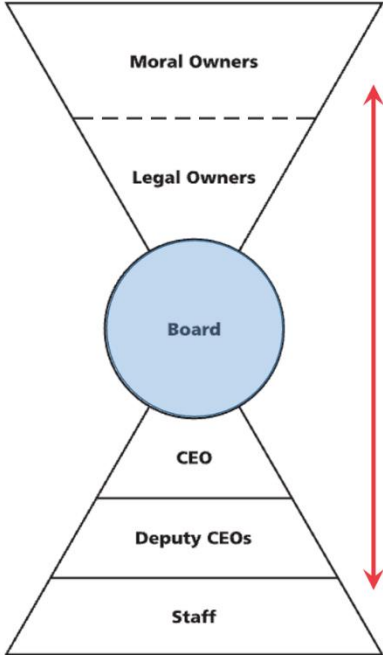


<p>Title</p>	<p>Ann Arbor Area Transportation Authority (AAATA) Ownership Linkage Task Force (OLTF)</p>
<p>Document Version</p>	<p>1.2.20221128 DRAFT</p>
<p>Background</p>	<p>3 roles of the Board: 1. Ownership linkage 2. Policy development 3. Assurance of performance</p> <p>This task force focuses on 1. Ownership Linkage.</p> <p>The Board’s role is to be the informed voice and agent of the ownership.</p> <p>The Board needs to understand the values of that ownership. Thus, one of the key roles of the board is ownership linkage.</p> <p>The Board translates values that they hear from the ownership and passes that on to management.</p> <p>The Board also hears from management and communicates those needs/requests/updates to ownership.</p>
<p>Purpose</p>	<p>To have appropriate, regular channels for Board members to link with Legal and Moral Owners, with a focus on local municipal governments.</p>
<p>The Ownership / Accountability Hierarchy Chart</p>	 <p>The diagram illustrates the Ownership / Accountability Hierarchy. It features a central blue circle labeled "Board". Above the Board, a dashed horizontal line separates the "Moral Owners" (top) from the "Legal Owners" (middle). Below the Board, a solid horizontal line separates the "CEO" from the "Deputy CEOs", and another solid horizontal line separates the "Deputy CEOs" from the "Staff". A red double-headed vertical arrow is positioned to the right of the hierarchy, spanning from the level of Moral Owners down to the level of Staff.</p>

	<ul style="list-style-type: none"> • The Board reports to the Legal Owners & Moral Owners • CEO reports to the Board • Staff report to CEO <p>The Board sets policy that includes what we hear from our Legal Owners.</p> <p>As a result, we, as a Board, need to know what the Legal Owner values are.</p> <p>We also need to remember that the CEO's role is to satisfy the whole board, not individual board members.</p>
<p>Definitions</p>	<p>Legal Owners: City of Ann Arbor, City of Ypsilanti, Ypsilanti Township. They have the power to hire and fire board members.</p> <p>Moral Owners: Residents and workers of the member jurisdictions and government jurisdictions with whom we have service agreements (City of Ann Arbor, City of Ypsilanti, Pittsfield Township, Scio Township, Ypsilanti Township)</p> <p>Stakeholders or Partners: Washtenaw County?, RTA?</p>
<p>Goals</p>	<ol style="list-style-type: none"> 1. To help the Board in developing policies [being agents] by providing formal, regular channels for learning [being informed] about the values and priorities of Legal Owners 2. To help the Board create means for linking with Moral Owners <p>The Board can use these insights in policy development and when considering What We Do, For Whom, and At What Cost (aka: Ends).</p> <p>In addition, communication channels intended for Ownership Linkage will also result in more open sharing about Operational Means which the board does not dictate plus metrics supplied by staff.</p> <p>The CEO can participate to increase communications/coordination on behalf of operations regarding these matters while board members focus on policy topics.</p>

	This increased communications will help all parties and reduce comments of, “We didn’t know” or “We were not informed”.
Benefits	<p>For Moral/Legal Owners and Stakeholders:</p> <ul style="list-style-type: none"> • Increase communication, mutual understanding • Decrease/eliminate knowledge/information holes <p>For AAATA:</p> <ul style="list-style-type: none"> • Increase visibility with our Legal owners, in particular • Regular dialog (either via meetings or emails) with Legal owners • Help Board members regularly shape new and review existing policies and Ends statements to enable them to work in alignment with policies and priorities set forward by the Legal Owners.
Interfaces	AAATA Board, AAATA Staff, Legal Owners (including city administrators, city council members, mayors, township supervisors), Moral Owners, Stakeholders
Composition	AAATA Board Members + AAATA Staff (<i>details below</i>)
Member Terms	TBD
Board Support	<p>Rich XXXXX (lead) Ryan XXXXX Jesse XXXX Susan XXXX</p> <p><i>NOTE: Having all board members participate in this task force at some point of their tenure will ensure we, as a group, best understand and uphold our duty of ownership linkage, and also help with board succession planning.</i></p>
Staff Support	<p>CEO (primary) <i>Other staff as needed based on meeting agenda topics</i></p>
Meeting Schedule (task force)	Quarterly (virtual or in-person) task force meetings (with each meeting up to 1 hour in length) - Jan, Apr, Jul, Oct
Meeting Schedule (owners/partners)	1-3 (virtual or in-person) meetings (with each meeting up to 1 hour in length) per year with subsets of each legal owner
Meeting Participants	<p>These meetings can be 1:1 or 1:N.</p> <ul style="list-style-type: none"> • Appropriate OLTF Task Force Members (Board and Staff) <p>City of Ann Arbor:</p>

