

Transportation Funding Agreement
By and Between the City of Ypsilanti and the
Ann Arbor Area Transportation Authority

This Transportation Funding Agreement is entered into and made this ___ day of _____, 2013, by and between the City of Ypsilanti, a Michigan home-rule city located in the County of Washtenaw, State of Michigan (hereinafter “City”) and the Ann Arbor Area Transportation Authority, a legal authority created under Act 55 of 1963 (hereinafter “AAATA”).

WITNESSETH:

Whereas, the AAATA and its predecessor authority, the Ann Arbor Transportation Authority or AATA, furnished surface transportation to the Ann Arbor area beginning in the year 1968; and

Whereas, the original AAATA member (then AATA) was the city of Ann Arbor; and

Whereas, the AATA furnished bus service to the City for many years under contract; and

Whereas, the City paid for the service yearly out of the City general fund by budget appropriation; and

Whereas, the City adopted a City Charter amendment to dedicate 0.9789 mills of approved millage each year to transportation in 2010; and

Whereas, the City became a member of the AAATA in 2013 and the authority bylaws were amended and the name changed to AAATA; and

Whereas, it is deemed in the public interest to formally outline the operational relationship between the City and the AAATA;

Now, therefore, the City and the AAATA hereby agree as follows:

1. Service Agency. The City recognizes the AAATA as the operating agency of the City to provide mass transportation service to the public. These services shall include surface bus and any other form of transportation the AAATA may decide to render in accordance with the AAATA Articles of Incorporation.
2. Millage Revenue. For services provided, the City agrees to dedicate and transfer the full amount of collected property tax revenues for public transit, as specified by the City Charter Amendment approved in November 2010 and adjusted by law (estimated to be \$273,797 in the year 2013), to the AAATA.

The full amount of the property tax revenue from the public transit millage will be transferred to the AAATA in each year that the City Charter provides for the public transit millage, the City remains a member of AAATA, and that AAATA furnishes transportation services to the City.

3. General Municipal Services. The parties to this agreement recognize their mutual responsibility to the public to provide transportation services at the least possible cost. Accordingly, it is agreed that the following services may only be appropriately performed by the City:
 - a. Tax assessment, billing, collection, and receipting.
 - b. Review and coordination of public transit plans into the overall city planning process
 - c. Official City Clerk responsibilities and services for processing AAATA matters requiring City Council review or approval.

For these services, AAATA agrees to pay to the City 1.0% of the annual millage for transportation purposes at the time of collection of taxes. AAATA will undertake to evaluate additional required services annually, and to use City services where it is clearly established that this is the most economical and effective method of procuring them.

4. Budget. The AAATA will submit to the City Council each year its proposed budget for the ensuing fiscal year. Council may submit its recommendations or comments in writing to the AAATA within four weeks of receipt of the proposed budget by Council.
5. Audit. The AAATA will prepare and submit the results of a yearly audit of its finances by a certified public accountant to the City Council and the public.
6. Major Policy. On major, long-term decisions dealing with public policy actions of transportation services, whether or not they represent financial expenditures, the AAATA will apprise City Council and solicit Council's advice prior to making the decision.
7. Reporting. To ensure that Council is kept apprised of the AAATA's activities, the AAATA will submit to Council, at least quarterly, a written report indicating its activities. This report will include such key elements as levels of ridership, budget variations, and other service level information.
8. Good Relations. Both the City and the AAATA recognize their obligation as public bodies to exist harmoniously for the public good. To the extent it is possible, disputes arising out of this agreement are to be resolved through discussions and negotiations by the two bodies.
9. Term. This agreement shall remain in force until mutually terminated or amended.

The foregoing agreement was adopted by an affirmative vote of the majority of the members elect of the City Council of the City of Ypsilanti, Washtenaw County, Michigan, at a meeting duly held on the _____ day of _____, 2013.

CITY OF YPSILANTI

By: _____
Paul Schreiber, Mayor

By: _____
Frances McMullan, City Clerk

The foregoing agreement adopted by an affirmative vote of the majority of the Board of Directors of the Ann Arbor Area Transportation Authority (AAATA), at a meeting duly held on the _____ day of _____, 2013

AAATA

By: _____
Charles Griffith, Chair

By: _____
Anya Dale, Secretary

Approved as to form:

By: _____
John M. Barr, Ypsilanti City Attorney

By: _____
Jerold Lax, AAATA Counsel