

Special Joint Meeting of the Mt. Pleasant Public Schools Board, Mt.
Pleasant City Commission and the Charter Township of Union
Board of Trustees

Thursday, September 17, 2020
7:00 p.m.

Pursuant to Executive Orders, this meeting will be a virtual meeting held via Zoom.
Please join the virtual meeting via the following link.

<https://zoom.us/j/93166202415>

AGENDA

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

Mt. Pleasant Public Schools: Amy Bond, Brandon McQueen, John Mozurkewich, Shelia Murphy, Tim Odykirk, Courtney Stegman, and vacancy (to be named)

Mt. Pleasant City Commission: Mary Alsager, Lori Gillis, Will Joseph, Kristin LaLonde, Amy Perschbacher, George Ronan and Petro Tolas

Charter Township of Union Board of Trustees: Lisa Cody, Ben Gunning, Bill Hauck, Tim Lannen, Bryan Mielke, Kimberly Rice and Norm Woerle

ADDITIONS/ DELETIONS TO AGENDA:

RECOMMENDATIONS AND REPORTS:

1. Presentation by Mark Stuhldreher on behalf of the Recreation Authority Study Committee followed by questions/answers of elected officials.
(Final Report attached)

PUBLIC COMMENT ON AGENDA AND NON-AGENDA ITEMS: *(Limited to no more than 5 minutes per speaker)*

Note: this is an opportunity for public comments only. Questions will not be answered at this time.

ADJOURNMENT:



Mount Pleasant Public Schools

To: Mt Pleasant City Commission, Mt Pleasant Public Schools Board of Education, Union Township Board of Trustees
From: Recreation Authority Feasibility Study Committee
Date: August 2020
Subject: Recreation Authority Feasibility Study Committee Final Report

Background

Swim Friends of Mid-Michigan is an advocacy group of aquatic stakeholders and interested citizens founded to explore the development of a multi-purpose community oriented competitive aquatic center in Mt. Pleasant, Michigan. In the spring of 2017, the Swim Friends retained the Isaac Sports Group to conduct a Feasibility Study for an aquatic center in the area. A summary of the full report is attached.

Following receipt of the report, community dialogue continued and culminated with the City, Township and School District adopting resolutions in the summer of 2019 in support of exploring the creation of a recreational authority as a means to advance community dialogue regarding an aquatic center. The resolution expressed a desire that area stakeholders, including area local governments and educational Institutions work together to determine the feasibility of creating a recreational authority and to create a report outlining a proposed framework to include governance options, geographic boundaries, the size and composition of the board of the authority, and other matters required of an recreational authority. See attached resolutions.

To effectuate the resolution a Recreation Authority Feasibility Study Committee ("Committee) was formed consisting of the following members:

1. Jennifer Verleger, Mt Pleasant School District Superintendent
2. Nancy Ridley, Mt Pleasant City Manager
3. Mark Stuhldreher, Union Township Manager
4. Shelia Murphy, Mt Pleasant School District Board of Education
5. Will Joseph, Mt Pleasant Mayor
6. Ben Gunning, Union Township Supervisor
7. Lisa Diaz-Sytsema, Swim Friends of Mid-Michigan

The Committee held its' first meeting in November 2019 and met monthly through July 2020. When necessary, the Committee was supported by Mr. Gordon Bloem, Esq. for general legal matters and Mr. Roger Swets, Esq. for legal matters regarding debt financing.

Recommendation

The Committee recommends that a Mid-Michigan Aquatic Recreational Authority (“Authority”) be created to construct, operate and maintain an aquatic center. The governance, geographic boundaries, size and composition of the Authority along with other relevant aspects are outlined in the attached Articles of Incorporation (“Articles”). Key highlights of the Articles include:

