

CITY OF MUSKEGON

CITY COMMISSION WORKSESSION

August 11, 2025 @ 5:30 PM

**MUSKEGON CITY COMMISSION CHAMBERS
933 TERRACE STREET, MUSKEGON, MI 49440**

☐ **CALL TO ORDER:**

☐ **NEW BUSINESS:**

A. Regional Transit Authority Manager's Office

☐ **PUBLIC COMMENT:**

☐ **ADJOURNMENT:**

AMERICAN DISABILITY ACT POLICY FOR ACCESS TO OPEN MEETINGS OF THE CITY OF MUSKEGON AND ANY OF ITS COMMITTEES OR SUBCOMMITTEES

To give comment on a live-streamed meeting the city will provide a call-in telephone number to the public to be able to call and give comment. For a public meeting that is not live-streamed, and which a citizen would like to watch and give comment, they must contact the City Clerk's Office with at least a two-business day notice. The participant will then receive a zoom link which will allow them to watch live and give comment. Contact information is below. For more details, please visit:

www.shorelinecity.com

The City of Muskegon will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities who want to attend the meeting with twenty-four (24) hours' notice to the City of Muskegon. Individuals with disabilities requiring auxiliary aids or services should contact the City of Muskegon by writing or by calling the following:

Ann Marie Meisch, MMC. City Clerk. 933 Terrace St. Muskegon, MI 49440. (231)724-6705.
clerk@shorelinecity.com



Agenda Item Review Form

Muskegon City Commission

Commission Meeting Date: August 11, 2025	Title: Regional Transit Authority							
Submitted by: LeighAnn Mikesell, Deputy City Manager	Department: Manager's Office							
Brief Summary: Staff is seeking direction on the City of Muskegon's participation in a new regional transit authority.								
Detailed Summary & Background: In October 2024, the City Commission approved Articles of Incorporation as a first official step in forming a regional transit authority. The articles outline the members, district served, purposes and power of the authority, details of the Board of Directors, how the work will be funded, how future amendments are made and approved, and methods for members to be released from the authority. As you are aware, not all of the four member communities approved the Articles of Incorporation. Discussion among the communities has continued, and it is unlikely that at least one and possibly two communities will join the authority, leaving an authority comprised of two or three communities. Staff is asking the commission to consider whether they are willing to join a smaller authority. It is likely that the remaining communities will contract with the authority for certain transit services, most likely the Go Bus. It is also likely that fixed routes will be offered in the non-member communities to ensure residents who use fixed routes can reach their desired destinations.								
Goal/Action Item: 2027 GOAL 4: FINANCIAL INFRASTRUCTURE - Maximized efficient use of existing infrastructure								
Is this a repeat item?: Explain what change has been made to justify bringing it back to Commission:								
Amount Requested: N/A	Budgeted Item: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>X</td><td></td></tr></table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1"><tr><td>Yes</td><td></td><td>No</td><td></td><td>N/A</td><td>X</td><td></td></tr></table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Recommended Motion: Discussion only								
Approvals: <table border="1"><tr><td>Immediate Division</td><td></td><td></td></tr></table>	Immediate Division			Name the Policy/Ordinance Followed:				
Immediate Division								

Head			
Information Technology			
Other Division Heads			
Communication			
Legal Review			



August 12, 2024

**Board of
Commissioners**

Charles Nash
Chair, District 5

Jessica Cook
Vice Chair, District 6

Kim Cyr
District 1

Zach Lahring
District 2

Michelle Hazekamp
District 3

Marcia Hovey-Wright
District 4

Darrell L. Paige
District 7

Ms. LeighAnn Mikesell, Deputy City Manager
City of Muskegon
933 Terrace Street
Muskegon, MI 49440

RE: Public Transit Authority Articles of Incorporation

Dear Ms. Mikesell:

Thank you for your assistance in the effort to create a public transit authority in our community, to be incorporated under Michigan Public Act 196 of 1986.

Attached is a copy of the Articles of Incorporation document that was developed with your assistance over the past months of work. Your further assistance in presenting these Articles of Incorporation for formal consideration and approval of your City Commission is greatly appreciated by all involved in this effort. Once all partner communities have approved these Articles of Incorporation, they will be published and filed as required, and the new entity will begin its work to identify and deliver improved public transportation in the community.

You may also find it expeditious at this time to obtain your Commission's formal appointment of a representative to serve as Director on the Authority board (and an Alternate Director, if desired). Appointing this individual(s) now will allow the Authority to conduct necessary business immediately upon incorporation. Please ensure that the appointed individual(s) meet the qualifications set out in the Articles.

Thank you again for your work on this matter. Please reach out with any questions or updates. If you wish for a representative of the County to attend your meeting, please advise.

