integrity, Employee and the Board shall attempt to prepare a joint public statement to be made by the Board at the public meeting when termination is confirmed.
- 4.4 Employee may choose to resign his office instead of being terminated if an action by the Board to terminate has been made in closed session. In such an event, the public announcement as provided for in Paragraph 4.3 above shall state that Employee has resigned, and Article 5 Severance Pay below shall remain applicable according to its terms.
- 4.5 Nothing within this Agreement shall prevent, limit, or otherwise interfere with the right of Employee to resign at any time from his position; provided, however, that Employee shall give the Board written notice of at least sixty (60) days prior to the effective date of such resignation (except as otherwise provided for in Paragraph 4.4 above).
- 4.6 Regardless of the reason for Employee's termination, for a period of one (1) year after such termination, Employee agrees not to disrupt relations or business of Employer by soliciting its employees to terminate their employment with Employer. All data, studies, reports and other documents prepared by or on behalf of Employee while performing his duties during the term of this Agreement shall be furnished to and become the property of the Board without restriction or limitation on their use.

ARTICLE V SEVERANCE PAY

- 5.1 If Employee is terminated by the Board while still willing and able to perform the duties of CEO, Board agrees to pay Employee a cash payment equal to three (3) months aggregate salary as severance. In the event Employee is entitled to severance under this Agreement, Employee shall also become immediately vested in all contributions made by AATA into his Hartford pension account.
- 5.2 Provided, however, if Employee is terminated due to any of the following reasons, or if he resigns in lieu of termination based on any of the following reasons, he shall not be entitled to any severance:
- For just cause.
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May 19, 2011

Page 8

- Conviction of any felony or any criminal offense involving moral turpitude, including cases where adjudication is withheld.
- Conflict of interest or incompatibility of office.
- Continued incapacity on the part of the Employee to perform his duties for more than sixty (60) days, unless waived by the Board.
- Conduct of Employee that is of such nature that it will likely have a substantial negative impact on the goodwill of AATA.
- Malfeasance or misfeasance in the performance of Employee's duties.
- Upon the occurrence of circumstances that make it uneconomical, impossible or impractical for Employer to continue its operations.

5.3 For purposes of the severance package, aggregate salary shall consist of the following:

- CEO's normal salary;
- CEO's sick leave accrual and payout consistent with AATA policy;
- CEO's vacation accrual consistent with AATA policy;
- An amount equal to the value of AATA's normal contribution to Employee's health insurance plan for the tier of coverage selected as of the date of separation, or if no coverage is selected, the amount available to other AATA management employees who waive health insurance coverage.

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

5.5 As a precondition to the payment of any severance package, Employee shall deliver to the Board a signed Agreement and Release, in the form prescribed by the Board, holding AATA and the Board harmless and releasing AATA, the Board, and their officers, agents, attorneys and employees, past and present, from any and all liability relative to the Employee's employment, including revocation of his appointment as CEO.

5.6 Employee shall not receive any severance package should Employee voluntarily resign.

ARTICLE VI SALARY AND COMPENSATION

6.1 Employee's salary and compensation during the initial term of this Agreement, including any bonuses and/or lump sum payments to be made to Employee during said term, shall be set forth in a separate letter executed by the Board Chairperson and Board Treasurer, and agreed to in writing by Employee, which shall be made a part of this Agreement and incorporated by this reference. This letter, and the terms specified therein, shall remain in effect until such time as the letter is modified or replaced by the Board, in which case a new letter meeting the requirements set forth above with regard to its execution and the agreement of Employee shall be substituted in its stead.

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

- 7.1 Employee's reviews, evaluations, and compensation adjustments shall be conducted annually in accordance with the following criteria:
- 7.1.1 Starting with the fiscal year beginning October 1, 2010, the process for evaluating the CEO's performance will begin on or before September 1, 2011, and end no later than November 30, 2011. The review shall include:
- a. An evaluation of the CEO's achievement of the goals set forth in the Work Plan for fiscal year 2011, as approved by the Board of Directors.
 - b. Feedback from the Board on Core Competencies and Key Responsibilities established by the Board.
 - c. The financial and operating outcomes of the immediately preceding fiscal year.
- The above schedule and format shall be followed for the review and evaluation of the CEO's performance in subsequent years, and will not change Employee's date of hire if that date is or has been used for other calculations.
- 7.1.2 On or before November 30 of each subsequent year, the total compensation for the CEO for the then current fiscal year shall be determined by the Board. The Board and the CEO shall review the following data as part of the discussions pertaining to the CEO's compensation:
- a. The most current report of total compensation for CEOs of similar sized transit authorities, as published by the American Public Transportation Association (APTA).
 - b. Changes in total compensation for CEOs of governmental and non-profit organizations of similar size and revenue base to AATA within the previous twelve months, with particular emphasis being given to organizations located in southeast Michigan.
 - c. The ability of AATA's budget for the fiscal year in question to support the proposed compensation of the CEO.
- 7.2 Employee's annual compensation, including any one-time bonus payments for exceptional performance, may be adjusted at the discretion of the Board at an official Board meeting. Adjustments to compensation will be made on a fiscal-year basis.

**ARTICLE VIII
SUPPLEMENTAL BENEFITS**

May 19, 2011

Page 10

- 8.1 Except as provided otherwise by this Agreement, the Board shall provide Employee the same benefits as those provided to other non-union represented employees in the AATA Management Personnel Handbook, as they may be amended from time to time. All actions taken by the Board relating to benefits for such employees shall be considered actions granting the same benefits to Employee.
- 8.2 As used herein, the term “benefits” shall include, but is not limited to: holidays, sick leave, vacation, pension plan contributions, health insurance, vision insurance, dental insurance, health care savings plan contributions, short and long term disability insurance, life insurance, flexible benefits plan, and tuition reimbursement.
- 8.3 Employee shall accrue paid vacation time at the rate of 13.33 hours of vacation for every month of employment in which he works at least fifteen (15) days. Employee will not be allowed to accumulate more than the amount of annual vacation to which he is entitled, and any excess unused vacation will be forfeited each September 30 unless the Board grants an exception to this limitation or adopts a policy allowing Employee to convert all or part of his unused vacation.
- 8.4 Employee shall immediately become fully vested in all contributions made by AATA into his health care savings plan account.

