

# ***West Michigan Regional Transit Systems Governance & Organizational Transition Study***

## ***Final Report***

**West Michigan Shoreline Regional Development Commission**

Prepared by:



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SRF No. 14449

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# Introduction

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## Project Background

A partnership between the West Michigan Shoreline Regional Development Commission (WMSRDC), Muskegon County, Muskegon Area Transit System (MATS) and Harbor Transit Multi-Model Transit System (Harbor Transit) have joined to study whether public transportation services in the Muskegon Urbanized Area, throughout Muskegon County and across the service area of Harbor Transit in Ottawa County can be better delivered through a different organizational or governance structure than what is currently operated in the two areas.

The intent of the project is to create better communication, coordination, and decision-making by local governments in the region as it relates to public transportation services and mobility. While the obligation of this study is to document and define the need for change to transit governance to create regional benefits, there is an initial assumption that a new management concept is desirable in Muskegon County which must be addressed. If this change is supported, the next step in the organizational review process is to outline options with concrete steps that the transit agency and county staff in Muskegon County can implement to create a better organizational structure for transit management.

## Scope of Work Summary

In fall and winter 2021, the consultant team completed a series of tasks and researched subjects that have helped narrow down a preferred strategy for achieving the goals described above for MATS and Harbor Transit. The process began with documenting the existing conditions for each agency including funding formulas, representation, and processes for making agreements. To further understand current conditions, the consultant team met with agency staff through group meetings and individual interviews that focused on the strengths, weaknesses, opportunities, and threats (SWOT) for each

agency. The consultant team then took the results of these meetings and presented them along with more detailed conversation questions to groups of stakeholders from Muskegon and Ottawa counties in the form of workshops, where the team also introduced a list of potential peer agencies to study. The stakeholder workshops were held in late October/early November 2021. Over the next month-and-a-half, the consultant team conducted an analysis of the peer agencies presented in the workshops through interviews and began to research legal framework in the state of Michigan pertaining to the organization of local and regional transit agencies.

In the year following the initial engagement and research work, it was determined that the preferred alternative would be a MATS transit authority that serves and is governed by an urbanized boundary in Muskegon County that includes the current MATS service area. State law would require each municipality receiving MATS service to actively opt in to determine a funding mechanism for the newly formed authority.

At the time of this report's writing, participating government entities in the authority work group include City of Muskegon, City of Muskegon Heights, City of Roosevelt Park, City of North Muskegon, City of Norton Shores, Muskegon Charter Township, and Fruitport Charter Township. Representatives from each of these municipalities make up the Authority workgroup which meets regularly and has reviewed draft articles of incorporation and outline for authority bylaws. The next steps for this group will be finalizing and signing authority formation documents, identifying local funding, and developing/coordinating the transition of administration and operations from Muskegon County to a MATS transit authority.

Looking to the long term if MATS is reestablished as an independent authority, opportunities will emerge for inter-agency coordination of service provision between MATS and Harbor Transit.

# Existing Conditions

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## Funding Structures

Both MATS and Harbor Transit receive a blend of local, state, and federal funding to support transit capital and operating expenses. The distribution of federal aid in the Muskegon Urbanized Area is distributed via the Metropolitan Planning Organization (MPO), in this case WMSRDC. This includes funding from FTA Section 5307, 5310, and 5339 programs. The key differences between the two agencies lie in the local match funding for state and federal dollars, as well as how each agency is governed. Harbor Transit is established via an authority, in which member communities approve a tax millage to participate in the organization. Harbor Transit is governed by an eleven-member board, with two representatives from each member municipality and one at-large member. MATS is a department of Muskegon County, governed by the Muskegon County Board of Commissioners. Additionally, local share of operating and capital expenses fluctuates year-to-year and contributions from member municipalities are not codified in a manner similar to that of an authority. The highlights of each agency's governance and funding organizations are outlined in Tables 1 and 2.

## Muskegon Area Transit System

**Table 1: Description of current conditions in MATS organization**

Evaluation Topic	Description
Funding Structure	FEDERAL: Direct recipient of FTA funds; STATE: MDOT provides a percentage of the local match for operating assistance and for assistance for the purchase of capital equipment; LOCAL: municipal and county contributions; REVENUE: local fixed-route, regional fixed-route, and demand-response
Agreements	Financial constrictions have resulted in recommended increases in jurisdictional contribution for MATS service. Every time contribution levels change and new agreements are reached, there is risk of jurisdictions pulling out.
Representation	MATS is a service provided by Muskegon County. The Muskegon

County Board of Commissioners provides local representation and acts as a decision-making body for the transit system.

## Harbor Transit

**Table 2: Description of current conditions in Harbor Transit organization**

Evaluation Topic	Description
Funding Structure	<b>FEDERAL:</b> Direct recipient of FTA funds; <b>STATE:</b> MDOT provides a percentage of the local match for operating assistance and for assistance for the purchase of capital equipment; <b>LOCAL:</b> 1/6 millage raised from municipal property taxes within service area; <b>REVENUE:</b> Harbor Transit implemented a new fare system on 10/1/2021; however, fares are free until further notice (COVID-19 related policy).
Agreements	Each governmental unit within the Harbor Transit service area contributes financial support for Harbor Transit through a special elected 1/6 millage.
Representation	Harbor Transit's 11-member board of directors includes representatives from each of the municipalities served by the system (two per municipality and one at large member).

# Transit Decision-Making – Need for Change and Options

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## Is there a Need for Change?

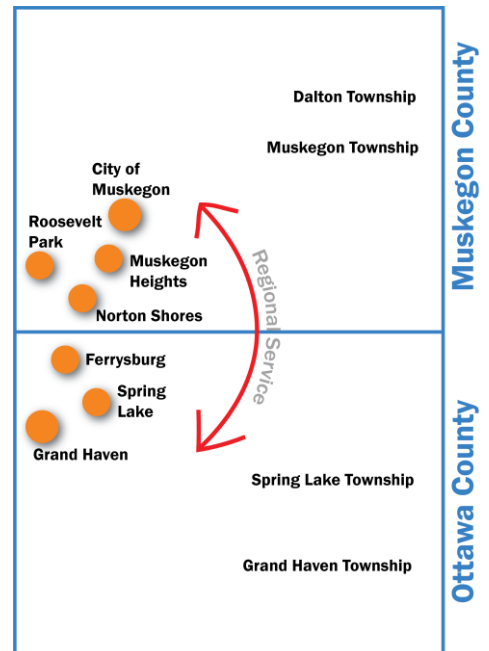
The question of whether there is a need to change how transit in the region, or a portion of the region, is provided or managed is subdivided into a local service component and a regional service component. While the Muskegon County Board of Commissioners and Harbor Transit Multi-modal Transit System can independently address local service goals and operations, regional service is a connective fiber that requires coordination between the entities to be sustainable. Understanding and agreeing to this layered independent and connected relationship is critical to defining management options.

## Current Understanding of the Need for Change

Based on input received from representatives of Muskegon County, MATS and Harbor Transit, the following preliminary findings regarding the need for change were developed:

- **Muskegon County Local Service:** Yes – While MATS functions as an independent business unit, the Muskegon County Board of Commissioners has responsibility for the level of service provided and local matching funds as well as any other deficit associated with operations. Based on interviews with county representatives, there is the general belief the current organizational format where the Muskegon County Board of Commissioners are responsible for management, fixed route/paratransit/demand response service provision and financial services is not a viable model. Specifically, in the interview process it was revealed that, in Muskegon

Figure 1: Transit Service Coverage  
- Muskegon and Ottawa Counties



County, transit does not resonate politically as a county-wide issue. Interviewees also expressed that there is a perceived lack of equity in decision-making for transit partners in Muskegon County and that the agency relies on informal “handshake” style agreements among MATS’ partners. All these issues can be addressed through organization change.

- Harbor Transit Multi-modal Transit System Local Service: No – The general findings from interviews with staff and decision-makers is that the authority structure provides for management, operations and financial capacity needed to provide sustainable local service into the future. There is a general sense of content with the current balance of funding and service provided across the service area despite the level of service differing between jurisdictions. There is no need at this time to alter the balance by introducing different transit modes or governance structures. That said, there is considerable interest in enhanced regional coordination of services, and continued exploration of good regional governance and funding strategies.
- Regional Service: Yes – While there is consistent support for the regional connections between Ottawa and Muskegon counties, it is the general perception that the informal method of managing planning and operations leaves the vital service in a vulnerable position as agreements to long-term responsibilities are not in place. Thus, changes to formalize roles and responsibilities are needed to reduce potential uncertainty about funding and operating the service.

# Engagement

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## Stakeholder Engagement

In addition to completing a review of previous studies and documenting existing conditions, the alternatives being brought forth as part of this project were developed during a robust stakeholder engagement process. Planning workshops (slides included in Appendix A Stakeholder Policy Workshop Slides A) and one-on-one meetings were held with transit agency staff, as well as county and municipal leaders to better articulate the study goals as well as understand the local context and political realities.

Each conversation was framed in terms of **Strengths, Weaknesses, Opportunities, and Threats** with an effort to understand the following concepts related to transit operations, funding and governance:

- What is going well? What do we want to preserve about the current system?
- Where is there a need for improvement?
- What are the opportunities that may present themselves to ensure success?
- What factors could inhibit success?

There was also an interest in knowing how each stakeholder would define a successful outcome of the study. The following is a synthesis of key themes from these meetings – summarized in meeting records.

## Engagement Themes

### Strengths:

- Professional staff and management at transit agencies; approachable, collaborative, good leadership
- Proven success of demand-response service program (Go 2 Service)
- Participation in capital program (vehicles and facilities)



- Existing access to medical care and education
- Stable funding for Harbor Transit, along with a relatively low-cost structure

### **Weaknesses**

- In Muskegon County, transit does not resonate politically as a county-wide issue. There is a disproportionate need for investment in the urban portions of the county
- There is a perceived lack of equity in decision-making for transit partners in Muskegon County
- Lack of convenient connections to current/emerging employment sites
- Informal “handshake” style agreements in Muskegon County among MATS partners is a risk
- Duplication of services across agencies

### **Definitions of Success and Investigation Guidance**

- Explore a consolidated governing board that represents both agencies
- Use the Grand Haven/Spring Lake Sewer Authority as a potential model
- Need to address the issue of equitable representation
- Need to address long-term funding
- Need to provide data to support any decision
- Concern about loss of local control
- Need to appreciate the operating context of each system
- Outcome should be less political and more equitable

# Alternatives Analysis

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## Peer Analysis

While conducting the SWOT interviews and internalizing the responses, the consultant team conducted a peer analysis study of six peer agencies. The team sought to answer the following questions about the peer governance structures, which would help guide recommendations for WMSRDC:

1. Where are they located and what is their geographic coverage?
2. What services do they provide?
3. What is their governance format?
4. How do they select leadership/representatives?
5. What are their functional agreements for operations and administration?
6. What are their sources for local funding?

Finding detailed answers to each of these questions was a two-step process. The first step included researching for available information online. The second was a series of interviews with peer agency staff.

### Step 1: Initial Peer Research

The results of step one of the peer analyses are summarized below in Table 3.

**Table 3: Summary of Peer Organizations**

<b>Agency</b>	<b>Bay Area Transit Authority (BATA)</b>	<b>Suburban Mobility Authority for Regional Transportation (SMART)</b>	<b>Twin Cities Area Transportation Authority (TCATA)</b>	<b>Interurban Trolley</b>	<b>Transpo</b>	<b>Western Reserve Transit Authority</b>
Geographic Coverage	Leelanau County and Grand Traverse County	Three counties of Macomb, Oakland, and Wayne	City of Benton Harbor, City of St. Joseph, Benton Township, Lincoln Township, St. Joseph Township	Mishawaka, Osceola, Elkhart, Dunlap, and Goshen (IN)	City of South Bend and Mishawaka	Mahoning County and City of Warren (Trumbull County)
Services Provided	<ul style="list-style-type: none"> <li>-13 fixed routes (5 in the City of Traverse City, 3 in Leelanau County, and 5 in Grand Traverse County – some fixed routes are seasonal)</li> <li>-Paratransit (advanced and immediate scheduling)</li> </ul>	<ul style="list-style-type: none"> <li>-47 fixed routes (255 vehicles)</li> <li>ADA Smart Connector - Paratransit (120 vehicles)</li> </ul>	<ul style="list-style-type: none"> <li>-3 fixed routes (St. Joseph, Benton Harbor, Stevensville)</li> <li>Demand Response (Benton Harbor, St. Joseph, Benton Twp, Royalton Twp medical offices)</li> <li>-Complimentary paratransit (3/4 mile of a fixed route)</li> </ul>	<ul style="list-style-type: none"> <li>-5 fixed routes (1 in Mishawaka, Osceola, Dunlap, and Goshen - 5 in Elkhart)</li> <li>-ADA paratransit (1.5-mile buffer of fixed route. Portion around the Mishawaka line is provided by Transpo)</li> </ul>	<ul style="list-style-type: none"> <li>20 fixed routes across South Bend and Mishawaka</li> </ul>	<ul style="list-style-type: none"> <li>-30 fixed routes in Mahoning County and City of Warren</li> <li>-ADA paratransit (within fixed routes service area)</li> <li>Countywide paratransit (advanced registration)</li> </ul>

Agency		Bay Area Transit Authority (BATA)	Suburban Mobility Authority for Regional Transportation (SMART)	Twin Cities Area Transportation Authority (TCATA)	Interurban Trolley	Transpo	Western Reserve Transit Authority
Governance Format		Managed by a board of 7 directors	Managed by a Board of Directors	Managed by a Board of Trustees		Managed by a Board of 9 Directors	Managed by a Board of 7 Trustees
Leadership Selection		-	Two executives from Wayne, Macomb, and Oakland. One rotating executive between Livingston, Monroe, St. Clair, and Washtenaw. (rotates every 2 years)	1 Trustee is an executive of the City of Benton Harbor, the remaining 4 are appointed by the City of Benton Harbor Commission.	-	Mayors and Councils appoint members (Mayor of South Bend – 3, Mayor of Mishawaka – 1, South Bend Council – 4, Mishawaka Council – 1)	-
Functional Arrangement	Operations	Internal operations not contracted to another provider.	Internal operations not contracted to another provider	Internal operations, not contracted to another provider	Likely contract	-	Internal operations, not contracted to another provider.
	Admin	Executive Director hired by the Board. Director makes all administrative	General Manager appointed by the Board. General Manager	-	Michiana Council of Governments	-	Executive Director hired by the Board. Executive Director makes all

Agency		Bay Area Transit Authority (BATA)	Suburban Mobility Authority for Regional Transportation (SMART)	Twin Cities Area Transportation Authority (TCATA)	Interurban Trolley	Transpo	Western Reserve Transit Authority
		staff decisions.	makes all the administrative staff decisions				administrative staff decisions.
Sources of Local Funding (2020)		Property taxes (28.6% of total revenues, 82,6% oof all local revenues) Farebox (4%, 11.6%)	Property taxes (53.6% of total revenues, 97.3% of local revenues)	Property taxes (4.1% of total revenues, 29.8% of local revenues) Farebox (7.0% of total revenues, 50.5% of local revenues)	-	-	0.25% sales tax in Mahoning County (41.6% of total revenues, 99.9% of local contributions)

## Step 2: Peer Agency Interviews

The second part of the peer agency analysis included interviews with agency staff. The consultant team was able to schedule interviews with four of the six peer agencies. The following is a summary of the four agency interviews that were conducted.

### Bay Area Transportation Authority

Traverse City, Michigan

#### Overview

The Bay Area Transportation Authority (BATA) is an Act 196<sup>1</sup> transportation authority and is the public transportation provider for the counties of Grand Traverse and Leelanau.

BATA operates 13 fixed routes, five in the City of Traverse City, three in Leelanau County, and five in the non-urbanized areas of Grand Traverse County. In addition to fixed route service, BATA provides paratransit service in both counties. Paratransit service can be requested in advance or immediately depending on the origin and destination of the trip. In 2019, BATA's total ridership was 582,827 passengers.

**Kelly Dunham,**  
**Executive Director**

[dunhamk@bata.net](mailto:dunhamk@bata.net)

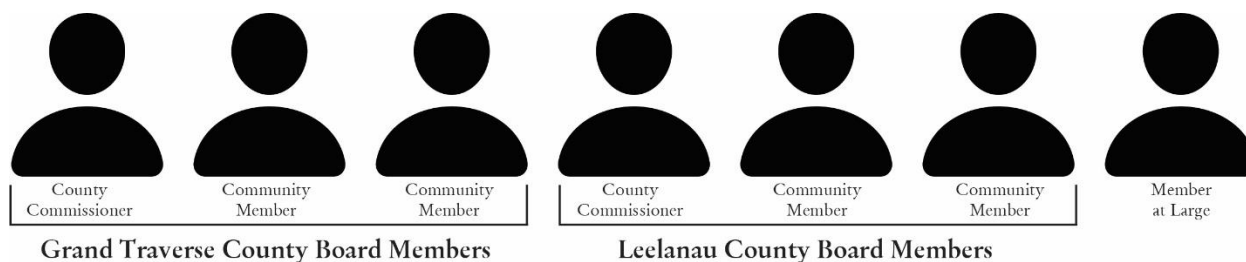
Interviewed by consultant  
team on 11/16/21

#### Organizational Structure

BATA is managed by an independent board of seven directors, three from each county and one at-large member. As part of their allotted representatives, each county appoints one county commissioner and two general community members. The at-large member is then appointed by the six seated board members.

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<sup>1</sup> Public Act 196 authorizes the formation of public transportation authorities in the State of Michigan. Authorities formed under Public Act 196 are eligible to receive funds from the State Transportation Fund that provides grants to agencies providing public transportation services. Authorities formed under this Act also have the authority to levy a tax on taxable property within the political subdivisions that compresses the authority. The levy shall not exceed five mills and the period of time cannot be for more than five years.



## Interview Summary

As an authority governed by an independent board of directors, BATA has limited contact and involvement with local units of government and the county boards of commissioners. The two commissioners who sit on their respective county boards act as the intermediary between BATA and the county boards. Additionally, because BATA operates across county lines, it can provide seamless service and limited transfers to riders traveling between the more rural and predominantly residential areas of Leelanau County and the more urbanized county of Grand Traverse. However, the disparity between the level of service provided to the two counties continues to be a challenge, especially considering that both counties have the same millage rate. The bulk of the fixed route and demand response service is in Grand Traverse County. Providing equitable service to Leelanau County is challenging because the low demand for public transportation and unique geography makes it inefficient to run fixed route services across Leelanau County.

## Funding

BATA's largest source of funding is the State of Michigan. In 2019 the State contributed roughly \$4.3million in both operating and capital funding. Property taxes are the second-largest source accounting for \$4.0M in revenues, roughly 83% of all local revenues. BATA's current millage rate is 0.5mills and must be reapproved by the voters every five years, per state law. Labor is the largest expense (\$4.6M) followed by fringe benefits (\$2.0M), and services (\$1.1M).<sup>2</sup> Currently, BATA does not contract operations or

<sup>2</sup> Bay Area Transportation Authority 2019 Financial Statements, [https://treas-secure.state.mi.us/LAFDocSearch/tl41R01.aspx?&lu\\_id=1569&doc\\_yr=2019&doc\\_code=AUD&doc\\_sqnb=1](https://treas-secure.state.mi.us/LAFDocSearch/tl41R01.aspx?&lu_id=1569&doc_yr=2019&doc_code=AUD&doc_sqnb=1)

service to a third party, but current staffing issues may open the possibility for contract service.

Figure 2: BATA service area map

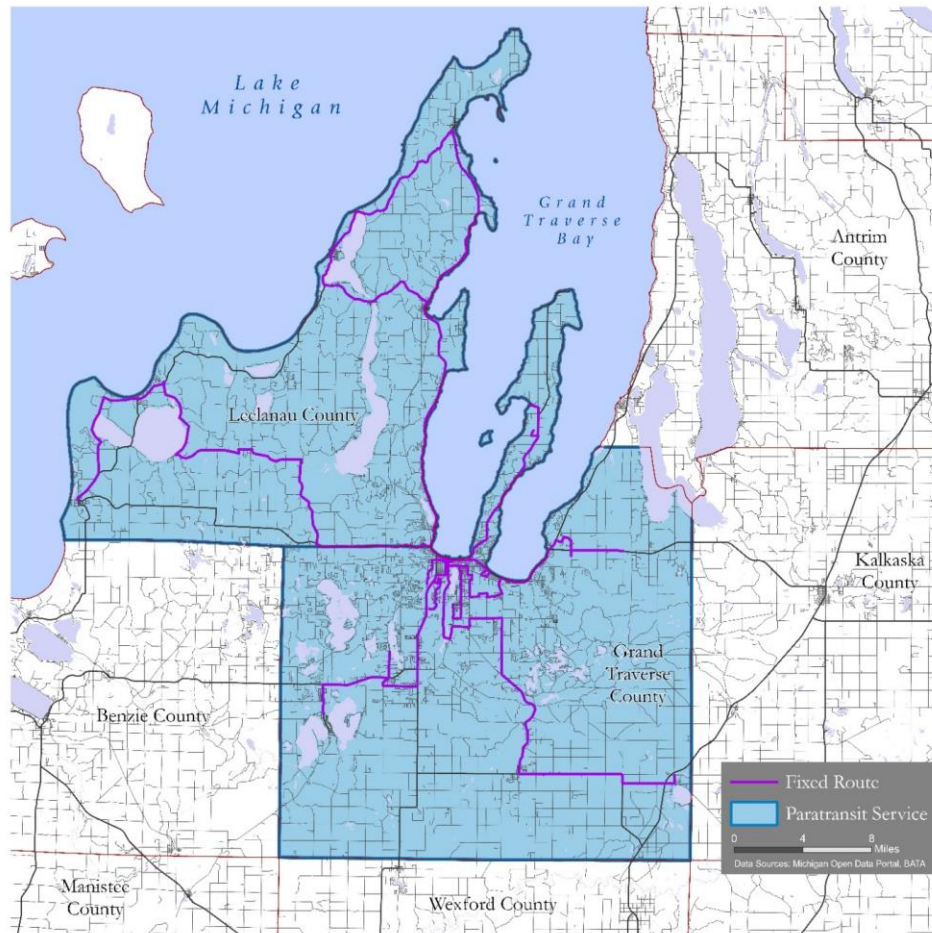


Table 4: BATA service area demographic breakdown

	Leelanau County	Grand Traverse County
Total population (2020)	22,301	95,238
Median age (2019)	54.1	42.8
Median household income (2019)	\$65,249	\$63,575
Poverty rate (2019)	6.1%	9.6%
Households with no vehicles (2019)	3.6%	5.1%
Public transit commuters (2019)	0.6%	1.3%
Ambulatory disability (2019)	5.8%	5.7%

Source: United States Census Bureau, 2020 Decennial Census, 2019 American Community Survey 5-Yr



## Twin Cities Area Transportation Authority

Benton Harbor, MI

### Overview

The Twin Cities Area Transportation Authority (TCATA) is an Act 55 transportation authority and provides public transportation service for the City of Benton Harbor and surrounding jurisdictions. TCATA operates three fixed routes, paratransit within  $\frac{3}{4}$  mile of a fixed route, and demand response to medical offices in the surrounding communities. In 2019 TCATA had a total ridership of 205,007 passengers.