- The participating and creating jurisdictions of the Authority shall be the Charter Township of Union, the City of Mt. Pleasant, and the Mt. Pleasant Public-School District
- The territory of the Authority shall include all of the combined territory of the three participating jurisdictions.
- Other governmental entities can join the Authority at a later time, if desired
- The Authority board will be comprised two (2) members appointed by the City of Mt. Pleasant, two (2) members appointed by Union Township, one (1) member appointed by the Mt. Pleasant Public-School District. Each appointee must reside within the relevant appointing jurisdiction. Initial terms will be staggered and after those terms have expired, members will be appointed to three (3) year terms. The Authority, in its’ sole discretion, may appoint two (2) additional at large board members who reside within the geographic boundaries of the Authority.
- Authority board meetings are subject to the Open Meetings Act and will meet at least quarterly and shall elect a chairperson, secretary and treasurer.
- The board shall function as a governing body and shall not administer the day to day operations of the aquatic center.
- To provide resources to operate the aquatic center, The Authority may levy a tax of up to one (1) mill only upon the approval of a majority of the electors in each of the participating jurisdictions of the Authority as required by statute. The revenues from the millage can be used for lease payments and operations, if needed.

To finance the acquisition of real estate and the construction of the aquatic center, the Committee recommends that the City of Mt. Pleasant and Union Township create a Joint Building Authority (“Building Authority”). This joint authority spreads the debt risk among the two entities instead of one entity bearing all of the risk. The Building Authority would issue debt and own the aquatic center and lease same to the Authority. Lease payments would be in an amount sufficient to service the debt payments. Once the debt was fully repaid, the Authority would purchase the aquatic center from the Building Authority for a nominal sum.

The Committee recommends the Authority hire a professional project manager to administer the execution of steps necessary to bring the creation and operation of an aquatic center to fruition. Since the Authority will have no resources initially, funding for project management will need to be provided via grants and donations and possibly by the participating jurisdictions.

The Committee recommends that should the Authority fail to construct and operate an aquatic center within three (3) years from approval of the Articles, the Authority be disbanded or as mutually agreed, extended.

Next Steps

1. Adoption of the Resolution and Articles by each of the participating jurisdictions prior to November 1, 2020
2. Authority board membership appointments
3. Authority research and hire a project manager

Once the Authority is created and a project manager retained, work will need to commence to create the Joint Building Authority, secure voter approval of up to a one (1) mill operating tax levy, secure a building site, design and construct an aquatic center and create operating policies and an operational design necessary for a fully functioning and staffed aquatic center. This work will not necessarily occur in this order.

The Committee will be scheduling a joint meeting with the City Commission, Township Board of Trustees and the School District Board of Education to collectively to discuss this recommendation in greater detail.

Attachments

- 1 - Swim Friends Feasibility Study Summary
- 2a-2c - Local Government Resolutions
- 3 - Articles of Incorporation
- 4 - Resolution to adopt Articles
- 5 - Authority Boundary Map

INTRODUCTION

Swim Friends of Mid-Michigan (“Swim Friends”) is an advocacy group of aquatic stakeholders and interested citizens founded to explore the development of a multi-purpose community oriented competitive aquatic center (the “Aquatic Center”) in Mt. Pleasant, Michigan. In the spring of 2017 the Swim Friends retained the Isaac Sports Group (“ISG”) to conduct a Feasibility Study for an aquatic center in the area. This Feasibility Study includes an analysis of existing aquatic facilities and programs in the Mt. Pleasant area and the region. It also included an analysis of community aquatic program and facility needs, partnership opportunities, event potential, and a detailed analysis of projected operating costs and revenue. The study focused on the impact of the recent closing of Central Michigan University’s Rose Pool on the already inadequate pool time and space available for all types of community aquatic programming. The study addresses the unmet need of current aquatic programs but the opportunity and potential for expanded programs, enhanced programs, and new programs that do not currently exist in the local or regional market.

The initial study began in the summer of 2017 with several trips to Mt. Pleasant for community and stakeholder meetings and the presentation of initial findings in November 13, 2017. Additional input and follow up meetings based on the initial findings resulted in the final presentation to Swim Friends, stakeholders and a public meeting of interested parties on February 19, 2018. The Swim Friends provided some additional input and questions following this meeting with the final report submitted in July, 2018.

