

# Detroit area transit authority probes CEO's expenses

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*Detroit* — The Regional Transit Authority is investigating CEO Michael Ford's expenses and debating whether to renew his contract four months after voters rejected a \$4.6 billion millage to expand bus, rail line and shuttle services across Metro Detroit.

The RTA board is expected to discuss Ford's contract and the investigation's findings at an 8 a.m. closed-door meeting Thursday. The meeting comes amid a review of Ford's expenses and questions from The Detroit News following numerous public-records requests. The RTA's review revealed questionable reimbursements and costly travel — including luxury hotel rooms at a cost of up to \$560-a-night — at a time when the RTA was asking taxpayers for billions of dollars.

Ford, 55, charged the authority about \$37,000 for airfare, hotels, out-of-town meals, parking and mileage over 21/2 years, according to expense reports obtained by The News through the Freedom of Information Act.

The total amount of Ford's travel expenses did not exceed the RTA's budget, officials said, but details of the expenses and dates have apparently raised eyebrows.

The expenses, and an ongoing review by RTA Chairman Paul Hillegonds, have raised questions about the authority's spending and financial controls. Hillegonds, Gov. Rick Snyder's appointee to the RTA board, said it is too early to assign blame. The investigation and debate over Ford's future reveal signs of turmoil at the top of a group that could ask voters next year for billions of dollars in tax revenue to support regional transit.

The meeting Thursday comes two weeks after RTA's board postponed giving Ford a \$16,300 raise on top of his \$200,000 salary.

"The millage failed miserably, and here they wanted to give him a pay raise? It doesn't make sense," Macomb County Executive Mark Hackel told The News. "The optics are just awful."

Ford, through a spokesman, declined comment Wednesday.

The amount of Ford's travel expenses is concerning, RTA board member Roy Rose said.

"That seems a little bit high," he said.

Ford became the authority's first CEO in late 2014 and was tasked with coordinating regional transit and helping lead the unsuccessful effort to raise tax revenue. It was created by the state legislature to plan and coordinate public transportation and develop rapid transit in the four-county Metro Detroit region. Its budget includes state funds for operations and federal money for transit planning.

The 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.

Ford's three-year contract ends in October, but preliminary talks about an extension are clouded by the authority's dwindling finances. The RTA board has a few weeks left to decide whether to renew his contract.

“We’re going to run out of money,” Rose said. “We have enough money to cover half of 2018, but without any resources, we’re going to be out of money so we have to see how we get beyond what money we currently have in hand.”

A review of expense reports and travel receipts obtained by The News shows Ford has taken about 11 work-related trips across the U.S. The expenses include more than \$28,000 spent on hotels, airfare, meals, transportation and parking in San Francisco, Los Angeles, Boston, Orlando, Florida, Washington D.C., Phoenix, and Mackinac Island.

The most expensive trip was March 2015 when Ford billed the RTA \$4,159 after attending the American Public Transportation Association’s legislative conference at the JW Marriott in Washington, D.C.

The conference was held March 8-10, according to the association’s website. Ford checked into the hotel two days early and checked out two days after the conference ended, according to RTA receipts.

Ford’s room cost \$377 initially before the price rose to \$560 a night for the last four nights, according to the receipts.

Ford traveled early to Washington, D.C., and stayed late in hopes of meeting with congressional leaders, RTA spokesman Mario Morrow said.

“Those meetings did not come to fruition,” Morrow said. “So he worked from D.C. because it would have cost more to come back.”

Seven months later, in October 2015, Ford was in San Francisco for the American Public Transportation Association’s annual meeting at the Hilton San Francisco Union Square.

Ford didn’t stay there.

Instead, he checked in two days early and stayed a block away at the Hotel Adagio, a luxury boutique hotel. Hotel Adagio cost \$441 a night for the first three nights before climbing to \$558 for the last two nights, according to Ford’s receipts.

The total hotel bill: \$2,440.

Rose said the RTA’s chief executive has tried negotiating regional politics while pushing for the tax hike.

“He’s had a tough job,” Rose said. “I’m not necessarily saying I could have done a great job, but that was a tough hill for him to climb.”

The RTA's internal investigation is 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.

Another area of focus is mileage reimbursement. Ford receives a \$10,000 car allowance but also has billed the RTA for \$9,305 in mileage since November 2014. The review is looking at whether Ford received as much as double the amount permitted under his contract.

"Michael Ford is reviewing all expenses and could possibly be reimbursing the RTA for some of those mileage and cellphone expenses," Morrow said.

It is unclear whether the reimbursements were an administrative error or Ford's fault.

"It's possibly a combination of both but we haven't reached a conclusion," Hillemonds said.

Aside from the car allowance, Ford received \$50,567 towards a retirement plan last year, a \$4,160 phone allowance and \$1,500 toward a flexible-spending health care account.

The ongoing investigation was prompted a month ago while reviewing Ford's performance as CEO and after receiving his self-evaluation, Hillemonds said.

"After that, we initiated our review of expense issues," he said.

A few days later, The News submitted Freedom of Information Act requests for Ford's contract and expenses "and that has led us into other expense issues," Hillemonds said.

"I hesitate to say a lot," about his findings, Hillemonds added.

This isn't the first time Ford's expenses have drawn scrutiny.

Ford charged taxpayers for almost \$40,000 worth of meals as CEO of the Ann Arbor Area Transportation Authority from 2009 to 2014, [according to MLive](#).

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