**Paul Gillespie,**  
**Executive Director**

[pgillespie@tcatabus.org](mailto:pgillespie@tcatabus.org)

Interviewed by consultant  
team on 11/16/21

### Organizational Structure

TCATA is managed by a board of five trustees, one of which is an executive of the City of Benton Harbor. The remaining trustees are appointed to the TCATA board by the Benton Harbor City Commission. Operations and administration of TCATA are overseen by the executive director who is hired by the Board of Trustees.



### Interview Summary

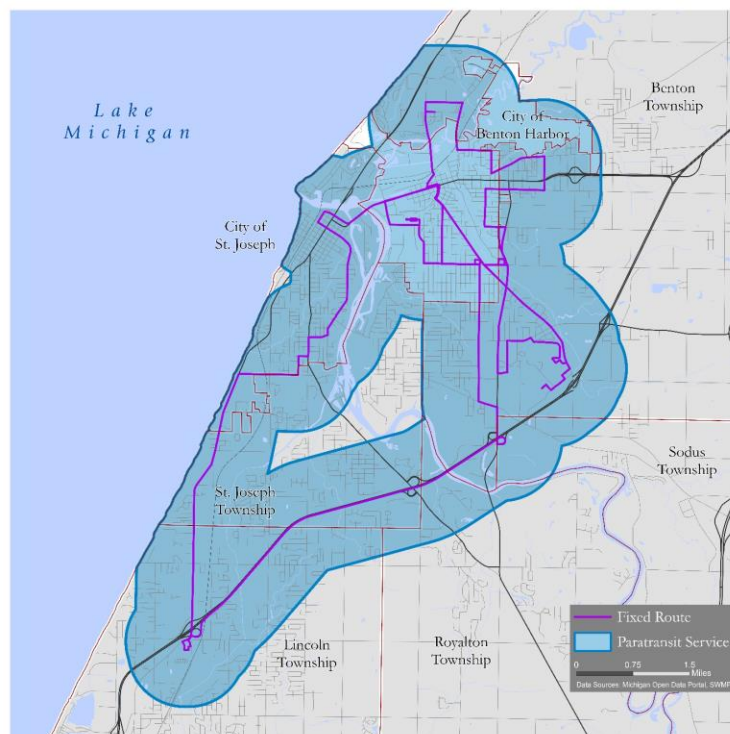
One notable aspect of TCATA's service area is that they provide coverage outside of Benton Harbor's city limits. When TCATA originally formed there were five participating jurisdictions, but within five years of operation four of the partner jurisdictions left the authority. Currently, only Benton Harbor is providing financial support for the area's public transportation. Paul Gillespie, TCATA's executive director, commented that a motivation for the partnering jurisdictions leaving was a perceived imbalance between

the financial support and the level of service. The partnering jurisdictions did not feel that their level and demand for public transportation service matched the cost of participation. Despite the jurisdictions leaving the authority, TCATA still operates routes resulting in the poorest residents of the area subsidizing public transit for the wealthier neighboring communities. One of the long-term goals for TCATA is to bring back neighboring jurisdictions into the authority.

## Funding

The largest contribution to TCATA's revenues comes from the state, a total of roughly \$1.2million. Very little of TCATAs operating revenues come from local sources, the farebox accounts for roughly 10 percent of total revenues and property taxes account for roughly four percent. The current millage was passed in 2008 at 1.1mills and expires in 2028. The millage is only levied against the City of Benton Harbor.<sup>3</sup>

Figure 3: TCATA service area map



<sup>3</sup> Twin Cities Transportation Authority 2019 Financial Statements, [https://treas-secure.state.mi.us/LAFDocSearch/tl41R01.aspx?&lu\\_id=533&doc\\_yr=2019&doc\\_code=AUD&doc\\_sqnb=1](https://treas-secure.state.mi.us/LAFDocSearch/tl41R01.aspx?&lu_id=533&doc_yr=2019&doc_code=AUD&doc_sqnb=1)

**Table 5: TCATA service area demographic breakdown**

	<b>City of Benton Harbor</b>	<b>City of St. Joseph</b>	<b>Benton Charter Township</b>	<b>Sodus Township</b>	<b>Royalton Township</b>	<b>Lincoln Township</b>	<b>St. Joseph Township</b>
Total population (2020)	9,103	7,856	14,374	1,995	5,141	14,929	9,993
Median age (2019)	33.7	40.8	33.9	49.7	42.6	43.6	45.9
Median household income (2019)	\$21,916	\$62,374	\$32,202	\$50,313	\$100,365	\$73,567	\$70,266
Poverty rate (2019)	45.4%	7.0%	35.8%	13.6%	1.5%	5.9%	3.3%
Households with no vehicles (2019)	29.5%	9.6%	14.6%	5.9%	2.5%	2.7%	4.3%
Public transit commuters (2019)	2.7%	0.4%	1.9%	0.0%	1.5%	0.1%	0.2%
Ambulatory disability (2019)	16.1%	7.9%	10.0%	10.1%	4.6%	5.3%	6.7%

Source: United States Census Bureau, 2020 Decennial Census, 2019 American Community Survey 5-Yr

## **Western Reserve Transit Authority**

Youngstown, OH

### **Overview**

The Western Reserve Transit Authority (WRTA) provides public transportation for Mahoning County and part of Warren County through a combination of fixed route and para-transit service. WRTA currently operates 30 fixed routes and paratransit service in Mahoning County. One

**Dean Harris,**  
**Executive Director**

[dharris@wrtaonline.com](mailto:dharris@wrtaonline.com)

Interviewed by consultant  
team on 11/18/21

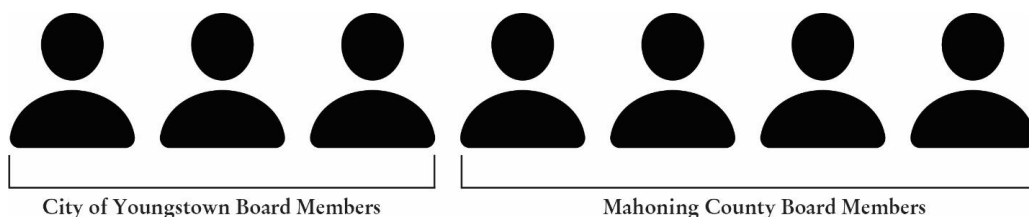
fixed route extends into Trumbull County, providing a connection to the City of Warren to the larger WRTA system.

## Organizational Structure

WRTA is currently managed by a board of seven trustees, three members are from the City of Youngstown and four are from Mahoning County. Trumbull County is in the process of adopting a countywide transit sales tax and if the measure was to pass, they would gain representation on the authority board.

## Interview Summary

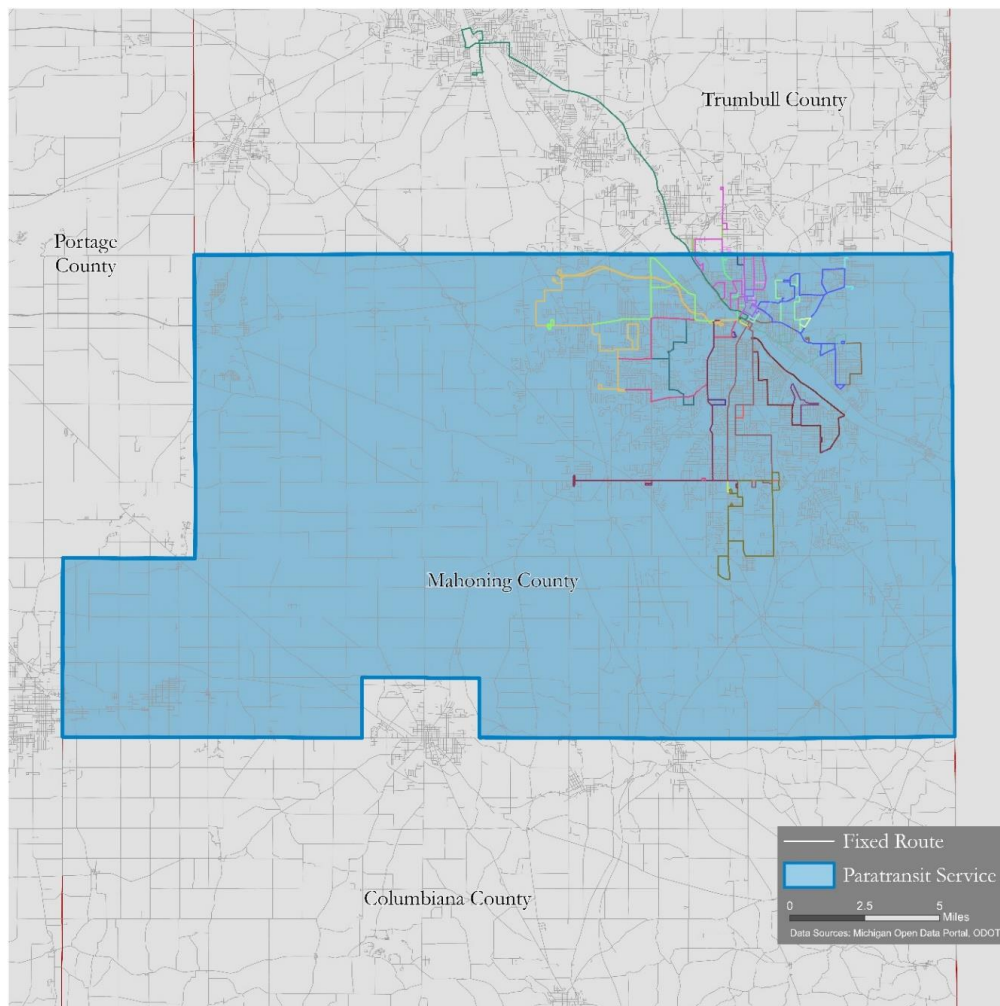
Unlike Michigan transit authorities, which are primarily funded by property taxes at the local level, counties in Ohio can pass a permanent countywide sales tax to fund transit. This allows transit authorities in Ohio to take a more comprehensive approach to transit planning because the authorities do not have to worry about losing a significant portion of their funding if voters flip against transit. WRTA maintains close partnerships with other transit agencies in Ohio allowing them to co-purchase and co-insure, lowering operating and capital costs for all agencies. The one route extending into Trumbull County and the City of Warren has faced slight political resistance because Trumbull County and Warren are not currently providing financial support for the route. Expansion is a priority for WRTA and other Ohio transit authorities because it has proven to be more effective to have several larger providers that cross jurisdictions rather than a handful of smaller providers that don't cross jurisdictional lines. Additionally, other priorities include connecting with other providers to provide composite regional transit systems.



## Funding

The largest source of revenue for WRTA is the county sales tax. In 2019, the sales tax contribution was roughly \$8.7million, 70 percent of total revenues. Federal grants and the farebox were the next largest sources of revenues at \$1.9M and \$1.0M, respectively. Fringe benefits, including pensions and benefits, was the largest expense (\$5.9M) followed by labor (\$5.4M).<sup>4</sup>

Figure 4: WRTA Service area map



<sup>4</sup> Western Reserve Transit Authority, Mahoning County 2019 Financial Audit, [https://ohioauditor.gov/auditsearch/Reports/2020/Western\\_Reserve\\_Transit\\_Authority\\_19-Mahoning.pdf](https://ohioauditor.gov/auditsearch/Reports/2020/Western_Reserve_Transit_Authority_19-Mahoning.pdf)

**Table 6: WRTA service area demographic breakdown**

	<b>Mahoning County</b>	<b>Trumbull County</b>
Total population (2020)	228,614	201,977
Median age (2019)	43.4	44.6
Median household income (2019)	\$47,170	\$47,087
Poverty rate (2019)	18.4%	15.7%
Households with no vehicles (2019)	9.2%	7.8%
Public transit commuters (2019)	1.5%	0.7%
Ambulatory disability (2019)	9.4%	9.8%

Source: United States Census Bureau, 2020 Decennial Census, 2019 American Community Survey 5-Yr

## **Transpo**

South Bend, IN

### **Overview**

Transpo is a public transportation provider for the South Bend metropolitan area. Transpo operates 20 fixed routes across South Bend and Mishawaka and connects to the Inter-Urban Trolley, extending transit coverage into the cities of Goshen and Elkhart. Paratransit service is available for qualifying riders and the service is offered in a  $\frac{3}{4}$  mil radius around the fixed routes.

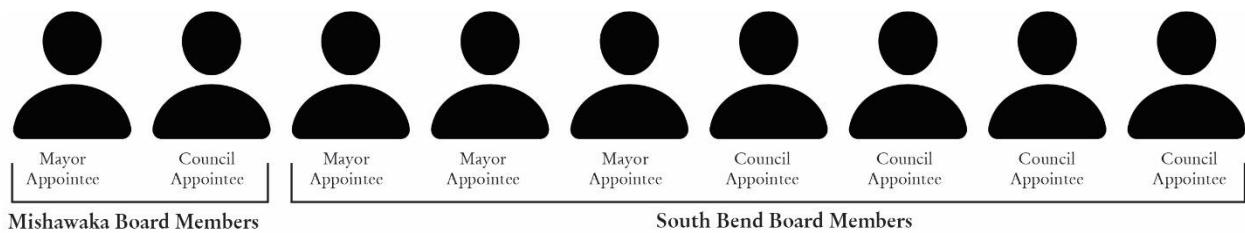
**Amy Hill,**  
**Executive Director**

[ahill@sbtranspo.com](mailto:ahill@sbtranspo.com)

Interviewed by consultant  
team on 11/19/21

### **Organizational Structure**

Transpo is managed by a board of nine directors, the largest of all peer organizations studied. Seven of the board members are from the City of South Bend and two are from the City of Mishawaka. The mayor of South Bend appoints three of the South Bend board members and the South Bend Council appoints the remaining four. The mayor and Council of Mishawaka each appoint one representative.



### Interview Summary

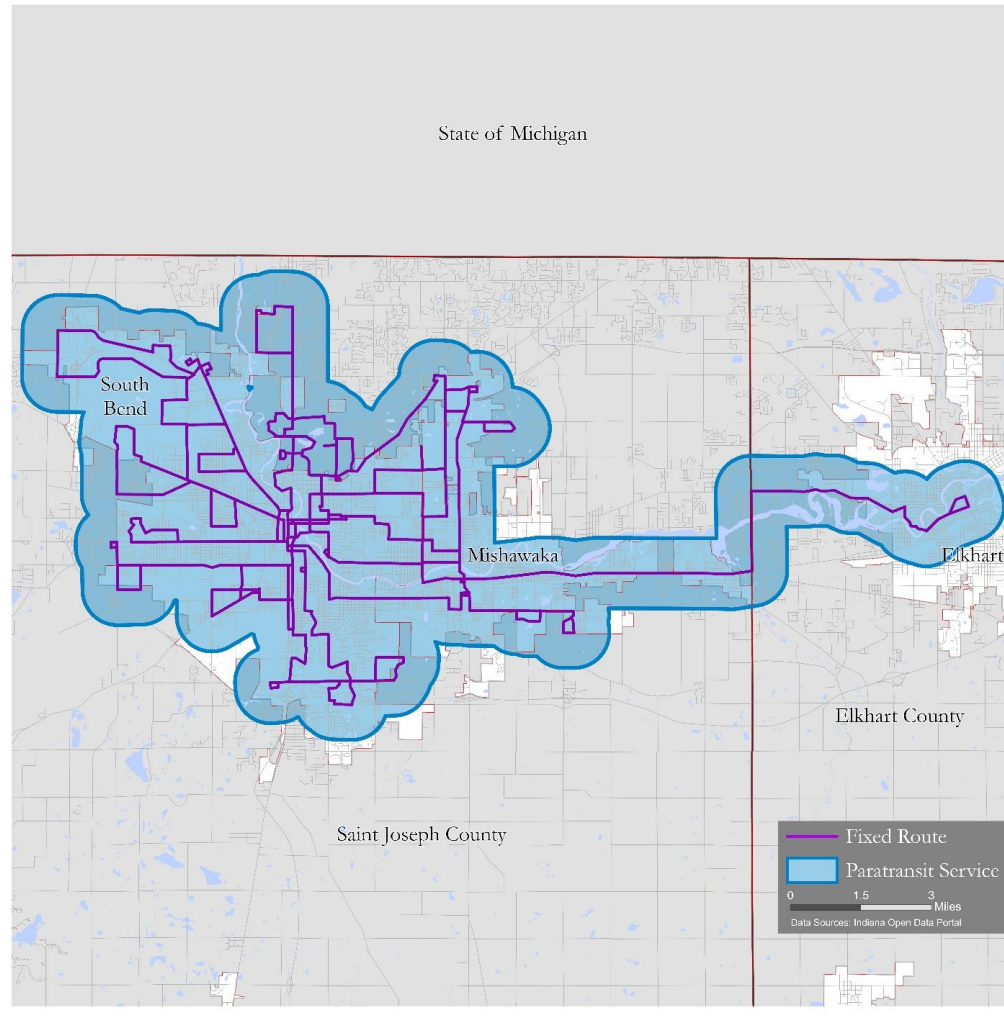
The service area and relationships of Transpo allow it to provide public transportation in a regional manner. With the City of South Bend as the main hub, connections to Mishawaka and by extension Goshen and Elkhart provide a continuous network of public transportation, enabling people to move between all four cities easily. The regional service approach is built on the long-standing relationships that Transpo has with South Bend and Mishawaka even though Transpo operates independently of the two cities. One challenge in providing regional service is representation. Mishawaka only has two representatives on the board and the unincorporated areas of the county that provide funding to Transpo, through various taxes, have no representation. This makes it challenging to balance the needs and concerns of the smaller and more rural areas with the City of South Bend.

### Funding

In 2019, the largest source of Transpo’s revenue is sourced from local government assessments and taxes, which fall into one of three categories: local property taxes, excise tax, and local income tax. In total local government assessments and taxes account for \$4.2million in revenue, roughly 42 percent of total revenues. Of the three categories within local government assessments and taxes, property tax comprises the largest share at \$3.2million. Federal and state contributions are the next two largest sources of revenue at \$2.5million and \$2.0million, respectively. Similar to the other peer organizations, labor and fringe benefits are the two largest expenses. Labor costs

totaled \$5.9million in 2019 and fringe benefits cost \$2.5million. Depreciation was another large expense, at \$2.5million.<sup>5</sup>

Figure 5: Transpo service area map



<sup>5</sup> South Bend Public Transportation Corporation 2019 Financial Statements, <https://www.in.gov/sboa/WebReports/B55529.pdf>



**Table 7: Transpo service area demographic breakdown**

	<b>City of South Bend</b>	<b>City of Mishawaka</b>	<b>City of Elkhart</b>	<b>Saint Joseph County</b>	<b>Elkhart County</b>
Total population (2020)	103,453	51,063	53,923	272,912	207,047
Median age (2019)	33.3	35.2	33.5	36.6	35.6
Median household income (2019)	\$40,265	\$43,248	\$40,750	\$52,769	\$57,021
Poverty rate (2019)	23.6%	15.7%	21.9%	15.5%	12.4%
Households with no vehicles (2019)	11.8%	7.9%	11.8%	7.4%	8.4%
Public transit commuters (2019)	2.5%	1.4%	0.7%	1.3%	0.3%
Ambulatory disability (2019)	8.2%	9.6%	9.6%	7.4%	7.0%

Source: United States Census Bureau, 2020 Decennial Census, 2019 American Community Survey 5-Yr

## **Peer Analysis Takeaways**

The interviews with BATA and TCATA staff offered useful lessons for reorganizing MATS as an independent authority in Muskegon County. BATA is a PA 196 agency formed between two counties, different scale, but interesting to see how they have played out especially for looking at long-term regionalization. It is informative to note that BATA has struggled with discrepancy in level of service provided in each county. Ninety percent of MATS service is in the City of Muskegon, so a similar issue of discrepancy may be an issue for a MATS authority in the future. TCATA is an Act 55 agency that is organized by Benton Harbor, Michigan and covers surrounding municipalities. The size of its service area is comparable to MATS and is a helpful study for looking at an example of how MATS can reorganize within Muskegon County in the near future. When TCATA was formed it included Benton Harbor and four other jurisdictions, but since its formation, the four other jurisdictions have left TCATA and no longer financially contribute to the service. This sort of outcome would not be desirable in Muskegon County. TCATA manager noted that the other jurisdictions left due to perceived imbalances between level of service and cost. Any measures MATS can take to avoid this outcome should be considered

WRTA and Transpo, despite being from different states are useful examples of agencies that serve primarily one county but expand into a second, which is a potential future outcome for Muskegon and Ottawa counties. The county with the highest level of service has the most board representation, and most of that representation comes from the municipality with the most service. For WRTA, this structure works well because, in Ohio, permanent tax structures support transit and they don't have to worry about losing funding sources if certain jurisdictions pull out, which would not necessarily be the same case in Michigan.

## **Alternate Governance Models Analysis**

There are 82 transportation agencies serving Michigan residents and recognized by the Michigan Department of Transportation (MDOT). Twenty-one of the agencies, including

MATS, are classified as urbanized transit organizations that operate primarily in urbanized areas. All 82 agencies are eligible to receive financial operating assistance from MDOT because they are organized under state statute in Public Act 51 of 1951 (PA 51). PA 51 established the Comprehensive Transportation Fund (CTF) which funds public transportation in Michigan and defines eligible recipients of the CTF funds. Two parties defined as eligible CTF recipients in PA 51 are:

1. **“Eligible Authority”** – Section 10c(b) of PA 51 defines an “Eligible Authority” to mean an authority organized pursuant to Public Act 204 of 1967.
2. **“Eligible Governmental Agency”** – Section 10c(c) of PA 51 defines “Eligible Governmental Agency” to mean a county, city or village or an authority created pursuant to Public Acts 279 of 1209, 94 of 1933, 359 of 1947, 35 of 1951, 55 of 1963, 7 of 1967, 8 of 1967, 196 of 1986, or 387 of 2012.

