REGIONAL TRANSIT AUTHORITY
Board Member and Staff
Expense Policy

This policy sets forth the requirements for expense reimbursements for the Regional Transit Authority (the "Authority"), in accordance with the Regional Transit Authority Act, Act 387, Public Acts of Michigan, 2012 (the "RTA Act"). Pursuant to the RTA Act, Authority Board members may receive reimbursement for necessary travel and expenses consistent with the RTA Act and this Policy.

Scheduled Categories of Expenses

A. The following specific categories of duties and functions are approved as reimbursable expenses:

1. Travel. Travel to and from regular and special Authority Board meetings and Authority committee meetings, and in connection with Authority business authorized by the Authority Board.

a. Mileage reimbursement. Authority Board members and staff shall be reimbursed for mileage based on current IRS reimbursement rates for travel authorized for reimbursement under this Policy.

b. Parking. Parking fees associated with travel authorized for reimbursement under this Policy shall be reimbursed upon approval of receipt by the treasurer or the chairperson of the Authority, or the designee of the treasurer or chairperson of the Authority.

c. Public transportation expenses. Authority Board members and staff shall be reimbursed for expenses incurred in the use of public transit for travel authorized for reimbursement under this Policy.

d. Air travel. Authority Board members and staff must obtain prior written approval from the treasurer or the chairperson of the Authority, or the designee of the treasurer or chairperson of the Authority, for reimbursement for air travel expenses in connection with Authority business. Air travel shall be by coach, if available. The Authority encourages cost saving where possible to include advanced booking of flights, use of coupons or promotional offers.

2. Lodging, Food and Conferences. The Authority shall reimburse Authority Board members and staff for reasonable lodging, meal, conference and miscellaneous expenses related to Authority business, for amounts not to exceed the current maximum allowable amounts for State of Michigan employees. Authority Board members and staff must obtain prior written approval from the treasurer or the chairperson of the Authority, or the designee of the treasurer or chairperson of the Authority, for reimbursement for lodging, meal, conference and miscellaneous expenses in connection with Authority business.

a. Lodging reimbursement shall be made in connection with travel to an authorized business activity. Receipts for lodging expenses are required and must show the actual amount paid for lodging and the number of occupants in the room.

b. When an Authority Board member or staff person shares hotel or other lodging expenses with non-Authority persons, reimbursements shall not exceed the rate for single occupancy.

c. Meal expenses shall be reimbursed upon approval of receipt by the treasurer or the chairperson of the Authority, or the designee of the treasurer or chairperson of the Authority.

d. Authority Board members and staff who are required to attend a meeting where meals have not been prepaid by the Authority shall be reimbursed for the cost of the meal.

e. Staff who are required to attend a meeting at which no meal is served, provided the meeting is outside of normal working hours, may be allowed meal expenses and shall be reimbursed upon approval of receipt.

f. Cost for alcoholic beverages shall not be included as part of the Authority Board member or staff person's meal expense.

g. Costs of attending conferences or seminars related to Authority business shall be reimbursed upon approval of receipt of payment, and with approval for reimbursement by the treasurer or the chairperson of the Authority, or the designee of the treasurer or chairperson of the Authority prior to incurring the expense.

B. The following are personal expenses which shall not be eligible for reimbursement:

1. Movies, sporting events, or other forms of entertainment.

2. Costs of travel insurance.

3. Rental of autos, cameras or other equipment, unless approved by the chair of the Authority Board.

4. Alcoholic beverages.

5. Telephone expenses.

Expense Reimbursement Procedure

All travel, lodging, food, conference and other expenses identified in this Policy, associated with Authority business but not related to a regular, rescheduled or special Authority Board meeting or committee meeting, must be pre-approved for reimbursement by the treasurer or the chairperson of the Authority, or the designee of the treasurer or chairperson of the Authority prior to incurring the expense.

To receive reimbursement for an expense incurred for an official duty or function identified in this Policy, an Authority Board member shall submit to the treasurer or the chairperson of the Authority, or the designee of the treasurer or chairperson of the Authority, supporting receipts or other evidence to verify each reimbursable expense occurred, by the date determined by the Treasurer by which all reimbursement requests shall be submitted prior to the end of each fiscal year for reimbursement in that fiscal year.

Any expense not specifically identified in this Policy shall not be reimbursed unless a motion to approve the expense is adopted by a majority vote of the Executive Committee of the Authority Board at a regular, rescheduled or special meeting before the expense is incurred. Expenses shall be reimbursed only in accordance with the RTA Act and other applicable law.

RTA EXPENSE REPORT

NAME:	Address (include zip code)

TRANSPORTATION (mileage or Bus Fare) mileage rate .565

Date	From	To	Meeting	Miles	Cost
					0
					0
					0
					0
					0
					0
					0
Total Transportation Expenses:					0

MISCELLANEOUS EXPENSES

Date	Itemize (and attach receipts)	Cost
Total Miscellaneous Expenses:		0
TOTAL REIMBURSEMENT DUE:		0

RTA approval _____

Date_____

Submit reimbursement form to Carmine Palombo or Tiffany Gunter they will get the appropriate signatures and submit for processing.

I certify that this is a complete and accurate record of my expenses for the meetings indicated; and further that I have not and will not submit these expenses for reimbursement from any other organization or government.

_____

Signature of

Date_____

As Approved May 15, 2013

BYLAWS

of the

REGIONAL TRANSIT AUTHORITY

ARTICLE I
GENERAL

Section 1. Title.

The name of the public body corporate created by the Regional Transit Authority Act, Act 387, Public Acts of Michigan, 2012 (the "Act"), is the Regional Transit Authority (the "Authority.")

Section 2. Authority.

The Authority is a municipal public body corporate and a metropolitan authority authorized by Section 27 of Article VII of the Michigan Constitution of 1963. Pursuant to the Act, power is granted to the Board of the Authority (the "Board"), as governing body of the Authority, to adopt Bylaws consistent with the Act.

Section 3. Offices.

The principal office of the Authority shall be at 1001 Woodward Avenue, Suite 1400, Detroit, Michigan 48226, or at such other location as may be determined by the Board from time to time.

Section 4. Seal.

The Authority may adopt and use a corporate seal, which shall be of such form, and device as the Board may determine. It shall have inscribed thereon the name of this body and the year of its creation. The secretary shall be the keeper of the Authority's corporate seal. The secretary shall have authority to affix the seal to any instrument requiring it and when so affixed, it may be attested by his or her signature. The Board may give general authority to any other officer to affix the seal of the Authority and to attest the affixing by his or her signature.

ARTICLE II
AUTHORITY BOARD

Section 1. Appointment and Qualifications.

The Authority shall be governed by a Board consisting of ten (10) members, nine (9) of which are voting members, appointed in the manner and with the qualifications as provided in Section 5 of the Act. Board members shall serve without compensation, but may receive reimbursement for necessary travel and expenses consistent with policies and procedures established by the Board from time to time, the Act and any other applicable law, subject to available funding.

Section 2. Vacancies.

If a vacancy occurs on the Board other than by expiration of a term, the vacancy shall be filled in the same manner as the original appointment for the remainder of the term, as provided in the Act. A Board member may continue to serve until a successor is appointed and qualified.

Section 3. Quorum and Manner of Acting.

A majority of the voting members of the Board constitute a quorum for the transaction of business of the Authority. No person shall be entitled to exercise a proxy vote for any Board member. No action of the Board shall be effective unless approved by a vote of a majority of all voting members of the Board, except as follows:

(a) The following actions require approval by seven (7) of the nine (9) voting Board members, and must include the affirmative vote of at least one (1) member from each participating County and the member appointed by the Mayor of Detroit:

(i) The placing of a question on a ballot of the levy of an assessment under Section 10(2) of the Act.

(ii) The determination of the rate of, or amount of, any assessment to be requested by the Authority at an election.

(iii) The placing of a question on a ballot to approve a motor vehicle registration tax.

(iv) The determination of the rate of, or amount of, any motor vehicle registration tax to be requested by the Authority at an election.

(b) The following actions require the unanimous approval of all voting members of the Board:

(i) A determination to acquire, construct, operate, or maintain any form of rail passenger service within the region of the Authority.

(ii) A determination to acquire a public transportation provider, subject to the requirements in Section 6(3)(b)(ii) of the Act.

Section 4. Meetings.

(a) General. The business of the Board shall be conducted at public meetings held in compliance with the Open Meetings Act, Act 267, Public Acts of Michigan, 1976, as the same may be amended from time to time (the "Open Meetings Act").

(b) Notice of Meetings. Public notice of the date, time and place of each meeting of the Authority, including any rescheduled or recessed meeting, shall be given as provided in the Open Meetings Act. In addition, the secretary, or his or her designee, shall give or cause to be given notice either personally, by first class mail, facsimile communication or electronic communication to each member of the Board, not later than the time the public notice is given, but the failure to do so shall not invalidate any proceedings of the Authority.

(c) Regular Meetings. The Board shall adopt a schedule of regular meetings, which may be held at the Authority's principal office or at such other places as the Board may determine. The Board shall meet at least once each quarter.

(d) Special Meetings. Special meetings of the Board may be called by the chairperson or at the request of not less than a majority of voting members of the Board. Notice of special meetings shall be given as provided in the Open Meetings Act and subsection (b).

(e) Emergency Meetings. Emergency meetings of the Board may be held in the event of a severe and imminent threat to the health, safety, or welfare of the public when a majority of the members of the Board decides that delay would be detrimental to efforts to lessen or respond to the threat.

Section 5. Compliance with Open Meetings Act.

(a) Minutes of Meetings. The Board shall keep written or printed minutes of each meeting as provided in the Open Meetings Act, which shall be made available to the public in compliance with the Michigan Freedom of Information Act, Act 442, Public Acts of Michigan, 1976, as the same may be amended from time to time.

(b) Closed Sessions. The Board may meet in closed session for the purposes provided in the Open Meetings Act.

Section 6. Authority Website.

The Authority shall establish a website as provided in the Act, and the Authority shall post on the website its budget, policies and procedures, and updates on Authority activities and transactions and the progress of any project, including, but not limited to, a proposed rolling rapid transit system, as such updates become available. The Authority shall also post all of the following information on a website, as provided in the Act:

(a) An asset management plan for all revenue vehicles and facilities, major facility components, and major pieces of equipment owned or leased by the Authority, as defined by the State Department of Transportation. The Authority shall update the asset management plan annually.

(b) The method used by the Authority to determine the percentage of operating costs that will be funded with local funds and the percentage that will be funded with fares. The Authority shall update this information every three (3) years.

(c) A plan and commitment to conduct a survey of user satisfaction and a survey of general public satisfaction with the services and performance of the Authority every three (3) years. The Authority shall provide results for the most recent completed surveys to the State Department of Transportation.

(d) A dashboard of the Authority's performance that includes, at a minimum, the information required under subsections (a)-(c) of this Section 6. The dashboard shall also include annual performance indicators for the Authority that have been established by the Board. The dashboard shall be readily available to the public, and shall be updated annually.

Section 7. Committees.

In furtherance of its conduct of the business of the Authority, the Board may establish such committees of its members and establish such procedures and assign such duties and responsibilities to such committees as it may deem necessary or appropriate. Any committee established by the Board shall keep written or printed minutes of its proceedings. Committee meetings shall be open to the public and public notice of such meetings shall be given as required by applicable law and as may be required by the Board. A majority of the voting members of any committee constitute a quorum for the transaction of business of the committee. No person shall be entitled to exercise a proxy vote for any committee member. No action of a committee shall be effective unless approved by a vote of a majority of all voting members of the committee. The Board shall establish the following committees in accordance with the Act:

(a) A citizens' advisory committee that consists of public transit residents (as defined in the Act). The citizens' advisory committee may meet at least once every quarter. The citizens' advisory committee may make reports to the Board at each Board meeting, which may include recommendations to the Board. The citizens' advisory council may do all of the following:

(i) Review and comments on the comprehensive regional public transit service plan for the public transit region (as defined in the Act) of the Authority and all annual updates.