ARTICLE IX AUTOMOBILE AND TRAVEL

- 9.1 Employee is required to use a personal automobile from time to time in performing the business of AATA. The Board shall provide Employee with an automobile allowance in the gross taxable amount of \$385 per bi-weekly payroll period to be used toward his expense of acquiring a four door automobile, and maintaining, insuring, and using such personal vehicle for AATA business purposes.
- 9.2 In addition to the bi-weekly automobile allowance found in 9.1 above, Board approved personal automobile travel for any single business trip in excess of three hundred (300) miles one-way from the AATA facility will be reimbursed according to the Internal Revenue Service Vehicle Allowance in effect at the time of travel.
- 9.3 Employee shall procure and maintain, at his cost, a policy of automobile insurance acceptable to the Board with limits of no less than one hundred thousand dollars (\$100,000) per person and three hundred thousand dollars (\$300,000) per occurrence for bodily injury liability, and one hundred thousand dollars (\$100,000) for property damage. A copy of a current policy plus any amendments thereto shall be kept on file with the Board at all times during the term of this agreement.
- 9.4 Business related travel to and from meetings, seminars, and conferences held more than three hundred (300) one-way miles distance from AATA and any business trip requiring an overnight stay will be reported to the Board Chair in advance of such travel.

Employee's travel and travel expenses will be governed by the policies found in the AATA Management Personnel Handbook.

- 9.5 AATA will pay reasonable and necessary expenses, as determined by the Board, incurred by Employee while attending business activities. Following return from business trips, Employee must submit a travel/expense report to obtain reimbursement for expenses with receipts and other appropriate documentation of expenses attached.
- 9.6 Expenses that generally will be reimbursed include the following:
- Airfare or train fare for business travel in coach or economy class, or the lowest available fare.
 - Car rental fees for mid-sized or full sized non-luxury automobiles.
 - Airport shuttle buses or other public transportation modes.
 - Taxi fares only when there is no less expensive alternative.
 - Costs for standard accommodations in mid-priced hotels, motels, or similar lodgings.
 - The cost of meals and incidental expenses not to exceed the per diem rate established by the US General Services Administration (GSA).
 - Tips not exceeding 20% of the total cost of a meal, service, taxi, etc.
- 9.7 Expenses that will not be eligible for reimbursement include, but are not limited to, the following:
- Personal items and gifts.
 - Wine, beer, liquor, or other alcoholic spirits.
 - Entertainment costs such as movies, concerts, athletic events, etc.
 - Expenses of family members or friends.
 - Personal phone calls.
 - Social club dues.
 - Non-business related club dues.
 - Any expenses requiring pre-approval that was not pre-approved.

ARTICLE X OTHER BENEFITS

- 10.1 In accordance with Board policy, AATA shall pay reasonable professional dues and subscriptions of Employee for his participation in national, regional, state, and local associations, and organizations deemed by the Board as necessary and desirable for his continued professional development and/or for the benefit of AATA.
- 10.2 The Board shall pay the full cost of any fidelity or other bonds required of or for Employee pursuant to any law, ordinance, or Board policy.

**ARTICLE XI
SEVERABILITY**

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

**ARTICLE XII
ENTIRE AGREEMENT**

- 12.1 Employee and the Board acknowledge and agree that this Agreement constitutes their final understanding and agreement with respect to the subject matter hereof, and supersedes all prior or contemporaneous negotiations, promises, covenants, agreements, or representations concerning all matters directly or indirectly, or collaterally related to the subject matter of this Agreement. In particular, this Agreement supersedes and replaces for all purposes the Agreement Between Michael G. Ford and the Ann Arbor Transportation Authority Board of Directors dated July 13, 2009.
- 12.2 Employee and the Board acknowledge, understand, and agree that nothing within this Agreement can be modified, amended, or revoked except by and with the express written consent of both Employee and the Board.

**ARTICLE XIII
DISPUTE RESOLUTION, JURISDICTION, VENUE AND GOVERNING LAW**

- 13.1 Upon the written approval of both parties, disputes arising out of this Agreement may be submitted to binding arbitration for resolution. If binding arbitration is chosen as the means to resolve an issue, the parties shall mutually agree upon the selection of an arbitrator who will hear the evidence presented and render a written decision within thirty (30) calendar days from the date of the conclusion of all hearings or submission of briefs, whichever is later. The arbitrator shall not have jurisdiction to subtract from or modify any of the terms of this Agreement or any written amendments hereof, or to specify the terms of a new Agreement, or to substitute her/his discretion for that of the parties. Fees and expenses of the arbitrator shall be shared equally by the Employee and Employer. The decision of the arbitrator shall be final, conclusive, and binding upon both parties and the parties agree that they shall have no recourse to the arbitrator's decision.
- 13.2 For disputes in any action or proceeding arising out of, or relating to this Agreement that are not presented to an arbitrator for binding resolution, the Board and Employee hereby irrevocably submit to the jurisdiction of the state courts located in Washtenaw County or the U.S. District Court for the Eastern District of Michigan, and irrevocably agree that venue for any such dispute shall be exclusively in the state courts located in Washtenaw County or in the U.S. District Court for the Eastern District of Michigan. This agreement shall be construed by and controlled under the laws of the State of Michigan.

May 19, 2011

**ARTICLE XIV
ACKNOWLEDGEMENT**

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

**ARTICLE XV
INDEMNIFICATION**

- 15.1 The Board shall defend, hold harmless and indemnify Employee against and from any and all claims, legal or administrative actions or demands, consistent with the provisions of law, including actions for equitable relief whether groundless or otherwise, including attorney's fees and costs, arising from any act or omission either alleged or real, which occur or occurred during his employment as CEO of AATA, and which are within the scope of the CEO's employment and performance of his duties as CEO, so long as Employee acted in good faith and in a manner reasonably believed not to be opposed to AATA's interests, or in the case of a criminal proceeding, Employee had no reasonable cause to believe the conduct was unlawful. Indemnification shall not apply to any claims of AATA against Employee.
- 15.2 The Board may compromise and settle any claim or suit and pay the amount of any settlement or judgment rendered thereof, together with attorney's fees associated therewith. Employee shall cooperate fully in the defense, compromise, or settlement of any claims, actions, or demands which Board defends, holds him harmless, or indemnifies him.
- 15.3 Any unreasonable failure by Employee to provide full information or to cooperate with Board's attorneys shall be cause for the Board to deny Employee the defense, hold harmless and/or indemnification rights under this Article.
- 15.4 The Board and Employee acknowledge and agree that even though the Board may proceed to handle a claim, action or demand against Employee, the Board reserves the right not to indemnify, or to recover costs of indemnification, if it is determined that the Employee's actions did not satisfy the standards of Section 15.1 of this Agreement.
- 15.5 The obligations of this Article shall survive the termination of the Agreement however terminated.