## **Establishing Act Descriptions**

The remainder of this section describes each Public Act (by date of enactment), the number of agencies in the state of Michigan that are organized under the act and notable agencies that were established under the act (if applicable). This research was conducted in preparation for evaluating the optimal legal framework for MATS to reestablish.

### **Act 279 Home Rule (1909) and Act 359 Charter Township (1947)**

“AN ACT to provide for the incorporation of cities and for revising and amending their charters; to provide for certain powers and duties; to provide for the levy and collection of taxes by cities, borrowing of money.”

“AN ACT to authorize the incorporation of charter townships.”

The Home Rule City Act and Charter Township Act allow for a city or chartered township to amend its chart to provide for the owning, constructing, and operating of transportation facilities within its limits and a 10 mile buffer from those limits.

Jurisdictions that have transportation facilities formed under this act structure them like a governmental department and are incorporated into the municipal administration.

- Number in the State of Michigan: 18
- Notable Agencies: City of Midland and City of Battle Creek

### **Act 94: Revenue Bond (1933)**

This Act establishes the ability for local governing bodies to issue bonds for the creation and maintenance of public improvements, including transportation.<sup>6</sup> This option is often exercised by counties that provide services themselves.

- Number in the State of Michigan: 21
- Notable Agencies: Charlevoix County and Muskegon County

### **Act 35: Intergovernmental Contracts Between Municipal Corporations (1951)**

“AN ACT to authorize intergovernmental contracts between municipal corporations; to authorize any municipal corporation to contract with any person or any municipal corporation to furnish any lawful municipal service to property outside the corporate limits of the first municipal corporation for a consideration...” to prescribe certain penalties; to authorize contracts between municipal corporations and with certain nonprofit public transportation corporation.”

Act 35 allows for a “municipal corporation (county, charter county, county road commission, township, charter township, city, village, school district, intermediate school district, community college district, metropolitan district, court district, public authority, or drainage district) to contract services from another to provide a service within their jurisdiction. This may include public utilities like electricity or gas or no profit public transportation services. Though currently the act is not used by any agencies in the state to establish authorities or agencies eligible for CTF funds.

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<sup>6</sup> The Revenue Bond Act of 1933, Act 94 of 1933, <http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-94-of-1933.pdf>

- Number in the State of Michigan: 0
- Notable Agencies: n/a

### **Act 55: Mass Transportation System Authorities (1963)**

“AN ACT to provide for the incorporation of public authorities to acquire, own, and operate or cause to be operated mass transportation systems.”<sup>7</sup>

The Mass Transportation System Authorities Act (MTSAA) outlines the laws for a political jurisdiction to establish and govern a transportation authority. Under the MTSAA the “legislative body of any city having a population of not more than 300,000 may incorporate a public authority for the purpose of acquiring, owning, operating, or causing to be operated, a mass transportation system. The authority shall be authorized to operate the mass transportation system within the boundaries of the city which incorporates the public authority.”<sup>8</sup> The authority may also operate a mass transportation system within a political subdivision which requests membership to the authority provided that a majority of the board approves the request.

Political subdivisions may leave the authority provided board majority approval and the provision of payment of all obligations. Any tax authorized to be “levied by the authority within the boundaries of the political subdivision to be released shall continue to be levied for the period of time originally authorized. In addition, a political subdivision which has been released from an authority shall continue to receive public transportation services from the authority until the political subdivision is no longer required to pay a tax levied by the authority during the time the political subdivision was a member of the authority.”<sup>9</sup>

Authorities formed under the MTSAA are also eligible to receive funds from the State Transportation Fund that provides grants to agencies providing public transportation services. Grants include up to 60 percent of all eligible operating expenses.<sup>10</sup> Authorities

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<sup>7</sup> Mass Transportation System Authorities Act, Act 55 of 1963, <http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-55-of-1963.pdf>

<sup>8</sup> MCL 124.352(1)

<sup>9</sup> MCL 124.352a(2)

<sup>10</sup> Act 51 Public Acts 1951, MCL 247.660e(4)(a), [https://www.michigan.gov/documents/mdot/Act51\\_655261\\_7.pdf](https://www.michigan.gov/documents/mdot/Act51_655261_7.pdf)

formed under Act 55 also have the authority to levy a tax on taxable property within the political subdivisions that compresses the authority. The levy shall not exceed five mills and the period of time cannot be for more than five years.<sup>11</sup>

- Number in the State of Michigan: 4
- Notable Agencies: Ann Arbor Area Transportation Authority and Twin Cities Area Transportation Agency

### **Act 7: Urban Cooperation (1967)**

“AN ACT to provide for interlocal public agency agreements.”<sup>12</sup>

Transit services provided under this Act would allow two or more political jurisdictions to provide transportation services in a similar manner to services provided under the Home Rule of Charter Township Act or to a public transportation authority formed under the 1986 Act.

- Number in the State of Michigan: 9
- Notable Agencies: Blue Water Transportation Commission and Detroit Transportation Corporation (People Mover)

### **Act 8: Intergovernmental Transfer of Functions and Responsibilities (1967)**

This act allows two or more political subdivisions (city, village, other incorporated political subdivision, county, school district, community college, intermediate school district, township, charter township, special district, or authority) to enter agreements where functions or responsibilities of one are transferred to another or between one another. A joint board or commission may be created to oversee the contract between the subdivisions. Currently there are no agencies that would be eligible for CTF funds established under Public Act 8.

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<sup>11</sup> Mass Transportation System Authorities Act 55 of 1963, MCL 124.357, <http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-55-of-1963.pdf>

<sup>12</sup> Urban Cooperation Act, Act 7 of 1967, <http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-7-of-1967-ex-sess-.pdf>

- Number in the State of Michigan: 0
- Notable Agencies: N/A

### **Act 204: Metropolitan Transportation Authority (1967)**

“AN ACT to create metropolitan transportation authorities; to define their powers and duties, including the creation of transportation districts.”<sup>13</sup>

Authorities formed under this Act are intended to serve major metropolitan areas in Michigan. Currently, only one authority, Suburban Mobility Authority for Regional Transportation (SMART) has formed under this Act. Unlike other authorities, Metropolitan Transportation Authorities do not have taxation powers.<sup>14</sup>

- Number in the State of Michigan: 1
- Notable Agencies: SMART

### **Act 196: Public Transportation Authorities (1986)**

“AN ACT to authorize the formation of public transportation authorities with certain general powers and duties.”<sup>15</sup>

The Public Transportation Authority Act (PTAA) outlines the laws for establishing and governing a transportation authority. Under the PTAA, “a political subdivision or a combination of two or more political subdivisions may form a public authority under this act. A county with a population between 240,000 and 255,000 may form more than one public authority under this act. A city, village, township, or county forming a public authority by itself or in combination with one or more other political subdivisions may provide that only a portion of the city, village, township, or county shall become part of the public authority. The portion of the city, village, township, or county to become part of the public authority shall be bounded by precinct lines drawn for election purposes.”<sup>16</sup>

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<sup>13</sup> Metropolitan Transportation Authorities Act of 1967, Act 204 of 1967, <http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-204-of-1967.pdf>

<sup>14</sup> MCL 124.414

<sup>15</sup> Public Transportation Authority Act, Act 196 of 1986, <http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-196-of-1986.pdf>

<sup>16</sup> MCL 124.454(1)

Additional members can be added to the authority given a majority approval of the legislative body of the jurisdiction requesting membership and 2/3 approval by the authority board.<sup>17</sup>

Political subdivisions that wish to leave the authority may do so one of two ways: (1) majority approval of the governing body of the jurisdiction that wishes to leave, 2/3 approval by the authority board, and payment of outstanding obligations or (2) majority vote of the electorate and a petition with the required number of signatures.<sup>18</sup>

Authorities formed under the PTAA are also eligible to receive funds from the State Transportation Fund that provides grants to agencies providing public transportation services. Grants include up to 60 percent of all eligible operating expenses.<sup>19</sup> Authorities formed under this Act also have the authority to levy a tax on taxable property within the political subdivisions that compresses the authority. The levy shall not exceed five mills and the period of time cannot be for more than five years.<sup>20</sup>

- Number in the State of Michigan: 28
- Notable Agencies: Harbor Transit, Bay Area Transportation Authority, and Interurban Transit Partnership (Grand Rapids Area)

### **Act 387: Regional Transportation Authority (2012)**

This Act creates a regional transportation authority (RTA) which includes the largest county in the State, by population, and the next three largest contiguous counties. There may only be one regional transportation authority in the State. Additional counties may petition the board of the RTA to join pending approval by the board. RTAs may levy

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<sup>17</sup> MCL 124.457

<sup>18</sup> MCL 124.458

<sup>19</sup> Act 51 Public Acts 1951, MCL 247.660e(4)(a), [https://www.michigan.gov/documents/mdot/Act51\\_655261\\_7.pdf](https://www.michigan.gov/documents/mdot/Act51_655261_7.pdf)

<sup>20</sup> MCL.468



both property taxes and vehicle registration taxes, given approval of the electorate and board.<sup>21</sup>

- Number in the State of Michigan: 1
- Notable Agencies: Regional Transit Authority of Southeast Michigan

### Legal Analysis: Preferred Option(s):

Some Acts can be screened out in a few short questions and others can be eliminated through further analysis of MATS specific needs.

For the initial screening, three questions are asked of each act:

1. Do any existing transit agencies use the act?
2. Who is the organizing party (must be city or combination of cities/townships, etc.)
3. Do they grant taxing and bonding authority?
4. Is the act agency-specific? / Can it be applied to more than one unique case?

**Table 8: Establishing Legislation Screening**

Act	In Use?	Organizing Party?	Taxing and Bonding Authority?	Applicable to more than one agency?
Act 279 Home Rule (1909)	Yes	One City	Yes/Yes	Yes
Act 94: Revenue Bond (1933)	Yes	One or a combination of municipal corporations <sup>22</sup>	No/Yes	Yes
Act 35: Intergovernmental Contracts Between Municipal Corporations (1951)	No	Combination of municipal corporations	No/No	Yes

<sup>21</sup> Regional Transportation Authority Act, Act 387 of 2012, <http://www.legislature.mi.gov/documents/2011-2012/publicact/htm/2012-PA-0387.htm>

<sup>22</sup> Municipal Corporation is defined in Michigan Law as a county, charter county, county road commission, township, charter township, city, village, school district, intermediate school district, community college district, metropolitan district, court district, public authority, or drainage district

<b>Act</b>	<b>In Use?</b>	<b>Organizing Party?</b>	<b>Taxing and Bonding Authority?</b>	<b>Applicable to more than one agency?</b>
Act 55: Mass Transportation System Authorities (1963)	Yes	City	Yes/Yes	Yes
Act 7: Urban Cooperation (1967)	Yes	Two or more municipal corporations	No/Yes	Yes
Act 8: Intergovernmental Transfer of Functions and Responsibilities (1967)	No	One or more municipal corporations	-	Yes
Act 204: Metropolitan Transportation Authority (1967)	Yes	One or more counties	No/Yes	No
Act 196: Public Transportation Authorities (1986)	Yes	One or more municipal corporations	Yes/Yes	Yes
Act 387: Regional Transportation Authority (2012)	Yes	One or more counties	Yes/Yes	No

After the initial screening three Public Acts remain as potential establishing legislation MATS could use to reorganize under: PA 279, PA 55, and PA 196. PA 279 would support a reorganization of MATS as a city department within the City of Muskegon; however, it would only be applicable if MATS operates within a 10-mile buffer of the city. The current MATS service area would fit this condition, but it does not support future regional expansion for MATS as the region grows. Through PA 55, a city would also be the organizing authority for a new public transit authority, but MATS would be a public authority that other cities could join and be represented on rather than a city department. Under PA 196, a new MATS public authority would be jointly formed by the municipalities in the new service area.

PAs 55 and 196 are two of the most feasible options for reorganizing MATS and offer the most flexibility for MATS to serve and represent serviced communities. Therefore, the options for reorganization explored in the rest of this document primarily use them as establishing legislation.

# Contextualizing Options for Transit Governance in Muskegon County

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## Options for Managing Local Service – Muskegon County

Focusing on the need for change in Muskegon County, there are a range of options for alternate management formats. The options are described in further detail below as well as how well they address the following goals for Muskegon County identified in this study:

- **Goal #1:** Reduce the day-to-day involvement of the Muskegon County Board of Commissioners in service decisions
- **Goal #2:** Remove transit funding (including matching funds and any remaining deficit) and FTA compliance from the Muskegon County Board of Commissioners portfolio
- **Goal #3:** Create an environment where transit decisions (type, level of service, cost responsibility) can better be oriented with where there is demand
- **Goal #4:** Reduce county employment/reduce redundancy in administrative costs and functions

Alternatives identified to address these goals, at least in part, are noted below and detailed in Table 3:

- **Option 1 - Management Contractor:** The county contracts with a transit management firm to oversee operations and reporting. In this concept, the management firm would provide a general manager and finance director, with responsibilities of overseeing operations and reporting. Drivers, dispatchers and other operations personnel would remain county employees. The management contractor would be responsible for day-to-day operations of fixed route, paratransit and demand response services.

- **Option 2 - Transit Authority Option A:** An authority responsible for providing transit planning and service is formed consistent with the method used to form Harbor Transit Multi-modal Transit Authority. Employees of the authority, in this scenario, are limited to management and finance staff. Operations employees would remain county employees. The authority would contract with Muskegon County for drivers, dispatchers, building and grounds maintenance, and road supervisors (there is likely an alternative where road supervisors are authority personnel). The authority would have responsibilities for promoting, financing, owning capital assets, administering service, preparing budgets, correcting deficits, and preparing the contract for service.
- **Option 3 - Transit Authority Option B:** A full-service authority is established consistent with the enabling legislation used to form Harbor Transit Multi-modal Transit Authority, Holland/Zeeland, or Grand Rapids as examples. In this alternative, the authority would be a designated transit district, responsible for all aspects of transit planning, operations and management. All current employee positions would be transferred to the authority. The authority would have responsibilities for promoting, financing, owning capital assets, administering service, preparing budgets, correcting deficits, and preparing the contract for service.
- **Option 4 – MATS becomes a city department:** Presently, 90 percent of MATS fixed-route service is provided in the city of Muskegon, with parts of three routes extending into Muskegon Heights and one into Norton Shores. As the primary coverage area for fixed route service is within Muskegon, there is a nexus to include city management in the range of possible alternatives. In this option, service provided in Muskegon Heights and Norton Shores could be provided under a contract with the municipalities.

**Table 9: How well governance options address Muskegon County transit goals**

Goals Addressed/ Supported	Option			
	1 – Hire Management Firm	2 – Authority Option A	3 - Authority Option B	4 – City of Muskegon Department
1 - Reduce County Day-to-Day Involvement	◐	◐	●	●
2 – Remove County Funding Obligation	○	●	●	●
3 – Better Orient Decision-making with Demand	○	●	●	●
4 – Reduce County Employment	●	○	●	●

○ **Goal Not Addressed/Minimal Support**

◐ **Moderate Goal Achievement**

● **Achieves Goal**

Based on the inability of option one to address the goals listed in **Error! Reference source not found.**, it will not be considered in the following section as each option is further described in the context of Muskegon County. The scenarios will primarily cover alternatives that apply to options two and three; however, an alternative that applies to option four will also be discussed.

### **Muskegon County Authority (Option 2 and Option 3) Coverage Alternatives**

Establishing a transit authority in Michigan is most commonly accomplished using either PA 196 or PA 55 detailed in the Michigan Compiled Laws (MCL). While the functions provided through these acts vary somewhat relative to what is allowed, not allowed and how the authority is enacted, a key discussion item at this time is the consistent use of a

property tax millage to generate operating and capital funding. Both Public Acts require that a SINGLE millage rate be used throughout the authority coverage area. The result is a \$100,000 homeowner in Muskegon Township with only demand response service would be paying the same amount into the transit system as the owner of a \$100,000 home in the City of Muskegon who has access to fixed route and paratransit service. The potential perception of a disparity between what the homeowner gets in service for what they pay through taxes is a key contributor to jurisdictions committing to or opting out of being in a transit authority.

As the authority can work with jurisdictions outside the taxing boundary to develop agreements to provide a certain level of service for a negotiated price, not every jurisdiction that has a relationship with the transit provider needs to be in the authority boundaries. Outlined in the sections below are general concepts for balancing the service-to-cost/charge condition.

### **Muskegon-Muskegon Heights-Norton Shores-Muskegon Township-Roosevelt Park- North Muskegon-Muskegon Charter Township-Fruitport Charter Township Authority (Option 3)**

In this concept the authority would cover the entire current MATS service area. The current services of fixed route, paratransit and demand response presently available through MATS could be retained and provided through the authority. The requirement that a consistent levy be charged in all areas is of concern as it is likely residents of the city of Muskegon would be paying the same levy per \$1,000 of valuation as a Roosevelt Park resident (for example) but would likely have more service conveniently available. The potential disproportionate levy to service condition could be alleviated by creating a special assessment district in municipalities with higher levels of service in order to generate an increment of revenue needed to fund the higher level of service provided in their community(ies). This option creates additional administrative costs as it likely requires the city to manage the transfer of funds.

#### **City of Muskegon Authority/Department – Negotiate with Other Jurisdictions for Service/Cost (Option 4)**

By limiting the authority coverage to the City of Muskegon, the millage rate for transit could be set at a level required to offset the local match requirements and any additional deficits that may exist between service and capital costs and revenue from fares and non-local sources. What this alternative does not provide is a direct means of addressing service needs in the cities of Muskegon Heights, Norton Shores, Roosevelt Park, North Muskegon, Muskegon Charter Township and Fruitport Charter Township. Within either of the likely Public Acts used to provide the ability to generate revenue the transit agency has the freedom to contract with other jurisdictions or entities (such as a private business) to provide a negotiated level of transit service for a predetermined price. This method could be used to provide demand response, paratransit, or other transit service in areas outside Muskegon County, including regional service to Ottawa County.

### **Regional Service Coordination**

While there is no regional service between Muskegon County and Ottawa County, both counties recognize the mutual benefits regional service coordination could provide and are taking important steps toward providing regional transportation service. In winter of 2021, the Harbor Transit Board and Muskegon County Board of Commissioners approved an inter-local agreement (Appendix B: Interlocal Agreement) between Harbor Transit and MATS to add a destination in Muskegon County that will facilitate connections between Harbor Transit's curb-to-curb service, and MATS Go2 and fixed-route service.

The 2021 inter-local agreement had limited additional costs to Muskegon or Ottawa counties, and passed with little political resistance. Future efforts for regional service would likely have more associated benefits and costs, which would make them more challenging to implement and would not be feasible to pursue at this moment. The cost associated with increased regional service is of concern. Therefore, a common understanding of roles and responsibilities for service and committed funds will be

needed. The opportunity for regional service is a key reason for discussing the feasibility of a multi-county authority. The single levy requirement discussed in the previous section substantially complicates the argument for a multi-county authority, especially with Harbor Transit already established as an authority. What is required, if regional service was to be pursued, is an agreement between the coordinating agencies as to their responsibilities (operationally and financially) to support the service. This understanding can be documented and agreed to through a number of methods, including:

- Preparing a memorandum of understanding outlining roles and responsibilities
- Preparing a joint powers agreement outlining roles and responsibilities

The exact method of enacting the concept can take either form, and the critical requirement in the agreement lays out the following:

- Designation of the jurisdictions/parties covered by the agreement
- Who is designated to act on behalf of the parties?
- Scope covered through the agreement
- How the scope can be changed/amended
- Insurance requirements and mutually agreed levels and indemnification
- Cost allocation and payment requirements/methods
- Revenue collection and sharing
- Termination rights, methods and responsibilities



# Implementation of an Updated Governance Model

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Using the alternative governance models developed in the framework of this study, Muskegon County has decided to further pursue a version of option three, a Muskegon-Muskegon Heights-Norton Shores-Roosevelt Park-North Muskegon-Muskegon Charter Township-Fruitport Charter Township. In January of 2022, the findings of the West Michigan Transit Governance Study were presented to the Transportation Policy Committee of the WestPlan Metropolitan Transportation Planning Organization (MPO) managed by WMSRDC. The presentation included the recommendation for forming a MATS Transit Authority (Appendix C: Muskegon County Board and Transportation Policy Board Meeting

Slides). After the update was shared, a MATS Transit Authority workgroup was formed with representatives from each participating municipality. The remainder of this report will detail the planning process for implementing the new authority model by that group to date.

## **Members of the MATS Transit Authority Workgroup**

- **City of Muskegon:**  
LeighAnn Mikesell
- **City of Muskegon Heights:** Melvin Burns
- **City of Roosevelt Park:**  
Jared Olson
- **City of North Muskegon:**  
Sam Janson
- **City of Norton Shores:**  
Mark Meyers
- **Muskegon Charter Township:** Jennifer Hodges
- **Fruitport Charter Township:** Todd Dunham

## **Determining Authority Membership**

Public Act 196 allows the boundaries of the new organization to include the boundaries of existing governmental entities and a portion of a government entity based on precinct lines. Due to this provision, not all precincts within a city or township would need to join the authority. In the end, it was determined that initial membership would include the City of Muskegon, City of Muskegon Heights, City of Roosevelt Park, City of North Muskegon, City of Norton Shores, Muskegon Charter Charter Township, and precincts

2, 4, and 5 of Fruitport Charter Township. Representatives from each of these government entities would make up the MATS Transit Authority Workgroup.