Sincerely,

Mark Eisenbarth
County Administrator

James A. Koens
Transit Systems Manager

enclosure



MUSKEGON AREA TRANSIT SYSTEM • 2624 SIXTH STREET • MUSKEGON HEIGHTS, MICHIGAN 49444
(231) 724-6420 • FAX (231) 830-1607 • www.matsbus.com

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**ARTICLES OF INCORPORATION
OF THE
MUSKEGON AREA TRANSIT SYSTEM (MATS)**

**Article I
Formation**

These Articles of Incorporation are executed and adopted by the Incorporating Political Subdivisions listed below to incorporate a public authority under the Public Transportation Authority Act of the State of Michigan, P.A. 196 of 1986, as amended (“Act 196”). The Incorporating Political Subdivisions anticipate that the Authority will enter into agreements with the County of Muskegon, the State of Michigan, and the Federal Transit Administration as may be necessary for the authority to acquire all of the County of Muskegon’s public transportation assets and assume all public transportation liabilities to the extent permitted under Act 196.

**Article II
Name, Incorporating Political Subdivisions, and Authority District**

Section 1. Name. The name of the Authority is the Muskegon Area Transit System.

Section 2. Incorporating Political Subdivisions. The following political subdivisions located within Muskegon County, Michigan, are the Incorporating Political Subdivisions and initial Members of the Authority:

- City of Muskegon
- City of Muskegon Heights
- City of Norton Shores
- City of Roosevelt Park

Additional political subdivision(s) may become Members or additional portions of a Member political subdivision may be added to the Authority District after the formation of the Authority upon resolution adopted by a majority vote of the members elected to, and serving on, the legislative body of the political subdivision requesting such membership or addition and upon approval by a two-thirds vote of the Authority Board of Directors, and upon proper adoption of an Amendment to these Articles as outlined herein.

Section 3. Authority District. For purposes of property tax levies as permitted by Act 196, the Authority shall have an “Authority District” with a geographic boundary that includes all of the voting precincts that have been authorized for inclusion by the Members in these Articles of Incorporation, as may be amended. The initial Authority District shall include:

- City of Muskegon – All Precincts
- City of Muskegon Heights – All Precincts
- City of Norton Shores – All Precincts
- City of Roosevelt Park – All Precincts

The Muskegon Area Transit System may provide its services both within the boundaries of its Authority District and outside of its Authority District in accordance with Act 196.

Article III

Purposes and Powers of the Authority

Section 1. Purposes. The purposes for which the Authority is created are:

- a. To provide public transportation services to the extent authorized by Act 196, including to plan, promote, finance, acquire, improve, enlarge, extend, own, construct, operate, maintain, replace, and contract for public transportation services and facilities within the Authority District.
- b. To provide ancillary services incidental, necessary, or convenient in support of the provision of public transportation services, including the facilitation of multi-modal access and connections for personal mobility devices, bicycles, pedestrians, inter-city buses, passenger rail, ports, airports, and other transportation means.
- c. To provide public transportation services within or outside the Authority District under contract or as determined beneficial by the Authority.
- d. To succeed to all rights, duties, and obligations of the County of Muskegon regarding public transportation services to the extent permitted under Act 196.
- e. To do all things necessary, suitable, or proper for the accomplishment of the above purposes.

Section 2. General Powers. The Authority has the power to do anything authorized or permitted by Act 196, and to do any other lawful act reasonably necessary, proper, suitable, or convenient for the achievement or furtherance of the purposes above stated.

Article IV

Board of Directors – Governance of the Authority

Section 1. The Board. The Authority shall be governed by a Board of Directors (the “Board” and/or “Directors”).

Section 2. Composition. The Board shall consist of four (4) voting Directors. The legislative body of each Member shall appoint one (1) Director, that being the chief executive, or another upper level administrative official of the Member. The legislative body of each Member may also appoint one (1) alternate Director, who shall also be an administrative official, who may attend meetings and otherwise act on behalf of the Director appointed by that Member.

Section 3. Terms. Each manager, supervisor, or administrative official appointed as Director or alternate Director shall serve for a term that runs concurrent with the time period for which they hold their office with the Member that appointed them.

Section 4. Removal / Resignation. Directors and alternate Directors, once appointed, shall continue to serve until they are reappointed, replaced by an appropriately appointed replacement, removed, or they resign. Directors and alternate Directors shall serve at the pleasure of the legislative body that appointed them and may be removed for any reason in the same manner by which they were appointed. A Director desiring to resign shall submit such resignation in writing to the Chairperson of the Authority Board of Directors and to the Member that appointed them. Such resignation shall take effect upon receipt of the resignation by the Chairperson of the Board of Directors. The legislative body that made the appointment of the removed or resigning Director shall make a replacement appointment within sixty (60) days of the removal action or accepted resignation. Professionalism and attendance at Board meetings is imperative and the Board may, by a two-thirds vote of the Authority Board of Directors, formally request that a

legislative body appoint a replacement Director for a pattern or practice of unexcused absence or for conduct unbecoming.

