

AGREEMENT BETWEEN CITY OF ANN ARBOR
AND THE ANN ARBOR TRANSPORTATION AUTHORITY

WHEREAS the City of Ann Arbor (hereinafter referred to as "City") by resolution dated July 15, 1968, incorporated an entity known as the Ann Arbor Transportation Authority (hereinafter referred to as "AATA") for the purposes of acquiring, owning, operating, or causing to be operated a mass transportation system under provisions of ACT 55 of P.A.1963, and

WHEREAS the AATA has been operated within the administrative structure of the City until 1973, when with the passage of a 2.5 millage the City was authorized to collect non general fund monies to be allocated specifically for public transportation services and the authority gained an administrative staff apart from the City proper, and

WHEREAS, the City has provided the AATA with valuable services which the AATA desires to continue to receive, and

WHEREAS, the City owns certain transportation equipment, to-wit: 16 buses and one van equipped for handicapped persons, which the AATA desires to acquire; and

WHEREAS, the City and the AATA desire to hereby resolve any questions concerning obligations either party may have to the other arising out of previous transactions and occurrences, and

WHEREAS, it is deemed in the public interest to formally outline the operational relationship between the City and the AATA,

NOW, THEREFORE, IT IS AGREED

1. SERVICE AGENCY The City recognizes the AATA 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 AATA may decide to render in accordance with the AATA Articles of Incorporation.

2. MILLAGE REVENUE The City designates the AATA as the contracting agency for use of the 2.5 mills tax levy specified by the Charter Amendment approved in April 1973. Such millage revenue is to be levied and collected yearly by the City for public transportation and allocated by Council in its entirety to the AATA less the municipal service charges referred to below.

3. GENERAL MUNICIPAL SERVICES The parties to this contract recognize their mutual responsibility to the public to provide transportation services at the least possible cost. Accordingly, it is agreed that the following services shall and can only be appropriately performed by City departments:

- a. Tax assessment, billing, collection, receipting and banking.
- b. Review and coordination of public transit plans into overall City planning process.
- c. Official City Clerk responsibilities and services for processing AATA matters requiring City Council review.

For these services AATA agrees to annually pay to the City 1.0% of the annual millage for transportation purposes at the time of collection of taxes.

AATA 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. SPECIAL CITY SERVICES For fiscal year 1974-75, the AATA agrees to purchase and the City agrees to provide the following special services for the fees hereafter specified, which fees are recognized as the value of provision of each service.

- a. Payroll time card auditing, payroll deductions and payroll check processing \$12,000
- b. Sales (thru Treasurer's office) of bus tickets and pass renewals, including execution of low income fare affidavits \$ 4,200

c.	Counting of daily cash revenue, deposit thereof in regular AATA account, issuance of receipts and deposit vouchers on a daily basis	\$ 4,500
d.	Installation and maintenance of two-way radios in AATA vehicles	\$ 9,100
e.	Processing purchase orders, recording and auditing thereof, duplicating and paying of vendors; and bulk purchases of materials and supplies (in aggregate with City purchases where possible)	\$17,000
f.	Maintenance of accounts payable ledgers and preparation of weekly status of appropriation report, weekly transaction report, and revenue report; audit, reconcile and maintain bank statements; and manage investment of cash surpluses, with interest accruing to AATA accounts	\$10,500
g.	Provision of telephone extension thru City Hall switchboard, including area code 313 watts line and operator service	\$ 1,500
h.	Printing of reports, flyers, publicity, and other materials at City's printing shop	\$ 4,500
i.	Legal services in labor negotiations, contract reviews, document reviews, and legal opinions, and opinions and counseling at pre-requested AATA meetings.	<u>\$12,500</u>

Total Special Services: \$75,800

The fees for all of the above services include all costs of overhead; office space, secretarial services, materials, utilities, forms, machinery used, postage, telephones, reproduction and other ordinary expenses. They shall be paid in four equal quarterly installments.