(ii) Advise the Board regarding the coordination of functions between different owners and operators of public transportation facilities within the public transit region (as defined in the Act) of the Authority.

(iii) Review and comment on a specialized services coordination plan for persons with disabilities and persons who are 65 years of age or older, as required by State Trunk Line Highway System Act, Act 51, Public Acts of Michigan, 1951, as amended.

(iv) Upon request of the Board, provide recommendations on other matters that concern public transportation in the public transit region (as defined in the Act) of the Authority.

(b) A public transportation provider advisory council that consists of two (2) members appointed by each public transportation provider (as defined in the Act) in the public transit region (as defined in the Act). The public transportation provider advisory council may make reports to the Board at each Board meeting, which may include recommendations on the following issues:

(i) Coordination of service.

(ii) Funding.

(iii) Plans.

(iv) Specialized services.

(v) Other matters as requested by the Board.

Section 8. Chief Executive Officer.

The Board shall select and retain a chief executive officer. The chief executive officer shall administer the Authority with the direction of the Board and in accordance with these Bylaws, the Act and other applicable law. The chief executive officer shall be responsible for the day-to-day operation of the Authority; the control, management and oversight of the Authority's functions; the preparation and submission to the Board of an annual budget pursuant to Article IV of these Bylaws; and the supervision of all Authority employees. The chief executive officer shall have the power and authority to execute and deliver, and to delegate signatory power for, contracts, obligations and other instruments which have been approved by the Board, or for which signatory power has been delegated to the chief executive officer by the Board, within such parameters and subject to such limitations as shall be determined by the Board in accordance with the Act and other applicable law. The chief executive officer shall take such other actions and assume such responsibilities as provided by law. All terms and conditions of the chief executive officer's employment, including length of service and removal, shall be specified in a contract between the chief executive officer and the Authority, provided that the chief executive officer shall serve at the pleasure of the Board.

ARTICLE III
OFFICERS; DUTIES; CONFLICTS OF INTEREST

Section 1. Officers.

The officers of the Authority shall consist of a chairperson, vice chairperson, secretary and treasurer, and such additional officers or assistant officers as the Board considers necessary or convenient.

Section 2. Election of Officers and Term.

Pursuant to the Act, the Governor's representative appointed to the Board by the Governor shall serve as chairperson of the Board and shall serve without vote. The Board shall elect other officers of the Authority annually, at the first meeting of the Board each operating year.

Section 3. Term and Vacancies.

Except for the chairperson, officers shall serve for one-year (1-year) terms. A vacancy due to death, disqualification, resignation, incapacity to serve or removal in accordance with law shall be filled in the same manner as provided in this Article III from among the Board members at a regular or special board meeting, for the unexpired term of any such office.

Section 4. Duties of Officers.

(a) Chairperson. The chairperson shall preside at all meetings of the Board. The powers and duties of a chairperson are those provided by law, these Bylaws and rules of procedure adopted by the Board. The chairperson shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(b) Vice Chairperson. In the absence of the chairperson or in the event of the chairperson's inability or refusal to act, the vice chairperson shall perform the duties of the chairperson, and when so acting, shall have all the powers of and be subject to all the restrictions upon the chairperson. The vice chairperson shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(c) Secretary. The secretary, or his or her designee, shall keep or cause to be kept minutes of all of the meetings of the Board. The secretary, or his or her designee, shall give, or cause to be given, notice of meetings as provided in the Open Meetings Act and these Bylaws, and shall perform such other duties as may be directed by the Board from time to time.

(d) Treasurer. The treasurer shall be the chief financial officer of the Authority unless the Board appoints or designates another chief financial officer. The duties and responsibilities of the treasurer are those prescribed by or pursuant

to applicable law and these Bylaws, and those duties as may be directed by the Board from time to time. The Board may require of the Treasurer a bond pursuant to law and Board resolution.

Section 5. Discharge of Duties and Conflicts of Interest.

A member of the Board shall discharge the duties of the position in a nonpartisan manner, in good faith, in the best interests of the State of Michigan and the citizens of the public transit region (as defined in the Act), and with the degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. A member of the Board shall not make or participate in making a decision, or in any way attempt to use his or her position as a member of the Board to influence a decision, on a matter before the Authority in which the member is directly or indirectly interested. A member of the Board shall not be interested directly or indirectly in any contract with the Authority or the State Department of Transportation that would cause a substantial conflict of interest. A member of the Board shall comply with all of the following:

(a) The Lobbyists, Lobbying Agents, and Lobbying Activities Act, Act 472, Public Acts of Michigan, 1978, as the same may be amended from time to time, as if the Board member were subject to that act and that Board member's receipt of a gift or compensation would be in violation of that act if given by a lobbyist, a lobbyist agent, or a representative of a lobbyist under that act.

(b) The Incompatible Offices Act, Act 566, Public Acts of Michigan, 1978, as the same may be amended from time to time.

(c) The Conflict of Interest Act, Act 318, Public Acts of Michigan, 1968, as the same may be amended from time to time, as if the Board member were a state officer.

(d) The Contracts of Public Servants with Public Entities Act, Act 317, Public Acts of Michigan, 1968, as the same may be amended from time to time, as if the Board member were a public servant.

ARTICLE IV
RECORDS, FISCAL YEAR, BUDGET AND AUDIT

Section 1. Records.

The Authority shall keep or cause to be kept all records required by law, together with such additional records as the Board or any officer of the Authority may direct. Records of the business of the Authority shall be kept at its principal office.

Section 2. Fiscal Year.

The fiscal year of the Authority shall begin on October 1 and shall end on September 30 of each calendar year.

Section 3. Budget.

The Board shall adopt and maintain an annual budget in accordance with the Uniform Budget and Accounting Act, Act 2, Public Acts of Michigan, 1968, as the same may be amended from time to time ("Act 2"), and shall post its budget annually on the Authority's website as provided in Article II, Section 6 of these Bylaws.

Section 4. Annual Audit.

The Board shall provide for a uniform system of accounts for the Authority to conform to and for the auditing of the Authority's accounts. The Board shall obtain an annual audit of the Authority by an independent certified public accountant and report on the audit and auditing procedures under Sections 6-13 of Act 2. The audit shall be in accordance with generally accepted government auditing standards and shall satisfy federal regulations regarding federal grant compliance audit requirements. The Authority's audit shall be filed with the State Treasurer and the State Department of Transportation within six (6) months after the end of the Authority's fiscal year.

ARTICLE V
RULES OF PROCEDURE

The rules of procedure applicable to the Board and all committees established by the Board shall be Robert's Rules of Order, Newly Revised, unless such other rules of procedure shall be adopted by resolution of the Board.

ARTICLE VI
EXECUTION OF DOCUMENTS AND OTHER ACTIONS

The chief executive officer, chairperson or any authorized officer of the Authority shall have the power and authority to execute and deliver, and to delegate signatory power for, contracts, obligations, and other instruments approved by the Board, or for which signatory power has been delegated to the chief executive officer, chairperson or other authorized officer by the Board. The Board shall adopt a policy which establishes the circumstances under which the chief executive officer, chairperson or other authorized officer of the Authority may enter into a contract within such parameters and subject to such limitations as determined by the Board, in accordance with the Act and other applicable law. The chief executive officer, chairperson or any authorized officer of the Authority shall have the power and authority to take such other actions or execute such other functions as shall be delegated to the chief executive officer, chairperson or such other officer by the Board, within such parameters and subject to such limitations as shall be determined by the Board.

ARTICLE VII
IMMUNITY, INDEMNIFICATION AND INSURANCE

Section 1. Immunity.

A member, officer, appointee or employee of the Authority shall not be subject to personal liability when acting in good faith within the scope of his or her authority or on account of the liability of the Authority.

Section 2. Indemnification.

The Authority shall indemnify and procure insurance indemnifying board members against liability arising out of the discharge of his or her official duties, or for liability asserted by a person with regard to bonds or other obligations of the Authority, of from any personal liability or accountability by reason of the issuance of bonds or other obligations or by reason of any other action taken or the failure to act by the Authority. A Board member is presumed to act in good faith absent clear and convincing evidence to the contrary, and the Authority shall indemnify and hold harmless any Board member from the outset of any claim to the extent provided by law. The Board shall use competitive procurement methods to obtain insurance pursuant to this Section.

Section 3. Insurance.

The Authority shall, in addition to the insurance referred to above, purchase, using competitive procurement methods, and maintain insurance on behalf of each member of the Board and each officer and appointee of the Authority against any liability arising out of the status of that person or asserted against that person and incurred by that person in any capacity. Pursuant to the Act, the Authority may procure or become a self-funded insurer against loss in connection wit the property, assets, or activities of the Authority.

Section 4. Eligible Expenses.

Indemnification or other payment under this Article VII may be for expenses, including attorneys' fees, actually and reasonably incurred, and for judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred.

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ARTICLE VIII
AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or rescinded and new bylaws may be adopted by majority vote of the Board at any regular or special meeting of the Board called therefor, provided that at least ten (10) days written notice, incorporating the exact language of the proposed change, has been given to all members of the Board.

Adopted by the Board of the Regional Transit Authority on May 15, 2013.

Mark Gaffney, Secretary of the Authority

Approved as to form:
Miller, Canfield, Paddock and Stone, P.L.C.

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As Approved May 15, 2013

REGIONAL TRANSIT AUTHORITY

Open Meetings Act and Website Policy

This policy sets forth the requirements for the Regional Transit Authority (the "Authority") to comply with the Open Meetings Act, Act 267, Public Acts of Michigan, 1976, as the same may be amended from time to time (the "Open Meetings Act"), and to comply with website posting requirements under the Regional Transit Authority Act, Act 387, Public Acts of Michigan, 2012 (the "RTA Act").

OPEN MEETINGS ACT

1. Meaning of Open Meeting. The business of the Board of the Authority (the "Board") shall be conducted at public meetings held in compliance with the Open Meetings Act.

Unless a distinction is expressly made, references herein to the Board shall apply to any committees established by the Board and requirements applicable to Board meetings shall apply to any sub-quorum committee meetings.

a. All meetings shall be open to the public and shall be held in a place available to the general public.

b. All decisions of the Board shall be made at a meeting open to the public.

c. All deliberations of the Board constituting a quorum of its members shall take place at a meeting open to the public, except as provided in paragraph 6 of this policy.

d. All persons shall be permitted to attend any meeting of the Board. The right of a person to attend a meeting of the Board includes the right to tape-record, to videotape, to broadcast live on radio, and to telecast live on television the proceedings of the Board.

2. Public Comments. Authority Policy Regarding Public Comments:

a. Comments shall be limited to the "public comment" portion of the agenda at any Authority meeting.

b. All comments shall be directed to the chairperson of the Authority.

c. A person shall be permitted to address a meeting of the Board so long as such person registers and expresses his or her desire in writing to address the meeting by filling out a "comment" card prior to the "public comment" portion of the meeting, so that the person may be recognized by the Authority chairperson.

d. Any person wishing to address the meeting pursuant to these requirements shall limit his or her comments to the time determined by the chairperson of the Authority prior to the "public comment" portion of the meeting, but in any event no more than three (3) minutes at any meeting.

e. In the interest of time, and in order to permit the expression of the broadest range of viewpoints, the chairperson may ask if one speaker may be designated to speak for any group that is present. If one speaker is designated to speak for a group, the chairperson may allow for extensions to the time limit determined pursuant to subsection (d) above.

f. Written remarks may be submitted to the chairperson at any time and will be received in the record of the meeting as if read.

g. The chairperson may request that all speakers shall observe appropriate civility and decorum.