The report addresses the following key elements and questions:

- What are the aquatic needs of the community
 - All areas of programming
 - Program and space demand of current programs
 - Potential for growth of existing programs and participation
 - Multi-generational aquatic programming and access for the entire community
 - New aquatic programs and trends that are not currently offered in existing area aquatic facilities
- Potential for community partnerships
 - Central Michigan University
 - City of Mt. Pleasant
 - Mt. Pleasant Community Schools
 - Saginaw Chippewa Tribe
 - Health care providers
- Potential for growth of area competitive programs and events
 - Growth in participation, opportunity, and success
 - Potential to host events in all aquatic sports
 - Potential economic impact on the community
 - Sport tourism, especially during slower tourism periods
 - Job creation

- Design options that best support the aquatic program and usage needs and the goals of the community
- Analysis of operating financials, including annual and long-term operating costs and sources of revenue
 - Can an Aquatic Center in the area financially sustain its operation?
- Best practice examples of successful aquatic centers in the region

The report of our research, findings, analysis, and recommendations is a critical tool in planning for, designing, and managing the Aquatic Center. It identifies the goals and objectives of the stakeholders and offers programming recommendations to meet these goals. The facility design concept options are developed to provide the facilities, features, and amenities to support the programming. It provides examples of other facilities as well as comparative program analysis. This report is intended to be a usable tool throughout the next steps in developing the Aquatic Center. These steps include building public support, developing project partnerships, exploring funding options and ultimately funding a game changing Aquatic Center in the region.

CONCLUSION & SUMMARY

The major questions addressed in this study for the Swim Friends of Mid-Michigan and the Mt. Pleasant Aquatic Center has focused on the following:

- What is the need for a new multi-purpose and multi-generational aquatic center in Mt. Pleasant, MI and Isabella County
- What is the right sized aquatic center and the optimum design and scope the an aquatic center that would meet these needs
- What would the cost be to build this aquatic center
- How could this aquatic center be funded
- Can a well designed, programmed and managed aquatic center generate enough revenue to cover the costs of annual operations and long term maintenance and be financially sustainable?
 - Can the aquatic demand, market, and demographics in Isabella County and the City of Mt. Pleasant support this program and revenue model?

Based on the research completed in the study, significant engagement with stakeholders and the study of best practice facilities in comparable communities in the region and nationally the answer to these questions is YES. The need for an aquatic center is great and the demand for aquatic programming and access is large, especially following the closing of the Rose Pool at Central Michigan University in 2017.

The analysis of community needs and demand has generated a program model and scheduling matrix that provides significantly enhanced pool time access for user groups, creates new and enhanced multi-generational aquatic programs for all residents of the area, and provides aquatic facilities and amenities that are not currently available in any other aquatic facility in Mt. Pleasant, Isabella County and the surrounding region.

The revenue projections are based on conservative participation numbers with mid-market rates and fees appropriate to the Mt. Pleasant market and competitive with best practice aquatic center regionally.

The Aquatic Center can provide space and programs to fuel and support long term growth in participation and involvement in aquatics for years to come, creating more opportunities for fitness, recreation, health, training, competition, and family fun for generations to come.

Five designs were initially developed and then reduced to three options during the course of the study. These options are:

- Option #1: 116' x 25 yard stretch 25 yard pool with warm-water teaching/fitness pool
- Option #4: 25 yard x 67' pool with warm-water teaching/fitness pool
- Option #5: 50 meter x 25 yard pool with warm-water teaching/fitness pool

The research points to the optimum sustainable design for a Mt. Pleasant Aquatic Center to be a “stretch” 25 yard main pool (25 yards x 116’ with moveable bulkhead) plus a 60’ x 30’ warm-water teaching pool.

The projected project cost of the preferred Option #1 is \$12,000,000 in 2019 dollars. The smaller Option #4 basic 25 yard pool cost is \$8,800,000 and the 50 meter Option #5 projected project cost is \$15,600,000.