For fiscal year 1975-1976 and thereafter, the parties agree that the list of included services and the amounts to be charged there-fore will be negotiated by the City Administrator and the Director of the AATA; such negotiations to be completed prior to February 1 of each year. The negotiated amounts shall be made a part of the annual budgets of the City and AATA.

5. FINANCIAL ACTIONS Receipt of revenues of the AATA are to be recorded by the City Treasurer and deposited directly into the AATA account, at a bank selected by the AATA. Receipts are to be annotated as to the source and nature thereof. The AATA is to receive a full accounting of receipts and disbursements, at least bi-weekly in formal fashion and more often as needed on an informal basis. All disbursements from the AATA are to be based on docu-mentation as invoices, purchase orders, time cards, or other sup-ported materials. Investments are to be made of temporarily excess funds by the City Controller in consultation with AATA officials.

6. BUDGET The AATA 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 AATA within four weeks of receipt of the proposed budget by Council. The pro-posed budget should be submitted to the City Council by April 1 each year unless a change in dates is necessitated by federal or state requirements.

7. AUDIT The AATA shall cause to be prepared and submitted to the City Council and the general public the results of a yearly audit of its finances by a certified public accountant.

8. ASSETS - EQUIPMENT The City hereby transfers to the AATA title to transportation equipment heretofore purchased in the name of the City, which equipment consists of 16 buses and one van equipped for handicapped individuals.

9. PREVIOUS TRANSACTIONS In consideration of the mutual covenants contained herein including but not limited to the convey-ance of transportation equipment and the provision of past and

future services the parties agree that there remain no financial obligations between them arising out of past transactions and occurrences. All previous transfers of funds between the parties are hereby authorized and ratified. The only obligations which remain between the parties are those arising out of this agreement including the City's obligation to pay to the AATA funds received from the 1974-75 transportation millage levy in the manner herein provided. By this covenant neither party admits the position taken by the other in pending litigation, but it is the desire of the parties to render moot all such legal controversies.

10. MAJOR POLICY On major long-term decisions dealing with public policy actions of transportation services, whether or not they represent financial expenditures, the AATA will apprise City Council and solicit Council's advice prior to making the decision.

11. REPORTING To ensure that Council is kept apprised of the AATA's activities, the AATA will submit to Council at least quarterly a written report indicating its activities to include such key elements as levels of ridership, budget variances and other service level information.

12. GOOD RELATIONS Both the City and the AATA recognize and covenant their obligation as public bodies to exist harmoniously for the public good. Disputes or conflicting interpretations of this agreement are to be resolved amicably to the extent possible through discussions and negotiations by the two bodies with efficient and equitable service to the public being the uppermost objective of both.

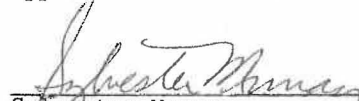
13. TERM This agreement shall remain in force until mutually terminated or amended.

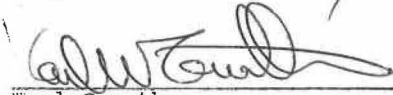
14. PENDING LITIGATION The parties hereto agree to take the steps necessary to amend the pleadings in the pending litigation to reflect the existence of this agreement. AATA agrees that it will not assert any obligation to it by the City except in accordance with the terms hereof. The City agrees that it will withdraw

its counter-claim against the AATA and will not assert any obligation of the AATA to the City except in accordance with terms hereof.

Adopted this 30th day of September, 1974.


Approved as to substance and form


Sylvester Murray
City Administrator


Karl Guenther
Director, AATA


CITY OF ANN ARBOR

By 
James E. Stephenson, Mayor

Attest 
Jerome S. Weiss, City Clerk

ANN ARBOR TRANSPORTATION AUTHORITY

By 
William D. Drake, Chairman

Attest 
Jerome S. Weiss, City Clerk