3. Notice of Meetings. Public notice of the date, time and place of each regular meeting of the Authority shall be posted at the Authority's principal office and other locations considered appropriate for the public body throughout the area of the participating counties. Cable television may be used for purposes of posting public notice.

a. Public notices of the Authority shall include the name of the Authority, a contact person and telephone number for the Authority, and the address of the authority.

b. Within ten (10) days of the first meeting of the Authority in each fiscal year, a public notice stating the dates, times and places of the Authority's regular meetings shall be posted at the Authority's principal office and other locations considered appropriate for the public body throughout the area of the participating counties. Cable television may be used for purposes of posting this public notice.

c. If there is a change in the schedule of regular meetings of the Authority, a public notice stating the new dates, times and places shall be posted within three (3) days after the meeting at which the change is made as provided in (b) of this Section 3.

d. For a rescheduled regular or special meeting, a public notice stating the date, time and place of the meeting shall be posted at least eighteen (18) hours before the meeting in a prominent and conspicuous place at both the Authority's principal office and on a portion of the Authority's website that is fully accessible to the public. To meet the 18-hour posting requirement, the notice must be accessible to the public for the entire 18 hours.

e. In addition, in accordance with the Authority's Bylaws, the secretary, or his or her designee, shall give or cause to be given notice either personally, by first class mail, facsimile communication or electronic communication to each member of the Board, not

later than the time the public notice is given, but the failure to do so shall not invalidate any proceedings of the Authority.

f. All public notices of the Authority shall include the following statement, with an accessible contact person for each meeting, who shall be the secretary or the secretary's designee: "If you require accommodation due to a disability, please contact _____ at (___) ___-____ not less than 48 hours prior to the date of the meeting."

4. Emergency Meetings. In accordance with the Open Meetings Act, emergency meetings of the Board may be held in the event of a severe and imminent threat to the health, safety, or welfare of the public when a majority of the members of the Board decides that delay would be detrimental to efforts to lessen or respond to the threat. If the Authority holds an emergency meeting that does not comply with the 18-hour posted notice requirement, the Authority shall make paper copies of the notice available to the public at that meeting. The notice shall include an explanation of the reasons that the Authority cannot comply with the 18-hour posted notice requirement.

5. Meeting Minutes. The Board shall keep written or printed minutes of each meeting, which shall be made available to the public.

a. The minutes shall include the date, time, place, members present, members absent, any decisions made at the meeting, all roll call votes taken at the meeting, and the purpose or purposes for which any closed session is held.

b. The Authority shall make any corrections to the minutes at the next meeting after correction, and the corrected minutes shall show both the original entry and the correction.

c. The Authority shall make proposed minutes available for public inspection within eight (8) business days after the meeting to which the minutes refer, and shall make approved minutes available for public inspection within five (5) business days after the meeting at which the minutes are approved by the Board.

d. The Authority shall not include in or with its minutes any personally identifiable information.

6. Closed Sessions. The Board may meet in closed session only for the following purposes, as provided in the Open Meetings Act:

a. To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against, or to consider a periodic personnel evaluation of, an officer, employee, staff member, or individual agent of the Authority, if the named person requests a closed hearing.

b. If applicable, for strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement if either negotiating party requests a closed hearing.

c. To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.

d. To consult with legal counsel to the Authority regarding trial or settlement strategy in connection with specific pending litigation, but only if an open meeting would have a detrimental financial effect on the litigating or settlement position of the Authority.

e. To review and consider the contents of an application for employment or appointment if the candidate requests that the application remain confidential. However, all interviews by the Authority for employment or appointment to office shall be held in an open meeting.

f. To consider material exempt from discussion or disclosure by state or federal statute.

g. Any other exemptions that may be provided by the Open Meetings Act.

AUTHORITY WEBSITE

Required Website Postings. The Authority shall establish a website as provided in the RTA Act, and the Authority shall post on the website the following:

1. The Authority's budget, updated at least annually, and following any amendment.

2. Authority policies and procedures, updated as such updates become available.

3. Updates on Authority activities and transactions and the progress of any project, including, but not limited to, a proposed rolling rapid transit system, as such updates become available.

4. An asset management plan for all revenue vehicles and facilities, major facility components, and major pieces of equipment owned or leased by the Authority, as defined by the State Transportation Department. The Authority shall update the asset management plan annually.

5. The method used by the Authority to determine the percentage of operating costs that will be funded with local funds and the percentage that will be funded with fares. The Authority shall update this information every three (3) years.

6. A plan and commitment to conduct a survey of user satisfaction and a survey of general public satisfaction with the services and performance of the Authority every three

(3) years. The Authority shall provide results for the most recent completed surveys to the State Transportation Department.

7. A dashboard of the Authority's performance that includes, at a minimum, the information required under subsections (4)-(6) herein. The dashboard shall also include annual performance indicators for the Authority that have been established by the Board. The dashboard shall be readily available to the public, and shall be updated annually.

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REGIONAL TRANSIT AUTHORITY
PROCUREMENT AND CONTRACTING ORDINANCE

AN ORDINANCE TO ESTABLISH POLICIES FOR THE PREPARATION, COMPETITIVE SOLICITATION, APPROVAL, AND EXECUTION OF CONTRACTS FOR CONSTRUCTION, SERVICES AND GOODS PROCURED BY THE REGIONAL TRANSIT AUTHORITY

IT IS HEREBY ORDAINED BY THE REGIONAL TRANSIT AUTHORITY:

SECTION 1: CITATION

This Ordinance may be cited as the Regional Transit Authority Procurement and Contracting Ordinance.

SECTION 2: SCOPE

This Ordinance is intended to generally apply to the purchase or expenditure of funds for construction, services, and goods, and other matters provided for herein. Except where a specific reference to employment contracts is made, this Ordinance does not apply to the direct employment of an individual.

SECTION 3: DEFINITIONS

For the purpose of this Procurement and Contracting Ordinance, the following words and phrases shall have the meanings respectively ascribed to them:

a. "Act" means the Regional Transit Authority Act, Act 387, Michigan Public Acts, 2012, MCL 124.541 *et seq*.

b. "Authority" means the Regional Transit Authority created pursuant to the Act.

c. "Authorized Officer" means a member of the Board or an employee of the Authority to whom the authority to exercise a certain power or take a certain action has been delegated in writing by the Board, in accordance with the Act.

d. "Board" means the governing body of the Authority.

e. "Chief Executive Officer" or "CEO" means the Chief Executive Officer of the Authority.

f. "State" means the State of Michigan.

SECTION 4: COMPETITIVE BIDDING; EXCEPTIONS

a. The Board shall make all discretionary decisions concerning the solicitation, award, amendment, cancellation, and appeal of Authority contracts for the procurement of construction, services and goods. This Section shall not apply to the direct employment of an individual. The acquisition of professional services, including, but not limited to, architectural services, consulting services, engineering services, surveying services, accounting services, services related to the issuance of bonds, and legal services, shall be made in accordance with a competitive, qualifications-based selection process and procedure for the type of professional service required by the Authority.

b. The Authority is not required to use competitive bidding when acquiring proprietary services, equipment, or information available from a single source, such as a software license agreement.

c. Except as otherwise provided in this Ordinance, the Authority shall utilize competitive solicitation for all purchases authorized under the Act unless 1 or more of the following apply:

i. Procurement of services or goods is necessary for the imminent protection of public health or safety or to mitigate an imminent threat to public health or safety, as determined by the Board or the CEO.

ii. Procurement of services or goods is for emergency repair or construction caused by unforeseen circumstances when the repair or construction is necessary to protect life or property.

iii. Procurement of services or goods is in response to a declared state of emergency or state of disaster under the emergency management act, 1976 PA 390, MCL 30.401 to 30.421.

iv. Procurement of services or goods is in response to a declared state of emergency under 1945 PA 302, MCL 10.31 to 10.33.

v. Procurement of services or goods is in response to a declared state of energy emergency under 1982 PA 191, MCL 10.81 to 10.89.

vi. Procurement of services or goods is under a cooperative purchasing agreement with the federal government, the State of Michigan, or more public entities for the purchase of services and goods necessary at fair and reasonable prices using a competitive procurement method for Authority operations.

vii. The value of the procurement is less than $25,000.00, subject to subsection viii below, and if the CEO or an Authorized Officer determines and details in writing (i) the reason(s) explaining why at least one of the following apply: (A) the procurement by competitive solicitation is not practicable to efficiently and effectively meet the Authority's needs; or (B) the procurement without competitive solicitation is in the public's best interest; and (ii) that the Board will purchase the necessary services or goods at fair and reasonable prices.

viii. The value of the procurement is five thousand dollars ($5,000) or less. For any procurement with a value of less than twenty-five thousand dollars ($25,000) but greater than five thousand dollars ($5,000), written solicitations for quotes from at least three (3) qualified and responsible vendors shall be obtained or a memorandum shall be kept by the Authority showing that fewer than three (3) qualified and responsible vendors exist in the market area within which it is practicable to obtain solicitations for quotes.

SECTION 5: COST PLUS CONSTRUCTION CONTRACTING

The Board may not enter into any cost plus construction contract, under which the contractor is paid a negotiated amount, regardless of the expenses incurred by the contractor, unless all of the following apply:

a. The contract cost is less than $50,000.00.

b. The contract is for emergency repair or construction caused by unforeseen circumstances.

c. The repair or construction is necessary to protect life or property.

d. The contract complies with requirements of applicable State and Federal law.

SECTION 6: BOARD APPROVAL OF CONTRACTS

a. The CEO or other Authorized Officer of the Board shall not sign or execute any contract unless the contract has been approved by the Board or signatory power has been delegated to the CEO or other Authorized Officer of the Board, pursuant to this Ordinance.

b. The CEO or other Authorized Officer of the Board is authorized to enter into a contract pursuant to this Ordinance if, and only if, at least one of the following apply:

i. The value of the procurement is $5,000 or less and the procurement is for goods and supplies used in the ordinary course of the Authority's business, but not for buses or other vehicles.

ii. The procurement is necessary for the imminent protection of public health or safety or to mitigate an imminent threat to public health or safety, as determined by the CEO or other Authorized Officer.

iii. The procurement is for emergency repair or construction caused by unforeseen circumstances when the repair or construction is necessary to protect life or property, as determined by the CEO or other Authorized Officer.

iv. The value of the procurement is greater than $5,000 but less than $25,000 and is made in response to a declared state of emergency under 1976 PA 390, 1945 PA 302, or 1982 PA 191, and the Executive Committee determines that such procurement is necessary for the imminent protection of public health or safety.

c. The CEO or other Authorized Officer of the Board shall report to the Board at each regularly scheduled Board meeting any contracts entered into pursuant to this Section.

SECTION 7: CRIMINAL OR CIVIL LIABILITY RELATING TO PROSPECTIVE CONTRACTS

The Board shall not enter into a procurement or employment contract with a person who has been convicted of a criminal offense related to the application for or performance of a contract or subcontract with a governmental entity in any state. The Board shall not enter into a procurement contract with a person who has been convicted of a criminal offense, or held liable in a civil proceeding, that negatively reflects on the person's business integrity, based on a finding of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or violation of any state or federal antitrust statutes, or similar laws. For purposes of this Section, "person" includes affiliates, subsidiaries, officers, directors, and managerial employees of a business entity or an individual or entity who, indirectly or directly, holds a pecuniary interest in a business entity of 20% or more.

SECTION 8: MONITORING OF CONTRACTS

The Board shall monitor the performance of each contract to assure execution of the contract within the budget and time periods provided under the contract. The monitoring shall include oversight as to whether the contract is being performed in compliance with the terms of the contract, the Act, and federal and State procurement law. Specific terms relating to the monitoring, control, supervision, management, and

oversight of each contract to which the Authority is a party shall be determined by the Board on a case-by-case basis and shall be appropriate to the nature of each contract.