**ARTICLE XVI
ASSIGNMENT**

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

**ARTICLE XVII
NOTICES**

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

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

TO EMPLOYEE: Michael G. Ford
[REDACTED]
(or other address of record)

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

**ARTICLE XVIII
COUNTERPARTS**

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

IN WITNESS WHEREOF, The Board has caused this Agreement to be signed and executed in its behalf by its Chairperson, duly attested, and executed by Michael G. Ford this _____ day of _____, 2011.

Michael G. Ford, Employee

Jesse Bernstein, AATA Board Chair

ATTEST:

_____, 2011

Michael G. Ford
 Chief Executive Officer
 Ann Arbor Transportation Authority



**Re: CEO Employment Agreement, Article VI – Salary and Compensation
 for Fiscal Year Beginning October 1, 2010**

Dear Mr. Ford:

This letter will set forth your salary and compensation as the Chief Executive Officer (“CEO”) of the Ann Arbor Transportation Authority (“AATA”) for the fiscal year beginning October 1, 2010, in accordance with the provisions of Article VI, Paragraph 6.1 of the Agreement between you and the AATA Board of Directors (“Board”) dated _____.

- (a) The Board will pay you an annual salary of \$160,000 for your service, payable in bi-weekly installments at the same time as other employees of AATA are paid, and subject to customary and mandatory withholdings.
- (b) Upon the execution of this letter, and your written agreement to the terms set forth herein, the Board will make a one-time lump sum payment to you in the amount of \$7,754.00 (which is equal to four percent (4%) of your annual salary for the 63 week period from July 20, 2009 through September 30, 2010), subject to customary and mandatory withholdings. Such payment will be made in the manner and at the time directed by you, in writing; and at your option, you may direct the Board to make this payment into your §457 deferred compensation plan account on or after January 1, 2011.

As stated in Article VI, Paragraph 6.1 of the above-referenced Agreement, this letter, and the terms specified herein, shall remain in effect until such time as the letter is modified or replaced by the Board, in which case a new letter meeting the requirements set forth in said Paragraph 6.1 shall be substituted in its stead.

Respectfully submitted,

May 19, 2011
 Page 16

Jesse Bernstein, AATA Board Chair

Sue McCormick, AATA Board Treasurer

Agreed to:

Michael G. Ford, CEO

Dated: _____

Jesse Bernstein noted that the new contract includes a clear process for conducting the evaluation of the CEO that is tied to the annual budget process. David Nacht requested a timeline for how the Board will address the budget process and the CEO evaluation. Mr. Bernstein indicated that a summary of the process would be provided.

Jesse Bernstein and Sue McCormick were complimented for negotiating a contract that balances compensation appropriate for a top level professional while also considering the difficult economic times and sensitivity to watching taxpayer funds closely.

Board members complimented Michael Ford for his leadership and performance. Mr. Ford was praised for his extraordinary hard work and commitment leading the Transit Master Plan forward, which has resulted in the organization being seen as a leader in the community.

The motion passed unanimously.

9.0 *Public Time*

Jody Slowins appeared before the Board. Ms. Slowins complimented Michael Ford for the remarkable influence he has had on AATA. Ms. Slowins commented on her recent attendance at a public meeting during which Michael Ford made a thoughtful presentation and walked attendees through the process. Ms. Slowins complimented AATA staff on making the Transit Master Plan the "People's Plan" given that the community has been involved every step of the way.

Thomas Partridge appeared before the Board. Mr. Partridge commented on the need for additional and more accessible transportation. Mr. Partridge called on the Board to have a more open and democratic process by engaging in full discussions in public meetings and bringing the public into proposed decisions and not coming to meetings with predetermined decisions. Mr. Partridge also called on the Board to be more

accessible and think in terms of the interest of the community by expanding CTN network coverage of AATA meetings across the county. Mr. Partridge expressed disappointment that greater efforts were not being made to unify all units of government in the county, and challenged members of the Board, and the CEO to make appearances before Ann Arbor City Council and the Washtenaw County Commission.

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

10.0 *Adjourn*

David Nacht moved to adjourn the meeting with support from Roger Kerson. The motion passed unanimously and the meeting adjourned at 7:17 p.m.

Respectfully Submitted,

Charles Griffith, Secretary



To: Board of Directors
From: Michael Ford, Chief Executive Officer
Date: June 10, 2011
Re: Monthly Report

Board Retreat

Thank you for your contribution to a successful Board Retreat on June 3. Our discussions around the financial outlook and new initiatives being proposed for FY2012 were productive. I hope that the deep dive we took into Countywide Transit issues, including governance and funding was enlightening.

The Board's decision to reallocate some FY2011 funds across budget line items will support continued progress on the Transit Master Plan. We are working on a more concrete plan and options with regard to developing the Unincorporated Act 196 (u196) Board that will include representation across the county. I will report back to PDC.

The meeting minutes are being prepared and a draft will be available in accordance with the timeline prescribed in the Michigan Open Meetings Act.

Board Meeting Follow-Up

We are working on a summary document outlining a timeline for the budget process and the CEO evaluation to fulfill a request made at the May Board meeting. The document will be shared with Board members as soon as it is complete. I also want to note that we will provide an accessible space for all of our report contributors and public speakers.

Board Committee Meetings

On June 7 the **Planning and Development Committee** approved moving forward to the full Board a resolution to adopt a Living Wage Policy. The policy mirrors the amount of the living wage and how the wage is adjusted in accordance with the City of Ann Arbor's Living Wage Ordinance. The resolution, included in the Board packet under New Business, calls for the policy to take effect on October 1, 2011 in alignment with AATA's new fiscal year. The policy applies only to new contracts. Existing contracts will run their course under the original terms.

The **Performance Monitoring and External Relations** (PMER) Committee will meet on Tuesday, June 14. PMER will consider one action item: an Auditor Rotation Policy. Staff will report on the Shelter Design for the Bus Stop on Washtenaw Avenue at Pittsfield and present a Communications Plan for the Transit Master Plan.

Staff will report on operational, financial and performance data and provide updates on the four new service initiatives: Airport, Vanpool, Ypsilanti Transit Options, and East Ann Arbor Health Center. An update on the Washtenaw Avenue Transfer Center project will also be provided.

Countywide Transit Master Plan

Our efforts have been devoted to finalizing the Transit Master Plan Vision and Implementation Strategy documents (Volumes 1 and 2) with a goal of requesting adoption of the documents by the Board on June 16. The final version of the documents was issued to the Planning and Development Committee subsequent to the June 7 committee meeting. On Friday we received concurrence from the committee to move the resolution forward to the full Board endorsing Volumes 1 and 2 of the Transit Master Plan. The resolution is included in New Business.