Potential site options were identified, but further research and engagement is needed on determining the availability and suitability of the site options. These options included:

- School District land on Bamber Rd
- Current Site of Morey Courts and ICE Arena (no open or available land at this point)
- City Property: Mt. Pleasant Center adjacent to Indian School site and Tribe land
- Potential for land purchase

Option #1 is the most sustainable option, and the only option that could operate without a net operating loss. By Year Two of operation Option #2 can operate at a breakeven level and can generate a small operating surplus of \$67,000 by Year Five. Option #4 never projects to meet operating costs, running an average operating deficit that ranges from \$214,000 in Year One to \$125,000 by Year Five. Option #5, the 50 meter option, also never sustains its operation, but the increased event and training potential limits the operating deficit to \$155,000 in Year One decreasing to \$27,600 in Year Five. This operating deficit does not reflect any higher debt service for the added cost of Option #5, assuming the upgrade to 50 meters would be driven largely by private fundraising.

The funding of the facility is based on a combination of public and private funding. The funding model of Option #1 targets \$9.5M of public funding and \$2.5M of private funding to meet the \$12M capital project cost. One potential funding mechanism was based on the establishment of a Recreation Authority with borrowing and taxing authority similar to the model used to fund the Public Library. A 0.75 mill property tax on assessed value of the School District boundaries generated enough annual revenue to support the debt service on a \$9,500,000 bond with surplus revenue to support the pre-opening year and Year One, a long term cash reserve for future capital maintenance and replacement, and some additional funds for additional recreation projects.

The events hosted at the Aquatic Center also generate hotel room nights and visitor spending, creating positive economic impact for the city and county. The economic impact is as follows:

Annual Hotel Rooms Nights:

	Option #1 Projection	Option #4 Projection	Option #5 Projection
Year 1	600	300	1,000
Year 2	900	450	1,500
Year 3	1,000	500	2,500

Economic Impact: Year Three

OPTION	DIRECT SPEND	TOTAL ECON IMPACT
Option #1	\$ 850,000	\$1,360,000
Option #4	\$ 425,000	\$ 680,000

Option #5

\$2,006,000

\$3,209,600

A multi-purpose, multi-generational Aquatic Center, based on Design Option #1, would effectively meet city, country and regional aquatic needs for the all residents. The cost is within the potential capacity for private/public funding and the annual operational costs can be self-sustaining after Year One. The aquatic center will not only meet current pent up demand for pool programs, time, space and access but will bring new program, health, fitness, recreation, and competitive opportunities to all residents of Mt. Pleasant and Isabella County which are not available in the region today.

A RESOLUTION IN SUPPORT OF EXPLORING THE CREATION OF A RECREATIONAL AUTHORITY
AS A MEANS TO ADVANCE COMMUNITY DIALOGUE REGARDING AN AQUATIC CENTER

WHEREAS, Swim Friends of Mid Michigan formed to explore the need, desire and feasibility of the development of a multipurpose community aquatic center; and

WHEREAS, Swim Friends of Mid Michigan commissioned a feasibility study to understand community and stakeholder interest, needs and goals, explore partnership opportunities, develop design concepts, and develop capital and operating cost projections; and

WHEREAS, the feasibility study, completed in August 2018, concluded there is enough community demand for an aquatic center; that a well-designed, programmed and managed aquatic center can produce annual positive net operating income; and

WHEREAS, the creation of a Recreational Authority is recommended in the study to facilitate examining capital financing options, provide governance to the center, design specific operating revenue and expense budgets; and

WHEREAS, for all the reasons stated above the continued exploration of achieving the goals of an aquatic center is the logical next step.

NOW, THEREFORE, BE IT RESOLVED: We, as members of the Mt. Pleasant City Commission support the exploration of creating a Recreational Authority and request that area stakeholders, including area local governments and educational institutions:

- (1) Work together to determine the feasibility of creating a recreational authority.
- (2) Create a report outlining a proposed framework to include governance options, geographic boundaries, the size and composition of the board of the authority, and other matters required of an authority to oversee the building and operations of a community aquatic center.

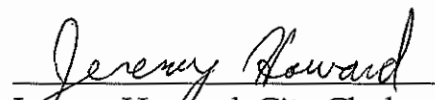
FURTHER: The Mt. Pleasant City Commission appoint the following two individuals to a study committee to accomplish the above tasks

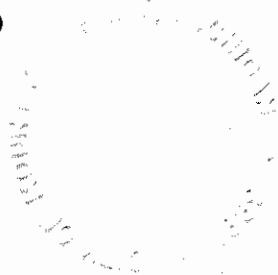
- 1) City Manager Nancy Ridley
- 2) City Commissioner to be appointed by the Mayor

FURTHER: The City of Mt. Pleasant commits up to \$5,000 to provide funding for outside professional support (e.g. legal, financial advice) to the committee, if needed, in creating the above-mentioned report. This funding commitment is contingent upon at least two additional parties who commit to form the committee providing similar amounts of funding.

