

# Albert M. Berriz

February 29, 2012

## **Personal and Confidential**

Financial Task Force Committee  
TheRide/Ann Arbor Transportation Authority  
2700 South Industrial  
Ann Arbor, MI 48104

Dear Fellow Committee Members,

I want to thank all of you for your marvelous service. You have done great work! I especially want to thank my good friend and Co-Chair Bob Guenzel. A terrific public servant and a quality guy!

My service on this committee and my work with the senior leadership team at the AATA over the past year has been very rewarding, and I have learned very much. I have scrutinized the people, the process and the numbers like I would in my own business; and I am very comfortable with Michael Ford and his team at the AATA. No matter how much criticism and commentary this process may receive, I can speak as a CEO of a multi-billion dollar business and say that their results and the work product are solid and real. We should be very comfortable as a community that we have the right people in the right seats running the AATA.

The practical reality of regional transportation is that it is a highly subsidized business. In the words of a for-profit guy, you can't make the numbers work. So what remains is how you decide to raise those public dollars, and is it politically expedient to do so in the current environment that you find yourself in.

A great county wide transportation system would be a competitive advantage in building a 21st century workforce and right now for me as a major employer in Washtenaw County, it isn't yet a big positive. It's why I support this process and its broad goals. We can say what we want, but regardless of comparisons to other cities of various sizes, a better connected Washtenaw County would make for a stronger work environment. Bottom line... it's good for jobs!

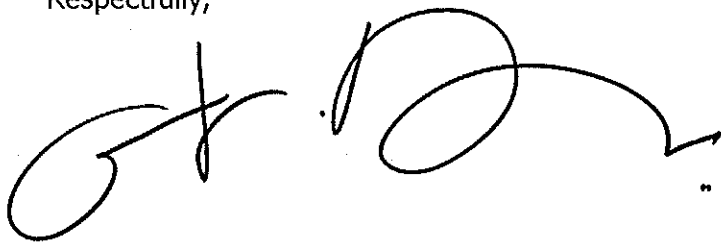
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You have done great work and I thank you for that. We started with a funding gap of \$63 million and reduced that to \$32 million. What remain are the solid components of the plan, a more pragmatic view on charging higher user fees for certain services, and no soft dollars in the plan for R&D. So regardless of how the community chooses to fund this gap, and whether or not it elects to do so, the amount on the table has been rigorously reviewed and it stands on its own two feet.

The specific charge of our committee was to recommend a funding source to cover the gap. In practical terms, you only have two funding choices: 1.) A county wide millage; or 2.) Funding via the methodology that arises as a result of Governor's Snyder plan now in the infancy stages of community discussion. The \$32 million funding gap is the equivalent to 1/2 mill. So a simple choice would be to pursue a countywide millage effort for 1/2 mill. The intervening factor is that we don't know what the Governor's plan will look like in its final form, and without that information it's difficult to say that pursuing the track of a countywide millage is the right thing to do at this time. Therefore, in my opinion, it's premature to pursue any millage option at this time until we have a clearer picture of what the efforts now underway at the state level will look like in their final form. Moving forward with a millage at this time is not prudent as there are too many parts of the current economic model that we have been asked to review that may and likely will change once the final legislation comes into play. It would be unfair to say that we have acted in our fiduciary capacity as a committee if we did not bring forth this obvious reality.

Therefore, I respectfully request that we table our work at this time, and I would ask that reconvene at some later point once we have a clearer picture of what the statewide efforts look like in their final form. The marvelous work we do at the AATA is critical to this community, and therefore, this additional time spent on having a better understanding of the overall funding landscape will be time well spent.

Respectfully,

A handwritten signature in black ink, appearing to read 'Albert M. Berriz'. The signature is fluid and cursive, with a large loop at the end.

Albert M. Berriz