Volume 3, the Funding Options report, is still a work in progress. We will provide a draft report to the Board as soon as it is ready for preview.

We have begun planning with Steer Davies Gleave around how they can support ongoing discussions with local communities. We expect that as the governance discussions proceed there will be questions and a desire to begin focusing on local needs at a very detailed level.

Transit Master Plan Governance

We are making great strides toward the development of a countywide governing body. This new group will include representatives from municipalities across the county with a fair distribution. As I reported at the May Board meeting, **Ann Arbor Township** and **Superior Township** approved their Act 7 agreements.

Conan Smith initiated and facilitated an excellent political planning session for us attended by **Mike Garfield**, Ann Arbor Ecology Center, **Megan Owens**, Transportation Riders United (TRU), and **Terri Blackmore** (WATS). We will be continuing our discussions, and I am happy that we are at a stage where we are writing key partners into the script for expanding service.

In a disappointing development, **Salem Township** voted not to participate in the Northeast Group for the time being. However, we will not be deterred. We will revisit Salem when

Northfield Township votes in July and continue to update them before the u196 board starts meeting.

A list of additional meetings held with individuals and groups over the past month to further governance efforts follows.

Gretchen Driskell, Mayor of Saline; **Bob Lange**, Sylvan Township; **John Hieftje**, Mayor of Ann Arbor; **Alicia Ping**, Washtenaw County Commissioner; **Ronnie Peterson**, Washtenaw County Commissioner; **Yousef Rabhi**, Washtenaw County Commissioner; **Brenda Stumbo**, **Karen Lovejoy Roe** and **Larry Doe**, Ypsilanti Township

Saline Township; Augusta Township; Webster Township; Dexter Township; Dexter Village; Washtenaw County Board of Commissioners; Bridgewater Township

Transit Master Plan Community Outreach Meetings

Leaders

Albert Berriz, CEO of McKinley; **Bob Guenzel**, former County Administrator; **Rolland Sizemore**, Washtenaw County Commissioner

Groups

West Willow Association; Southeast Michigan Council of Governments Technical Advisory Committee

New Service Initiatives and Work Plan Progress

We developed a Work Plan to align our annual goals and the budget. I am pleased with the progress we have made on the four new service initiatives (all in support of the Transit Master Plan) we began pursuing based on the Board's support at the August 2010 Board Retreat. The latest update for each initiative is included below. Following that information, I have summarized the work completed on other Work Plan projects.

Airport Service

Meetings with representatives from Michigan Flyer have been going on for several months. The airport project team had outreach with representatives from the University of Michigan to discuss appropriate partners at the University. We are waiting to hear back about the results of data collection on the interest and need for service by the University.

We were unsuccessful in obtaining Congestion Mitigation/Air Quality federal grant funds for the project, so continued outreach to prospective funding partners is critical now more than

ever. While that was not the best news, we did receive some positive news in the form of official notice from the Michigan Department of Transportation that airport service will be eligible for state operating assistance. This would provide about 30% of the cost of new service, given the current formula. We will continue to aggressively pursue funding for the service which has an October 15, 2011 target start date.

Our next action steps will include:

- Formulating a scope of work for airport service or a request for information
- Looking over the financial model currently on the table for additional analysis and potential changes
- Refining our airport presentation to prospective partners
- Reconvening additional meetings internally to keep our goal of delivering airport service in the Fall
- Meeting with members from the Eastern Leadership Group to determine whether Ypsilanti will have an initial role with airport service

Ann Arbor to Ypsilanti Work Transportation

Night Ride service was extended outside of Ann Arbor east to Golfside Road on April 4. The expansion of service is generating new trips, but the total number is still fairly unclear. Nearly 30% of rides in May were to the extended service area. However, many of the rides were already being made, except passengers had to end their trip at the city limits. Staff will monitor service for 90 days and then assess what it would mean to expand the service all the way to Ypsilanti.

I am working to obtain funding commitments from public and private partners to increase the frequency of service on the Washtenaw Avenue route between Ann Arbor and Ypsilanti. The earliest new service would begin in January 2012 primarily due to the need for additional buses. An order of new buses is scheduled to arrive in November.

East Ann Arbor Health Center

Extended A-Ride service is scheduled to begin July 1. Staff is working with UM on coordinating promotional efforts so that staff from both entities can assist customers. This is an excellent example of further developing our valuable partnership with UM.

Vanpool Service

A Request for Proposals for a turnkey implementation will soon be finalized and issued. The goal is to have the bid open for three weeks and concluded so that evaluation of the proposals can take place in July. URS is providing assistance to AATA staff with development of a position description for the Vanpool Coordinator.

Work Plan

In addition to the new service initiatives, we have made good progress on other goals. We are operating within the approved budget. A new contract for ARide service has been awarded with a start date of July 1. We continue to pursue Park and Ride lot opportunities that are suitable for our customers and the community as well as environmentally responsible. The architecture stage of the redevelopment of the website is complete. The availability and accessibility of data and statistics has been increased by publishing information to the website for public view.

We are planning to move forward to expand the bus storage facility; plans for the project are expected to be finalized once the construction manager contract is signed. We are developing a business continuity plan. Some headway has been made in the area of planning to provide real-time information to our customers. A firm has been hired to assist with the development and implementation of a marketing and community relations plan that will encompass existing and expanded services. Our efforts continue to provide appropriate support to the Fuller Road Station Project. And it goes without saying that we have made tremendous progress on the Transit Master Plan.

Blake Transit Center

The contract for a construction manager is nearing completion. Once it is finalized, the project team will proceed with identifying milestone dates for design completion, construction pre-bidding, and construction. Internal meetings continue to work on the details of the design features. DTE Energy recently relocated some of the electrical service on the land being sought from the City of Ann Arbor, which was recently appraised.

State Funding Update

After a long budget debate, with an uncertain outcome for transit funds, I am pleased to report that it appears that no transit funds (capital or operating) will be cut from the State Budget, per the Governor's recommendations!

Community

Ypsi Pride

On May 21, 15 members of staff, including Dawn Gabay and myself, volunteered to spruce up the Ypsilanti Transit Center as part of Ypsi PRIDE Day. We planted shrubbery and flowers. It was a beautiful day and we were able to connect with many of our riders about the TMP, talk to other community members who take care of the adjacent Washington Street lot, and be a positive presence at our YTC! I am very appreciative of the efforts of staff and encourage you visit the YTC and check out our work.