## **MATS Transit Authority Workgroup**

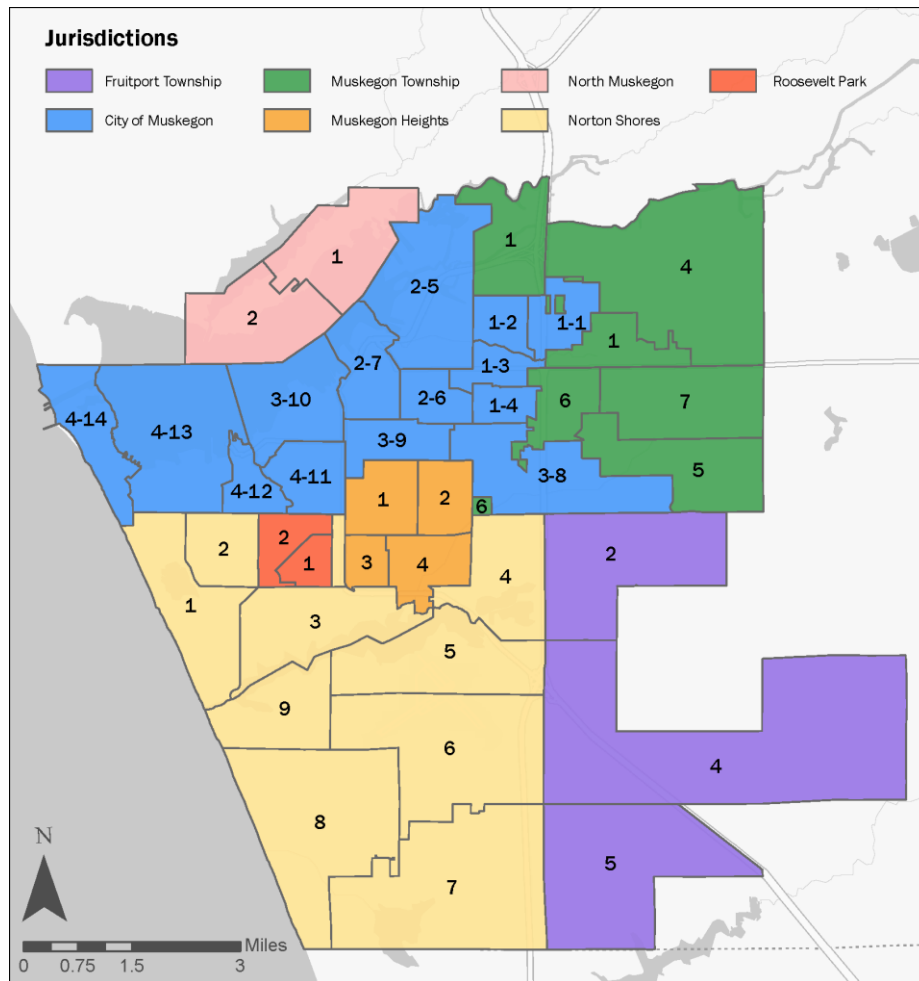
The formation of the MATS Authority Workgroup marked a turning point in the Transit Governance Study. With membership for the authority tentatively determined, a smaller group could begin making decisions about how to implement the political and structural changes needed to form the authority. Specifically, meeting topics covered financial plans, contents for the Authority's Articles of Incorporation and Bylaws, service planning, interlocal agreement research and drafting, messaging, authority board representation, and additional peer research. Slides that detail the contents of these meetings are included in March 17, 2023 Workgroup Meeting as well as a meeting held with some members of the workgroup with staff from Harbor Transit to learn about their experience transitioning from a city department to an authority (Appendix E. WMSRDC Meeting with Harbor Transit).

During the Workgroup's early meetings a draft service plan was created to determine how the service would reach each of the member communities. A map of the draft service area is shown in Figure 6 below and a table of existing and potential service modes for each community is included in Appendix F: Scope of Existing and Potential Transit Services by Precinct

## **Next Steps**

Champions of the MATS Transit Authority should continue to keep representatives from the future participating government entities involved in the planning process as authority formation documents become available to sign and tax levies are prepared to go to the ballot.

Figure 6. Map of Participating Members of the Planned MATS Transit Authority



## Governance Structure

MATS is currently a department within Muskegon County which secures its statutory authority to receive state and federal funds from the Michigan Department of Transportation. As a department of Muskegon County, MATS is managed and operated by employees of the county. The county provides administrative support services to MATS such as: accounting, human resources, payroll, janitorial, etc. The county's transportation committee is made up of representatives from the Muskegon County Board of Commissioners who represent all communities across the county. This committee oversees the county's transportation budget and operations including MATS.

## **Next Steps**

A transition from a county-housed department to an authority with independent powers granted in Public Act 196, would allow MATS to address existing funding and operation challenges. The transition process would also present a set of logistical challenges including determining a MATS authority service area and tax districts, employee transitions from county to authority, and changes to the financial formula. The legal and political steps for the transition are currently underway and described in further detail in the remainder of this chapter.

## **Authority Formation Documents**

In order to form the authority, the authority workgroup must have Articles of Incorporation and Bylaws drafted and signed onto by each participating government entity. Both of these documents are currently in the drafting process, and once they've passed the scrutiny of legal counsel, the MATS Transit Authority can, theoretically, be formed, however; it would not become operational until funding sources are secured (a tax levy is approved by voters).

### **Articles of Incorporation**

An authority formed under Public Act 196, also known as the Public Transportation Authority Act (PTAA), may be established through the adoption of Articles of Incorporation.<sup>23</sup> At the time this report was written, the Articles of Incorporation for the MATS Transit Authority are in a draft form which is attached in Appendix G: Draft Articles of Incorporation. The contents of the articles are largely determined by participating government entities that agree to sign on, but certain rules are dictated by stipulations in the PTAA.

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<sup>23</sup> Public Transportation Authority Act, Act 196 of 1986, <http://www.legislature.mi.gov/documents/mcl/pdf/mcl-act-196-of-1986.pdf>

The PTAA outlines the laws for establishing and governing a transportation authority which guide the requirements for content in the Articles of Incorporation. The authority formation documents must include provisions that ensure the authority formation is allowed under state law. The PTAA provides requirements for creating service areas within and between municipal boundaries, adding and removing member municipalities, levying taxes and grants the authority access to funds from the State Transportation fund.

The PTAA also provides the administrative steps required before the Articles of Incorporation can be adopted and the authority formed. Section 5 of the Act describes the steps which include endorsement of the articles of incorporation by the clerk of each respective political subdivision or by the recording officer of the incorporating authority and the publication of the articles for members of the public in the county(ies) the proposed service area to view published by the person or persons designated in the articles.

## **Bylaws**

The bylaws for an authority formed under Public Act 196 typically<sup>24</sup> dictate communication and meeting content for the board. An outline of a bylaws draft for the MATS Transit Authority is attached in Appendix H: Outline for MATS Authority Bylaws.

## **Next Steps**

As previously mentioned, the authority formation documents are currently in draft form. The next step for the authority workgroup should be to assemble final drafts and have them approved by each member's respective legal authorities.

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<sup>24</sup> See [Bylaws of Bay Area Transportation Authority \(BATA\)](#) and [Oakland County Public Transportation Authority \(OCPTA\)](#)

## **Employees**

Existing MATS employees are employees of Muskegon County. This issue should be considered in conjunction with operations described above. If and when these employees are rehired by a MATS Transit Authority, the new employer must consider any labor agreements that the County may have with its employees or labor requirements within federal and state contracts. There are two scenarios that can be considered within a new organizational structure.

- The county would continue to employ MATS employees with the exception of the transit manager and a few other key roles which would become employees of the authority right away. This way managerial positions could oversee operations from the authority side as well as grant applications or other important requirements for the authority.
- All employees involved in the provision of transit services are transferred to the new organization. This could result in the need to hire new employees such as payroll, human resources and maintenance as county employees in these positions would likely stay at the county.

## **Next Steps**

The next steps the authority planners will need to take will be to decide which option to take. Each option has benefits and costs. While the second option may cost more financially, it removes a potential hurdle in communication and functionality that could arise from coordinating with employees of two different employers. Whichever option is taken, the planners must communicate clearly and early with employees who will be switching employers, especially in terms of how or if their benefits will be administered differently.

# Financial Structure

## Updated Financial Model

As was discussed earlier in this report, MATS receives a blend of local, state, and federal funding. MATS is a department of Muskegon County, and its local funding is dictated by the county budget. The local share of operating and capital expenses fluctuates year-to-year and contributions from member municipalities are not codified in a manner similar to that of an authority.

Public Act 196 would allow for an authority's boundaries to include all, or a portion of a city, village or township based upon precinct boundaries. A local property tax rate proposed to be raised by the new organization must be uniform across the boundaries of the new organization; however, the boundaries of the new organization may in some cases be incorporated to be less than the political boundary of a member community.

Table 10 breaks down potential property tax generations from precincts in the authority's service area by potential millage rates.

**Table 10. Updated MATS Local Financial Contribution Model**

Property Tax Generated by Millage Rate								
Jurisdiction	Property Tax Generated by Mill Rate (0.1 to 0.7 Mills)							2021/22 Local Contribution
	0.1	0.2	0.3	0.4	0.5	0.6	0.7	
Muskegon	\$62,490	\$124,910	\$187,390	\$249,850	\$312,300	\$374,770	\$437,200	\$213,036
Muskegon Twp (Precincts 1, 4-7)	\$25,360	\$50,690	\$76,060	\$101,410	\$126,760	\$152,110	\$177,460	
North Muskegon	\$17,260	\$34,540	\$51,800	\$69,080	\$86,340	\$103,620	\$120,880	
Norton Shores	\$63,400	\$126,790	\$190,200	\$253,580	\$316,990	\$380,370	\$443,760	\$69,430
Roosevelt Park	\$11,050	\$22,090	\$33,140	\$44,180	\$55,230	\$66,280	\$77,330	\$12,001
Muskegon Heights	\$8,460	\$16,910	\$25,370	\$33,830	\$42,290	\$50,740	\$59,210	\$47,399

Fruitport Twp (Including precincts 2,4,5)	\$34,920	\$69,850	\$104,760	\$139,680	\$174,600	\$209,530	\$244,450	
Total Revenue Generated Across Authority Taxing Area	\$222,940	\$445,780	\$668,720	\$891,610	\$1,114,510	\$1,337,420	\$1,560,290	\$341,866

## Next Steps

Determine a proposed mill rate based on funding requirements and public input.

## Public Vote on a Tax Levy

### Survey of Households in Potential Service Area

As part of the reorganization of the governance structure, a survey of taxpayers in the precincts which would be included in the financial formula and service area was conducted. The goal of the survey was to understand the level of support for transit funding in the community and use the information to craft messaging and strategies before putting the proposal for a levy on a ballot. At this time, the survey results are not finalized.

### Next Steps/Public Information Campaign

Once the results of the household survey are available, they should be analyzed on a municipality- and precinct-level. This way, the authority workgroup can determine where there is support, where there may not be support, and where there may be a lack of knowledge of what the authority would do, or rather, what the individual taxpayer would be paying for. With this knowledge, the authority workgroup can coordinate a targeted public information campaign. A draft one-page flyer with FAQs is included in Appendix I Draft of Public Messaging Literature. This document, provided by the consultant, can be amended as seen fit based on the results of the survey.



## Implementing “Next Steps” and the Future of the Project

As the study phase of the project winds down, MATS and the region will require leadership and involvement of representatives of each participating jurisdiction to keep the momentum moving forward to form the Muskegon Area Transportation Authority. Leadership during the next steps for the project will require key individuals to champion the authority proposal. Individuals will be called upon to fill roles on the authority board that will establish the foundation of the authority in the initial years. In the more immediate future, the authority workgroup organized as part of this study, should continue to meet regularly to work towards codifying legal documents and establishing the source of local funding for service. In meetings held to date, the workgroup has demonstrated a commitment to an outcome that works best for the communities and all stakeholders. Their continued commitment will determine the success of the next steps for this project. Creating an authority, as was presented to the workgroup, is a multi-step process that will take two plus years to fully implement. Outlined below are recommended steps to complete in advancing the transportation authority proposal.

### Near Term Implementation Steps – Year One

While the Workgroup has discussed the basic elements of migration to a transportation authority, formal actions have not been taken by the supporting jurisdictions. The group discussed the sequence of preparing a multijurisdictional interlocal agreement to outlining support for the concept, but a formal agreement has not been prepared. Similarly, articles of incorporation and organization bylaws have been discussed, but have not been established in detail and ratified. Additionally, the critical determinant of establishing the methods of generating local matching funds needs to be addressed. Over the next year, the following activities are recommended:

- **Presentations to Appropriate Elected Bodies:** Representatives to the workgroup are staff from each of the supportive jurisdictions. workgroup members have discussed the authority concept with their respective jurisdiction leadership, however, there have not been formal presentations of the concept. It is recommended the workgroup, using material from the 2023 organizational

meetings, prepare an informational presentation that members can use to relay a consistent concept message to their leadership.

- **Local Match Funding Method:** The community survey conducted in Spring 2023 provides some insight to the local appetite for funding service with a dedicated levy that covers a broader area than is presently funding MATS service. At the time of the survey, definition of the types and level of service available in the anticipated authority coverage was not available. As parts of the anticipated authority coverage presently have no public transit service and current MATS funding participation across the service area is not from dedicated sources, there are critically important gaps to fill prior to an actual request for creating a formalized source. Steps to complete relative to defining the local matching funds plan are:
  - Define the type and level of service across the authority area. It is unlikely all areas of the authority coverage have the density to justify/support fixed route service currently available in Muskegon, Muskegon Heights, parts of Roosevelt Park, and Norton Shores. Thus, the workgroup should coordinate with MATS staff to prepare an authority area service concept that includes varying mixes by jurisdiction of fixed route, paratransit/demand response and Go2/microtransit.
  - Cost of Service: Using the mixed mode service concept for the authority area a cost estimate by jurisdiction should be developed. Each jurisdiction will need to be able to explain to their constituents and leadership what the request for local matching funds will provide to the community relative to improvements in transportation service.
  - Funding Concept: Public Act 196 requires a consistent levy across the authority coverage (i.e. if a property tax levy is proposed, the millage rate in Fruitport Township needs to be consistent with the millage rate in Muskegon Heights). As the level of service likely to be provided across the jurisdictions may not be consistent in type and level, a tiered funding method may be required. A tiered method means there would be an authority-wide levy that all agree on, and individual jurisdictions

supplement the basic levy with additional funding to support the higher level of service in their community. Requirements for the consistent levy were discussed with the workgroup, however, it was too early in the process to define a formula for establishing a single or tiered levy. This step should be completed in coordination with MATS, over the next year.

- Evaluate Service Provision Options. The immediately logical assumption of how service would be provided is MATS staff and contractors would migrate to the authority. While this is a logical assumption, the mechanics of whether picking up MATS from the county and relocating it intact to the authority should be reviewed. Critical to the review are current pension requirements, labor agreements, facility conditions, etc. and their obligations that are not visible to the average resident and taxpayer. As such, a review of how service is best provided in the authority area and how to transition from the current concept should be completed.
- **Determining the Role of Muskegon County and MATS is a Key Factor in the Authority Development.** The intent of developing a regional transit authority is to remove the Muskegon County Board of Commissioners from the planning, day-to-day operations and administration, and the funding support position presently provided to MATS. Commissioners have been briefed regarding each step in the study, however, they have not made an official decision regarding MATS operations as the study is intended to identify options to present to Commissioners. Their decision on their role and responsibilities will influence formation of an authority (will the authority oversee operations or only administration?) and will be a key decision in the next steps of discussion.
- **Refine and Ratify the Interlocal Agreement to Support Establishing a Transportation Authority.** With an informed leadership and constituency from each jurisdiction regarding the authority workings, the service concept and funding in hand, leaders from each jurisdiction will have enough information to determine whether the transportation authority is right for their community/constituent group. At this point, member communities of the authority

can be determined and formalized through an interlocal agreement to advance the concept and likely put funding into the effort. Jurisdictions may find the authority is not appropriate for them, however, discussions completed to date regarding service and as part of the next steps may result in individual jurisdictions concluding they need some or more service. These jurisdictions would then understand who to coordinate with (including MATS) to purchase service appropriate for them.

### **Near-Term Implementation Steps -- Year Two and Three**

It is anticipated full implementation of a transportation authority will require two to three years, with the first-year efforts addressing defining service and funding and ultimately ratifying the authority through an interlocal agreement. The approximate two-year period to follow would focus on the detailed mechanics of service and administration elements of the migration. Primary work in the first months of year two would focus on refining and approving the Articles of Incorporation. A draft framework for the articles was developed as part of this study, however, legal teams for each of the jurisdictions will want to review the framework and modify as needed to address their requirements and needs. Throughout the study the diversity of the potential service area has been discussed and will likely be central to the framework modifications provided and subsequent negotiations between the jurisdictions. Aspects of the Articles of Incorporation are anticipated to be the focus of negotiation/discussion are:

- **Number of Representatives to the Board of Directors.** Authority workgroup meeting discussions concluded one representative per jurisdiction is the initial go-forward proposal. The predominant make-up of boards observed through review of other Michigan and other state authorities with wide ranging populations by jurisdiction is representation based on population. Most do not provide a formula for representation based on percentage of regional population, however providing for more than one board seat in higher population areas is observed in many locations.
- **Funding.** While an initial proposal for funding and local match responsibility will be addressed in year one, it is likely that the topic of “what am I getting for my

investment” will continue throughout authority development and in at least the first few years after implementation. The Articles of Incorporation will include a funding split formula/list of responsibilities by jurisdiction.

- **Adding New Members and Exit of Members.** The concept of regional management of transportation service in the area will be an adjustment for each jurisdiction in the region and some may find, after the fact, it is not right for them. At the same time, other jurisdictions in the region may see benefit of the authority to provide consistent service. Thus, establishing a process of adding new members and for exiting the authority, while living up to the current commitments, will be critical.
- **Sale of Service to Non-Members.** Areas adjacent to authority coverage may see opportunities to gain service but are not able to or interested in joining the authority. To address these opportunities, a method of estimating service capital and operating costs will be needed.
- **Range of Modes.** The workgroup identified the need to allow the authority to address infrastructure and services related to, but outside fixed route, demand response and microtransit. For example, there is a benefit to allowing the authority to assist in planning and funding sidewalk infrastructure improvement/gap-filling or park and ride lot development. The breadth of areas of activity should be outlined so all understand their potential commitment.

Once the Articles of Incorporation are approved locally, they will be registered with the Michigan Secretary of State.

Year two is the period in which a detailed service plan for the authority area will be developed. Service planning work in year one should focus on service type by area (fixed route, demand response, microtransit), days and hours of service, changes to the current fleet to accommodate added service, basic facilities need review, high-level costs. The work in year two will focus on the details of the service proposal, including:

- Fixed route alignments, stops, transfer locations, frequency by route, etc.

- Demand response/microtransit service areas, hours of service, scheduling details, fleet, personnel needs, etc.
- Facilities needs for administration, maintenance, transfers, park-and-ride, etc.
- Personnel needs to provide administration, operations and maintenance for all services.
- Funding and financial program to support operations and maintenance.
- Transition plan for current staff and those covered by the retirement plan.
- Performance measures to assess authority-wide service.

Through refining the Articles of Incorporation and preparing the service program, however, the bylaws framework developed through the current study will also need to be reviewed by counsel for each jurisdiction and ultimately voted on. Bylaws revisions/refinement would coincide with development of the service program. Thus, when these are both approved, migration can be acted on.

## Appendix A Stakeholder Policy Workshop Slides

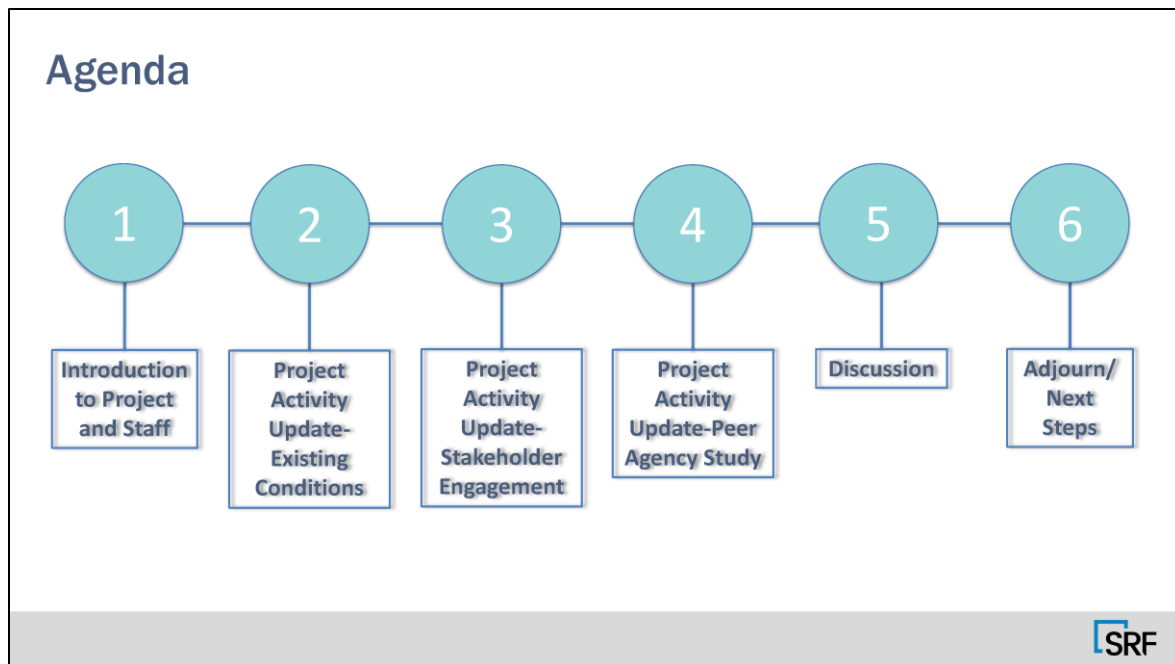


West Michigan Shoreline Regional Development Commission

**West Michigan Regional Transit Systems Governance & Organizational Transition Study**

Stakeholder Policy Workshop – October 26, 2021

SRF



# Introductions



## Project Background

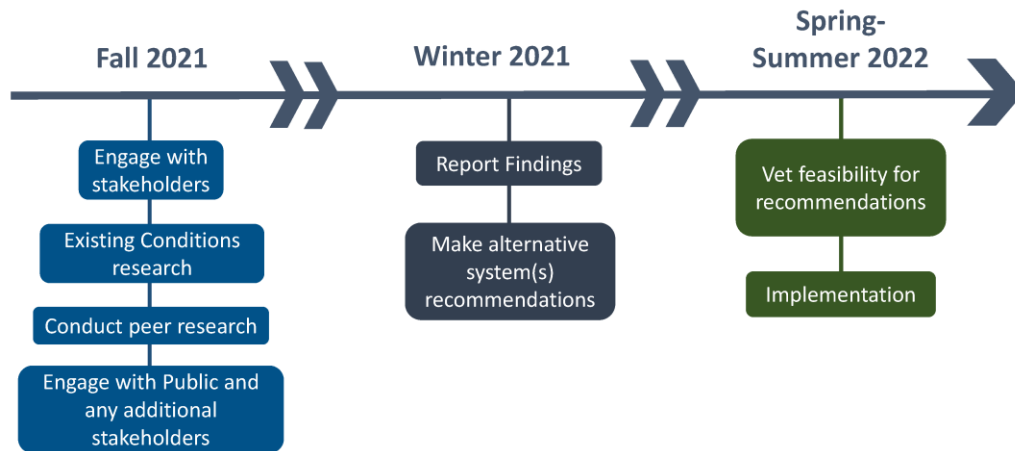
- **Goal:** Study whether MATS and Harbor Transit services can be better delivered through a different organizational or governance structure than what is currently operated
- **Why/Purpose:** Transit Governance includes a variety of actors (elected and non-elected officials, non-government agencies, political parties, etc.)
  - A governance model defines interaction between actors within a region.
  - Transit is inherently regional. Origins and destinations are not defined by county, city, or state lines.
  - A regional perspective can help create an effective transit system.