SECTION 9: COMPLIANCE WITH STATE AND FEDERAL REQUIREMENTS

Notwithstanding any language to the contrary in this Ordinance, if the Authority applies for and receives State or Federal funds that require the Authority to comply with procurement or contracting requirements that are in conflict with this Ordinance and/or the Act, the State or Federal requirements shall take precedence over the requirements of this Ordinance and the Act.

SECTION 10: SEVERABILITY

If any provision of this Ordinance is held by any court of competent jurisdiction to be invalid, then the invalid provision of this Ordinance shall be considered a separate distinct and independent part of this Ordinance, and such invalidity shall not affect the validity and enforceability of this Ordinance as a whole, or any part other than the part declared to be invalid.

SECTION 10; EFFECTIVE DATE

This Ordinance shall take effect immediately upon its adoption.

Adopted and signed this ____ day of _____, 2013.

I HEREBY CERTIFY that the foregoing constitutes a true and complete copy of an Ordinance duly adopted by the Board of the Regional Transit Authority, Michigan, at a regular meeting held on the ____ day of _____, 2013, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

I further certify that the following Members were present at said meeting: _____

_____

_____

and that the following Members were absent: _____

I further certify that Member _____ moved for adoption of said Ordinance, and that said motion was supported by Member _____ _____.

I further certify that the following Members voted for adoption of said Ordinance:

_____

and that the following Members voted against adoption of said Ordinance: _____

_____

REGIONAL TRANSIT AUTHORITY

_____

Chairperson

_____

Secretary

21,148,545.5\151776-00001

WORKING DRAFT: RTA ADMINISTRATION BUDGET

as of June 14, 2013

	Annual - Ongoing Costs. FY14 and FY15							Estimated FY13 Budget - Partial Year and One-time Upfront Costs						
	Salaries and Wages	Fringes/ Benefits (50% of salary)	Executive Auto Allowance	Phone Allowance	Materials & Supplies	Total	Average Per month*	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Total
RTA Staff														
CEO/Director	$150,000	$75,000	$10,000	$1,200	$1,500	$237,700	$19,808					$19,808	$19,808	$39,617
Additional Executive Staff (such as COO/Deputy Director)	$100,000	$50,000	$10,000	$1,200	$1,500	$162,700	$13,558					$13,558	$13,558	$27,117
Administrative Assistant	$50,000	$25,000		$1,200	$1,500	$77,700	$6,475					$6,475	$6,475	$12,950
Senior Planner	$78,000	$39,000		$1,200	$1,500	$119,700	$9,975							$0
Additional Professional Staff (such as grant manager)	$70,000	$35,000		$1,200	$1,500	$107,700	$8,975							$0
					RTA Staff Subtotal	$705,500	$58,792							$79,683
Contractual Services														
Website - (Development and Maintenance in FY13; maintenance only in FY14 and FY15)						$12,500	$1,042			$25,000				$25,000
Accounting Services Contract						$15,000	$1,250			$15,000				$15,000
Audit Contract						$12,000	$1,000			$12,000				$12,000
Legal Services Contract						$25,000	$2,083				$2,083	$2,083	$2,083	$6,250
Other Contract						10,000	$833							$0
Executive Search (30% of salary/one time cost in FY2013)										$45,000				$45,000
					Contractual Services Subtotal	$74,500	$6,208							
Office														
Rent (2,000 sqft @ $20.00 sqft)						$40,000	$3,333					$3,333	$3,333	$6,667
Utilities (@$300 per month)						$3,600	$300					$300	$300	$600
Internet (@$200/month)						$2,400	$200					$200	$200	$400
[illegible]ure (one time cost in FY2013; furnishing for two executive offices; three staff cubicles, conference area, reception area and filing)										$14,000				$14,000
					Office Subtotal	$46,000	$3,833							$21,667
C[illegible]ing and Phones														
Recommended Computing Option included in Budget: Cloud (in Computing										$9,530				$9,530
Hardware and Software (One Time Cost in FY13: notebooks with docking stations; monitors; color printer/fax/scan; desktop replacement fund)										$6,900				$6,900
Installation (One Time Cost in FY13)						$19,740	$1,645			$1,645	$1,645	$1,645	$1,645	$6,580
Monthly Service (Includes cloud services; maintenance; help desk; reporting @ $1,645 per month						$5,400	$450			$450	$450	$450	$450	$1,800
T1/WiMax Phone Connectivity (add-on option, Includes unlimited local and long distance; 36 month contract @ $450/month						$25,140	$2,095							$24,810
					computing and phone - recommended option; monthly cost - subtotal										
AlternateComputing Option: On-Premise Option														
Hardware and Software (FY13 costs. Includes notebooks with docking stations; monitors; color printer/fax/scan; server and associated hardware; desktop replacement fund)														
Installation (FY13 costs)														
Monthly Service (Includes maintenance, help desk, reporting. Server maintenance @ $250/month; desktop maintenance @$250/month														
Phones (Must select an option as an additional cost with on-premise computing service)														
Recommended Option Included in Computing Budget: T1(WiMax) @ $450 per month														
Alternate Option: Cisco Hosted @ $200 per month														
Other														
Subscriptions/Memberships						$10,000	$833			$5,000				$5,000
Directors and Officers Liability Insurance						$10,000	$833			$833	$833	$833	$833	$3,333
Travel (assume higher than normal cost in first year with field visits to other metro areas)						$20,000	$1,667					$1,667	$1,667	$3,333
Board Compensation (see below)						$14,676	$41	$1,835	$1,835	$1,835	$1,835	$1,835	$1,835	$11,007
					Other Subtotal	$54,676	$3,374							$252,084
						$905,816	$68,374							Total FY2013
						Total FY2014								

* Not all costs will be paid out in equal monthly installments

Board Compensation - Cost per Member per Meeting	
Mileage (60 miles @ .565/mile)	$34
lunch	$7
Per member Per Meeting	$41
10 Members/18 meetings per member in FY2013	$7,407
10 members/24 meetings per member in FY2014	$9,876
Plus $200 per meeting for Lisa for accessible transportation services	

Regional Transit Authority Master Agreement with Public Transportation Providers

PREAMBLE

The Regional Transit Authority of Southeast Michigan is a public corporation created under Act No. 387 of the Public Acts of 2012 and a metropolitan authority authorized by Section 27 of Article VII of the Michigan Constitution of 1963.

Under the Regional Transit Authority (the "RTA Act") Act, Act No. 387 of the Michigan Public Acts of 2012, the authority has specific powers and obligations to coordinate public transit services between the region's transit service providers and to plan for and develop new service. These powers and obligations place the RTA in the position of guiding and coordinating the use of state and federal transit funds that come to the region. Of particular importance to this role are the following provisions from the RTA Act:

PLANNING AND COORDINATION – Section 7 (3)

- The authority shall integrate the existing plans of former designated recipients into a single regional master transit plan, may amend the regional master transit plan from time to time, and must update the plan annually.
- The authority shall coordinate the operating and capital transit plans of transportation agencies and authorities within the public transit region.

PLANNING AND COORDINATION – Section 8 (11) and (12)

- To remain eligible for state funds, a public transportation provider shall annually submit a report to the RTA Board describing and evaluating the provider's effort to coordinate service with other public transportation providers in the region.
- The authority shall coordinate service overlap, rates, routing, scheduling, and any other function that the authority considers necessary to implement or execute the regional transit master plan. The RTA may issue coordination directives regarding public transportation services, including, but not limited to, routes, schedules, and fares and may withhold up to five percent of the allocation of state funding if a provider fails to comply with a coordination directive of the authority.

FEDERAL FUNDS – Section 8 (1)-(4)

- The authority is the designated recipient for the purpose of applying for all federal operating and capital grant funds available from the U.S. Department of Transportation and its administrations. The authority may opt to make application to the federal government on behalf of the region's transit providers or it may execute a supplemental agreement conferring upon a public transit provider the right to directly receive and dispense federal grant funds. Regardless of whether the authority submits the application or a provider submits the application, the board must review and approve all applications by transit providers for federal funds before such applications may be submitted. If a transit provider submits a federal application that has not been approved by the board, the application is not eligible for state matching funds.

STATE FUNDS – Section 8 (5)-(8)

- All public transit providers in the region must submit their annual funding requests for state CTF funds, including local bus operating (LBO) assistance, to the authority. The authority will aggregate the funding requests from the region's transit providers and submit a single consolidated application to the state. The Michigan Department of Transportation (MDOT) shall award funds only to the authority which shall distribute them to transit providers.
- The authority shall monitor and provide oversight for the expenditure of state funds by transit providers.
- If MDOT approves state matching funds for an application for federal grant funds, MDOT, with the approval of the authority, may award the state matching funds directly to the transit provider that is the federal grant recipient.

PURPOSE

The purpose of this Master Agreement with the Public Transportation Providers is to detail how RTA will approach its role and to clarify the working relationship between RTA and the existing transit providers within the region, including the funding relationship. The transportation providers covered by this agreement are the Detroit Department of Transportation (DDOT), the Suburban Mobility Authority for Regional Transportation (SMART), the Ann Arbor Area Transportation Authority (AAATA) and the Detroit Transportation Corporation (DTC).

The relationship between SMART and Lake Erie Transit remains outside of scope of this Agreement because Monroe County is not currently part of the RTA. SMART may continue to conduct business on behalf of Lake Erie Transit, such as submitting state and federal funding applications, with no involvement of the RTA for the duration of this agreement.

The RTA role and its relationship to providers will evolve over time and as such this Agreement is broken into three sections, spelling out the role and relationships for the following three periods of time:

Article I: Present until September 30, 2013;
Article II: October 1, 2013 until September 30, 2014 (FY 2014); and,
Article III: October 1, 2014 until September 30, 2015 (FY 2015).

This Agreement is intended to provide clarity and certainty for transit providers for the foreseeable future regarding planning, coordination of services, state, and federal funding, and operations. References to federal funds throughout this Agreement pertain only to federal funds provided by the U.S. Department of Transportation and its administrations; funds provided by other federal agencies are not subject to this Agreement.

This Agreement is intended to be a "living document" that will be amended from time-to-time to more fully articulate the relationship between the RTA and providers of public transportation in the transit region. For example, it is anticipated that future addenda to this Agreement will include sections on planning and the use of planning funds, performance standards, and asset management plans.

ARTICLE I. Present until September 30, 2013 (FY 2013 State and Federal Funds)

Planning

The RTA Act requires RTA to adopt the plans of the designated recipients that existed on the date the act was signed into law. There were two plans: the Regional Transit Coordinating Council (RTCC) plan from November 2008 and the Transit Master Plan for Washtenaw County. The Board adopted these two plans in May 2013 and as such created the initial regional master transit plan. AAATA, DDOT, SMART and the DTC may also have individual service and financial plans that guide their current operations and capital investments.

During this period of time, all transit providers shall continue to follow the existing regional master transit plan as it was adopted by the Board in May, 2013 and any additional local transit plans. Providers are required to keep RTA informed of the content and changes to their local transit plans.

Service Coordination

The RTA, through its Public Transportation Provider Advisory Committee (PAC) and the Planning and Service Coordination Committee (PSCC), will work to identify service coordination opportunities among providers in the region. While the law allows the RTA to

issue "coordination directives;" the RTA will not issue such directives in FY 2013.

Since RTA does not presently have a "brand," all transit providers will continue to use whatever branding they are using currently for services.

State Funding - All Programs

All transit providers in the region will continue to receive disbursements of state funds, including matching funds and local bus operating (LBO) funds from MDOT for the remainder of FY 2013 with no influence or involvement of the RTA.