Ann Arbor Police Department

Operations Manager Ron Copeland and I recently met with **AAPD Chief Barnett Jones** and Deputy Chief **John Seto**. We discussed coordination and how we can support timely and enhanced service delivery to our customers with the support of the department. We will encounter challenges during this construction season, and the Chief was very supportive of identifying ways to partner on solutions to aid our efforts.

Art Fair

Last month I met with **Maureen Riley**, Executive Director of the **Ann Arbor Street Art Fair** and **Max Clayton**, Executive Director of the **Summer Art Fair**. I was given a brief overview of the 55 year Art Fair history and the importance of transportation to its success. We discussed opportunities to continue AATA's longstanding collaborative relationship with the fairs. We are working internally to finalize our plans for this year's event.

Ann Arbor Center for Independent Living

In May I hosted a table at the **Ann Arbor Center for Independent Living (AACIL)** breakfast fundraiser. Several AATA staff, as well as Sabra Briere, Ann Arbor City Council, Brian Marcel, Washtenaw Intermediate School District, Terri Blackmore, Washtenaw Area Transportation Study, Amy Grambeau, Orange Egg and Annie Wolock, IT consultant attended to support the CIL who provides vital services to the members of the disability community. We talked with many community members who are supportive of the TMP and received an informative and inspiring presentation from CIL staff.

Economic Club

Staff from the Community Relations Department attended the May Economic Club luncheon to learn more about the impact of communicating through social media from guest speaker Erik Qualman, author of "Socialnomics: How social media transforms the way we live and do business". While we began making use of Facebook, Twitter, YouTube and other media last

year, we expect to kick our efforts into high gear as our new social media position was recently filled.

Travel

Jan Hallberg, Manager of Information Technology, attended Systems Engineering training tailored for Transit Intelligent Transportation Systems (ITS) sponsored by the National Transit Institute. The Federal Transit Administration requires that all ITS projects follow a Systems Engineering Process throughout the project. Though we do not have any ITS projects planned at this time, it is expected that the outcome of our IT Strategic Plan may recommend an IT project.

Lunch and Dinner with the CEO

This month I had the pleasure of meeting with Nancy Eichenberg, Administrative Assistant and Nick Wegner, Maintenance Technician. Nancy is the “voice of AATA” and the first point of contact at our headquarters. In each case it was a great opportunity to meet with a member of the team off-line and get to know them better.

Ann Arbor Transportation Authority Board of Directors
 Planning and Development Committee
 Approved Meeting Summary
 June 7, 2011 – 3:00 p.m.

Present: Committee –David Nacht, Rich Robben (Chair)

Staff – Terry Black, Michael Ford, Jan Hallberg, Ed Robertson, Mary Stasiak,
 Karen Wheeler, Phil Webb, Chris White

Absent: Committee – Anya Dale (advance notice given)

Committee Chair Rich Robben called the meeting to order at 3:12 p.m.

1.0 *Communications and Announcements*

There were no communications or announcements.

2.0 *Public Time – Comment on Agenda Items*

No one appearing, Mr. Robben declared Public Time closed.

3.0 *Action Items*

3.1 *AATA Living Wage Policy*

Ed Robertson reported that the Living Wage Policy was revised to mirror the amount of the living wage and how it is adjusted in accordance with the City of Ann Arbor's Living Wage Ordinance. The policy was reviewed by AATA legal counsel, Jerry Lax. The document, if approved by the Board, will become part of AATA's purchasing policy. Mr. Robertson noted that the resolution calls for the policy go into effect on October 1, 2011, in alignment with AATA's new fiscal year. This will allow time to make the adjustments necessary to accommodate the new policy. Mr. Robertson noted that the policy only applies to new contracts, and not to those that currently exist. Current contracts will be allowed to run out under their original terms.

David Nacht made a motion to move the Living Wage Policy forward to the full Board for consideration. Rich Robben supported the motion which carried.

3.2 *Release of Volume I and Volume II of TMP*

Michael Ford reported that the final drafts of Volumes I and II of the Transit Master Plan documents were expected to be received from Steer Davies Gleave

within the week. He reported that modifications were made based on Committee input, including the incorporation of a route between Washtenaw Avenue and Golfside. Mr. Ford said that he would forward the documents to Committee members for their review and would seek concurrence to move the documents forward to the full Board for consideration at the June 16 Board meeting.

4.0 *Continuing Business*

There was no continuing business for the committee to consider.

5.0 *New Business*

5.1 *Review of AATA 2011 Work Plan*

Michael Ford referred to items on the FY2011 Work Plan that are not expected to be completed before prior to the end of the current fiscal year and will be moved forward into the FY2012 Work Plan. He reported that staff is working to frame the FY2012 plan to include these “carried forward” items along with any new projects the organization plans to undertake, and will present a draft of the 2012 Work Plan to the PDC at the July meeting.

5.2 *Budget & Work Plan Timetable*

Phil Webb reviewed the Budget and Work Plan Timetable. A copy of the document is attached to the meeting summary. Mr. Webb noted that the schedule contains the flexibility for a special Board meeting in mid-July along with additional Planning and Development Committee meetings in late July, if necessary, to address any needed topics and to finalize the FY2012 Operating Budget.

5.3 *Annual Budget Planning*

Michael Ford reviewed a Prioritization Matrix of capital and operating projects for Fiscal Years 2011, 2012 and 2013 with items identified as “Mission Critical”, “Must Do”, or “Need to Do”. Committee members and Staff discussed the projects and the priorities assigned to them. Michael reported that there may be a funding shortfall that will prohibit all the projects from being completed as soon as AATA might desire. At some point it may be necessary to come to the PDC for help in determining which projects should move forward and which should be delayed, re-scheduled, or perhaps even abandoned. It was noted that Federal Formula Funds may be used for some maintenance operating expenses in order to free up other grant funds that may then be used elsewhere.

Michael Ford reported on efforts to obtain private and public funds for additional work trips between Ann Arbor and Ypsilanti. He also briefly touched on the status of the other three new service initiatives (all in support of the Transit Master Plan: Vanpool, East Ann Arbor Health Center, and Airport service) which came out of the 2010 Board Retreat.

Improved service between Ann Arbor and the Detroit Metropolitan Airport was discussed. A suggestion was made to “sell stops” to the University of Michigan and to request funding from the University in order to provide for a two year pilot program of increased airport services. This strategy would allow AATA to continue pursuing more stable funding in order to continue the service.

Staff was directed to provide the PDC with an Issue Analysis, including estimated costs, for each of the projects listed on the Prioritization Matrix along with a recommendation on which projects should move forward for the PDC’s consideration. The recommendation from Staff should include “pinch points” so that the Committee can assist with determining the appropriate level of importance for each item.