## Timeline

1



2

## Project Activity Update – Existing Conditions



## Existing Conditions: MATS

2

Evaluation Topic	Description
Funding Structure	<b>FEDERAL:</b> Direct recipient of FTA funds; <b>STATE:</b> Michigan Department of Transportation (MDOT) provides a percentage of the local match for operating assistance and for assistance for the purchase of capital equipment; <b>LOCAL:</b> municipal and county contributions <b>REVENUE:</b> local fixed-route, regional fixed-route, and demand-response
Agreements	Financial constrictions have resulted in recommended increases in jurisdictional contributions for MATS service. Every time contributions levels change and new agreements are reached, there is risk of jurisdictions pulling support.
Representation	MATS is a service provided by Muskegon County. The county Board of Commissioners provides local representation and decision making for the transit system.



## Existing Conditions: MATS

2

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Representation	MATS is a service provided by Muskegon County. The county Board of Commissioners provides local representation and decision making for the transit system.



## Existing Conditions: Harbor Transit

2

Evaluation Topic	Description
Funding Structure	<b>FEDERAL:</b> Direct recipient of FTA funds; <b>STATE:</b> MDOT provides a percentage of the local match for operating assistance and for assistance for the purchase of capital equipment; <b>LOCAL:</b> 1/6 millage raised from municipal property taxes within service area. <b>REVENUE:</b> Harbor Transit implemented a new fare system on 10/1/2021; however, fares are free until further notice (COVID-19 related policy)
Agreements	Each governmental unit within the Harbor Transit service area contributes financial support for Harbor Transit through a special elected 1/6 millage.
Representation	Harbor Transit's 11-member Board of Directors includes representatives from each of the municipalities served by the system (two per municipality and one at-large member).



## Existing Conditions: Harbor Transit

2

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## Existing Conditions: Harbor Transit

2

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## Existing Conditions: Harbor Transit

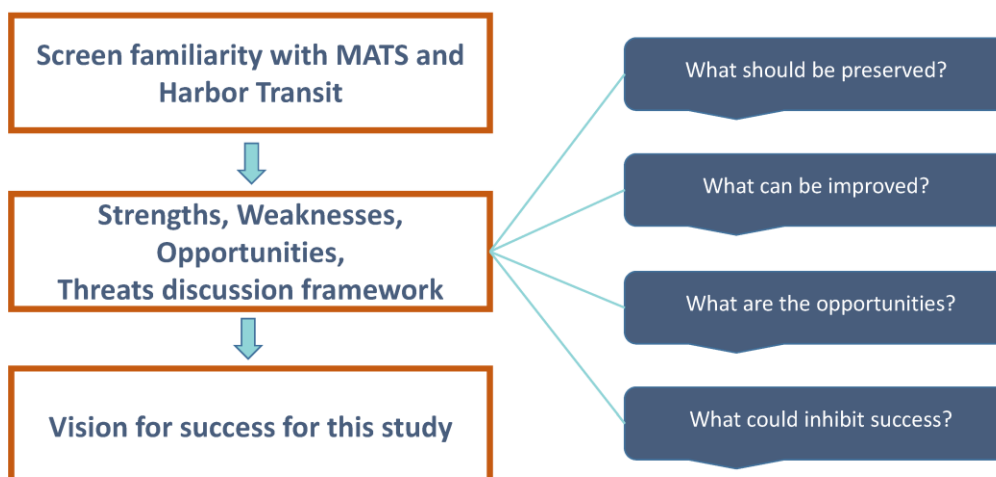
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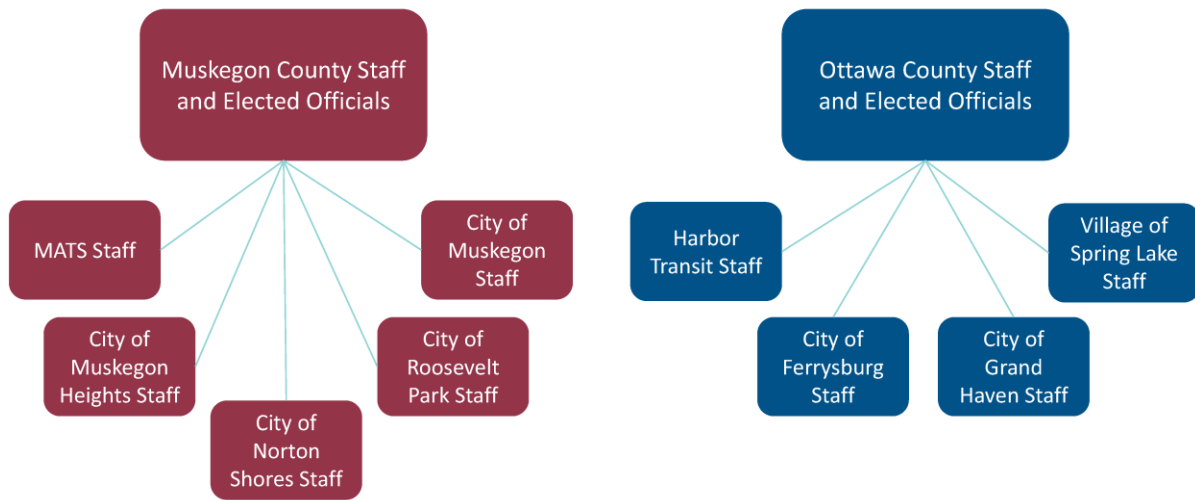
# Project Activity Update – Stakeholder Engagement

## Results of Stakeholder Engagement - Structure



## Who are the stakeholders?

3



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## Results of Stakeholder Engagement - MATS

3

Strengths	Weaknesses
Professional staff and management at transit agencies; approachable, collaborative, good leadership	Transit does not resonate politically as a countywide issue
Demand-response pilot (Go2)	Decision-making process not regionally equitable; county-level governance perceived as limiting
Capital improvements – facility and vehicle investments	Unable to link workforce to employers conveniently
Current mix of fixed route and demand-response provides regional access to medical/education	Informal “handshake” agreements vulnerable to change (election cycles)
	Duplication of service and roles across agencies and siloed structures within agencies

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## Results of Stakeholder Engagement - Harbor Transit

3

### Strengths

Professional staff and management at transit agencies; approachable, collaborative, good leadership

Millage to support Harbor Transit provides stable funding and a democratic process.

Demand-Response Service

### Weaknesses

Duplication of service and roles across agencies and siloed structures within agencies

Unable to link workforce to employers conveniently

Transit does not resonate politically as a countywide issue



## Results of Stakeholder Engagement - Governance

3

### What governance models should we look at? What are your governance thoughts and concerns?

Consolidated governing board that represents both transit agencies.

Explore the model of Grand Haven/Spring Lake Sewer Authority.

Interested in collaborating but concerned about feasibility with increased representation.

Does it need to be a multi-county authority?

Need to address long-term funding of each transit system.

Data needed to support recommendations.

Concerned about reactions to reallocating control, (territorialism).

Communities in both counties are very different and don't always have the same needs.

New governance structure should be less political and more equitable.





## Project Activity Update – Peer Agency Study

### Background: Governance Model Examples

- **County Agency**

- Example: Muskegon Area Transit System
- County oversees operations and distributes funds which are collected locally. Funding and operations decisions made by County Board of Supervisors

- **Local/Regional Authority:**

- Example: Harbor Transit
- Michigan Public Transportation Authority Act of 1986
- Local and regional public transportation authorities may issue bonds and have their own boards.

## Background: Governance Model Examples

4

- **County Funded, Internally Administered and Operated**
  - Example: Monterey-Salinas Transit, CA
  - County Transportation Agency collects and distributes funding. Operations are conducted by internal transit agency staff and board.
- **Agency within a Metropolitan Planning Organization**
  - Example: Twin Cities Metro Transit
  - Operated as a service of the MPO, Metropolitan Council. The MPO sets policies, approves budgets, oversees operations, and approves the Metro Transit General Manager
- **Division within a State or County Transportation Agency**
  - Examples: Albuquerque Rapid Transit (Albuquerque Public Works) and Los Angeles City Transit Services (LADOT)
  - ABQ: Operated as a service of Albuquerque Public Works; Director appointed by Mayor. City Council and Mayor approve funding and set policy
  - Los Angeles: Operated as a division within LADOT. Division leadership appointed by Mayor. Mayor and City Council approve funding and set policy.



## Peer Agencies Study

4

1. **Bay Area Transit Authority (BATA):** Provides fixed route and paratransit service in Leelanau and Grand Traverse Counties, Michigan
2. **Suburban Mobility Authority for Regional Transportation (SMART):** Provides fixed route and paratransit service in Macomb, Oakland and Wayne Counties, Michigan
3. **Twin Cities Area Transportation Authority (TCATA):** Provides fixed route demand response, and complimentary paratransit service in the City of Benton Harbor, City of St. Joseph, Benton Township, Lincoln Township, and St. Joseph Township, Michigan
4. **Interurban Trolley:** Provides fixed route and paratransit in the Cities of Mishawaka, Osceola, Elkhart, Dunlap, and Goshen, Indiana
5. **Transpo:** Provides fixed route service in Cities of South Bend and Mishawaka, Indiana
6. **Western Reserve Transit Authority:** fixed route and ADA paratransit (within a designated service area) as well as countywide paratransit (advanced registration) service in Mahoning County and the City of Warren (Trumbull County), Ohio



## Peer Agencies: Bay Area Transit Authority (BATA)

4

Evaluation Topic	Description	
Funding Structure	Property taxes (28.6% of total revenues, 82.6% of all local revenues) Farebox (4%, 11.6%)	
Agreements	<b>Operations</b>	Internal operations, not contracted to another provider.
	<b>Administration</b>	Executive Director hired by the Board. Executive Director makes all administrative staff decisions.
Representation	Managed by a Board of 7 Directors.	



## Peer Agencies: Suburban Mobility Authority for Regional Transportation (SMART)

4

Evaluation Topic	Description	
Funding Structure	Property taxes (53.6% of total revenues, 97.3% of local revenues)	
Agreements	<b>Operations</b>	Internal operations, not contracted to another provider.
	<b>Administration</b>	General Manager appointed by the Board. General Manager makes all administrative staff decisions.
Representation	Managed by a Board of 7 Directors. 2 executives from Wayne, Oakland, and Macomb. 1 rotating executive between Livingston, Monroe, St. Clair, and Washtenaw. Rotates every 2 years.	



## Peer Agencies: Twin Cities Area Transportation Authority (TCATA)

4

Evaluation Topic	Description	
Funding Structure	Property taxes (4.1% of total revenues, 29.8% of local revenues) Farebox (7.0% of total revenues, 50.5% of local revenues)	
Agreements	Operations	Internal operations, not contracted to another provider.
	Administration	-
Representation	Managed by a Board of 5 Trustees. 1 Trustee is an executive of the City of Benton Harbor, the remaining 4 are appointed by the City of Benton Harbor Commission.	



## Peer Agencies: Interurban Trolley

4

Evaluation Topic	Description	
Funding Structure	-	
Agreements	Operations	-
	Administration	Michiana Council of Governments
Representation	Managed by a Board of 7 Directors.	



## Peer Agencies: Transpo

2

Evaluation Topic	Description	
Funding Structure	-	
Agreements	Operations	-
	Administration	-
Representation	Managed by a Board of 9 Directors. Mayors and Councils of South Bend and Mishawaka appoint members (Mayor of South Bend – 3, Mayor of Mishawaka – 1, South Bend Council – 4, Mishawaka Council – 1)	



## Peer Agencies: Western Reserve Transit Authority

4

Evaluation Topic	Description	
Funding Structure	0.25% sales tax in Mahoning County (41.6% of total revenues, 99.9% of local contributions)	
Agreements	Operations	Internal operations, not contracted to another provider.
	Administration	Executive Director hired by the Board. Executive Director makes all administrative staff decisions.
Representation	Managed by a Board of 7 Trustees.	



## Peer Agencies Study: Next steps

4

- **Goals for peer agency interviews:**

- SWOT structure
- Fill gaps in our tables
- Questions:
  - How do they develop agreements? What is the process?
  - Which counties/municipalities were included in the agreement and how many?
  - What is their current representation structure? Has that structure changed in the past?
  - What are their current funding formulas, and how do they perform? What issues exist for them?

**What do you think we should ask?**



5

## Discussion



## Discussion Questions

4

1. What opportunities and concerns exist within each peer model?
  - Any follow-up questions about how peer models operate?
2. Funding formula/purchased transportation options
  - How do we address local return on investment?
3. What is the number one problem that a new governance model could solve?



6

## Wrap Up



## Next Steps

6

- Peer agency interviews
- Public meetings/town halls
- Alternatives analysis
- Present and workshop final alternative options



6

## Final Questions?

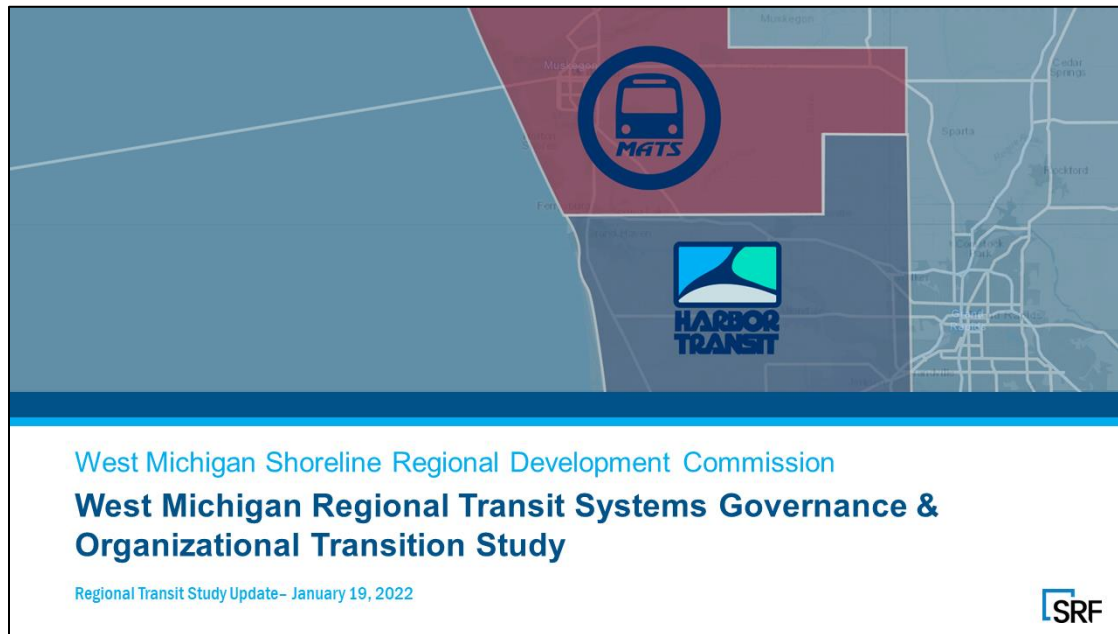




## **Appendix B: Interlocal Agreement**

## Appendix C: Muskegon County Board and Transportation Policy Board Meeting Slides

In January 2022, the consultant presented a status update and findings of the study to the Muskegon County Board Policy Committee and the Board at large. The following are slides from the meeting with the policy committee on January 19<sup>th</sup>.



## Agenda



2



1

# Introductions

3



## Project Background

1

- **Goal:** Study whether MATS and Harbor Transit services can be better delivered through a different organizational or governance structure than what is currently operated

4



## Timeline

1



5



## Existing Conditions

### Existing Conditions: MATS

Evaluation Topic	Description
Funding Structure	<b>FEDERAL:</b> Direct recipient of FTA funds; <b>STATE:</b> Michigan Department of Transportation (MDOT) provides a percentage of the local match for operating assistance and for assistance for the purchase of capital equipment; <b>LOCAL:</b> municipal and county contributions <b>REVENUE:</b> local fixed-route, and demand-response
Current Funding Conditions	Financial constrictions have resulted in recommended increases in jurisdictional contributions for MATS service.
Representation	MATS is a service provided by Muskegon County. The county Board of Commissioners provides local representation and decision making for the transit system.

## Existing Conditions: Harbor Transit

2

Evaluation Topic	Description
Funding Structure	<b>FEDERAL:</b> Direct recipient of FTA funds; <b>STATE:</b> MDOT provides a percentage of the local match for operating assistance and for assistance for the purchase of capital equipment; <b>LOCAL:</b> 6/10 millage raised from municipal property taxes within service area. <b>REVENUE:</b> Harbor Transit implemented a new fare system on 10/1/2021; however, fares are free until further notice (COVID-19 related policy)
Current Funding Conditions	Each governmental unit within the Harbor Transit service area contributes financial support for Harbor Transit through a special elected 6/10 millage.
Representation	Harbor Transit's 11-member Board of Directors includes representatives from each of the municipalities served by the system (two per municipality and one at-large member).

8



2

## Project Input/Findings

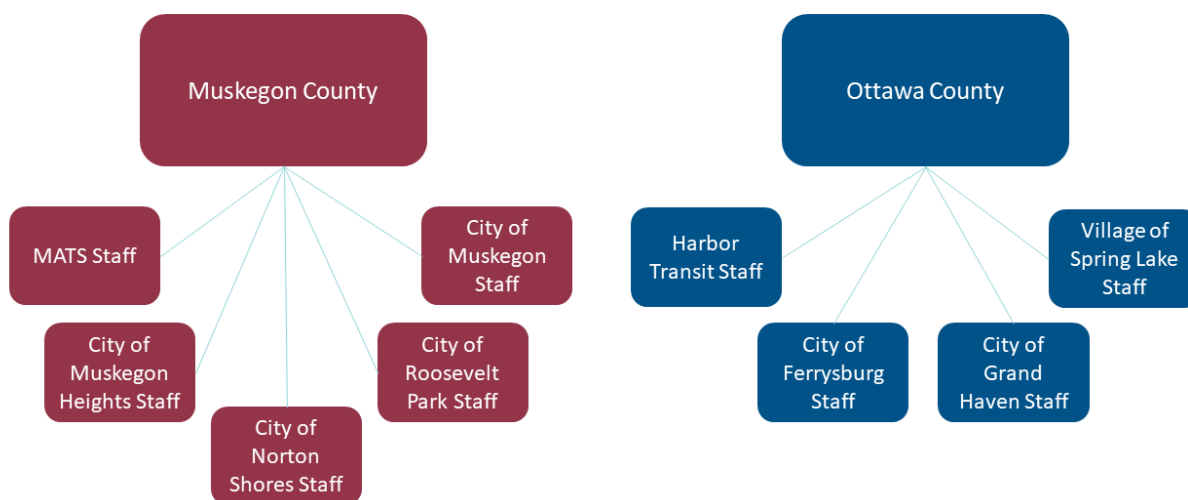
9



## Findings Based On:



## Stakeholder Engagement: Who were interviewed?



## Findings from Stakeholder Engagement

### Strengths

- All around commitment to change and work together
- Professional, collaborative staff
- Harbor Transit: reliable funding
- Harbor Transit: quality of demand response service is popular
- MATS: Willingness to grow service area/expand, deploy new transit modes (MATS Go2)
- MATS: Capital investments

### Weaknesses

- Intercounty trips are not supported
- MATS: Management is with county, but the resources required for fixed-route transit is not a county-wide issue
- MATS: Current “informal” funding structure is not stable
- Harbor Transit: Demand-response is expensive to operate in areas where fixed route can be supported

### Opportunities and Challenges

- Restructuring governance in Muskegon County can stabilize funding and prospects for future partnerships (intra- and inter-county)
- How can the future of transit management be less political and more equitable?

12



## Engagement – Project Goals

3

### What needs to be addressed as an outcome of this study?

Explore the possibility of consolidating the governance and operation of MATS and Harbor Transit.

Explore models of regional coordination/governance that exist locally and elsewhere.

Concerned about maintaining local control of transit service, and over-complicating governance structure.

Recommendations should address and improve long-term funding stability.

Data, research must be completed to support recommendations.

Determine geographic extent of any new governing board. Multi-county? Single county?

New governance structure should be less political and more equitable.