Federal Funding

For the Washtenaw County urbanized area (UZA) and AAATA, the RTA confers the right to receive and dispense all federal funds in accord with the Transit Master Plan for Washtenaw County and AAATA's priorities.

For the providers in the Detroit UZA (SMART, DDOT, and DTC), federal formula funds have been sub-allocated by Southeast Michigan Council of Governments (SEMCOG) in accordance with the new formula adopted by SEMCOG at its April, 2013 meeting. Upon sub-allocation, the RTA confers the right to each provider to receive and dispense all federal funds in accordance with RTCC plan, individual provider transit plans and the priorities of each provider.

For state matching funds, providers shall continue to work directly with MDOT; providers do not need to involve the RTA.

For federal discretionary funds, all transit providers may continue to make application for, receive and dispense or expend federal discretionary funds with no further involvement of the RTA.

Operations

All transit providers in the region shall continue to abide by their own internal operating policies and procedures, such as but not limited fare policies, personnel manuals and handbooks, procurement procedures and manuals, service standards, budget manuals, salary policies, etc. Existing local partnerships, such as funds a provider passes through to non-profit entities via agreement or contract, remain under the sole jurisdiction of each individual transit provider and will not be subject to RTA review or discussion.

Local Funds

All local funds, including fare box, millage proceeds, general fund contributions, advertising, and existing local contracts will remain under the sole jurisdiction of each individual transit provider.

Public Involvement and Outreach

Each transit provider shall continue to conduct the public involvement and outreach needed to meet its individual obligations to the public and under federal and state law and its respective policies. The RTA will have regional public involvement and outreach activities, such as the Citizen Advisory Committee required under state law, and each provider will participate in regional public outreach efforts as needed to make those efforts productive and meaningful to the public and the RTA.

ARTICLE II: October 1, 2013 until September 30, 2014 (FY 2014 State and Federal Funds)

Planning and Service Coordination

All transit providers in the region will continue to abide by the existing regional master transit plan and their respective local transit plans. It is anticipated that the RTA, working with transit providers and SEMCOG, will update the regional transit master plan sometime during this period.[1] Once updated, the regional master transit plan will be the primary driver for the investment of state and federal transit funds, and will govern new transit development for the region.

Under the RTA Act, each provider must annually submit a report to the Board describing and evaluating the provider's effort to coordinate service with other public transportation providers in the region. After discussion with the Provider Advisory Committee (PAC), the Executive and Policy Committee will set a date in FY 2014 by which the first annual report is to be submitted to the RTA. These reports will be reviewed and discussed in detail at the PAC and the Executive and Policy Committee. Using these reports and other information gathered by the RTA, the RTA will work to identify service coordination opportunities. The RTA board anticipates issuing "coordination directives" to one or more transit providers during this period, and in response, the affected transit provider(s) shall modify their transit plan and service delivery to comply with the coordination directive(s).

Until the first annual reports are prepared and the regional master transit plan is updated, and until and unless the RTA issues a coordination directive, all providers shall continue to provide service in accord with the existing regional master transit plan and their individual transit plans, policies and procedures.

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[1] Funding for the regional transit plan update and the RTA's overall role in the programming of planning funds will be handled in an addendum to this Master Agreement. The planning addendum will address planning funding available to transit providers, funding available to SEMCOG and other state or federal sources of planning funds. The planning addendum will be drafted after additional detailed discussion at the PAC that includes SEMCOG.

State Funding

Transit providers have already engaged in detailed budget planning for FY 2014. The following procedures will apply to FY 2014 state funds:

- Each provider shall continue to work directly with MDOT to finalize and submit their FY 2014 funding applications, including LBO and other state programs. Providers do not need to seek RTA review or approval to submit, resubmit, or revise FY 2014 CTF applications to MDOT. However, transit providers are required to provide copies of their current FY 2014 CTF applications and any subsequent revisions to the Board.

- In the coming months, the RTA will be requesting briefings from providers on their FY 2014 CTF needs as submitted to MDOT so that RTA can increase its understanding on how each provider intends to use FY 2014 CTF funds.

Local Bus Operating Assistance:

MDOT provides LBO assistance to transit providers based on a percentage of eligible operating expenses following PA 51 requirements, including funding floor provisions. The amount provided to the RTA on behalf of the region will be based on the combined eligible operating expenses of the constituent providers and the eligible operating expenses of the RTA. If needed, MDOT will calculate RTA's floor as the sum of the floors of each individual provider, noting that neither the RTA itself (as a direct LBO recipient) nor the DTC have an Act 51 defined floor.

The following procedures will apply to LBO:

- Each provider shall continue to work directly with MDOT to refine and submit their FY 2014 operating budget. Providers do not need to seek RTA approval to submit or revise their respective FY 2014 operating budgets to MDOT. However, transit providers are required to provide copies of their current FY 2014 operating budgets, as submitted to MDOT, and any subsequent revisions to the RTA.

- The RTA will also be submitting a FY 2014 budget to MDOT for the eligible operating expenses it will incur (i.e., its administrative budget). The RTA will cover its FY 2014 administrative expenses first, by expending any unexpended funds carried over from the FY 2013 state grants made available to the RTA and any additional funds secured from federal, state, or private sources.. The RTA may use LBO assistance provided to the region as a contingency, should other revenues not be adequate. The amount of LBO used shall not exceed the difference between the RTA's FY 2014 budget and the amount of funds carried over from the FY 2013 state grants, plus a 10%

cushion. Prior to the use of LBO funds by the RTA, RTA staff shall provide a report to the board, providers, and MDOT on the amount needed, and of the efforts made to secure other funding.

- Once MDOT has determined the LBO amount to be distributed to the region, the RTA will establish a split of funds among providers in the region. The RTA commits that the split of FY 2014 LBO funds will be based on the proportion of each agencies eligible expenses that make up the total eligible expenses for the region, after any LBO funds required by RTA to complete its administrative budget are subtracted from the region's allocation. Individual agency floors (as they existed prior to RTA's formation) will not be used by RTA to allocate FY 2014 LBO funds allocated to the region.

- With the exception of any LBO funds that RTA may hold back for its administrative expenses and to enforce any coordination directives, all CTF funds will flow directly from MDOT to each provider throughout FY 2014. The RTA will instruct MDOT to ensure that project authorizations for CTF program and payments of FY 2014 CTF funds are made directly to each provider in the region.
- The RTA Act requires RTA to coordinate services between the providers in the region, and it may withhold up to five percent state LBO assistance in order to enforce "coordination directives." The RTA anticipates that it will adopt policies and procedures concerning coordination directives, sometime during this time period that will provide the RTA with the right to instruct MDOT to withhold up to five percent of LBO assistance to providers that are subject to a coordination directive, if necessary to affect the directive.

- If the RTA withholds any LBO funds from one or more providers in order to enforce compliance with one or more coordination directives issued by the RTA, the RTA will restore the withheld funds to the provider(s) once compliance with the coordination directive(s) is achieved.

Once the RTA successfully secures a source a regional funding, approved by the voters of the transit region, it will no longer fund its administrative budget from state LBO funds.

Federal Formula Funds and Associated State Match

Each provider shall continue to work directly with MDOT to submit and refine their projected federal capital match needs via the CTF application process without approval by the RTA.

The following procedures will apply to federal funds and the associated state match:

- Providers are currently working to submit their anticipated FY 2014 state matching fund needs to MDOT as part of their FY 2014 CTF applications. Providers shall

continue to work directly with MDOT. However, transit providers are required to provide copies of their current FY 2014 match plans, and any subsequent revisions, to the RTA. Final FY 2014 state match allocations will be determined by MDOT in the spring of FY2014.

- In the coming months, the RTA will be requesting briefings from each transit provider in the region on their anticipated use of FY 2014 federal funds and associated state match. The RTA wants to understand on how each provider will make use of FY 2014 federal funds before providers submit federal applications to the Federal Transit Administration (FTA). While the RTA may make suggestions or offer comments, the RTA will defer to the individual decisions made by transit providers on the use of FY 2014 federal funds and associated state matching funds.

- The RTA will work with FTA and MDOT to permit each transit provider in the region to make direct application to FTA for FY 2014 (and earlier) federal funds, and to MDOT for the associated state match for FY 2014 (and earlier).

- All FY 2014 federal formula funds apportioned to the Ann Arbor UZA will remain within the Ann Arbor UZA and will be programmed by AAATA. For AAATA, the RTA confers the right to receive and dispense or expend all federal funds in accord with the regional master transit plan and AAATA's priorities

- The federal funds apportioned to the Detroit Urbanized Area (UZA) will remain in the Detroit UZA and will be sub-allocated by the RTA to transit providers in the Detroit UZA in accord with either the sub-allocation formula adopted by SEMCOG in April, 2013, or by a new sub-allocation formula determined by the RTA. Once the sub-allocation is done by the RTA, the RTA confers to each individual transit agency within the Detroit UZA the right to receive and dispense or expend the federal funds allocated to it.

- Federal Discretionary Funds: For FY 2014, all providers in the transit region may continue to directly apply for, receive and dispense or expend federal discretionary funds without approval by the RTA. However, all providers are required to provide copies of their federal discretionary grant applications to the RTA, and to inform and provide copies of any subsequent changes to their applications and plans to expend the funds to the RTA.

Operations

All providers in the region shall continue to operate in accord with their respective operating policies and procedures (such as, but not limited to: personnel manuals and handbooks, procurement procedures and manuals, service standards, budget manuals, salary policies, etc.), subject to any coordination directives issued by the RTA. Existing local partnerships, such as funds a provider passes through to non-profit entities via

agreement or contract, remain under the sole jurisdiction of each individual transit provider and will not be subject to RTA review or discussion.

Local Funds

All local funds, including fare box, millage proceeds, general fund contributions, advertising and existing local contracts will remain under the sole jurisdiction of each individual transit provider.

Public Involvement and Outreach

Each transit provider shall continue to conduct the public involvement and outreach needed to meet its individual obligations to the public and under federal and state law and its respective policies. The RTA will have regional public involvement and outreach activities, such as the Citizen Advisory Committee required under state law, and each provider will be asked to participate in regional public outreach efforts as needed to make those efforts productive and meaningful to the public and the RTA.

ARTICLE III: From October 1, 2014 until September 30, 2015 (FY 2015 State and Federal Funds)

Planning

The regional master transit plan will govern transit development for the region and each provider in the region will abide by the plan starting in FY 2015.

Service Coordination

If necessary, the RTA will issue coordination directives to providers in the region. To enforce coordination directives, the RTA may instruct MDOT to withhold up to five percent of state LBO assistance to affected providers.

State Funding

All providers in the region shall submit their FY 2015 CTF applications to the RTA prior to submitting the applications to MDOT. The RTA will establish a deadline for submitting FY 2015 CTF applications to the RTA. For its own use only, the RTA will consolidate the eligible expenses, including the RTA's own eligible expenses into a single regional operations budget. However, once the regional budget and the individual providers' budgets have been approved by the RTA, each provider will continue to submit its budget directly to MDOT using the existing Public Transportation Management System (PTMS) process. The RTA will also submit its administrative budget via PTMS.

The method for allocating FY 2015 LBO funds will be the same as in FY 2014. Specifically, after a FY 2015 LBO allocation is made to the region by MDOT, the may use up to 1% of the region's LBO allocation as a contingency funding source for its administrative budget and dispense, or direct MDOT to dispense, the remaining funds to providers in proportion to the eligible expenses each submitted to the RTA. Prior to the use of LBO funds by the RTA, RTA staff shall provide by May 1, 2014, a report to the RTA board, providers, and MDOT on the amount needed, and of the efforts made to secure other funding.