Section 5. Board Meetings. – The Board shall hold an initial meeting at a time and place selected and agreed to by the Board members for the purpose of appointing officers, adopting bylaws, and taking any other action the Board deems necessary. Thereafter, the Board shall hold at least an annual meeting at such place and time as shall be fixed by the Board. The Board shall transact other business as may be necessary at its annual meeting and shall hold regular meetings on a schedule to be determined by the Board.

Section 6. Voting and Decisions. Each Director shall have one (1) vote. Decisions of the Board shall require a majority vote of the total number of Directors present at any meeting of the Board in which a quorum is present.

Section 7. Quorum. A majority of the total number of Directors then in office who are present at a duly held meeting shall constitute a quorum for conducting business at any meeting of the Board. Attendance by electronic means shall be allowed only as permitted by applicable law.

Section 8. Compensation of Directors. Directors shall not be compensated by the Authority for attendance at meetings of the Board. Directors shall be entitled to reimbursement by the Authority for actual expenses incurred in the discharge of their official duties as determined by the Authority.

Section 9. Indemnification of Directors. The Board shall indemnify Directors of the Authority to the fullest extent permitted by applicable law. The Board may indemnify employees and other agents of the Authority as permitted by applicable law.

Section 10. Bylaws, Rules and Regulations. The Board shall adopt and establish its own bylaws, rules and regulations, policies and procedures regarding the operation, maintenance and management of the public transportation system.

Section 11. Open Meetings Act. The Board is a public body subject to the Open Meetings Act, PA 267 of 1976, as amended, and all meetings of the Board shall be open to the public.

Article V

Financial Matters

Section 1. Financial Records. The Authority shall maintain adequate financial records in accordance with law and generally accepted accounting principles.

Section 2. Annual Report. The Authority shall prepare an annual report on the Authority's operation and financial condition, which shall be made available to the public and transmitted to the Members of the Authority.

Section 3. Audits, Budgets, and Appropriations. The Authority shall provide for audits, budgets, and appropriations as required by Act 196.

Section 4. Fiscal Year. The Authority shall operate on a Fiscal Year beginning October 1 annually.

Article VI

Local Funding for Public Transportation Purposes

Section 1. Property Tax Levy. The Authority may levy property taxes on all of the taxable property within the limits of the Authority District for public transportation purposes as permitted by Act 196 and these Articles. Taxes shall not be levied except upon the approval by a majority of votes cast by registered and qualified electors residing in the Authority District and voting on the proposal(s) as authorized by Act 196. Any election on a transit revenue proposal initiated by the Authority shall be conducted and certified in accordance with Act 196.

Section 2. Collection of a Tax Levy. Any tax levy approved by the electorate shall be collected and transmitted to the Authority in accordance with the requirements of Act 196.

Section 3. Local Share Contribution Funding from Incorporating Political Subdivisions. Upon formation of the Authority, the Incorporating Political Subdivisions shall begin contributing quarterly to the Authority an amount equal to the funding levels paid by each Incorporating Political Subdivision for County-governed public transportation services in 2024. This level of quarterly contribution shall end after four years, or earlier at such time as a tax levy has been successfully collected by the Authority or an alternative local funding formula has been agreed by contract. No further Local Share Contribution under this Section shall be required of the Incorporating Political Subdivisions for the general purpose of forming the Authority. Local funding may be required as outlined elsewhere.

Section 4. Should a levy contemplated by this Article fail within four years of Authority formation, a Member may, by adoption of a resolution by a majority of the members elected to and serving on the legislative body of the Member, present to the Authority a request to be released from membership in the Authority. The Authority will not unduly decline the request and will act affirmatively as outlined in Article IX, Section 1(b), below.

Section 5. Local Jurisdiction and Contract Funding. The Authority shall have the ability to contract to provide services as it deems appropriate consistent with these Articles and Act 196. Contracts may include those entered with local municipalities, including Members, that provide for the purchase of service types or service levels not otherwise available or not offered in like manner across the entire Authority District.

Section 6. Funding equal to Tax Levy for New Subdivisions. In the event that a new Member (or additional voting precincts of an existing Member) is added to the Authority District after its formation, the Member requesting such addition shall be required to provide quarterly funding at an amount agreed with the Authority (if no tax levy has yet been passed). If a tax levy has been approved for collection, the new (or expanded) Member shall provide annual funding equal to the value of the tax levy that would have been assessed to the Member had it been included in the most recent tax levy. Such payment shall continue annually until the new Member's voting precincts can be included in a subsequent tax levy.