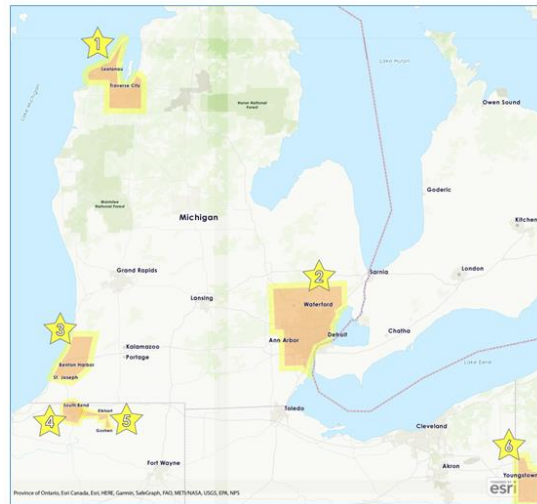
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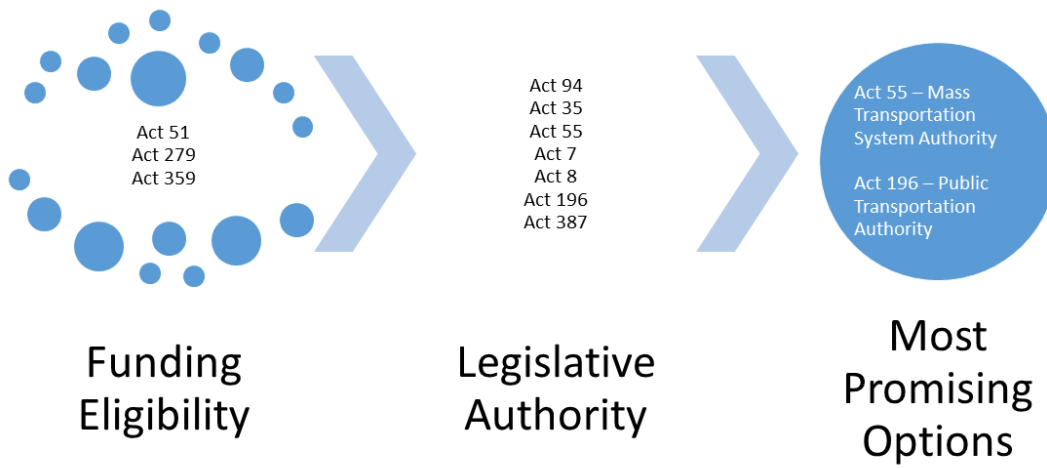
## Peer Agency Study

1. Bay Area Transit Authority (BATA)
2. Suburban Mobility Authority for Regional Transportation (SMART)
3. Twin Cities Area Transportation Authority (TCATA)
4. Transpo
5. Interurban Trolley
6. Western Reserve Transit Authority



## Legislative Analysis

3



15



## Legislative Analysis

- Act 55 Mass Transportation System Authority
  - 4 within State of Michigan
  - Based on a municipal government forming Transit Authority
  - Notable examples: TCATA, Ann Arbor Area Transportation Authority
- Act 196 Public Transit Authorities
  - 28 within the State of Michigan
  - Notable examples: Harbor Transit, Bay Area Transportation Authority, Interurban Partnership (Grand Rapids)

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## Conclusions for Regional Transit

### Need for Change To Current Structure? (By Component)

Muskegon  
County  
Provision

#### Yes

Deficit Funding Condition  
No Dedicated Local Source  
Complex Services-Funding Mix

Northern  
Ottawa  
County  
Provision

#### No

Sustainable Funding Stream  
Dedicated Tax Levy  
Consistency Between Service and  
Financial Support

Regional/  
Inter-county  
Service

#### Yes

Commitment is Semi-formal  
Informal Planning/Coordination

## Conclusion

- Highest priority is to develop a structure that addresses funding and governance concerns in MATS service area.
- Build on existing strengths of each local partner
- Maintain regional lens
  - Develop framework for interagency agreements
  - Provide flexibility to expand and merge agencies if circumstances warrant
  - Identify opportunities for shared staff roles

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5

## Options for Muskegon County

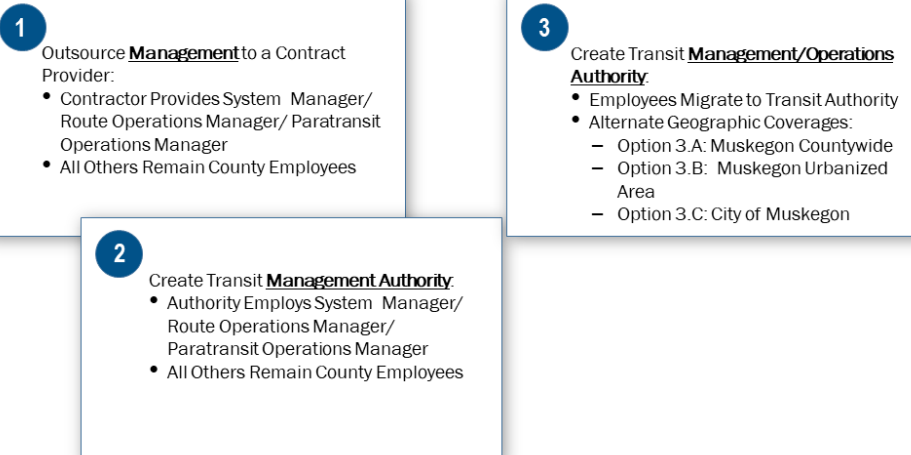
20



## Goals – Selecting an Alternate Governance Program

- Reduce the day-to-day involvement of the County Board in service decisions; broaden governance to be consistent with levels of existing transit service.
- Remove transit funding oversight (including matching funds and any remaining deficit) from the County Board portfolio; adjust contribution levels
- Create an environment where transit decisions (type, level of service, cost responsibility) are the organization's focus
- Evaluate staffing levels and location

## Governance Options – How are transit authorities staffed and managed?



## Option Review Relative to Goals – Muskegon County

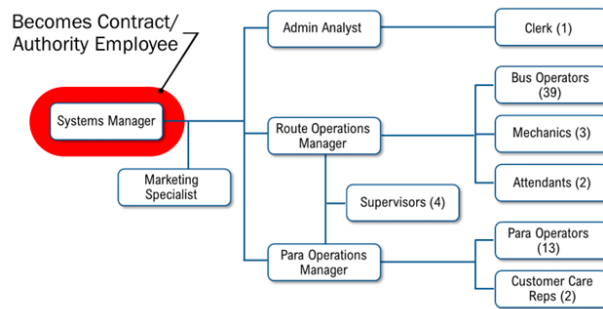
Goal	1 – Hire Management Firm	2 – Management Authority	3 – Management/Operations Authority
1 - Reduce County Day-to-Day Involvement	●	●	●
2 – Remove County Funding Oversight	○	●	●
3 – Better Orient Decision-making with Demand	○	●	●
4 – Logical Location of Transit Workforce	●	●	●

### Legend

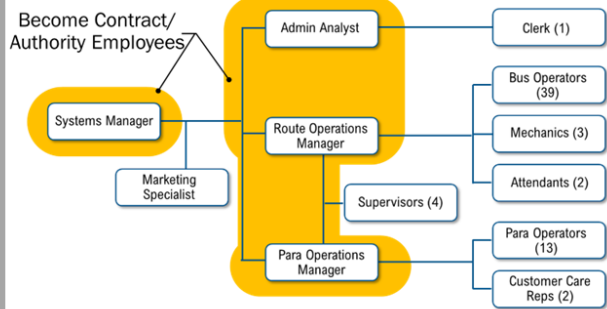
- Goal Not Addressed/Minimal Support
- Moderate Goal Achievement
- Achieves Goal

## Management Organizational Alternatives

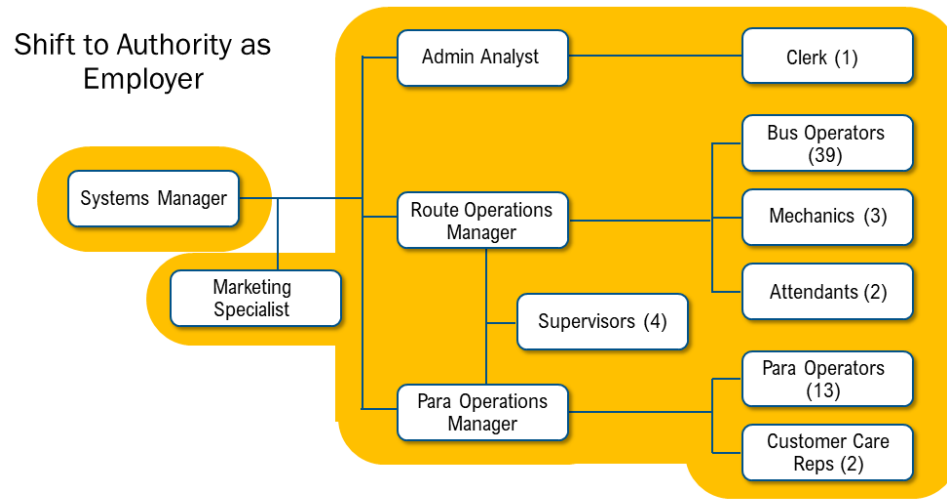
### General Manager Only



### Management Team



## Management/Operations Organization



25 SRF

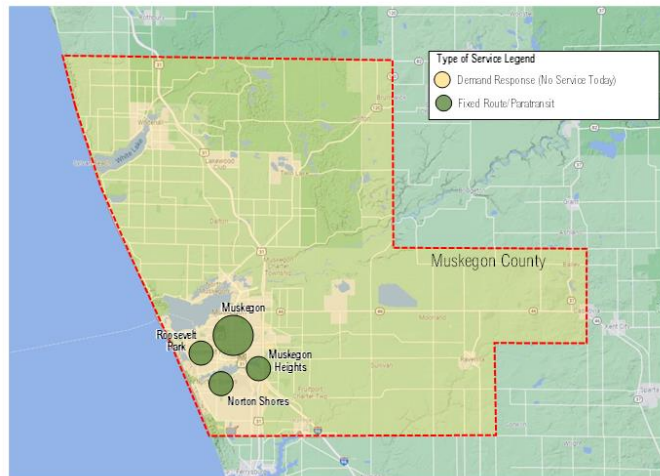
## Transit Authority Geography

26 SRF

## Option 3.A: Muskegon Countywide

5

- Jurisdictions Included:
  - Countywide
- Level of Demand/Service Not Consistent Across Area
- Levy Rate – Needs to be Consistent
- Countywide Demand Response

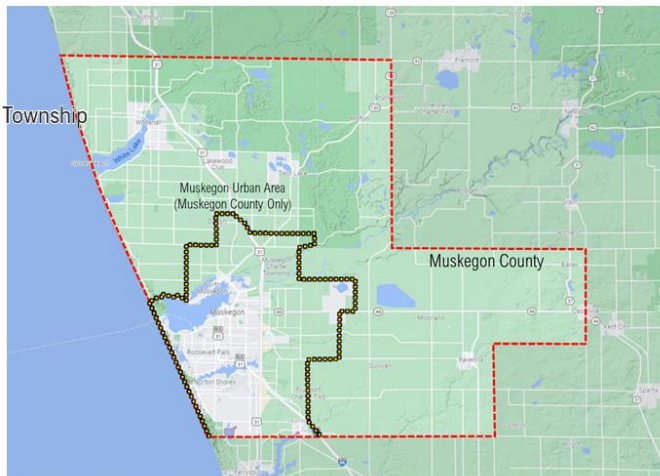


27 SRF

## Option 3.B: Jurisdictions within Muskegon Urbanized Area

5

- Jurisdictions Included:
  - Muskegon
  - Muskegon Charter Township
  - Muskegon Heights
  - Norton Shores
  - Roosevelt Park
- Level of Demand/Service Not Consistent Across Area
- Levy Rate – Needs to be Consistent
- Remainder of County Buys Service Desired



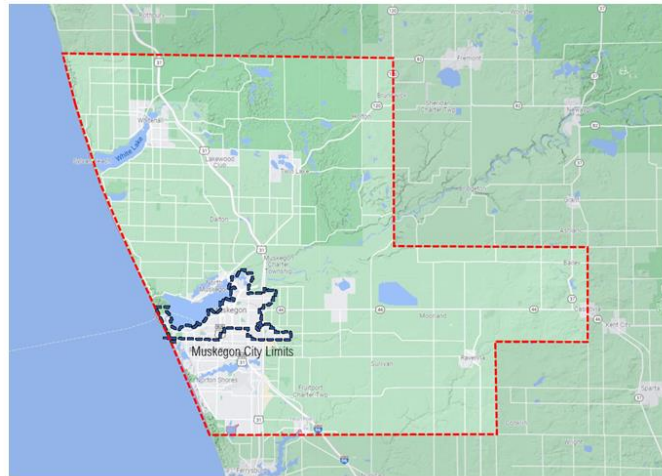
28 SRF



## Option 3.C: City of Muskegon

5

- Jurisdiction Included:
  - City of Muskegon
- Level of Demand/Service Consistent Across Area
- Levy Rate – Logical to be Consistent
- Remainder of County Buys Type/Leve of Service Desired



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## Authority Area Options

Muskegon County Authority Coverage Option	Considerations	Positives	Negatives
<b>Option 3.A: Countywide</b>	Level of Demand/Service Not Consistent Across Taxing District Levy Rate – Needs to be Consistent Provide Demand-Response Service Countywide (All Properties Taxed – Consider Serving)	Demonstrate Support for Transit Can Generate Added Revenue – Need to Determine if can fill Deficit Gap	History in Other Areas – Consistent Levy with Wide Level of Need/Demand – Difficult to Maintain Funding Support
<b>Option 3.B: Muskegon Urban Area</b>	Level of Demand/Service More Consistent Across Area, But Still Broad Levy Rate – Needs to be Consistent Service Outside Urban Area Could be Purchased by a Jurisdiction (Municipality or Township) Cost Allocation Plan Needed for Areas with Service Outside Authority Limits	Can Disaggregate/Detail Cost Allocation to Service Desired in Outlying Areas Service-to-Cost Allocation More Consistent	More Complex Cost Allocation Need Individual Jurisdiction Agreements
<b>Option 3.C: City Limits of City of Muskegon</b>	Level of Demand/Service Level is Consistent Across Authority Area Levy Rate – Needs to be Consistent Service Area Extends beyond Authority Area There are Transit Supporting Jurisdictions Outside Authority Area Cost Allocation Plan Needed for Areas with Service Outside Authority Limits	Most Disaggregated/Detailed Cost Allocation to Service Desired in Outlying Areas Potential Service-to-Cost Allocation More Consistent	Very Complex Cost Allocation – Many Jurisdictions Need More Individual Jurisdiction Agreements

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## Next Steps/ Recommendations

### Recommended Framework (2022)

#### Establish Model for Transit Authority in Muskegon County

- CY 2022 – Establish authority model for MATS service area
- Funding formula
- Geography
- Workforce
- Scalability

#### Develop Framework for Service Coordination


- Near-term solutions for service agreements
- Deploy various transit modes to meet needs
- Fill geographic gaps in service coverage

#### Roadmap to Regional Authority

- Establish inter-authority communication forum
- Determine optimal conditions for formation of regional authority

# Appendix D Authority Workgroup Meeting Slides

## January 20, 2023 Workgroup Meeting



The map displays the West Michigan region, with a red-shaded area in the center representing the MATS (Michigan Area Transit System) service area. A blue circle with a white bus icon and the letters 'MATS' is overlaid on this red area. To the south of the red area, a blue and green logo for 'HARBOR TRANSIT' is shown. The map includes labels for various locations such as Muskegon, Cedar Springs, Sparta, Rockford, and Grand Haven. A blue horizontal bar at the bottom of the map section contains the following text:

West Michigan Shoreline Regional Development Commission  
**West Michigan Regional Transit Systems Governance & Organizational Transition Study**  
Jurisdiction Representatives Discussion – January 20, 2023

The SRF logo is located in the bottom right corner of the slide.

### Agenda

- Follow Up/Feedback from Survey Discussion with University
- Services Likely Provided by Jurisdiction
  - Fixed Route
  - Paratransit
  - Go2
  - Others?
- Authority Board Representation
- Public Act 196 Review
- Commitment Interlocal Agreement (DRAFT IDEA)
- Draft Timeline for Topics
- Schedule Regional Project Update – Muskegon/Northern Ottawa County
- Action Items for February 2

## Representation Examples

### The Ride (Ann Arbor)

Political Subdivision	Representatives
Ann Arbor	8
Ypsilanti	1
Ypsilanti Township	1

Appointed by Political Subdivision  
Representation by Population

### CATA (Lansing)

Political Subdivision	Representatives
Lansing	4
East Lansing	2
Delhi Twp	1
Lansing Twp	1
Meridian Twp	1
Ingraham Twp	1
MSU	1

Appointed by Political Subdivision  
Representation (Investigating)

### Marquette County

Political Subdivision	Representatives
Marquette	4
Marquette Twp	1
Ishreming Twp	1
Ely Township	1
Choccolay Twp	1
Negaunee	1
Ishpeming	1

Appointed by County Board  
Representation (Investigating)

### Central County Transit Authority

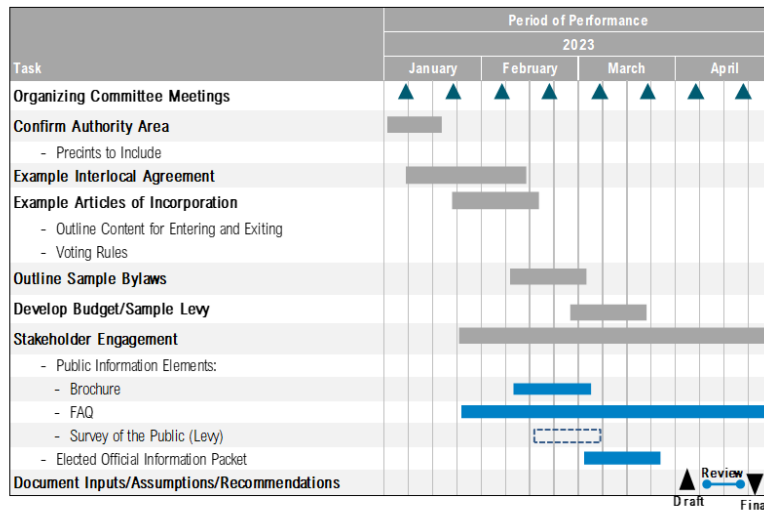
Political Subdivision	Representatives
Kalamazoo	4
Kalamazoo County	2
County Commissioner	1
Kalamazoo Twp	1
Portage	1
Oshtemo Twp	1
Rural	1
Urban	1
Comstock Twp	1

Appointed by County Board  
Representation (Investigating)

3



## Schedule – Through April



### February 3

- Finalize Representation Ideas
- Interlocal Agreement – Finalize
- Survey Questions

### February 17

- Content of Articles of Incorporation (Comments provided before March 3)
- Mill Levy

### March 3

- Final Review of Articles
- Initiate Bylaws Content Discussion

### March 17

- Content for Community Outreach: What is service Cost

### March 31

- Bylaws Content
- Budget Discussion

### April 14

- Documents
- Actions going forward by Group

### April 28

- Implementation
- Confirm Next Steps
- Clean up

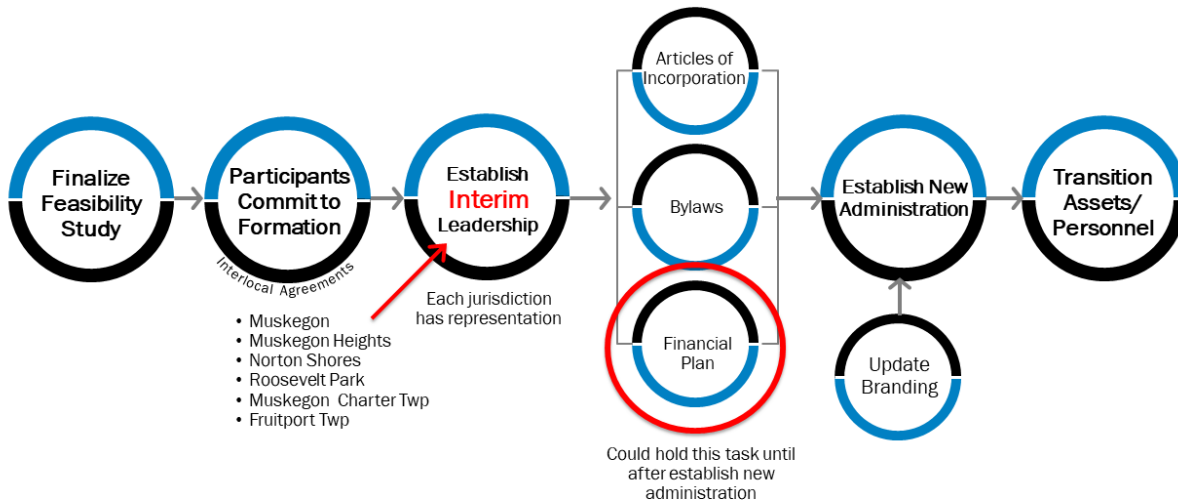
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## Public Act 196 Summary

- Authorizes Formation of Public Transit Authority
- Difference from Others – Levy Authority
- Steps – Shown in Graphic
- Articles of Incorporation – Filed with SoS, Clerks, MDOT
- Action Required by Governing Body (Requires Majority to Support):
  - City/Town
  - Township Board
- All Political Subdivisions are Members of the Authority
- Precincts are the Smallest Geography for Defining Areas to Include in the Authority Boundary
- Can Add Members – 2/3 Vote of Authority Board and Majority Vote of Political Subdivision
- All Political Subdivisions in Area Must be Notified

## Transition to Transit Authority



## Public Act 196 Summary

- Release from Membership:
  - Tests:
    - Adoption of Resolution by Majority of Officials from Political Subdivision or:
    - Majority of the Electorate Approves or:
    - >20% of Registered Electors for last Governor's Race in Political Subdivision Sign Petition and;
    - 2/3 of Board Votes to Accept Resolution and;
    - Obligations are Paid
  - Remain Responsible for Paying Levied Taxes until End of Term
  - Term: Generally 5 Years
  - Remaining Members Amend Articles
- All MATS Property and Obligations can be Transferred to the Authority
- Cannot Adversely Affect a Current Contract
- Authority takes on Employee Obligations

7



## Public Act 196

- Prevision of Service:
  - Authority can Provide
  - Can Employ Management Firm
- Service:
  - Not Restricted to Boundaries of Precincts Included
- Apply for/Accept Federal/State Funds
- Contract with Other Authorities
- Hire Staff/Contractors
- Bargain Collectively and enter Agreements with Labor Organizations:
  - Will be bound to EXISTING collective bargaining agreement – Remainder of term (IF ELECT TO)
  - Responsible to supporting rights, privileges, benefits, obligations for retirees

8



## Public Act 196 (Cont.)

- Financing for Service:
  - Fares
  - State funds
  - Federal funds
  - Taxes/special assessments
  - Income taxes
  - Bonds
  - Land contracts//leases
- Levy Limits:
  - 5 mills on SEV
- Taxing Authority: Tax millage approved by Majority of Registered Voter in Authority Area
- Levy Period: 5 Years
- Added Tax Rate: Set by Political Subdivision (citywide) – Does not seem to be a limit

9



## Interlocal Agreements

- Recitals (Background – Whereas...)
- General Provisions:
  - Purpose
  - Service Area
  - Hours
  - Funding
  - Budgeting
  - Board of Directors Concept
- Term of Agreement
- How to Terminate
- Insurance/Indemnification
- Miscellaneous Items (As appropriate)
  - Amending the agreement
  - No third-party beneficiaries
  - Assignment of rights/obligation
  - Preparation
  - Captions
  - Severability of provisions
  - Counterparts

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## Sample for Review - Interlocal Agreement

### SOUTHEAST COMMUNITIES COUNTYWIDE TRANSIT AUTHORITY REPRESENTATIVE SELECTION PROCESS ACT 7 INTERLOCAL AGREEMENT

WHEREAS, the Urban Cooperation Act, PA7 of 1967, Extra Session (Act 7), provides that a public agency may enter into interlocal agreements with other public agencies to exercise jointly any power, privilege, or authority that the agencies share to in common and that each might exercise separately; and

WHEREAS, the Charter Townships of Augusta and Ypsilanti are local government units in the County of Washtenaw under Act 7 of 1967; and

WHEREAS, it is anticipated that a new countywide transit authority will be incorporated under Public Act 196 to provide public transit service to all of Washtenaw County; and

WHEREAS, it is anticipated that the Public Act 55 transit authority will be dissolved upon passage of a countywide funding ballot proposal and all assets transferred to the new 196 authority; and

WHEREAS, the new Act 196 Authority board will have 15 seats that are allocated based on charter millage and population providing two seats to the South East Communities; and

WHEREAS, the local communities wish to work cooperatively to select a Act 196 Countywide Transit Authority board; and

## MATS-Harbor Transit – Interlocal Agreement

### HARBOR TRANSIT MULTI-MODAL TRANSPORTATION SYSTEM AND MUSKEGON AREA TRANSIT SYSTEM INTER-LOCAL AGREEMENT TO ALLOW PUBLIC TRANSPORTATION SERVICES ACROSS JURISDICTIONAL BOUNDARIES

THIS AGREEMENT is being entered into as of this 1st day of December, 2021, by and between the Harbor Transit Multi-Modal Transportation System (Harbor Transit) and the Muskegon Area Transit System (MATS), a department of the County of Muskegon.