During FY 2015, the RTA anticipates playing a substantial role in guiding transit services within the region, in particular in the three county area where DDOT, SMART, and the DTC operate. Therefore, while each provider's FY 2014 operating budget will be solely driven by individual agency priorities, the RTA will ensure that proposed FY 2015 operating budgets meet both local provider priorities as well as begin to achieve regional goals.

If the RTA withholds any LBO funds from one or more providers in order to enforce compliance with one or more compliance directives issued by the RTA, the RTA will restore the withheld funds to the provider(s) once compliance with the coordination directive(s) is achieved.

Once the RTA successfully secures a regional source of funding, approved by the voters in the transit region, it will no longer fund its administrative budget from state LBO funds.

Federal Formula Funds and Associated State Match

By FY 2015, RTA will have adopted procedures which will require that each transit provider's FY 2015 capital plans be reviewed in detail by the RTA from a regional perspective and in the context of the regional master transit plan prior to each provider making decisions regarding how they will make use of FY 2015 federal funds and state match.

The RTA anticipates playing a substantial role in the programming of federal capital funding and associated state match starting with FY 2015 funds. However, all FY 2015 federal formula funds apportioned to the Ann Arbor UZA will continue to be received and disbursed or expended within the Ann Arbor UZA, and the federal funds apportioned to the Detroit UZA will continue to be received and disbursed or expended within in the Detroit UZA.

Beginning in FY 2015, the RTA, through its Planning and Service Coordination Committee (PSCC), will work in collaboration with providers via the Provider Advisory Council (PAC) to identify specific uses of federal discretionary funds to achieve regional transit objectives consistent with the regional master transit plan. On behalf of the transit providers in the region, the RTA will apply for, receive and dispense or expend federal discretionary funds. However, the RTA may approve federal discretionary grant applications by individual

providers in the region so long as such applications are consistent with the regional master transit plan and the achievement of regional transit objectives. In the event that an application for federal discretionary funds is approved by the RTA for an individual provider, the RTA may confer upon that provider the right to apply for, receive and dispense or expend federal discretionary grant funds subject to oversight by the RTA.

Operations

Subject to RTA coordination directives and the regional master transit plan, each transit provider will continue to operate service in accord with their respective operating policies and procedures (such as but not limited to personnel manuals and handbooks, procurement procedures and manuals, service standards, budget manuals, salary policies, etc.)

The RTA may opt to review existing local partnerships, such as funds a provider passes through to non-profit entities via agreement or contract, and provide feedback or guidance regarding these partnerships, specifically to achieve regional goals or objectives and/or regional efficiencies. However, each provider will retain a significant amount of independence in determining their local partnerships.

Local Funds

All local funds, including fare box, millage proceeds, general fund contributions, advertising and existing local contracts will remain under the sole jurisdiction of each individual transit provider. A provider may be required to adjust their use of local funds to achieve RTA coordination directives, but how to achieve RTA coordination objectives will be up to the discretion of each provider.

Public Involvement and Outreach

Each transit provider will continue to conduct the public involvement and outreach needed to meet its individual obligations to the public and under federal and state law and each provider's respective policies. The RTA will have regional public involvement and outreach activities, such as the Citizen Advisory Committee required under state law, and each provider will be asked to participate in regional public outreach efforts as needed to make those efforts productive and meaningful to the public and the RTA.

AUTHORIZATION AND TERM OF AGREEMENT

This Agreement shall expire on September 30, 2015 unless renewed or otherwise extended. This Agreement may be amended by the RTA from time to time after consultation with providers.

As needed and/or upon request of the Provider Advisory Council (PAC), the RTA shall issue guidance documents under this Agreement, including but not limited to a Master Calendar for items requiring RTA approval which shall be provided no later than October 1, 2013.

On behalf of the Regional Transit Authority for Southeast Michigan

Paul Hillegonds, Chair, RTA Board of Directors

9/5/13
Date

On behalf of the Public Transportation Providers Advisory Council

Jim Fetzer, Chair, Public Transportation Providers Advisory Council

8/21/13
Date

Regional Transit Authority: Transit Providers Advisory Council
Master Agreement Calendar - Draft

	Responsible	Due Date	Activity
October-2013	Providers	10/18/2013	Providers submit copies of FY2014 state funding applications to RTA (submission should include FY14 LBO bdget as submitted to MDOT)
	PAC	10/18/2013	Determine 5310 Program Administration and Project Selection Methodology
	PAC	10/18/2013	Discuss Annual Coordination of Plans and Coordination Directives
	MDOT	10/30/2013	MDOT Allocates and Pays FY2013 State funds to providers (including match and LBO)
	PSCC	11/6/2013	Review State funding applications, 5310 Program Administration, and Coordination Plan Procedures (***Date of mtg TBD, by Committee Chairman***)
November-2013	RTA Board	11/6/2013	Board Meeting - Adopt formal motion regarding dispersion of FY0214 LBO (transmit to MDOT), and 5310 program
	PAC	11/22/2013	Individual agency review to prepare for annual application preparation and submittal; continue discussion of 5310 program and FY14 Annual Coordination Plan and Coordination Directives (Meeting Date TBD between 11/19/2013 and 11/22/2013)
	PSCC	11/25/2013	Discuss annual application process and 5310 Program (Meeting Date TBD between 11/25/2013 and 12/3/2013)
December-2013	RTA Board	12/4/2013	Agenda TBD
February-2014	Providers/RTA Staff	2/1/2014	ANNUAL Deadline: Submit FY2015 State Funding Applications (5304, 5310, JARC, and NF) to MDOT and RTA simultaneously for review/approval (Brief PSCC, RTA Board in March)
	Providers	2/1/2014	Deadline: Providers submit FY2014 Capital Match plans to MDOT (copy RTA with briefing) (Due date contingent upon release of federal register or MDOT request.
March-2014	Providers/RTA Staff	3/1/2014	ANNUAL Deadline: Submit FY2015 State Funding Applications (LBO and Capital) to MDOT and RTA simultaneously for review/approval (Brief PSCC, RTA Board)
	PAC	3/?/2014	Discuss pending federal funding applications for TEAM (Date TBD)
	PSCC	3/?/2014	Review/Discuss upcoming Federal and completed State Funding Applications (Date TBD); recommendation
	RTA Board	3/?/2014	Review/Discuss all funding Applications (Date TBD); formal motion?
ay-2014	MDOT	5/30/2014	MDOT issues match plan to all providers showing amount and source of state funds to match federal FY 2014 funds
June-2014	PAC	6/?/2014	Agenda TBD
	PSCC	6/?/2014	Agenda TBD
	RTA Board	6/?/2014	Agenda TBD
	Providers/RTA Staff	6/10/2014	Providers and/or RTA Staff submit federal grant applications in TEAM for FY 2014 funds (Deadline June 15)
August-2014	Providers	8/1/2014	Providers receive and execute project authorizations for FY 2014 state match.

Key:
Providers - individual agency responsibility (DDOT, SMART, AAATA, DTC)
PAC - collective agency responsibility
PSCC - Planning and Service Coordination Committee

Notes:
Submissions to RTA: send to Tiffany Gunter (gunter@semcog.org) until RTA staff is hired (1001 Woodward, Suite 1400, Detroit, MI 48226)
Public Input Plan - RTA will adopt a public participation plan, agencies will continue to execute their own PPPs until further discussion
November and future PAC and PSCC meetings - agendas are flexible, the purpose of this calendar is to hit funding targets
Does the 1/31 Deadline: create undue stress on any agency?
State applications, in terms of deadline and method do not change, these dates allow the RTA the opportunity to review and offer input into the process and are open for discussion
Any federal grant application that doesn't fit into this timetable will be addressed when the NOFA is issued for the funding, agencies will then have to notify the RTA of their intention to submit an app. (categorical grants, etc)

Regional Transit Authority of Southeast Michigan
Board Report to Legislature
Section 6(8) Public Act 387 of 2012
March 31, 2014

Beginning 1 calendar year after the creation of an authority under this act, the board shall submit a report to the house of representatives and senate appropriations subcommittees on transportation and the house of representatives and senate committees on transportation on March 31 of each year that includes all of the following information from the preceding calendar year:

(a) **Financial status of the authority:** For the year ending September 30, 2015, the authority has adopted a budget of $905,816. The expenses include approximately $700,000 for staff, $75,000 for services, $110,000 for office expenses, and $15,000 for board expenses. The RTA has grant funds of $644,285 from the Michigan Department of Transportation (MDOT) of which $250,000 was required in Act 387. MDOT has been asked to make another $900,000 available to the RTA from FY2014 Comprehensive Transportation funds already appropriated to MDOT. This $900,000 in addition to the funds already awarded to the RTA by MDOT will cover anticipated expenses through FY2015. The Governor will propose $1.1 million as a part of the FY2015 budget process which will cover the RTA through FY2016.

A search was conducted for a Chief Executive Officer (CEO) during the months of June and July, 2013. An offer of employment was made to one of the candidates in August, 2013. In January of 2014, the candidate declined the job offer. A second search is now in process. Since neither a CEO nor any professional staff has yet been hired by the RTA, the RTA has expended only $21,288 during the present fiscal year that ends September 30, 2014.

(b) **Financial status of public Transportation providers within the public transit region:** See Attachment 1 for the most current financial statements from the Certified Public Accountant audits for the Ann Arbor Transportation Authority, the City of Detroit Transportation Fund, the Detroit Transportation Corporation and the Suburban Mobility Authority for Regional Transportation. The complete audits can be found at http://www.michigan.gov/treasury/0,1607,7-121-1751_31038---,00.html

(c) **Operating costs of the authority:** The authority is currently not operating any public transportation.

(d) **The status of any rolling rapid transit system:** There is currently no rolling rapid transit, as defined in Public Act 387, in the region. There is currently an Alternatives Analysis for Woodward Avenue in progress by the Southeast Michigan Council of Governments. FTA has also provided funding to the RTA to begin AA for other corridors. The RTA needs to have permanent staff to bring the Woodward AA to conclusion and initiate the other AAs. In general it takes several years after an AA has been completed before federal funds are available to design, engineer and build.

Regional Transit Authority of Southeast Michigan
Board Report to Legislature
Section 6(8) Public Act 387 of 2012
March 31, 2014

(e) The average daily and annual ridership of a rolling rapid transit system: There is currently no rolling rapid transit, as defined in Public Act 387, in the region.

(f) The dashboard developed by the authority under subsection (9)(d): The board has adopted several performance measures and the transit providers of the region have provided this information for the most current fiscal year. See Attachment 2 for these performance measures. Efforts are underway to create a dashboard on the RTA's website for placement of the providers' performance measures. All other dashboard requirements (9(a) – 9(c)) will be met once the RTA itself is a provider of transit service. This is several years away.

(g) The number and severity of any accidents that occur that involve a rolling rapid transit system: There is currently no rolling rapid transit, as defined in Public Act 387, in the region

Additional information: See Attachment 3 for RTA Chair, Paul Hillegonds', Presentation to the Senate Appropriations, Transportation Subcommittee with the Senate Transportation Committee on March 11, 2014.

