

Detroit area transit CEO terminated

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Regional Transit Authority officials terminated the contract of Michael Ford, the agency's first CEO, on Thursday, following a failed regional millage in November and recent questions over his job expenses.

At a meeting, the RTA's board announced its unanimous decision to end Ford's \$200,000 annual contract. Ford, 55, who attended the meeting, will be paid \$161,000, which is the remainder of his contract that was set to end in October.

While the review of Ford was triggered by his contract, the executive's future came into question when The Detroit News reported his travel expenses were under scrutiny. Ford charged the authority about \$37,000 for airfare, hotels, out-of-town meals, parking and mileage over 2 1/2 years, [according to expense reports obtained by The News](#) through the Freedom of Information Act.

Following that revelation, Ford repaid \$18,813 for a portion of mileage, cellphone, health care and insurance payments he received since being hired in late 2014.

The board admitted Thursday that while "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."

RTA chairman Paul Hillegonds also warned that without a millage, the RTA could run out of money by 2018 and that the organization needs a CEO who is able to raise funds to keep it afloat.

Hillegonds characterized the situation with Ford as a mutual parting of ways.

"The board has decided to ask Michael to terminate his employment, which it is characterizing as a termination without cause under his contract," Hillegonds said in a statement. "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."

Ford said the developments appeared to be more over last year's loss with the regional millage and less about his expenses. The total amount of Ford's travel expenses did not exceed the RTA's budget, officials said, but details of the expenses and dates raised concerns.

"There weren't any expense issues at all. They were approved, and they go through a vetting process to two levels ... there were just some overpayments on health care, cellphone and mileage," he said after the board's decision. "Those were mistakes and once brought to my attention (they were rectified)."

After the meeting, Hillegonds said Ford had “done a great job for us, but we knew that the skills that he brought to this job were not the ones he was going to be able to use in the near future.”

“There’s no question the FOIA request and our performance review discussion caused us to think about what are the strengths that we need going forward to work on a regional consensus before we can go back to the voters. We have work to do with the regional leadership with what kind of master plan do we want to present to the voters and how much we should be asking for and when,” he said. “Those are the kinds of issues that we didn’t hire Michael originally for.”

The RTA’s \$4.6 billion tax rejected by voters last fall would have paid for bus rapid transit, a rail line between Detroit and Ann Arbor, an airport shuttle service, a regional fare card system and other service changes. The 20-year millage would have cost the owner of a \$200,000 home about \$120 annually.

Washtenaw and Wayne counties favored the millage while Oakland County voters were split 50-50. But Macomb County’s say ended the conversation, ensuring there were more votes of opposition than support across the four counties.

When asked if politics played a role in his fate — some public officials, including Oakland County Executive L. Brooks Patterson and Macomb County Executive Mark Hackel, questioned his spending — Ford said: “I’ll let those folks speak for themselves.”

“Obviously, politics plays into almost anything that you do,” he said. “It’s unfortunate because we were very, very close” to winning the millage, Ford said. “People have views about regional transit here, and I’ve heard others say there hasn’t been the political will to move forward.”

Ford’s No. 2, Tiffany Gunter, will serve as the RTA interim CEO.

The RTA’s internal investigation focused on Ford’s expenses, including why the RTA reimbursed him directly for cellphone expenses instead of requiring the CEO to submit reimbursement requests as required by the group’s procedures. Ford reimbursed almost \$5,300 for cellphone overpayments.

Another area of focus was mileage reimbursement. Ford received a \$10,000 car allowance but had also billed the RTA for \$9,305 in mileage since November 2014. The review looked at whether Ford received as much as double the amount permitted under his contract. He repaid approximately \$3,500 for mileage.

The balance of the \$18,813 payment covered insurance and health care benefits that Ford should not have received.

RTA spokesman Mario Morrow added Thursday the board is “planning strategy sessions to identify and secure new alternative funding to make sure the RTA can and will be able to move forward beyond 2018.”

At the end of February, the RTA had more than \$951,000 in its account.

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