I, Jeremy Howard, Clerk for the City of Mt. Pleasant, Michigan, do hereby certify that the foregoing is a true and complete copy of action taken by the City Commission at a regular meeting held August 12, 2019.

Dated: August 13, 2019


Jeremy Howard, City Clerk



**A RESOLUTION IN SUPPORT OF EXPLORING THE CREATION OF A
RECREATIONAL AUTHORITY AS A MEANS TO ADVANCE COMMUNITY
DIALOGUE REGARDING AN AQUATIC CENTER**

WHEREAS, Swim Friends of Mid Michigan formed to explore the need, desire and feasibility of the development of a multipurpose community aquatic center; and

WHEREAS, Swim Friends of Mid Michigan commissioned a feasibility study to understand community and stakeholder interest, needs and goals, explore partnership opportunities, develop design concepts, and develop capital and operation cost projections; and

WHEREAS, a feasibility study, completed in August 2018, concluded there is enough community demand for an aquatic center; that a well-designed programmed and managed aquatic center can produce annual positive net operating income; and

WHEREAS, the creation of a Recreational Authority is recommended in the study to facilitate examining capital financing options, provide governance to the center, design specific operating revenue and expense budgets; and

WHEREAS, for all the reasons stated above, the continued exploration of achieving the goals of an aquatic center is the logical next step.

NOW, THEREFORE, BE IT RESOLVED: We, as members of the Mt Pleasant Public Schools Board of Education support the exploration of creating a Recreational Authority and request that area stakeholders, including local governments and educational institutions:

- (1) Work together to determine the feasibility of creating a recreational authority.
- (2) Create a report outlining a proposed framework to include governance options, geographic boundaries, the size and composition of the board of the authority and other matters require of an authority to oversee the building and operations of a community aquatic center.

FURTHER: The Mt Pleasant Public Schools Board of Education appoint the following two individuals to a study committee to accomplish the above tasks

- 1) Current Superintendent
- 2) Board of Education Trustee to be appointed by the Board

FURTHER: The Mt Pleasant Public Schools commits up to \$5,000 as requested and board approved to provide funding for outside professional support (e.g. legal, financial advice) to the committee, if needed, in creating the above mentioned report. This funding commitment is contingent upon at least two additional parties who commit to form the committee providing similar amounts of funding.

I, John Mozurkewich, Secretary of the Mt Pleasant Public Schools Board of Education, do hereby certify that the foregoing is a true and complete copy of action taken by the Mt Pleasant Public Schools Board of Education at a regular meeting held on September 16, 2019.

Dated: September 16, 2019


John Mozurkewich,
Secretary of MPPS Board of Education

**CHARTER TOWNSHIP OF UNION
A RESOLUTION IN SUPPORT OF EXPLORING THE CREATION OF A RECREATIONAL AUTHORITY AS A
MEANS TO ADVANCE COMMUNITY DIALOGUE REGARDING AN AQUATIC CENTER**

At a meeting of the Township Board of the Charter Township of Union, Isabella County, Michigan held at 2010 South Lincoln Road, Mt. Pleasant, Michigan 48858 on the 24th day of July 2019:

Present: Supervisor Gunning, Trustee Hauck, Trustee Lannen, Trustee Mikus, and Trustee Woerle
Absent: Clerk Cody and Treasurer Rice

The following resolution was offered by Woerle and supported by Lannen

WHEREAS, Swim Friends of Mid Michigan formed to explore the need, desire and feasibility of the development of a multipurpose community aquatic center; and

WHEREAS, Swim Friends of Mid Michigan commissioned a feasibility study to understand community and stakeholder interest, needs and goals, explore partnership opportunities, develop design concepts, and develop capital and operating cost projections; and

WHEREAS, the feasibility study, completed in August 2018, concluded there is enough community demand for an aquatic center; that a well-designed, programmed and managed aquatic center can produce annual positive net operating income; and

WHEREAS, the creation of a Recreational Authority is recommended in the study to facilitate examining capital financing options, provide governance to the center, design specific operating revenue and expense budgets; and

WHEREAS, for all the reasons stated above the continued exploration of achieving the goals of an aquatic center is the logical next step.