Article VII

Filing and Publication

Section 1. Filing and Publication. Within thirty (30) days after the signing of these Articles of Incorporation by all Incorporating Political Subdivisions, the Muskegon County Administrator, or his/her designee, shall:

- (a) Publish a copy of these articles at least once in a newspaper circulated within the area proposed to be served by the Authority, and

- (b) File a copy of these Articles with the Secretary of State, the Muskegon County Clerk, and the Director of the Michigan Department of Transportation

Section 2. Effective Date. These articles shall become effective immediately upon filing and publication as described above.

Section 3. Subsequent Filings. Publication and filing of Amendments to these Articles shall be consistent with Section 1 and Section 2, but shall be performed by the Chairperson of the Authority Board of Directors or his/her designee as the responsible official instead of the County Administrator.

Article VIII Amendment

Section 1. These Articles may be amended upon a resolution adopted by two-thirds of the legislative bodies that are, at the time of the proposed amendments, participating as Members of the Authority. No amendment shall be effective until the amendment is filed and published in the same manner as required for adoption of these Articles.

Article IX Release or Withdrawal from Authority

Section 1. An Incorporating Political subdivision may be released from membership in the Authority if all the following conditions are met:

- (a) Adoption of a resolution by a majority of the members serving on the governing or legislative body of the Incorporating Political Subdivision requesting release from membership.
- (b) Acceptance of the request by a 2/3 vote of the members serving on the board of the Authority, excluding the members representing the political subdivision requesting release.
- (c) Payment or the provision for payment is made regarding all obligations of the Incorporating Political Subdivision to the public authority or its creditors.

Section 2. Notwithstanding the provisions of Section 1, an Incorporating Political Subdivision may also be released from membership in the authority if all the following conditions are met:

- (a) A petition subject to section 5488 of the Michigan election law, 1945 PA 116, MCL 168.488, that bears the signatures of registered electors of the Incorporating Political Subdivision equal to at least 20% of the number of votes cast in the Incorporating Political Subdivision for all candidates for governor in the last general election in which a governor was elected and that requires the governing body of the Incorporating Political Subdivision entity by resolution to submit the question to its electors at the next general or special election is filed not less than 60 days before the election with the clerk of the entity presenting the question.
- (b) The Incorporating Political Subdivision desiring to withdraw from the authority has approved the question by a majority of the qualified and registered electors voting at a general or special election held in November before the expiration of a tax authorized to be levied under this act.
- (c) The vote upon the question approving the resolution is by ballot and is in substantially the following form: "Shall _____ (the Incorporating Political Subdivision) as provided by 1986 PA 196 withdraw from the authority as a member? Yes ____ No ____".
- (d) All ballots are cast, canvassed, and the results of the election certified in the same manner as ballots on any other question submitted to the electors of the entity seeking withdrawal pursuant to the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

- (e) Payment or the provision for payment is made regarding all obligations of the political subdivision to the public authority or its creditors. If withdrawal is approved by a majority of the electors voting on the question, the decision will take effect at the expiration date of the tax and neither the Authority nor officials of the other political subdivision(s) may appeal or amend this decision.

Section 3. Notwithstanding Section 1 and 2 above, an Incorporating Political Subdivision that is part of the Authority may withdraw from the Authority in any year in which a tax authorized to be levied under Act 196 of 1986 expires, without meeting the conditions listed in Section 1 or 2, if the Incorporating Political Subdivision makes the determination to withdraw by a vote of its legislative body held in January of that year.

Article X

Savings Clause

Section 1. Savings Clause. The invalidity or unenforceability of any term in these Articles shall not affect the validity or enforceability of any remaining term in these Articles.

Endorsements

The foregoing articles of incorporation were adopted by an affirmative vote of a majority of the members serving on the governing or legislative body of _____, _____ at a meeting duly held on the ____ day of _____, A.D., 20__.

The foregoing articles of incorporation were adopted by an affirmative vote of a majority of the members serving on the governing or legislative body of _____, _____ at a meeting duly held on the ____ day of _____, A.D., 20__.

The foregoing articles of incorporation were adopted by an affirmative vote of a majority of the members serving on the governing or legislative body of _____, _____ at a meeting duly held on the ____ day of _____, A.D., 20__.

The foregoing articles of incorporation were adopted by an affirmative vote of a majority of the members serving on the governing or legislative body of _____, _____ at a meeting duly held on the ____ day of _____, A.D., 20__.