ATTACHMENT 1 – FINANCIAL STATEMENTS

ANN ARBOR TRANSPORTATION AUTHORITY

BALANCE SHEETS
SEPTEMBER 30, 2012 AND 2011

ASSETS	2012	2011
CURRENT ASSETS:		
Cash (Note 2)	$ 1,980,645	$ 4,218,114
Investments (Note 2)	7,986,514	9,649,578
Accounts receivable, less allowance of $0 in 2012 and 2011	743,352	678,226
Grants receivable (Note 3)	4,423,273	2,098,409
Other receivables (Note 4)	272,678	466,633
Inventory	824,145	814,628
Prepaid expenses	878,375	776,491
Total current assets	17,108,982	18,702,079
CAPITAL ASSETS: (Note 5)		
Land and improvements	2,270,821	2,180,821
Park and Ride lot construction	5,474,429	5,158,935
Buildings and improvements	20,385,123	17,420,856
Equipment and other	46,525,065	41,341,060
Construction in progress	515,572	730,070
Total capital assets	75,171,010	66,831,742
Less accumulated depreciation	38,077,480	36,745,772
Net capital assets	37,093,530	30,085,970
TOTAL ASSETS	$ 54,202,512	$ 48,788,049
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 812,778	$ 1,204,205
Grant refunds payable (Note 3)	102,407	67,386
Accrued payroll	235,337	202,941
Accrued compensated absences, current portion	113,816	103,092
Other accrued expenses	81,493	77,631
Unearned revenue (Note 6)	273,313	284,170
Total current liabilities	1,619,144	1,939,425
CONTINGENCIES (Note 8)		
NON-CURRENT LIABILITIES:		
Accrued compensated absences	1,024,342	927,830
Post-Retirement Benefit Obligation (Note 12)	208,178	200,583
Total non-current liabilities	1,232,520	1,128,413
Total liabilities	2,851,664	3,067,838
NET ASSETS:		
Invested in capital assets	37,093,530	30,085,970
Unrestricted (Note 17)	14,257,318	15,634,241
Total net assets	51,350,848	45,720,211
TOTAL LIABILITIES AND NET ASSETS	$ 54,202,512	$ 48,788,049

See notes to financial statements.

ANN ARBOR TRANSPORTATION AUTHORITY

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
OPERATING REVENUES (Note 9)	$ 5,692,914	$ 5,022,107
OPERATING EXPENSES (Notes 7, 9, 12 and 13):		
Operations	21,635,160	19,645,735
Maintenance	3,537,761	3,340,415
General administration	7,277,201	6,545,315
Total operating expenses	32,450,122	29,531,465
OPERATING LOSS	(26,757,208)	(24,509,358)
NONOPERATING REVENUES:		
Local	10,495,363	10,243,521
State	8,524,417	7,126,340
Federal	2,830,645	3,201,094
Total nonoperating revenues	21,850,425	20,570,955
CHANGE IN NET ASSETS BEFORE CAPITAL CONTRIBUTIONS	(4,906,783)	(3,938,403)
CAPITAL CONTRIBUTIONS - FEDERAL AND STATE	10,537,420	1,829,862
CAPITAL CONTRIBUTIONS - LOCAL MATCH (Note 14)		132,916
CHANGE IN NET ASSETS	5,630,637	(1,975,625)
TOTAL NET ASSETS, BEGINNING OF YEAR, as restated (Note 17)	45,720,211	47,695,836
TOTAL NET ASSETS, END OF YEAR	$ 51,350,848	$ 45,720,211
UNRESTRICTED NET ASSETS, END OF YEAR	$ 14,257,318	$ 15,634,241

See notes to financial statements.

ANN ARBOR TRANSPORTATION AUTHORITY

STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from transit operations	$ 4,346,161	$ 4,032,027
Payments for salaries and wages and fringe benefits	(16,098,346)	(15,297,444)
Payments to suppliers	(7,360,320)	(6,678,413)
Payments for claims and insurance	(542,070)	(515,250)
Payments for purchased transportation	(3,891,185)	(3,305,095)
Net cash used in operating activities	(23,545,760)	(21,764,175)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Nonoperating revenue:		
Local	10,576,572	10,451,841
State	8,045,973	6,759,169
Federal	2,522,371	3,202,948
Net cash provided by noncapital financing activities	21,144,916	20,413,958
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(10,635,873)	(1,895,479)
Capital contributed by state and federal grants	9,034,295	2,183,182
Proceeds from sales of equipment	39,723	
Net cash provided by capital and related financing activities	(1,561,855)	287,703
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investment securities	(7,556,936)	(9,868,366)
Proceeds from sale and maturities of investment securities	9,220,000	12,984,458
Interest income	62,166	95,506
Net cash provided by (used in) investing activities	1,725,230	3,211,598
NET INCREASE (DECREASE) IN CASH	(2,237,469)	2,149,084
CASH AT BEGINNING OF YEAR	4,218,114	2,069,030
CASH AT END OF YEAR	$ 1,980,645	$ 4,218,114

See notes to financial statements.

ANN ARBOR TRANSPORTATION AUTHORITY

STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED SEPTEMBER 30, 2012 AND 2011

	2012	2011
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (26,757,208)	$ (24,509,358)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	3,628,313	3,740,716
Changes in assets and liabilities which (used) provided cash:		
Receivables	(65,126)	304,645
Inventory	(9,517)	(13,586)
Prepaid expenses	(101,884)	5,793
Payables	(391,427)	(451,176)
Accrued payroll	32,396	(346,854)
Other accrued expenses	118,693	53,247
Deferred revenue	-	(188,160)
Total adjustments	3,211,448	3,104,625
NET CASH USED IN OPERATING ACTIVITIES	$ (23,545,760)	$ (21,404,733)
NONCASH TRANSACTIONS:		
Subcontracted revenue - urban demand response (Note 9)	561,577	504,346
Subcontracted revenue - interurban airport shuttle (Note 9)	258,631	-
Nonurban - other governmental sources	339,384	359,442
Total noncash transactions	$ 1,159,592	$ 863,788

See notes to financial statements.

CITY OF DETROIT
TRANSPORTATION FUND

Statement of Fund Net Assets

June 30, 2012

Assets:	
Current assets:	
Cash and cash equivalents	$ 4,605,001
Investments	14,320
Accounts receivable, less allowance for doubtful accounts of $33,423	50,389
Due from other funds	112,818
Due from other governmental agencies	8,767,963
Inventories, net of obsolescence allowance of $1,241,431	4,403,542
Prepaid expenses	119,512
Total current assets	18,073,545
Noncurrent assets:	
Advance to the City of Detroit long-term disability reserve fund	650,000
Net pension asset	107,073,081
Deferred charges	4,553,597
Capital assets not being depreciated	10,672,121
Capital assets being depreciated, net	168,017,412
Total noncurrent assets	290,966,211
Deferred outflows of resources	18,696,989
Total assets and deferred outflows of resources	327,736,745
Liabilities and net assets:	
Current liabilities:	
Accounts and contracts payable	13,147,585
Accrued salaries and wages	1,049,251
Accrued interest	505,628
Due to other funds	780,306
Due to fiduciary fund	8,061,039
Deferred revenue	296,293
Current maturities of bonds, notes and capital lease	4,889,059
Accrued pollution remediation	173,888
Current maturities of pension obligation certificates	1,654,087
Accrued compensated absences	3,893,863
Long-term disability	1,206,328
Total current liabilities	35,657,327
Long-term liabilities:	
Pension obligation certificates, net	103,534,756
General obligation bonds	5,458,032
Fair value of derivatives	32,389,156
Capital lease	8,602,989
Other postemployment benefits obligation	72,407,192
Accrued compensated absences	1,553
Long-term disability	4,363,484
Total long-term liabilities	226,757,162
Total liabilities	262,414,489
Fund net assets:	
Invested in capital assets, net of related debt	159,739,452
Unrestricted deficit	(94,417,196)
Total fund net assets	$ 65,322,256

See accompanying notes to basic financial statements.

CITY OF DETROIT
TRANSPORTATION FUND

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Year ended June 30, 2012

Operating revenues:	
Passenger fares	$ 21,702,645
Advertising	580,389
Miscellaneous	274,966
Revenues from transit operations	22,558,000
Operating expenses before depreciation expense:	
Salaries and wages	51,255,829
Pension and fringe benefits	55,373,127
City of Detroit central staff services	6,664,597
Contractual services	18,621,597
Materials and supplies	24,156,095
Utilities	3,506,762
Claims and insurance net of workers compensation reimbursement	17,087,524
Expenditures applicable to restricted grants	626,532
Miscellaneous expense	197,945
Impairment and other losses on disposals of assets	10,626,646
Total operating expenses before depreciation	188,116,654
Depreciation expense	18,147,287
Total operating expenses	206,263,941
Operating loss	(183,705,941)
Nonoperating revenues (expenses):	
Federal and state operating assistance	76,670,466
Restricted federal and state grants	626,532
Interest expense, net	(6,592,818)
Investment income	81
Total nonoperating revenues, net	70,704,261
Net loss before capital contributions and transfers	(113,001,680)
Capital contributions	30,324,107
Transfers from City of Detroit General Fund	87,159,982
Total transfers and capital contributions	117,484,089
Increase in fund net assets	4,482,409
Fund net assets, beginning of the year	60,839,847
Fund net assets, end of the year	$ 65,322,256

See accompanying notes to basic financial statements.

Detroit Transportation Corporation

Statement of Net Position
Proprietary Fund
June 30, 2013

ASSETS

Current Assets:	
Cash & Cash Equivalents (Notes 1 & 2)	$ 529,338
Investments (Note 2)	737,815
Accounts Receivable	490,099
Inter-Governmental Receivables (Note 2)	382,408
Inventories	3,485,756
Prepaid Expenses and Other	273,049
Total Current Assets	5,898,465
Non Current Assets (Note 2):	
Restricted Investments	2,862,151
Capital Assets (Note 2):	
Land	5,122,237
Artwork	1,986,000
Transportation Equipment & Structures	209,908,514
Capital Work in Process	2,744,963
Other Equipment	5,612,058
Furniture and Fixture	515,411
Auto	60,385
Less: Accumulated Depreciation	(174,283,751)
Total Capital Assets (Net of Accumulated Depreciation)	51,665,817
Total Non Current Assets	54,527,968
Total Assets	$ 60,426,433

The accompanying notes are an integral part of these financial statements.

Statement of Net Position (Continued)
Proprietary Fund
June 30, 2013

LIABILITIES AND NET POSITION

Current Liabilities Payable from Current Assets:	
Accounts & Contracts Payable	$ 3,266,623
Accrued Salaries & Wages	101,953
Accrued Pension Payable	1,085,814
Other Payables	222,749
Deferred Revenue	374,000
Total Current Liabilities	5,051,139
Long-Term Liabilities:	
Accrued Compensated Absences	272,339
Settlement Payable	349,156
Total Long-Term Liabilities	621,495
Total Liabilities	5,672,634
NET POSITION	
Unrestricted	225,831
Invested in Capital Assets, Net of Related Debt	51,665,817
Restricted for Beam Maintenance	2,862,151
Total Net Position	54,753,799
Total Liabilities and Net Position	$ 60,426,433

The accompanying notes are an integral part of these financial statements.

Detroit Transportation Corporation

Statement of Revenues, Expenditures, and Changes in Net Position
Proprietary Fund
Year Ended June 30, 2013

	Unrestricted Assets	Temporarily Restricted Assets	Total
Operating Revenues:			
State			
Intergovernmental - State of Michigan	$ 3,546,366	$ -	$ 3,546,366
Local			
Intergovernmental - Other Transit Revenue	292,237	-	292,237
Charges for Sales and Services: Ticket Sales	1,556,301	-	1,556,301
Total Operating Revenues	5,394,904	-	5,394,904
Costs of Sales and Services:			
Administration	11,974,921	-	11,974,921
Depreciation	7,019,292	-	7,019,292
Total Operating Expenses	18,994,213	-	18,994,213
Operating Loss	(13,599,309)	-	(13,599,309)
Non-Operating Revenues (Expenses):			
Federal			
FTA Grant Revenue	1,007,402	-	1,007,402
SEMCOG Grant	74,400	-	74,400
Local			
City of Detroit - Bond	752,408	-	752,408
Interest Income	5,124	142,911	148,035
Rental Income	25,162	-	25,162
Misc. Revenue	23,624	-	23,624
Advertising Income	391,679	-	391,679
Net Realized Gain on Investments	-	4,215,370	4,215,370
Net Unrealized Loss on Investments	(4,331)	(4,469,466)	(4,473,797)
Total Nonoperating Revenue (Expenses)	2,275,468	(111,185)	2,164,283
Change in Net Position	(11,323,841)	(111,185)	(11,435,026)
Net Position - Beginning of Year, as Restated (Note 6)	63,215,489	2,973,336	66,188,825
Net Position - End of Year	$ 51,891,648	$ 2,862,151	$ 54,753,799

The accompanying notes are an integral part of these financial statements.