NOW, THEREFORE, BE IT RESOLVED:

We, as members of the Charter Township of Union Board of Trustees support the exploration of creating a Recreational Authority and request that area stakeholders, including area local governments and educational institutions:

- (1) Work together to determine the feasibility of creating a recreational authority.
- (2) Create a report outlining a proposed framework to include governance options, geographic boundaries, the size and composition of the board of the authority, and other matters required of an authority to oversee the building and operations of a community aquatic center.

FURTHER: The Charter Township of Union Board of Trustees appoint the following two individuals to a study committee to accomplish the above tasks

- 1) Charter Township of Union Township Manager
- 2) [insert name of individual]

FURTHER: Charter Township of Union commits up to \$5,000 to provide funding for outside professional support (e.g. legal, financial advice) to the committee, if needed, in creating the above-mentioned report. This funding commitment is contingent upon at least two additional parties who commit to form the committee providing similar amounts of funding.


ADOPTED: July 24, 2019

AYES: Supervisor Gunning, Trustee Hauck, Trustee Lannen, Trustee Mikus, and Trustee Woerle

NAYES: 0

ABSENT: Clerk Cody and Treasurer Rice

I hereby certify that the foregoing constitutes a true and complete copy of a Resolution adopted by the Board of Trustees of the Charter Township of Union, County of Isabella, Michigan, at a regular meeting held on Wednesday, July 24, 2019.



Lisa Cody, Clerk

Articles of Incorporation
Mid-Michigan Aquatic Recreational Authority

ARTICLE I

NAME

The name of the Authority shall be “Mid-Michigan Aquatic Recreational Authority”, hereafter referred to as the Authority.

ARTICLE II

DEFINITIONS

Expressly Defined Terms: The terms “authority,” “board,” “participating municipality,” “recreational purposes,” “and territory of the Authority” as used in these Articles of Incorporation shall be as defined in MCL 123.1131, et seq. Other terms shall have such meaning as may be specified in the various provisions of these Articles of Incorporation and shall otherwise have the meaning customarily ascribed to them, considering the context and subject matter of these Articles of Incorporation.

Any reference to Michigan statutes shall be construed to include any amendment to those statutes that become law after these articles are enacted.

ARTICLE III

PARTICIPATING MUNICIPALITIES AND TERRITORY

The participating and creating municipalities of the Authority shall be the Charter Township of Union, the City of Mt. Pleasant, and the Mt. Pleasant Public-School District all of which are designated in these Articles as the “participating municipalities.” The territory of the Authority shall include all of the combined territory of the participating municipalities. A municipality may become a participating municipality in the Authority only upon an affirmative vote of the Recreation Authority and the proposed participating municipality. If the Authority has been authorized to levy a tax, the addition of another participating municipality shall be contingent upon approval by the electors of the proposed municipality of a tax, equivalent to that which is being levied by the municipalities in millage rate and term at the time the proposed municipality becomes a participating municipality.

ARTICLE IV

PURPOSE

The purpose of the Authority shall be to construct, operate, maintain, rent, and/or improve an aquatic center or public swimming pool as defined at MCL123.1131 (k) which shall include, but not be limited to all equipment, structures, areas, and enclosures intended for the use of individuals using or operating a swimming pool such as equipment, dressing, locker, shower, and toilet room.