Committee members discussed the use of reserves (unrestricted net assets) that might be in excess of these fund’s minimums (as set by Board policy) in order to pay for unfunded projects. Rich Robben recommended exhausting all other avenues prior to the use of any of these reserves. Chris White stated that a detailed report on available federal funds would be provided at the July PDC meeting and this document should further assist in planning the most judicious use of AATA’s funds.

6.0 *Updates*

6.1 *Blake Transit Center*

Terry Black reported that final negotiations on the contract for a construction manager were nearing completion. Once a contract is in place, the project team for the BTC will proceed with identifying milestone dates for design completion, construction pre-bidding, demolition of the old BTC, and construction of the new facility. Internal meetings continue on the details of the design features. Terry reported that DTE recently relocated some of the electrical service on the land being sought from the City of Ann Arbor, and indicated that the project pieces are beginning to come together.

6.2 *Expansion/Improvement of 2700 Facility*

Terry Black reported that the facility expansion project is on hold pending completion of the contract for a construction manager. He noted that an Issue Analysis for the project was provided in the June 3 Board Retreat documents and

had been included in materials distributed to the PDC at this meeting. Provided a funding option can be identified in the next month, staff will likely seek approval to move forward with the project in July with a possible construction start in September.

6.3 *Bus Hoists*

Terry Black reported that the Request for Proposals for Bus Hoists was reissued with a redefined scope of work in an effort to lower the total cost of the project. It is expected that approval to move forward with the project will be sought from the PDC in July. He reported that after administering static load test, one of the hoists had to be taken out of commission, causing an increase time needed for vehicle repairs. Terry reported that AATA is now spending in excess of \$50,000 per year attempting to maintain the existing vehicle hoists.

6.4 *East Ann Arbor Health Center*

Chris White reported that extended A-Ride service to the East Ann Arbor Health Center is scheduled to begin July 1. Staff is working with UM on coordinating promotional efforts so that staff from both entities will be able to adequately assist customers.

6.5 *Ann Arbor-Ypsilanti Work Transportation*

Chris White reported on continuing efforts to secure funding to expand service for work trips between Ann Arbor and Ypsilanti. The earliest new service would begin is January 2012, primarily due to the need for additional buses to operate the expanded service. A shipment of new buses is scheduled to arrive in November.

Chris reported that the expansion of Night Ride service beyond Ann Arbor's city limits is generating new trips, but that total number is still unclear. Nearly 30% of rides in May were made into the extended service area, however, many of those trips were already being originally started on AATA buses. The change in service meant that passengers no longer have to end their trip at the city limits. Chris will monitor this service expansion for 90 days and then assess whether to expand the service all the way to Ypsilanti.

6.6 *Park and Ride Options for Glencoe Crossing*

Chris White reported that design work and discussions are continuing on park and ride options for the Glencoe Crossing area, but the emphasis has now changed to deferring any new construction until existing parking becomes unavailable (due to development in the current parking area). The value of the relationship with McKinley was noted, as well as the opportunity to take

advantage of the density found in the area (residential, workplace, and student destinations). It was suggested that a Park and Ride lot closer to US-23 in the form of a mini-hub (or transportation station) may be a better option in the long run. Chris reported that staff is discussing Park and Ride options with Steer Davies Gleave as part of the Transit Master Plan. He also reported on recent news that the redevelopment of Kmart in Ypsilanti Township was being considered.

6.7 *Washtenaw Avenue Transfer Center*

Chris White reported that the Washtenaw Avenue Transfer Center project is delayed 10 to 12 weeks in order for DTE to develop plans to relocate its utility poles.

6.8 *AA2DTW*

Michael Ford reported on continuing efforts to move this project forward through the cooperation of the UM, the private sector and AATA. He reported that there is follow-up to do pertaining to funding, as well as planning for a significant marketing effort. He will report back to the Committee on the project's status and to discuss how to continue moving the service forward.

6.9 *Vanpool Service*

Mary Stasiak reported that a draft Request for Proposals was received from URS and is being reviewed by AATA and CATA. The goal is to have the bid open for three weeks and concluded in time to evaluate the proposals in July. Ms. Stasiak noted that URS is also providing AATA with assistance in developing a position description for the Vanpool Coordinator.

7.0 *Public Time*

No one appearing, Mr. Robben declared Public Time closed.

8.0 *Future Meetings*

Tuesday, July 12, 2011 at 3:00 p.m.

9.0 *Adjourn*

There being no further business, Mr. Robben adjourned the meeting at 4:13 p.m.

Respectfully Submitted,

Karen Wheeler

Ann Arbor Transportation Authority
 Budget and Work Plan Timetable
 Fiscal Year 2012
 October 1, 2011 to September 30, 2012

June 3, 2011	Board of Directors and Senior Staff: Planning Retreat to discuss Washtenaw County Transit Master Plan: A Proposal to the Citizens of Washtenaw County; Financial outlook for FY 2011 and 2012 and provide guidance for FY 2012 Work Plan and FY 2012 Operating Budget by recommending strategic directions, options, tradeoffs and potential costs using Issue Analysis Template and list of key issues and opportunities facing the organization in the coming year
June 6, 2011	Controller: Distribute staffing forms and budget line item to Managers
June 7, 2011	Planning and Development Committee: Discusses priorities for FY 2012 Work Plan and FY 2012 Operating Budget including a list of key priorities for the coming year for the entire organization and identify other issues / possible goals that Staff needs to investigate further
June 8-24, 2011	CEO and Senior Staff develops proposed annual goals using board input and departmental needs <ul style="list-style-type: none"> • Identify mission-critical departmental needs • Senior Staff proposes any additional goals as determined by their department • Agree on organization-wide goals • Identify single year and multi-year goals
June 27, 2011	Department Managers: Submit proposed staffing levels to Controller
July 12, 2011	Planning and Development Committee: Review first draft of FY 2012 Work Plan and continue discussion on priorities for FY 2012 Operating Budget
July 13, 2011	CEO, Deputy CEO, Manager of Human Resources, and Controller: Complete review of proposed departmental staffing levels
July 14, 2011	Board of Directors: Potential Board of Directors Meeting (<i>Karen W. will check Board members calendars</i>)
July 18, 2011	Department Managers: Complete non-wage budget worksheets and details of capital and major non-recurring operating items and forward to Controller for review
July 20-23, 2011	<i>FYI – 2011 Ann Arbor Art Fairs</i>