Detroit Transportation Corporation

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2013

CASH FLOWS FROM OPERATIONS		
Receipts from Customers	$	1,870,352
Cash Receipts from State of Michigan		2,511,253
Cash Receipts from City of Detroit		1,251,951
Cash Receipts from Federal		1,123,892
Payments to Suppliers		(4,539,963)
Payments to Employees		(7,086,861)
Other Operating Cash Receipts (Payments)		48,786
Net Cash Used in Operating Activities		(4,820,590)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in Capital Assets		(1,672,972)
Net Cash Used in Capital and Related Financing Activities		(1,672,972)
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted Investment, Net		111,185
Proceeds from Sale of Investments		6,764,657
Investment Income		(110,392)
Net Cash Provided by Investing Activities		6,765,450
Net Increase (Decrease) in Cash and Cash Equivalents		271,888
Cash and Cash Equivalents, Beginning of Year		257,450
Cash and Cash Equivalents, End of Year	$	529,338
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (Used in) OPERATING ACTIVITIES		
Operating Income (Loss)		(13,599,309)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities		
Depreciation and Amortization		7,019,292
Other Income		2,274,675
Change in Accounts Receivable		(356,449)
Change in Due from Inter-Governmental Receivables		557,154
Change in Prepaid Expenses		(52,149)
Change in Inventories		624,693
Change in Accounts & Contracts Payable		(236,028)
Change in Other Payables		(1,384,476)
Change in Accrued Salaries Payable		18,658
Change in Accrued Pension Payable		14,360
Change in Accrued Compensated Absences		20,168
Change in Deferred Revenue		278,821
Total Adjustment		8,778,719
Net Cash Provided by (Used in) Operating Activities	$	(4,820,590)

The accompanying notes are an integral part of these financial statements.

Suburban Mobility Authority for Regional Transportation

Statement of Net Position

	Enterprise Operating Fund	
	June 30, 2013	June 30, 2012
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	$ 41,681,960	$ 35,823,218
Receivables:		
Local contributions receivable (Note 1)	716,297	754,764
Other receivables	624,854	832,205
Grants receivable (Note 4)	11,652,077	8,600,981
Materials and supplies inventories	2,402,847	2,340,388
Prepaid expenses and other assets	65,461	130,500
Total current assets	57,143,496	48,482,056
Noncurrent assets:		
Net pension asset (Note 10)	-	675,716
Restricted cash (Note 3)	1,134,083	1,136,006
Nondepreciable capital assets (Note 5)	10,203,631	7,563,284
Depreciable capital assets - Net (Note 5)	58,016,809	64,004,903
Total noncurrent assets	69,354,523	73,379,909
Total assets	126,498,019	121,861,965
Liabilities		
Current liabilities:		
Municipal and community credits payable (Note 1)	2,985,393	4,742,465
Amounts payable under purchase-of-service agreements	769,586	587,420
Current portion of accrued self-insurance (Note 9)	6,591,230	6,653,073
Accounts payable	4,726,602	1,566,744
Accrued liabilities and other:		
Accrued salaries and wages	1,116,546	1,327,087
Accrued interest payable	-	57,985
Other accrued liabilities	4,456,913	3,382,474
Current portion of compensated absences (Note 8)	2,604,914	2,514,937
Current portion of notes payable (Note 8)	-	2,365,429
Total current liabilities	23,251,184	23,197,614
Noncurrent liabilities:		
Accrued self-insurance - Net of current portion (Note 9)	6,830,925	5,941,589
Net pension obligation (Note 10)	73,494	-
Net OPEB obligation (Note 11)	17,968,271	14,347,974
Compensated absences - Net of current portion (Note 8)	163,127	141,531
Total noncurrent liabilities	25,035,817	20,431,094
Total liabilities	48,287,001	43,628,708
Equity - Net position		
Net investment in capital assets	68,220,440	69,202,758
Restricted (Note 1)	1,134,083	1,136,006
Unrestricted	8,856,495	7,894,493
Total net position	$ 78,211,018	$ 78,233,257

The Notes to Financial Statements are an Integral Part of this Statement.

Suburban Mobility Authority for Regional Transportation

Statement of Revenue, Expenses, and Changes in Net Position

	Enterprise Operating Fund	
	June 30, 2013	June 30, 2012
Operating Revenue		
Fares	$ 12,763,973	$ 14,421,545
Other Income	1,191,606	807,898
Total operating revenue	13,955,579	15,229,443
Operating Expenses		
Salaries and wages	34,850,027	37,592,448
Fringe benefits	28,626,018	32,165,981
Materials and supplies	15,291,171	15,022,597
Contractual services	2,423,588	2,753,331
Utilities	1,832,660	1,553,828
Claims and insurance	6,399,637	5,885,222
Purchased transportation (Note 7)	11,006,714	10,238,222
Miscellaneous expense	84,470	129,507
Depreciation	12,827,540	12,780,949
Total operating expenses	113,341,825	118,122,085
Operating Loss	(99,386,246)	(102,892,642)
Nonoperating Revenue (Expenses)		
Federal operating and preventative maintenance assistance	16,256,196	18,405,498
State operating grants	34,869,326	35,154,905
Local contributions (Note 6)	38,579,803	39,903,784
Interest expense	(55,116)	(469,414)
Investment income	59,252	59,462
(Loss) gain on sale of assets	(95,057)	464,349
Total nonoperating revenue	89,614,404	93,518,584
Loss - Before capital contributions	(9,771,842)	(9,374,058)
Capital Contributions	9,749,603	10,572,878
(Decrease) Increase in Net Position	(22,239)	1,198,820
Net Position - Beginning of year	78,233,257	77,034,437
Net Position - End of year	$ 78,211,018	$ 78,233,257

The Notes to Financial Statements are an Integral Part of this Statement.

Suburban Mobility Authority for Regional Transportation

Statement of Cash Flows

	Enterprise Operating Fund	
	June 30, 2013	June 30, 2012
Cash Flows from Operating Activities		
Receipts from transit operations	$ 14,162,930	$ 14,934,325
Payments to suppliers	(15,392,376)	(20,394,054)
Payments to employees	(59,208,142)	(63,255,669)
Payments to claims and insurance	(5,572,144)	(6,507,677)
Payments for purchased transportation	(12,581,620)	(11,379,598)
Net cash used in operating activities	(78,591,352)	(86,602,673)
Cash Flows from Noncapital Financing Activities		
State operating grants	32,792,608	36,186,192
Federal operating and preventive maintenance assistance	15,281,818	19,266,173
Local contributions	38,618,270	40,169,544
Net cash provided by noncapital financing activities	86,692,696	95,621,909
Cash Flows from Capital and Related Financing Activities		
Receipt of capital grants	9,749,603	10,572,878
Proceeds from disposal of capital assets	371,832	1,241,745
Purchase of capital assets	(9,946,682)	(10,579,888)
Payment on installment note payable	(2,365,429)	(6,131,101)
Interest paid	(113,101)	(531,074)
Net cash used in capital and related financing activities	(2,303,777)	(5,427,440)
Cash Flows from Investing Activities - Interest received on investments	59,252	59,363
Net Increase in Cash and Cash Equivalents	5,856,819	3,651,159
Cash and Cash Equivalents - Beginning of year	36,959,224	33,308,065
Cash and Cash Equivalents - End of year	**$ 42,816,043**	**$ 36,959,224**
Balance Sheet Classification of Cash and Cash Equivalents	$ 42,816,043	$ 36,959,224
Less Amounts Classified as Restricted	(1,134,083)	(1,136,006)
Total unrestricted cash and cash equivalents	**$ 41,681,960**	**$ 35,823,218**
Reconciliation of Operating Loss to Net Cash from Operating Activities		
Operating loss	$ (99,386,246)	$ (102,892,642)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation and amortization	12,827,540	12,780,949
Noncash change in net pension asset/obligation	749,210	513,329
Noncash expense related to net OPEB obligations	3,620,297	6,006,430
Noncash increase (decrease) in self-insurance liability	827,493	(622,455)
Changes in assets and liabilities:		
Materials and supplies inventory	(62,459)	(340,617)
Prepaid expenses	65,039	1,523,912
Other receivables	207,351	(295,118)
Accounts payable and accrued liabilities	4,234,297	(2,118,086)
Municipal and community credits payable	(1,757,072)	(566,511)
Payable under purchase service contracts	182,166	(574,865)
Accrued wages and compensated absences	(98,968)	(16,999)
Net cash used in operating activities	**$ (78,591,352)**	**$ (86,602,673)**

The Notes to Financial Statements are an Integral Part of this Statement.

ATTACHMENT 2 – PERFORMANCE MEASURES

RTA / PAC Performance Indicators

The Providers Advisory Council (PAC) of the Regional Transportation Authority of Southeastern Michigan (RTA) has developed a set of indicators for public transportation provider performance as a basis for a Dashboard as required by Public Act 387. The RTA approved these performance indicators.

The GOAL of the Performance Indicators is – to provide the RTA board, transit riders, public officials and the general public with measurable and meaningful data on the performance of each public transit provider.

Note, there is a significant difference in the operating characteristics of each of the transit agencies, as indicated below. These differences highlight that direct comparisons among agencies do not carry much value. However, if comparisons between providers were to be performed, they should be conducted with data from public transit providers with similar operating characteristics.

Operating Characteristic	AAATA	DDOT	DTC	SMART
Max Vehicles Operated	67	350	10	194
Revenue Vehicle Miles	3.1 Million	11.4 Million	586,000	8.5 Million
Service Area Square Miles	81	144	2.9	1,074
Service Area Population	212,000	713,000	92,500	3,700,000
Revenue Vehicle hours	208,000	878,000	50,400	428,000
Full Time Employees	217	1,144	83	769

March 7, 2014

RTA / PAC Performance Indicators

The following baseline data represents performance in the 2013 respective fiscal years of the four agencies. The fiscal year of DDOT, DTC and SMART are July – June and the fiscal year of AAATA is October-September.

This data will be incorporated in an appropriate format for Quarterly Internet Dashboard reports. The Dashboard will include data and symbols indicating progress for:

- The most recent quarter
- The most recent quarter compared to the previous quarter
- The most recent quarter compared to the same quarter of last year

Performance Metric & Description		BASELINE DATA (FY 2013)			
	STANDARD	AAATA	DDOT	DTC	SMART
ON-TIME PERFORMANCE *(Percent of arrivals within 5 minutes of the published time)*	90%	89%	85%	99%	87%
PULL OUT *(Vehicle departs the garage at the scheduled pullout time)*	100%	100%	74.2%	92.3%	99.6%
RIDERSHIP *(all unlinked Fixed Route/Fixed Guideway passenger trips)*	Maintain/ Grow	6.5 Million	32.8 Million	2.3 Million	9.2 Million
REPORTABLE ACCIDENTS PER 100,000 MILES *(An event that fits one of the following criteria; a fatality, an injury that requires immediate attention, estimated property damage ≥ $25,000 or an evacuation for life safety reasons)*	TBD	.21	1.26	0.00	0.22
PASSENGER FARES & OTHER REVENUE/OPERATING COSTS *(Revenue from farebox, prepaid fares/pass sales, third- party subsidies, Bus advertising compared to Operating costs)*	TBD	20.0%	16.2%	15.8%	14.9%

March 7, 2014