#### WITNESSETH

WHEREAS, Harbor Transit and MATS are entities authorized to provide and operate public transportation services; and

WHEREAS, each of the said parties desire to be of mutual assistance to each other in the event it is necessary for their respective public transportation systems to cross jurisdictional boundaries; and

WHEREAS, the governing bodies of each said party have authority within their own respective boundaries; and

WHEREAS, the transportation project(s) listed as Attachments to this agreement have been authorized by the Boards of both Harbor Transit and MATS, to be undertaken as cross-jurisdictional transportation efforts,

NOW THEREFORE and in consideration of mutual needs, It is hereby agreed as follows:

1. That the respective public transportation systems, while in the others' service area, will provide insurance coverage for its own employees and equipment and liability insurance coverage for any action of its employees or equipment at its own expense.
2. That the respective public transportation systems while in the others' service area will hold and save



## Current Muskegon County Area Interlocal Agreements

### Michigan Interlocal Agreement Report

The report below presents all interlocal agreements on file with the Michigan Secretary of State as of October 27, 2020. Interlocal agreements are formal documents that show a joint exercise of power, privilege or authority between two or more government entities or public authorities, such as service-sharing. In Michigan, interlocal agreements are allowed through the [Urban Cooperation Act of 1967, Extra Session, MCL 124.501](#).

County:   
Municipality:

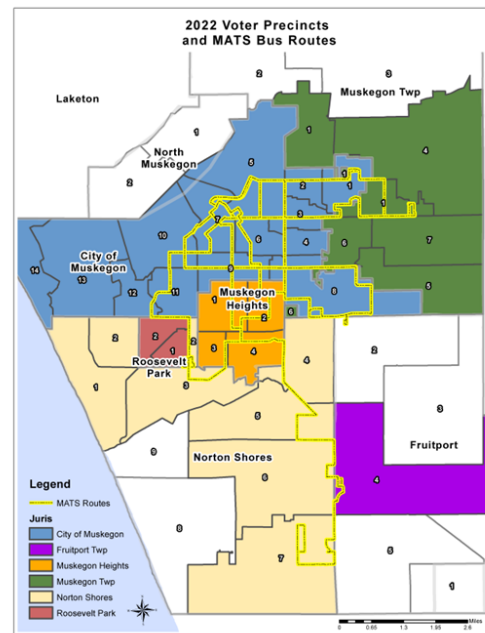
Municipalities	Counties	Filing Date	Expiration Date
1. <b>West Michigan Enforcement Team Agreement (WEMET)</b> Allegan County, Michigan Department of State Police, Muskegon County, Ottawa County	Allegan, Muskegon, Ottawa	1/22/2003	
2. <b>Lakeshore Behavioral Health Alliance</b> Muskegon County, Ottawa County	Ottawa	8/9/2001	38777
3. <b>Lakeshore Coordinating Council</b> Allegan County, Berrien County, Cass County, Muskegon County, Ottawa County, Van Buren County	Allegan, Berrien, Cass, Muskegon, Ottawa, Van Buren	6/30/1997	

Source: [Michigan Secretary of State](#)

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## Authority Coverage – Conceptual

- Public Act 196: Smallest Increment of Coverage – Voting Precinct
- Initial Concept – Areas with:
  - Fixed Route
  - Paratransit
  - Go2
- Current Assumption:
  - Full Range of Services Coverage:
    - Muskegon
    - Muskegon Heights
    - Roosevelt Park
  - Partial Services Coverage:
    - Norton Shores
    - Muskegon Township
    - Fruitport Township (Questions Remain as to Precincts to Include)



14 SRF

## Wrap-up

- Discussion/Questions
- Topics for February 2, 2023 – Action Items

15



## Articles of Incorporation

- Name of the public authority
- List of incorporating political subdivisions
  - Precincts of cities/townships:
  - Assumes precincts are the smallest subdivision used
- Purpose of the corporation
- Powers/duties/limits of authority
- Offices and how people are selected to fill them
- Who has the responsibility of filing
- How Articles can be amended

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## Sample for Review – Articles of Incorporation

### ARTICLES OF INCORPORATION OF THE OAKLAND COUNTY PUBLIC TRANSPORTATION AUTHORITY

These Articles of Incorporation are executed and adopted by the Oakland County Board of Commissioners pursuant to and in accordance with the provisions of Act 196, Public Acts of Michigan, 1986, as amended (the "Act"), for the purpose of maintaining a public body corporate as required by the Act.

#### ARTICLE I

##### Name

The name of the corporation and authority is the Oakland County Public Transportation Authority (the "Authority").

#### ARTICLE II

##### Incorporating Units

## Transit Authority Bylaws

- Board of Directors
  - How each board member is appointed, and their term
  - Voting protocols
  - Process for removal of board members and resignation
  - Meeting schedules, quorum requirements, code of conduct
  - Public participation
  - Officer roles and responsibilities
  - Staffing
- Administration and Additional Duties
  - Financial management and funding cycles
  - Audit requirements
- Bylaw Amendment Process

## Officer Roles

- President/Board Chair:
  - Presides over meetings, appoint committee members, call special meetings, voting member.
- Vice President/Board Chair
  - Assumes role of president/chair in the leader's absence.
- Secretary
  - The Secretary keeps minutes of all meetings and tracks all notices.
- Other officers: treasurer, clerk, staff roles, committee chairs

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## Bylaws: Transit Authority Board Representation

- CCTA (Kalamazoo, MI)
  - Directors are appointed by Kalamazoo County
  - Recommendations are made by member jurisdictions
  - Recommendations can be overruled only for cause.

	Number	Recommendation by:
	3	City of Kalamazoo
	2	City of Portage
	1	Comstock Township
	1	Kalamazoo Township
	1	Oshtemo Township
	3	County; 2 to be representative of rural County areas; 1 to be representative of urban County areas

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## Bylaws: Transit Authority Board Representation

- AAATA (Ann Arbor, MI)
  - Ten-member board, appointed by local councils, one-year term
  - 8 from City of Ann Arbor, 1 from Ypsilanti, 1 from Ypsilanti Township
  - Six votes can remove member
  - Vacancies can be filled by election



21 SRF

## Bylaws: Jackson District Library

- City/County District Authority with 7 Board Members
  - Three appointed by Jackson City Council
  - Three appointed by Jackson County Commission
  - One appointed jointly by City Council/County Commission
- Four-year terms, vacancies addressed by appointing city/county



22 SRF

## Go Forward – Next Topics

- Continue Discussion:
  - Legal Documents
  - Representation
- Funding:
  - Referendum needed for levy approval
  - Survey overview
- Transferring Discussion:
  - Staff Discussion
  - Assets

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## March 17, 2023 Workgroup Meeting



A map of West Michigan showing various transit jurisdictions. A red-shaded area in the center is labeled "MATS" and contains a bus icon. To its south is a blue-shaded area labeled "HARBOR TRANSIT" with a logo. Other labeled areas include Muskegon, Cedar Springs, Sparta, and Rockford. The map is overlaid with a grid of roads.

West Michigan Shoreline Regional Development Commission  
**West Michigan Regional Transit Systems Governance & Organizational Transition Study**  
Jurisdiction Representatives Discussion – March 17, 2023

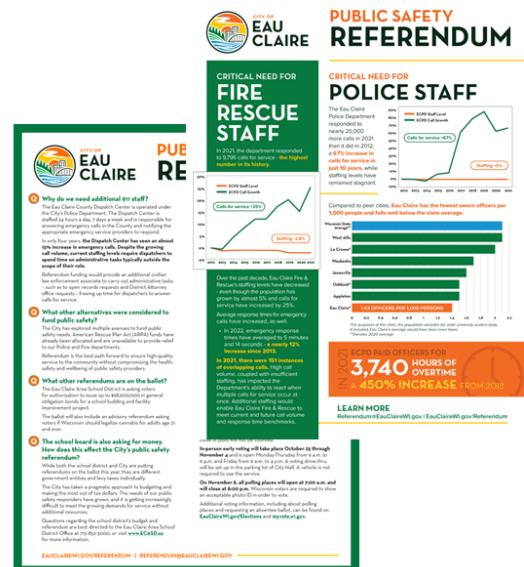
The SRF logo, consisting of the letters "SRF" in a bold, sans-serif font, preceded by a small blue square icon.

## Agenda

1. Status of Community Survey:
  - Have questions come up?
  - Is everything on track?
2. Overview/Summary of Ottawa County/Harbor Transit Discussion:
  - Input from those present at the meeting
3. Bylaws Continued Discussion:
  - Questions/Comments people have based on review
5. Authority Informational Piece – Next step:
  - What does the referendum cover/include?
  - Why is the referendum being proposed?
  - What does a YES vote mean for me?
  - What will the referendum cost me//my family?
  - What happens to transit service if the referendum does not pass?
6. Wrap-up

## Messaging

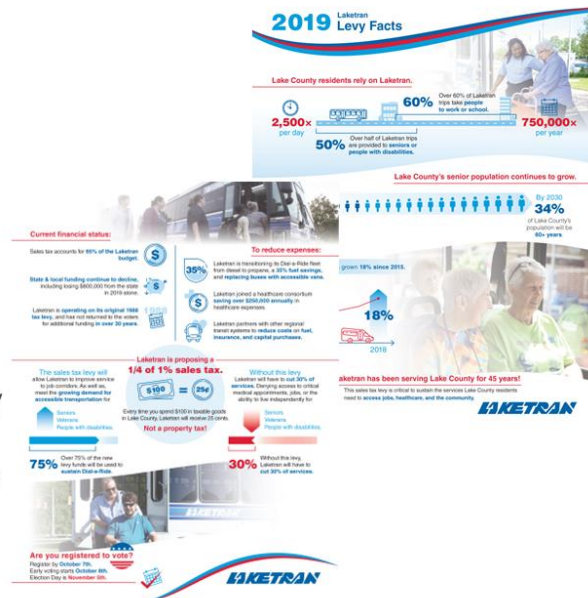
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  - Why is the referendum being proposed?
  - What does a YES vote mean for me?
  - What will the referendum cost me/my family?
  - What happens to transit service if the referendum does not pass?



## Messaging

### 5. Authority Informational Piece – Next step:

- What does the referendum cover/include?
- Why is the referendum being proposed?
- What does a YES vote mean for me?
- What will the referendum cost me/my family?
- What happens to transit service if the referendum does not pass?

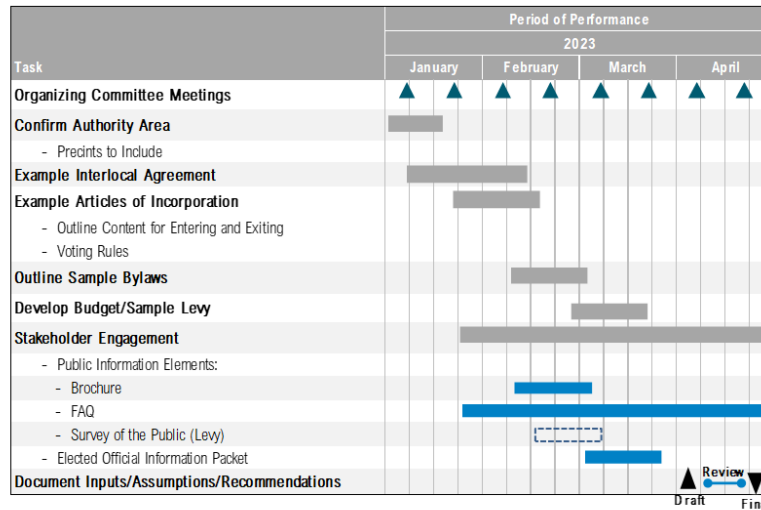


## Wrap-up

- Discussion/Questions
- Topics for March 31, 2023 – Action Items



## Schedule – Through April



### February 3

- Finalize Representation Ideas
- Interlocal Agreement – Finalize
- Survey Questions

### February 17

- Content of Articles of Incorporation (Comments provided before March 3)
- Mill Levy

### March 3

- Final Review of Articles
- Initiate Bylaws Content Discussion

### March 17

- Content for Community Outreach: What is service Cost

### March 31

- Bylaws Content
- Budget Discussion

### April 14

- Documents
- Actions going forward by Group

### April 28

- Implementation
- Confirm Next Steps
- Clean up

6



## Appendix E. WMSRDC Meeting with Harbor Transit

West Michigan Shoreline Regional Development Commission

**West Michigan Regional Transit Systems Governance & Organizational Transition Study**

Coordination Meeting with Ottawa County/Harbor Transit– March 7, 2023

## Agenda

- Steps/Work Completed Since Last Meeting
- Preliminary Recommendations:
  - Regional Authority
  - Actions Underway
- Discussion of Harbor Transit/Ottawa County Authority Experience:
  - Several Questions Sent Out
- Next steps

2



## Goals – Selecting an Alternate Governance Program

- Reduce the day-to-day involvement of the County Board in service decisions
- Remove transit funding (including matching funds and any remaining deficit) from the County Board portfolio
- Create an environment where transit decisions (type, level of service, cost responsibility) are the organization's focus



## Governance Options – Muskegon Area



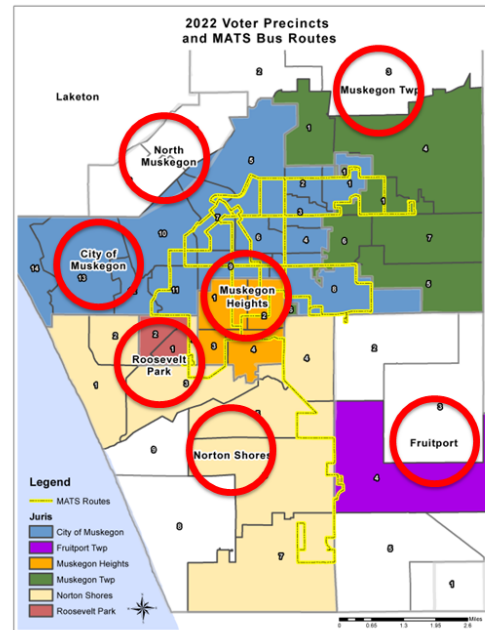
## Option Review Relative to Goals – Muskegon County

Goal	1 – Hire Management Firm	2 – Management Authority	3 – Management/Operations Authority
1 - Reduce County Day-to-Day Involvement	●	●	●
2 – Remove County Funding Obligation	○	●	●
3 – Better Orient Decision-making with Demand	○	●	●
4 – Reduce County Employment	●	○	●



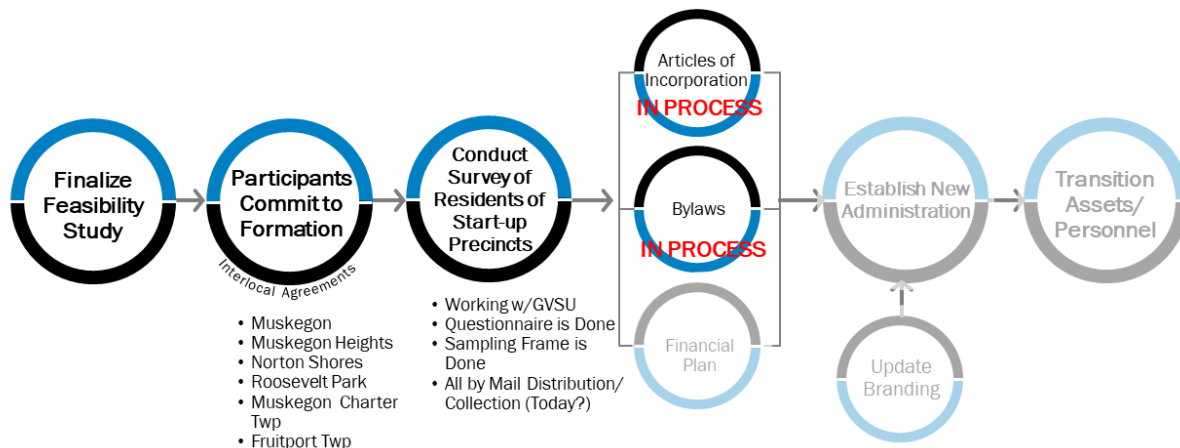
## Authority – Conceptual

- Public Act 196: Anticipated Governing Guidelines
- Precincts Covered
- Initial Concept – Areas with:
  - Fixed Route
  - Paratransit
  - Go2
- Current Assumption:
  - Full Range of Services Coverage:
    - Muskegon
    - Muskegon Heights
    - Roosevelt Park
  - Partial Services Coverage:
    - Norton Shores
    - Muskegon Township
    - Fruitport Township (Questions Remain as to Precincts to Include)



6 SRF

## Proposal - Transition to Muskegon Metro Transportation Authority



7 SRF

## Citizen Survey Questionnaire – Two Parts

### 1 Responder Demographics

### 2 Did You Use Transit? Satisfaction with Service? Satisfaction with Availability?

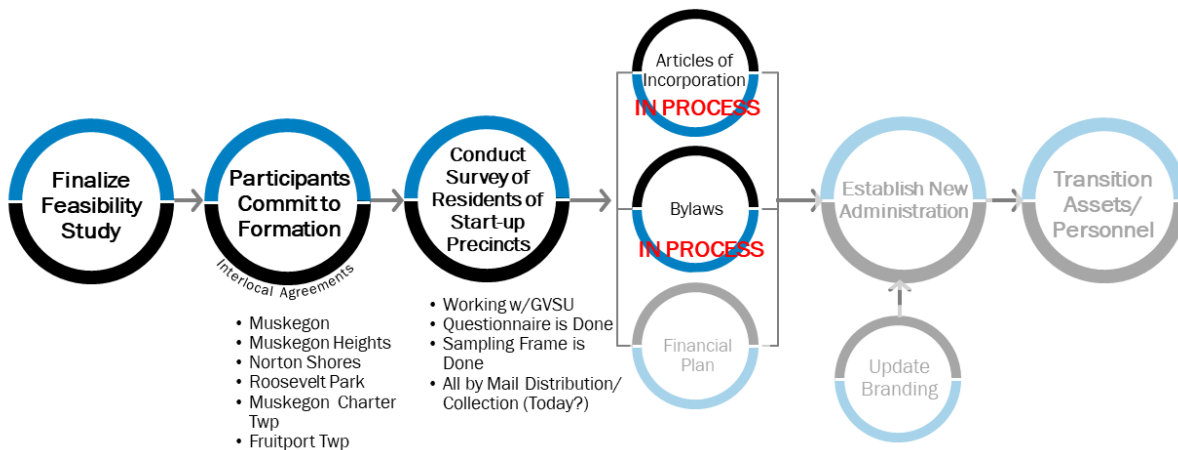
Funding:

- Current Level
- Willingness to Pay More through Property Tax
- How Much

8



## Proposal - Transition to Muskegon Metro Transportation Authority



9



## Go Forward

- Continue Discussion:
  - Legal Documents
  - Representation
- Funding:
  - Survey overview
  - Referendum needed for levy approval (2024)
- Transferring Discussion:
  - Staff Discussion
  - Assets

10



## Questions/Discussion

1. How was the current representation on the Board arrived at (appointed versus elected representation)?
2. How was the number of Board members determined and their weighting/lack of weighting of their votes?
3. Are you satisfied with the structure/nature of representation on your board of directors?
4. Have you ever had to undertake a conflict resolution process with a participating municipality? If so, what does that look like?
5. Is there a component of the authority bylaws that you would recommend including that makes it easy to conduct business and ensure continuity of operations?
6. Regional coordination:
  - Are there additional regional coordination initiatives that you are interested in pursuing?
    - Supplemental service agreements (time of day, trip location, etc.)
    - Cooperative purchasing
    - Software/dispatching
    - Others?