July 27-28, 2011	CEO and Senior Staff: Review detailed department expense budgets
August 1, 2011	CEO: Deliver proposed FY 2012 Work Plan and FY 2012 Operating Budget to Planning and Development Committee, which contain clear linkages to each other
August 1-5, 2011	CEO: Meet with individual Board members regarding FY 2012 Work Plan and FY 2012 Operating Budget
August 9, 2011	Planning and Development Committee: Recommend FY 2012 Work Plan to Board and review FY 2012 Operating Budget
August 12, 2011	CEO & Controller: Deliver proposed FY 2012 Work Plan and FY 2012 Operating Budget to Board Members (Board Packet)
August 18, 2011	Board of Directors: Adopt FY 2012 Work Plan and receive presentation of FY 2012 Operating Budget
Aug. 23 or 30, 2011	Planning and Development Committee: Additional FY 2012 Operating Budget meeting, if necessary
September 6, 2011	Planning and Development Committee: Recommends final FY 2012 Operating Budget, (if revisions are necessary)
September 9, 2011	CEO & Controller: Deliver final FY 2012 Operating Budget to Board of Directors
September 15, 2011	Board of Directors: Adopt FY 2012 Operating Budget
October 1, 2011	Performance Monitoring and External Relations Committee: Begins monitoring of FY 2012 Work Plan and FY 2012 Operating Budget by receiving regular updates from staff

Resolution 19/2011

Adoption of AATA Living Wage Policy

WHEREAS, the Ann Arbor Transportation Authority (AATA) Board of Directors (the “Board”) wishes to increase the quality and reliability of services procured for AATA or provided to AATA by contractors, vendors, and grantees by promoting higher productivity and the retention of employees working on AATA sponsored projects, and

WHEREAS, the Board desires to use AATA spending to encourage the development of jobs paying wages above the poverty level, to raise the income of low-income working people (and their families) employed by employers with contracts with the Authority, and to provide incentives for covered employers to provide health insurance to their workers, and

WHEREAS, it is the Board’s intent that no policy it adopts pertaining to wages or benefits may contradict any existing federal, state, county, or city laws, regulations or ordinances; or cause any economic harm to otherwise covered employers that are non-profit organizations, therefore,

IT IS RESOLVED, that the “AATA Living Wage Policy” is hereby adopted and will become effective October 1, 2011, so as to encourage employers providing services to AATA to pay their employees a “Living Wage” sufficient to meet basic subsistence needs in the Ann Arbor urbanized area and to provide health benefits to their employees.

Jesse Bernstein, Chair

June 16, 2011

Charles Griffith, Secretary

June 16, 2011

AATA LIVING WAGE POLICY

1.00 PURPOSE

1.01 It is the purpose of this Living Wage Policy

- to increase the quality and reliability of services procured for AATA or provided to AATA by contractors, vendors, and grantees by promoting higher productivity and retention of employees working on AATA contracts and grants;
- to use AATA spending to encourage the development of jobs paying wages above the poverty level;
- to use AATA spending and procurement of services to require covered employers that provide services to AATA or that receive certain other forms of financial assistance from AATA for providing services to AATA to pay their employees a "Living Wage," sufficient to meet their employees' basic subsistence needs in the Ann Arbor urbanized area;
- to raise the income of low-income working people and their families employed by covered employers on AATA contracts or grants;
- to permit hardship exemptions for certain non-profit employers from the provisions of this Policy;
- to provide incentives for covered employers to provide health insurance to their employees;
- to monitor and enforce the requirements of this Policy; and
- for other purposes.

1.02 This Policy is not intended to contradict any existing federal, state, county, or city laws, regulations, or ordinances, and provides for payment of living wages only to employees of covered employers. This Policy does not affect the wages paid by any business or individual that chooses not to provide services covered by this Policy to AATA, or that chooses not to accept AATA grants falling within this Policy's coverage.

2.00 DEFINITIONS

For purposes of this Policy, the following definitions shall apply:

2.01 **Contractor/vendor** is a person or entity that has a contract with AATA primarily for the furnishing of services where the total amount of the contract or contracts with AATA exceeds \$10,000.00 for any 12-month period. "**Contractor/vendor**" does not include a person or entity that has a

contract with AATA primarily for the purchase of goods or property or for the lease of goods or property to or from AATA.

- 2.02 **Covered employee** means a person employed by a covered employer to perform services which are covered or funded by the contract with or grant from AATA; provided, however, that persons who are employed pursuant to federal, state or local laws relating to prevailing wages shall be exempt from this Policy
- 2.03 **Covered employer** means a contractor/vendor or grantee that has not been granted an exemption from this Policy.
- 2.04 **Employee** means an individual who provides personal services performed for wages under any contract calling for the performance of personal services, whether written or oral, express or implied. The term "**employee**" does not include any individual who volunteers to perform services for an employer if:
- a. The individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered; and
 - b. Such services are not the same type of services which the individual is employed to perform for such employer.
- 2.05 **Employee health benefits** or **health benefits** means providing health care benefits for employees (or employees and their dependents) at employer cost or making an employer contribution toward the purchase of such health care benefits for employees (or employees and their dependents) of at least 50% of the cost for such benefits, provided that matching contributions from the employee shall not exceed 20% of the employee's average weekly wages.
- 2.06 **Grant** means any form of financial assistance to a "**Grantee**" (as set forth in item #7 below). "**Grant**" does not include financial assistance used for the purchase or lease of property or other non- personnel costs.
- 2.07 **Grantee** is a person or entity that is a recipient of any financial assistance from AATA in the form of any federal, state or local grant program administered AATA, bond financing, direct grant, or any other form of financial assistance that exceeds \$10,000.00 for any 12-month period, including any contractors, subcontractors, or leaseholders of the grantee whose contract, subcontract or lease with the grantee exceeds \$10,000.00 for any 12-month period.

- 2.08 **Living wage** means a wage equal to the levels established in this Policy.
- 2.09 **Person** means any individual, co-partnership, corporation, association, club, joint adventure, estate, trust, and any other group or combination acting as a unit, and the individuals constituting such group or unit.
- 2.10 **\$10,000.00 for any 12-month period** is computed by taking the total amount of the contract, grant or loan and dividing it by the number of months the contract, grant or loan covers.

3.00 APPLICABILITY

- 3.01 This Policy shall apply to any person that is a contractor/vendor or grantee as defined above that employs or contracts with five (5) or more individuals; provided, however, that this Policy shall not apply to a non-profit contractor/vendor or non-profit grantee unless it employs or contracts with twenty (20) or more individuals.
- 3.02 This Policy shall apply to any grant, contract, or subcontract or other form of financial assistance awarded to or entered into with a contractor/vendor or grantee after the effective date of this Policy and to the extension or renewal after the effective date of this Policy of any grant, contract, or subcontract or other form of financial assistance with a contractor/vendor or grantee.

