

Proposed Meeting Summary  
Regional Transit Authority  
Board of Directors  
Thursday, March 16, 2017

1. Call to order 2:10 PM

Committee Members Present:

Paul Hillegonds, Chair; Tom Kelly; June Lee; Donald Morandini; Chuck Moss; Roy Rose; Alma Smith; Tim Soave

Elisabeth Gerber and Freman Hendrix – via conference call

RTA Representatives Present:

Tiffany Gunter; Virginia Lickliter; Benjamin Stupka; Lucas Reigstad

2. Approval of Agenda

Moved by Alma Smith and supported by Roy Rose to approve the agenda. Approved unanimously.

3. Approval of Meeting Summary

Moved by Alma Smith and supported by Tim Soave to approve the March 8, 2017 Meeting Summary. Approved unanimously.

4. Public Comments

Ruth Johnson, Transportation Riders United, addressed the Board to express the need for comprehensive transit in Southeast Michigan and to request that the Board place a millage proposal on the ballot as soon as possible.

Mason Herson-Hord, Motor City Freedom Riders, addressed the Board to express disappointment that the RTA has not made future plans public and to ask the Board to place a millage proposal on the ballot in 2018.

Joel Batterman, Motor City Freedom Riders, addressed the Board to express his disappointment that regional leaders expressed their support of the RTA proposal but failed to support it in practice.

Marguerite Maddox addressed the Board to ask the Board to place a millage proposal on the ballot again and to make the proposal language easier for the general public to understand.

Idrees Mutahr, Motor City Freedom Riders, addressed the Board to encourage that a millage proposal be placed on the 2018 ballot and to encourage the expansion of the RefleX service.

Syri Simpson addressed the Board to express her disappointment with transit service on Woodward.

Lisa Franklin addressed the Board to express her support for Michael Ford and to express the need for comprehensive transit in the Southeast Michigan region.

5. Reports of Standing Committees

a. Finance and Budget Committee

i. Treasurer's Report – Action

Tim Soave presented the Treasurer's Report for February 2017 as supplied in the meeting packet.

Moved by Tim Soave and supported by Alma Smith to approve the February 2017 Treasurer's Report. Approved unanimously.

ii. FY2016 Audit Presentation – Action

Anthony McCree and Michael Nicholas of George Johnson and Company, presented the draft Audit Report for FY 2016 as provided.

Tim Soave reported that the Finance and Budget Committee had also discussed an audit of the RTA's internal controls.

Moved by Tim Soave and supported by Donald Morandini to approve the FY 2016 Audit Report. Approved unanimously.

b. Planning and Service Coordination Committee

i. Reflex Agreement Renewal – Action

Ben Stupka presented the RTA/SMART Reflex Agreement renewal as provided in the meeting packet.

Moved by Roy Rose and supported by Alma Smith to approve the RTA/SMART Reflex Agreement renewal. Approved unanimously.

c. Funding Allocation Committee

i. State Funding Applications -Action

Ben Stupka presented the State Funding Applications for the transit providers of the Southeast Michigan Region as provided in the meeting packet. Mr. Stupka stated that the applications contain to programmatic items – Local Bus Operating funds and Capital Program funds.

Moved by Roy Rose and supported by Chuck Moss to approve the State Funding Applications. Approved unanimously.

Chairman Hillegonds called for a brief recess at 2:53 PM. The meeting was reconvened at 3:09 PM.

- d. Executive and Policy Committee
  - i. CEO Review – Action

Paul Hillegonds reported that a settlement agreement between Michael Ford and the Regional Transit Authority Board of Directors had been recommended to the full board for approval.

Melvin Muskovitz of Dykema, legal counsel to the RTA, presented details of the settlement agreement between Michael Ford and the Regional Transit Authority Board of Directors. Mr. Muskovitz stated that Mr. Ford's termination is without cause and that the agreement sets out pay and benefits that Mr. Ford is entitled to under his contract which expires on October 19, 2017.

Mr. Hillegonds read a statement to the public and to the media that is attached.

Moved by Tim Soave and supported by Roy Rose to adopt the settlement agreement between Michael Ford and the Regional Transit Authority Board of Directors. Adopted unanimously.

- e. Public Transit Providers Advisory Council – No Report
- f. Citizens Advisory Committee – No Report

## 6. New Business

Paul Hillegonds reported that he has asked Tiffany Gunter, RTA Chief Operating Officer, to accept the roll of Interim CEO and asked for a motion to approve the recommendation.