	<ul style="list-style-type: none"> • City Administrator • Council members • Mayor • Transportation Manager • Community members? <p>City of Ypsilanti:</p> <ul style="list-style-type: none"> • Council members • Mayor • Community members? <p>Ypsilanti Township:</p> <ul style="list-style-type: none"> • Township Supervisor • Community members? <p>Washtenaw County:</p> <p>TBD</p> <p>RTA:</p> <p>TBD (might not be applicable)</p>
Description of Tasks	<p>Seeking input from Legal Owners:</p> <ul style="list-style-type: none"> • Using signals from the municipal councils to discern input for our Board to help in adjusting your board policies (Ends and Executive Limits). • Monitoring major policy decisions (written approved docs) from each municipal council to watch for their values. Things like A2Zero, Master Plans, etc. • A regular schedule of speaking formally to each body at least 1-2 times per year, Board-to-Board, to present the Ends and ask for feedback. • Depending on the meeting frequency and the group size of who we will be meeting with, we may ask the particular municipal Legal Owner to create a committee they've selected that will meet with our OLTF representatives. <p>Seeking input from Moral Owners:</p> <ul style="list-style-type: none"> • For Moral Owners, review community results of telephone survey from late 2021. <i>A study has shown that if you can afford to do so, having a telephone survey to get input from the community is a valid method to learn their values (aka: what do taxpayers care about).</i> <p>Seeking input from Stakeholders/Partners:</p> <ul style="list-style-type: none"> • TBD <p>Seeking input from the AAATA Board:</p>

	<ul style="list-style-type: none"> • Conveying results of above tasks to full board for discussion.
Typical meeting questions	<p>We would like to verify their desired outcomes and values, with minimal means discussions.</p> <ul style="list-style-type: none"> • What do you believe will be the most significant challenges in this area in the next decade? • What do you believe will be the most significant challenge facing transit in this area in the next decade? • Are there particular needs or issues that you think the Ride should address? • What are the priority needs that aren't currently being met? • What opportunities do you see in the community that could have an impact on transit? OR What opportunities do you see for transit to have an impact in the community? • What have you heard from residents and visitors?
Typical updates	<ul style="list-style-type: none"> • Board policies, especially Ends - are these the outcomes the Owners want? (Risks/controls would be in Executive Limitations.) • Pertinent monitoring report updates • Long Range Plan
Typical meeting structure	<p>AAATA board members are the primary participants in the meetings.</p> <p>Meeting structure with a legal owner:</p> <ol style="list-style-type: none"> 1. Policy governance org chart diagram 2. Review moral owner feedback from their community 3. Review LRP dashboard 4. Ends review 5. Q&A 6. Specific topic(s) (e.g. A2 climate millage) 7. Schedule meeting cadence (1-2 times a year? more?) 8. Schedule next meeting

Who is an owner?

Determining ownership is an important and interesting question. In a very simplistic way, we can often answer the question of who are the 'legal owners' by considering three questions:

1. If the AAATA ceased to exist, who would have the legal authority to reconstitute the organization?
2. Who gives the board the legal authority to govern the organization?
3. Who hires & fires the board?

In answering these three questions, we can start by examining the Articles of Incorporation and the organization's bylaws for the legal context. The Articles of Incorporation for AAATA state:

"This amendment to the Articles of Incorporation of the Ann Arbor Area Transportation Authority are adopted by the City Council of the City of Ann Arbor, the City Council of the City of Ypsilanti, the Board of the Charter Township of Ypsilanti, and the Board of the Ann Arbor Area Transportation Authority for the purpose of adding the Charter Township of Ypsilanti as an incorporator with all rights granted members under Act 55 of the Public Acts of Michigan of 1963."

*Section 1, Article 4 states: The Authority shall be directed and governed by a Board which shall consist of eight members appointed by the Mayor of the City of Ann Arbor with the concurrence of the Ann Arbor City Council, one member appointed by the Mayor of the City of Ypsilanti with the concuenee-4ie Ypsilanti--City Ci-and one member appointed by the Supervisor of the Charter Township of Ypsilanti with the concurrence of the Township board. All appointments to the Board shall be in accordance with the adopted policies and procedures for appointment for the respective governing bodies and **each governing body retains the right to remove and replace such members** in accordance with the same procedures. There shall be no limit to the number of consecutive terms an appointee can serve.*

The bylaws state that:

Section 1: The members of the Board shall be those individuals appointed by the Mayor of the City of Ann Arbor, with the concurrence of Ann Arbor City Council; the Mayor of the City of Ypsilanti, with the concurrence of Ypsilanti City Council; and the Charter Township of Ypsilanti Supervisor, with the concurrence of the Charter Township of Ypsilanti Board of Trustees, pursuant to the Articles. which set out who grants the board the authority to govern.

Section 3: Members of the Board may be removed only by majority vote of that representative's jurisdiction's governing body.

Reading them in the context of the three questions above.

1. If the AAATA ceased to exist, who would have the legal authority to reconstitute the organization?
From reading the above the incorporators – City of Ann Arbor, City of Ypsilanti, Township of Ypsilanti – could conceivably reconstitute the organization.
2. Who gives the board the legal authority to govern the organization?
The authority was given to the board by the incorporators.
3. Who hires & fires the board?
The bodies which appoint and may remove directors are the City of Ann Arbor, City of Ypsilanti, Township of Ypsilanti

From the above it would seem that the **legal** ownership comprises of the City of Ann Arbor, City of Ypsilanti, Township of Ypsilanti.

That being said, the board may decide that Washtenaw County is a stakeholder which has a long-term interest in the success of the Authority and therefore there is a moral imperative to consult with the County, remaining aware that the board's accountability is different to Washtenaw County than it is to the legal ownership.

It is also within the board's interests to consult with stakeholders to understand their perspective and appreciate what elements should be considered in setting direction/limits for the Authority. The board's accountability to stakeholders, even those which fund or regula