4.00 LIVING WAGES REQUIRED

- 4.01 Every contractor/vendor or grantee, as defined in this Policy, shall pay its covered employees a living wage no less than the living wage as established by ordinances of the City of Ann Arbor. The living wage, as established by the City of Ann Arbor, will take into account whether the employer provides health care benefits (as defined in this policy) to its covered employees, or does not provide such health care benefits.
- 4.02 In order to qualify to pay the living wage rate for covered employers providing employee health care under this Policy, a covered employer shall furnish proof of said health care coverage and payment thereof to the AATA Purchasing Contracts Coordinator or his/her designee.
- 4.03 The amount of the living wage established by this Policy for all existing and future contracts shall be adjusted by AATA and all of its covered employers no less than ninety (90) days following any change in the

Living Wage Ordinance as established, changed, or adjusted by the City of Ann Arbor.

5.00 EMPLOYEES COVERED

5.01 A covered employer shall pay each of its employees performing work on any covered contract or grant with AATA no less than a living wage as defined in Section 4.00 above.

6.00 EXEMPTIONS

Notwithstanding any other provisions in this Policy, the following exemptions shall apply:

6.01 For any contract or grant, the AATA Board of Directors may grant a partial or complete exemption from the requirements of this Policy if it determines one of the following:

- a. To avoid any application of this Policy that would violate federal, state or local law(s); or
- b. The application of this Policy would cause demonstrated economic harm to an otherwise covered employer or grantee that is a non-profit organization, and the AATA Board of Directors finds that said harm outweighs the benefits of this Policy.

6.02 A loan shall be considered a grant under this ordinance only to the extent that a loan is provided at below market interest rates and then only the difference between the amount of the loan and the present value of the payments there-under, discounted over the life of the loan, shall be treated as financial assistance under this Policy.

6.03 A payment of funds for the purpose of purchasing services, property, or goods on behalf of individuals being assisted by a covered employer or potentially covered employer (known as a "pass through" grant) that is used for said purchases shall not be considered a grant; such funds shall be considered a grant only to the extent that any such funds are retained by the covered employer or potentially covered employer to provide financial assistance and support to its own operations.

7.00 MONITORING AND ENFORCEMENT

- 7.01 Every covered employer shall agree to the payment of a living wage as a condition of entering into or renewing a covered contract or grant with AATA, shall agree to post a notice regarding the applicability of this Policy in every work place or other location in which employees or other persons contracted for employment are working, and shall agree to provide payroll records or other documentation as deemed necessary within ten (10) business days from the receipt of a request made by AATA. All AATA contracts and grants covered by this Policy shall provide that a violation of the living wage requirements of this Policy shall be a material breach of the contract or grant.
- 7.02 Each covered employer shall submit to the AATA Purchasing Contracts Coordinator information regarding number of employees and applicable wage rates of its employees covered by this Chapter in such manner as requested by that office. At the request of the AATA Purchasing Contracts Coordinator, any contractor/vendor or grantee shall provide satisfactory proof of compliance with the living wage provisions of this Policy
- 7.03 Any person may submit a complaint or report of a violation of this Policy to the AATA Chief Executive Officer's Office. Upon receipt of such a complaint or report, the AATA Purchasing Contracts Coordinator shall investigate to determine if there has been a violation of this Policy.

8.00 PENALTIES AND ENFORCEMENT

- 8.01 A violation of any provision of this Policy will be considered a material breach of the contract between AATA and the employer. As satisfaction of this breach, AATA may require the employer to pay all affected employees the difference between wages actually paid and the living wage that should have been paid, together with interest, and other relief deemed appropriate. The employer shall have a period of time not to exceed sixty days from the issuance by AATA of a notice of breach due to a violation of this Policy to make any and all corrections.
- 8.02 In addition to enforcement under 8.01 above, AATA shall have the right to modify, terminate, and/or seek specific performance of any contract or grant with an affected covered employer or to cancel, terminate or suspend the contract in whole or in part and/or to refuse any further payments under the contract or grant.

8.03 Nothing contained in this Policy shall be construed to limit in any way the remedies, legal or equitable, which are available to AATA or any other person for the correction of violations of this Policy.

9.00 OTHER POLICY PROVISIONS

- 9.01 No affected covered employer shall reduce the compensation, wages, fringe benefits, or leave available to any covered employee or person contracted for employment in order to pay the living wage required by this Policy.
- 9.02 Nothing in this Policy shall be construed to require AATA to take action which would conflict with, interfere with, and/or supersede any provision of a collective bargaining agreement with any union representing AATA employees, which deals with the provision of health care to AATA employees.
- 9.03 No employee covered by a federal, state or local law requiring the payment of prevailing wages shall be covered by this Policy.
- 9.04 This Policy shall not be construed to apply to any person or entity that is a tax exempt religious, educational or charitable organization under state or federal law, but is not a contractor/vendor or grantee as defined in this Policy.
- 9.05 This Policy shall not be applicable to the establishment and/or continuation of the following if developed specifically for youth, high school and/or college students:
- a. A bona fide training program.
 - b. A non-profit summer program.
 - c. A non-profit youth employment program.
 - d. A work-study, volunteer/public service, or internship program.

Resolution 20/2011

Supporting Countywide Transit

WHEREAS, the Ann Arbor Transportation Authority (AATA) Board of Directors (the “Board”) has previously released draft versions of “Volume 1 – A Transit Vision for Washtenaw County” and “Volume 2 – Transit Master Plan (TMP) Implementation Strategy” for public comment in a continuing effort to keep the public apprised of the Board’s efforts to expand public transportation throughout Washtenaw County and to continually seek public input into that initiative, and

WHEREAS, public meetings were held throughout Washtenaw County to gain additional input on the documents, and that input has been incorporated into the documents, therefore

IT IS RESOLVED, that the AATA Board of Directors hereby endorses Volumes 1 and 2 of the Transit Master Plan (as may be revised and amended) for general release to the public, and

IT IS RESOLVED, that the AATA Board of Directors hereby authorizes the transmittal of Volumes 1 and 2 of the Transit Master Plan (as may be revised and amended) to the fully constituted u196 Board for further analysis, refinement, and definition.

Jesse Bernstein, Chair

Charles Griffith, Secretary

June 16, 2011

June 16, 2011