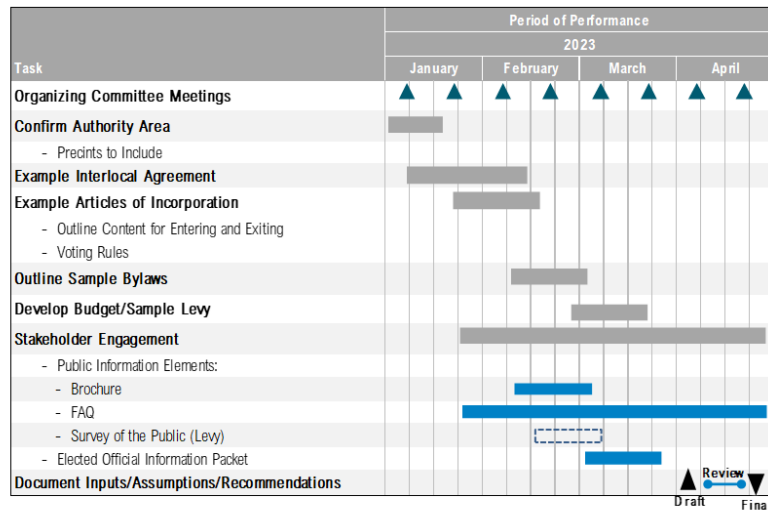
11



## Wrap-up

- Any Questions/Clarification from Ottawa County/Harbor Transit?
- Future Coordination?

## Schedule – Through April



## Appendix F: Scope of Existing and Potential Transit Services by Precinct

Jurisdiction	Precinct #	Current Service			Potential Planned Service		
		Fixed Route	Go 2	ADA	Fixed Route	Go2	ADA/Other
City of Muskegon	1	X	X	X			
	2	X	X	X			
	3	X	X	X			
	4	X	X	X			
	5	X	X	X			
	6	X	X	X			
	7	X	X	X			
	8	X	X	X			
	9	X	X	X			
	10	X	X	X			
	11	X	X	X			
	12	X	X	X			
	13		X				
	14		X				
Muskegon Township	1	X		X		X	
	2					X	
	3					X	
	4	X		X		X	
	5			X		X	



	6	X		X		X	
	7	X		X		X	
Muskegon Heights	1	X	X	X			
	2	X	X	X			
	3	X	X	X			
	4	X	X	X			
Roosevelt Park	1	X	X	X			
	2	X	X	X			
North Muskegon	1						
	2						
Fruitport Township	1						
	2			X			
	3						
	4	X		X			
	5	X		X			
Norton Shores	1		X		X		X
	2	X	X	X	X		X
	3	X	X	X			
	4	X	X	X			
	5	X	X	X			
	6	X	X	X			
	7	X	X	X			
	8		X				
	9		X				

## **Appendix G: Draft Articles of Incorporation**

### **ARTICLES OF INCORPORATION**

#### **OF**

#### **THE MUSKEGON AREA TRANSIT SYSTEM AUTHORITY**

These Articles of Incorporation are executed and adopted by the incorporated political subdivisions pursuant to and in accordance with the provisions of Act 196, Public Acts of Michigan, 1986, as amended the “Act”), for the purpose of maintaining a public body corporate as required by the Act.

#### **Article I**

##### **Name**

The name of the corporation and authority is the Muskegon Area Transit System Authority (the “Authority”)

#### **Article II**

##### **Participant Political Subdivisions**

The names of the political subdivision included in this Authority are:

City of Muskegon,

City of Muskegon Heights,

City of Roosevelt Park,

City of North Muskegon,

City of Norton Shores,

Muskegon Charter Township,

Fruitport Charter Township,

All in Muskegon County, Michigan.

A Political subdivision or portion of a political subdivision may become a participant of The Authority after its formation upon resolution adopted by a majority vote of the participants elected to and serving on the legislative body of the political subdivision requesting membership and upon resolution adopted by a two-thirds vote of the participants serving on the Board of Directors of the Authority approving an amendment to these Articles of Incorporation adding all or a portion of the political subdivision.

## **Article III**

### **Purpose Statement**

The purpose of this Authority is to acquire, own, operate, and manage a public transportation system within the boundaries of the participating political subdivisions. The service provided will include fixed route public bus transportation, complimentary ADA-required paratransit service, and on-demand rider service.

The purposes for which the Authority is organized are as follows:

- a) To operate a public transportation system providing a combination of fixed route, paratransit and on-demand services and public transportation facilities, as defined in the Act and to the extent authorized by these Articles.
- b) To plan, promote, finance, acquire, improve, enlarge, extend, own, construct, operate, maintain, replace, and contract for public transportation systems, facilities, and related mobility services.
- c) To control, operate, administer, and exercise the franchise of the public transportation system and public transportation facilities, if any.

- d) To conduct any and all such activities and exercise any and all such powers as are authorized by the Act and these Articles, which are necessary to the achievement of the foregoing and in furtherance of the purposes of the Authority.

## **Article IV**

### **General Powers, Duties, and Limitations**

Section 1. The Authority, as provided in the Act, shall be a body corporate with power to sue and be sued in any court in the State of Michigan and shall be considered to be an agency and instrumentality of the State of Michigan

Section 2. The Authority shall possess all the powers as authorized or permitted by Act 196, as amended, necessary to carry out the purposes of its formation, except as limited herein, and the power to provide, or cause to be provided, public transportation service and public transportation facilities within or without the participant jurisdictions.

Section 3. The Authority shall have the power to enter into an agreement.

Section 4. The Authority shall have the power to jointly exercise with any other public agency in any power, privilege or authority which the Authority shares in common with such other public agency and may exercise separately. A joint exercise in power may be made by approval by the Board of a contract or contracts in the form of an interlocal agreement, which agreement may provide for the creation of separate legal or administrative entities to administer or execute the agreement.

**Section 5.** The Authority shall have the power to finance the cost of any election called by the Board or the governing body of any Participant or

constituent unit of the Authority for the purpose of authorizing a tax for the purpose of financing the public transportation services to be provided by, or caused to be provided by, the Authority from any funds available to the Authority for which such use is not prohibited by law.

**Section 6.** Unless provided otherwise by these Articles, no enumeration of powers in these Articles shall in any way limit or restrict the general power of the Authority as provided by law.

Section 7. The Authority shall not utilize the provisions of Section 18 of the Act, MCL 124.468 (Property Taxation), without first obtaining approval, separately for each proposed occasion of utilization, of the Muskegon County Board of Commissioners, by affirmative vote of a majority of the members elected to and serving on said County Board of Commissioners.

Section 8. The Authority created herein shall cease and desist all operations and dissolve one week following the certification of the transportation millage election should that millage question fail in Muskegon County.

## **Article V**

Section 1. The Authority shall be directed and governed by a Board of Directors, hereinafter referred to as the "Board"

Section 2. Voting Members. The Board of the Authority (the "Board") consist of appointed representatives from each of the member political subdivisions, consisting of a staff member or elected official appointed from each participating political subdivision.

- a. Members of the Board must be at least eighteen (18) years of age and residents of the Authority service area. The service area shall be determined by the Authority Board of Directors pursuant to the

requirements of 1986 PA 196, as amended, being MCL 124.451 et seq.

Section 3. Terms of Office. Except upon resignation of the member, the terms of appointed managers from each of the participating political subdivision shall be for a term that runs concurrent with the time period for which they hold their office. The term for each other appointed Board member shall be for a term of three (3) years.

Section 4. Alternates Each political subdivision may also appoint persons to serve as an alternate member for each member they have appointed pursuant to Section 2 of this Article. An alternate member appointed pursuant to this Section may serve as a voting member of the Board at any time the primary member is absent or when a vacancy exists in their seat on the Board.

Section 5. Vacancies. All Board members shall serve at the pleasure of the participating political subdivision and may be removed, before completing their full term, in the same manner by which they were appointed. All Board members, once appointed, shall continue to serve until reappointed, removed, a replacement is appointed, or they resign. All persons appointed to fill a vacancy created by the death, resignation, or removal of a serving Board member shall only serve to fill the remaining term of the Board member they replaced.

Section 6. Non-Voting Member The Muskegon County Treasurer shall be a non-voting member of the Board and shall act as the treasurer of the Authority.

Section 7. Quorum. A majority of the members of the Board serving as voting members pursuant to Section 2 of this Article V, or their alternates, shall constitute a quorum for the transaction of business.

## **Article VI**

Section 1. Officer Designation. The Board shall elect, by a vote of the majority of the Board serving as voting members pursuant to Section 2 of Article V, a voting

member of the Board to serve as Chairperson, a voting member of the Board to serve as Secretary and a voting member to serve as Treasurer of the Authority. Except as specifically set forth in these Articles, the qualifications, powers, duties and terms of office of the Chairperson, Secretary and Treasurer shall be as set forth in the Bylaws of the Authority. At any time when Bylaws have not been adopted, officers shall serve a term of one year or until their successors are elected.

Section 2. Chairperson. The Chairperson of the Board shall preside at all meetings of the Board. The Chairperson shall, under the direction of the Board, have the power, on behalf of the Board, to perform all acts, execute and deliver all documents and take all steps that the Chairperson may deem necessary or advisable in order to effectuate the actions and policies of the Board.

Section 3. Secretary. The Secretary shall keep the minutes of all meetings of the Board and committees thereof in books provided for that purpose. The Secretary shall do and perform such other duties as may be fixed by or incidental to these Articles or the Bylaws of the Authority, or as may be from time to time assigned by the Board.

Section 4. Treasurer. The Treasurer shall perform all acts incidental to the position of treasurer as fixed by or incidental to these Articles or the Bylaws of the Authority or as may be from time to time assigned by the Board as required by law.

Section 5. Chief Operating Officer. The Board may appoint a Chief Operating Officer of the Authority, who may sign and execute all bonds, contracts, checks and other obligations in the name of the Authority when so authorized by the Board. The Chief Operating Officer shall have power over the management of the properties and business of the Authority and employees thereof, and shall direct the enforcement of all resolutions, rules and regulations of the Board. The Chief Operating Officer shall have the authority to appoint such officers, employees and agents as necessary to carry-out the purposes of the Authority under the general policy direction of the Board. The Chief Operating Officer shall do and perform such other duties as may be fixed

by or incidental to these Articles or the Bylaws of the Authority or as may be from time to time assigned by the Board. The Chief Operating Officer shall serve at the pleasure of the Board.

Section 6. Audits. The books and records of the Authority shall be open to inspection and audit by duly authorized representatives of each Member and the State of Michigan at all reasonable times.

## **Article VII**

Section 1. Adoption of Bylaws and Transaction of Business Unless a different voting requirement is otherwise required by the Act, the Board may act to adopt or amend bylaws and rules of procedure governing its meetings and to transact any business of the Authority or take any action with an affirmative vote from a majority of all members of the Board serving as voting members of the Board pursuant to Section 2 of Article VI.

Section 2. Initial Board Meeting. The Board as fully constituted shall hold initial meetings at a time and place selected and agreed to be the Board members for the purpose of electing officers pursuant to Section 1 of Article VI, 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.

Section 3. Meeting Conduct and Records. The Board shall keep a written, printed, or digital record of every meeting, which record shall be subject to the provisions of 1976 PA 276, as amended (Open Meeting Act). The business that the Board of Directors performs shall be conducted while at a [public meeting held in compliance with the Open Meeting Act. To the extent it is not inconsistent with the Open Meeting Act all meetings shall be conducted in accordance with Roberts Rules of Order.

Section 4. Publication. The Authority Board Secretary shall be charged with the responsibility of causing these Articles of Incorporation to be filed as provided in 1986 PA 196, as amended. The Board Secretary shall be



responsible to publish these Articles in a publication of general circulation within the service area of the Authority.

## **Article VIII**

Articles may be amended by adoption of a resolution approving the amendment by the Board. Any such amendment shall be published and become effective as hereinafter provided.

## **Article IX**

Section 1. The Authority shall not be dissolved during the initial five (5) years from the effective date of its incorporation. A constituent political subdivision may be released from membership in the Authority; however, if 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 political subdivision requesting release,
- b. Acceptance of the request by a concurrency of two-thirds (2/3) of the Board Members appointed and serving, excluding the Board members representing the political subdivision requesting release; and,
- c. Payment of all obligations of the political subdivision requesting release to the Authority or its creditors; provided, however, that a political subdivision requesting release during the initial five (5) years from the effective date of the Authority's incorporation shall be liable for payment of all obligations to the Authority or its creditors for the remaining term of such five (5) year period.

Notwithstanding the foregoing, a participating political subdivision may also be released from membership if:

- a. A petition bearing the signatures of registered electors of the political subdivision equal to at least 20 percent of the numbers of votes cast in the subdivision for all candidates for governor in the last general election in which a governor was elected, requesting release and requiring the governing body of the political subdivision by resolution to submit the question to its electors at the next general or special election which is filed not less than sixty (60) days before the election with the clerk of the entity presenting the question in accordance with the provisions of 1986 PA 196 as amended,
- b. The political subdivision has approved the question by a majority of the electors voting at a general or special election held in November before the expiration of a tax authorized to be levied under 1986 PA 196, as amended; and,
- c. Payment of all obligations of the political subdivision requesting release to the Authority or its creditors; provided, however, that a political subdivision requesting release during the initial five (5) years from the effective date of the Authority's incorporation shall be liable for payment of all obligations to the Authority or its creditors for the remaining term of such five (5) year period.

If release 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 political subdivision may appeal or amend the decision.

Section 2. The Authority shall dissolve, and its affairs will cease upon the unanimous consent of all legislative bodies of the political subdivisions that are, at the time, participants of the Authority. On dissolution of the Authority, its assets shall be distributed first to the creditors, to the extent permitted by law, in satisfaction of the Authority's debts, liabilities, and obligations (including those owed to

participant political subdivisions). Thereafter, the assets shall be distributed as a liquidating distribution to the participants pro rata in accordance with such participants' respective capital accounts reflecting prior contributions and distributions. The proceeds shall be paid to participants within ninety (90) days after the dissolution.

## **Article X**

The Authority shall prepare budgets in accordance with specific section of the Uniform Budget Act of 1968, as amended, and shall annually adopt a budget as required by 1951 PA 51, as amended; provided, however, that no budget shall be adopted without concurrence of two-thirds (2/3) of the Board members appointed and serving. The original budget as adopted shall include revenues, expenses, and services that exist in any contract between the Authority and any other public or private entities that is in effect on the date the budget is adopted. Subsequent budgets shall also include this information.

## **Article XI**

These Articles of Incorporation shall become effective on the first day that each of the incorporating participating political subdivisions successfully adopts, pursuant to its legislative authority and practice, these Articles of Incorporation; provided, however, that the Authority shall become operative only upon approval by the electors of a transportation millage, to be voted upon before 20XX. The term of existence of the Authority shall be perpetual or until terminated in accordance with the law.

The foregoing Articles of Incorporation were adopted by an affirmative vote of a majority of the members on the governing or legislative body of the participating political subdivisions:

Signature Lines

# **Appendix H: Outline for MATS Authority Bylaws**

## **BYLAWS AND RULES OF PROCEDURE**

### **OF**

## **MUSKEGON AREA TRANSIT SYSTEM AUTHORITY**

### **ADOPTED MONTH, 20XX**

This public body corporate, having been created pursuant to Act 196 of 1986, as amended, Public Acts of the State of Michigan (the “Act”), is named Muskegon Area Transit System (MATS) (the “Authority”) and pursuant to the Act, power is granted to the Board of Directors of the Authority (The “Board”) to make such rules and bylaws for its government as it may deem appropriate, not consistent with the Act creating the Authority. The bylaws of the Board are as follows:

### **Article I**

#### **Board Membership**

Section 1. Board Appointments. The members of the Board shall be those individuals appointed/elected by the Mayor of the City of Muskegon, with the concurrence of the Muskegon City Council; the Mayor of the City of Muskegon Heights, with the concurrence of the Muskegon Heights City Council; the Mayor of the City of Roosevelt Park, with the concurrence of the Roosevelt Park City Council; the Mayor of the City of North Muskegon, with the concurrence of the North Muskegon City Council; the Mayor of the City of Norton Shores, with the concurrence of the Norton Shores City Council; the Supervisor of Muskegon Charter Township, with the concurrence of the Muskegon Township Board of

Trustees; the Supervisor of the Fruitport Charter Township, with the concurrence of the Fruitport Township Board of Trustees pursuant to the Articles.

Section 2. Terms. Except upon resignation of the member, the terms of appointed managers from each of the participating political subdivision shall be for a term that runs concurrent with the time period for which they hold their office. The term for each other appointed Board member shall be for a term of three (3) years.

Section 3. Duties.

## **Article II**

### **Board Officers**

- Who are the officers (chair, secretary, treasurer)
- Officer Election process
- When are officers elected
- Officer removal
- Delegation of duties when an officer is absent
- Limitations to powers not described in Articles of Incorporation

## **Article III**

### **Board Meetings**

#### **Frequency and times of meetings**

- Regular meetings of the Board shall be held at such times and places determined from time to time by resolution of the Board. If the date fixed for any such regular meeting be a legal holiday under the laws of the state of Michigan, then the same shall be held on the next succeeding secular day not a legal holiday under the laws of the state of Michigan, or at such

other time within the month as may be determined by resolution of the Board. At such meetings the Board may transact such business as may be brought before the meeting.

### **Order of Business**

- Conduct of a regular meeting shall require the following items of business:
  - 1. Call to Order by Chairperson
  - 2. Roll Call/Quorum
  - 3. Public Comment
  - 4. Approval of Agenda
  - 5. Approval of Minutes
  - 6. Executive Director's Report
  - 7. Finance Report
  - 8. Chairperson Report
  - 9. Old Business
    - • Open items from past meetings
  - 10. New Business
  - 11. Public Comment
  - 12. Adjournment
- The Chairperson may establish the order of business, subject to an objection by a Board member in which case the order shall be decided by the Board.

### **Public meeting and provisions**

- All meetings of the Board shall be public, provided, however, that the Board may determine by a majority vote of the Board (or a higher number, if provided by law) to consider in executive session those matters allowed under the applicable laws of the State of Michigan.

## **Special meetings**

- Special meetings for any purpose or purposes may be called by the Chair. In addition, a special meeting shall be called by the Chair or the Secretary at the written request of two Board members. Such requests shall state the purpose or purposes of the special meeting.

## **Special meeting notices**

- Notice of a special meeting stating the time, place, and agenda shall be provided to all Board members at least eighteen hours prior to such meeting. Notice is the duty of the officer calling the meeting.

## **Quorum**

- 

## **Resolutions that require a majority of the full board, not just majority of a quorum (annual budget passage and amendments, CEO changes, etc)**

- Resolutions of the Board to adopt or amend the annual budget and service plan, hire or terminate the Chief Executive Officer, adopt a labor contract, approve a financial transaction in excess of five percent of the annual budget, amend the Bylaws or challenge a member's right to vote under **Section XX**, shall require at least **X** affirmative votes for passage. All other resolutions may be adopted by a majority vote of board members present, provided a quorum is present.

## **Agenda preparation and sharing**

- A specific agenda, prepared by the Chair, shall be furnished to Board members, at least four days prior to regular meetings, and shall be posted at XXX. Any member of the Board may put an item on the agenda by contacting the Chair. This shall not prohibit the addition of items to the agenda at the time of the meeting by the affirmative vote of a majority of

the members present. Failure to comply with the requirements of this Section shall not invalidate action of the Board.

### **Audience addresses of the board**

- A member of the audience shall be permitted to address the Board at a time other than during Public Time or Public Hearing; provided, however, that unless otherwise approved by resolution of a majority of the Board members present, no member of the audience may address the Board more than once during each Public Time and once during any public hearing, nor address the Board for longer than three minutes (the time can be extended by the Chair) during any presentation.

### **Items that public hearing held for**

- Public hearings shall be held on any item when so determined by resolution of the Board or when legally required.

### **Voting**

- The vote of all questions coming before the Board shall be by voice vote with the Chair announcing the results. Any Board member may call for a roll call vote on any question. In such case the roll call vote will be taken and recorded in the minutes.

### **When members must abstain from voting**

- Each member present shall cast a yea or nay vote on each resolution voted upon by the Board, except that each member is obligated to refrain from voting, or otherwise influencing the debate or vote upon, a matter in which the member shall have a personal financial interest beyond that of general public interest, or a matter involving his or her own conduct. If a member's right to vote is challenged, it shall be in the form of a resolution directing the member to abstain from voting on a particular pending



motion. Such a resolution shall require a simple majority of affirmative votes of voting Board members for adoption.

### **Robert's Rules of Order**

- Roberts' Rules of Order shall govern in all applicable cases, provided said rules are not in conflict with these Bylaws, the Articles of Incorporation, or laws of the State of Michigan.

## **Article IV**

### **Committees**

#### **Establishing committees**

- The Board may by resolution establish committees which shall consist of members of the Board as may be appointed by the Chairperson, with the concurrence of the Board.

### **Duties**

- The instructions, procedures, and scope of the committee's responsibility shall be determined by the Board.

## **Article V**

### **Fiscal Year**

- The fiscal year of the Authority shall be a fiscal year beginning in the first day of October of each year and ending on the 30th day of September the next ensuing year.

## **Article VI**

### **Amendment of Bylaws**

- “These Bylaws may be amended by resolution, provided that notice of proposed changes and a written copy thereof shall be given to the Board no less than a week in advance, those requirements of notice and provision of written copy may be waived by affirmative vote of X Board members for immediate adoption of specific Bylaw amendment”

## Appendix I Draft of Public Messaging Literature

# Public Transportation Referendum

**MATS**  
Muskegon Area Transit System

Election Voting Slip		
1		
2		
3		
4		
5		

### *What does MATS plan to provide if the millage is approved?*

Safe, high-quality, efficient, and reliable transit within the Authority's service area. Essential transportation services to seniors, students, and persons with disabilities that link people and communities to health, wellness, and education opportunities. Connections to employment opportunities that will help support and grow the local economy.

### *What does a YES vote mean for me?*

Alia net enimus modi as et velibus as eum quam, ipis aut haruptatibus eatis. Alia net enimus modi as et velibus as eum quam, ipis aut haruptatibus eatis.

### *How is MATS currently funded?*

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### *Will this change have an impact on county tax rates which currently support county-operated transit service (MATS)?*

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### *Who would be responsible for MATS' oversight?*

MATS would be a legal authority formed under ACT 196 of Michigan Law. It would oversee by a Board of Directors with representatives from cities and townships included in the service area.

### *How would the proposed millage be determined?*

Alia net enimus modi as et velibus as eum quam, ipis aut haruptatibus eatis. Alia net enimus modi as et velibus as eum quam, ipis aut haruptatibus eatis.