Moved by Chuck Moss and supported by Donald Morandini to approve the recommendation of Tiffany Gunter as Interim CEO for the Regional Transit Authority. Approved unanimously.

## 7. Meeting adjourned at 3:25 PM.



**PRESS STATEMENT**  
FOR IMMEDIATE RELEASE  
March 16, 2017

## STATEMENT FROM RTA BOARD CHAIRMAN PAUL HILLEGONDS

“As most may know, the Regional Authority Board hired Michael Ford in October 2014 as our CEO. With 30 years of experience in the transportation sector, most notably his success in expanding the service area and operations of the Ann Arbor Area Transit Authority, Mr. Ford was recruited by the RTA Board to: build a staff team; lead efforts to better coordinate service of local transit providers; and develop a comprehensive regional transit master plan to expand bus, commuter rail and on demand service that would win funding support by voters across Wayne, Oakland, Macomb and Washtenaw Counties.

In a region that has seen more than 20 failed attempts to advance a coordinated, connected regional transit system, Mr. Ford: assembled an outstanding staff; brought local transit providers together to identify collaborative projects, most notably resulting in Reflex service along Woodward and Gratiot Avenues; and guided the selection of consulting firms to develop a four-county, comprehensive transit master plan and conduct bus rapid transit and commuter rail corridor studies.

All of this work, undertaken in less than two years, set the stage for a November 2016 millage proposal that voters of the region sadly rejected by just a 1% margin. Despite this election defeat, reflecting voter reluctance to support tax increase proposals and a region too often divided by municipal boundaries, we are grateful that Michael Ford's and our staff's tireless efforts have raised public awareness of the need for truly regional transit service in Southeast Michigan--and have laid the foundation for its future development. However, with defeat of the millage, implementation of the master plan and the operational experience which Michael brought to his position will not be required in the near term. Given that Mr. Ford's contract term will be expiring in October 2017, it does not appear to the Board that renewal of the contract will be warranted. Therefore, the Board has decided to ask Michael to terminate his employment, which it is characterizing as a termination **without** cause under his contract. We do so, thanking Michael for his service and wishing him well. Michael has agreed to accept that decision as being in the mutual best interest of himself and the Board.

If Southeast Michigan is going to compete more successfully with other regions in attracting talent, growing our economy and providing needed access to job opportunities, vital services and our rich cultural and recreational assets, we must build and operate a more comprehensive, connected, convenient and better funded public transit system. Our Board remains absolutely committed to this goal and will be seeking to build a regional consensus on the path forward.

Recently, the Board initiated an internal review of CEO expenses triggered by Freedom of Information Act requests and following our annual evaluation of Mr. Ford's job performance. We have discovered



that an aggregate amount totaling \$18,813.34 in overpayments inconsistent with the terms of the Employment Agreement made with Mr. Ford since he was hired in October 2014, were made for cell phone, mileage and health insurance related expenses. While this amount may appear insignificant compared to RTA administrative operations expenditures of \$1.77 million since Mr. Ford's date of hire, and while the RTA has received clean external audits during this period, the Board and Mr. Ford have taken seriously these overpayments. Thus, Michael has paid back the RTA for the \$18,813.34.

With respect to travel related expenses, the Board did not find that reimbursement for out of state travel should be made, as the Board did not find that Mr. Ford's travel expense reimbursements were improper. Mr. Ford was encouraged to participate in American Public Transportation Association Conferences, and the Board approved his aggregate monthly expenses which were within authorized annual budgets set by the Board.

We have further concluded that errors in expense calculations started when the RTA was transitioning from part time loaned staff to full time staff. We did not find wrongdoing by Mr. Ford or any members of our staff. Along with Mr. Ford's responsibility for control and oversight of the budget, as a Board we also share responsibility for not discovering these errors in carrying out our oversight role. For this reason, we have requested our external auditor to review and recommend improved internal controls in order to prevent the errors that were made."

### **About the Regional Transit Authority of Southeast Michigan (RTA)**

The RTA was created in 2012 to plan for and coordinate public transportation in the four-county Southeast Michigan region, including developing a plan for rapid transit. It has a 10-member board whose members are appointed for three year terms by the county executives of Wayne, Oakland and Macomb counties, the chair of the Washtenaw County Board of Commissioners, the Mayor of Detroit, and the Governor of Michigan. The Governor's appointee serves as chair and without a vote. For more information, visit [www.rtamichigan.org](http://www.rtamichigan.org)

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