ARTICLE V

POWERS

The Authority shall possess the power specified at MCL 123.1139 including the power to:

1. Acquire and hold, by purchase, lease with or without option to purchase, grant, gift, devise, land contract, installment purchase contract, bequest, or other legal means, real and personal property inside or outside the territory of authority. The property may include franchises, easements, or rights of way on, under or above any property. The authority may pay for the property from, or pledge for the payment of the property revenue of the authority.
2. Apply for and accept grants or contributions from individuals, the federal government or any of its agencies, this state, a municipality, or other public or private agencies to be used for any of the purposes of the authority.
3. Hire full-time or part-time employees and retain professional services.
4. Provide for the maintenance of all of the real and personal property of the authority.
5. Assess and collect fees for services provided by and the expenses incurred by the authority.
6. Receive revenue as appropriated by the legislature of this state or a participating municipality.
7. Enter into contracts incidental to or necessary for the accomplishment of the purposes of the authority.

ARTICLE VI

TERM

The Authority shall continue in existence perpetually or until dissolved by the majority vote of each of the then participating municipalities. A participating municipality shall not withdraw

from the Authority during the period of which the Authority has been authorized to levy a tax by the electors of the Authority.

ARTICLE VII

FISCAL YEAR

The fiscal year of the Authority shall commence on the first day of January in each year and shall end on the last day of December of that year.

ARTICLE VIII

GOVERNING BOARD

The Authority shall be directed and governed by an odd number Board of Trustees, known as the "Mid-Michigan Aquatic Recreational Authority Board", hereafter referred to as the "Board", which shall be made up of five (5) to seven (7) members. Each member of the Board shall qualify by taking the constitutional oath of office and filing it with the clerk of his or her respective participating municipality.

The initial governing board shall be comprised of:

Two (2) members who shall serve for three (3) year terms. One (1) of these members shall reside in the City of Mt. Pleasant and shall be appointed by the City of Mt. Pleasant and one (1) shall reside in Union Township and shall be appointed by Union Township.

Two (2) members who shall serve for two (2) year terms. One (1) of these members shall reside in the City of Mt. Pleasant and shall be appointed by the City of Mt. Pleasant and one (1) shall reside in Union Township and shall be appointed by Union Township.

One (1) member who shall serve for a one (1) year term shall reside within the Mt. Pleasant Public-School District and shall be appointed by the Mt. Pleasant Public- School District.

The recreation authority board, in its sole discretion, may also appoint two (2) additional at large members who reside within the boundaries of the Authority if they so choose and in any manner they may choose.

After serving these initial terms all board members shall be appointed for staggered three (3) year terms and there shall be no term limits on board membership.

ARTICLE IX

COMPENSATION

Pursuant to the requirements of MCL 123.1131 et seq., members of the Board shall not be compensated for their service to the Authority. Each member of the Board shall, however, be entitled to reimbursement for all expenditures made by him or her in carrying out official duties as may be approved by the Board and to the extent authorized by the budget for the Authority for each fiscal year.

ARTICLE X

VACANCY

A vacancy occurs on the Board on the happening of any of the events set forth in MCL. 201.3. Appointed members of the Board, if any, may be removed by the appointing authority for good cause after a public hearing. Vacancies shall be filled in the same manner as the original appointment for the unexpired term. In the event of a vacancy on the Board, the appointing authority selecting such representative shall fill the vacancy as expeditiously as possible.

ARTICLE XI

MEETINGS

The business of the Authority and all meetings of the Authority shall be conducted in compliance with the Open Meetings Act MCL 15.261 et. seq. but only if required by the FOIA. Any writing not subject to disclosure under MCL 15.231 et. seq. need not be disclosed.

The Board of the Authority shall determine the frequency of their meetings and shall establish this at their first meeting and thereafter at the first meeting of the Board for each calendar year.

At its first meeting, a board shall elect a chairperson, a secretary, a treasurer, and any other officers it considers necessary. A board shall meet at least quarterly.

The board may adopt bylaws to govern its procedures.

ARTICLE XII

DUTIES OF BOARD AND OFFICERS

The Chairperson of the Board shall be the presiding officer and shall be permitted, with the consent of the Board, to appoint committees of the Board as necessary. Except as otherwise provided, the Chairperson and Board Members shall not have any executive or administrative functions other than as a member of the Board. In the absence or disability of the Chairperson, the Vice-Chairperson shall perform the duties of the Chairperson.

The Secretary shall be the recording officer for the Board. The Board shall establish qualifications for such office, such as the capability of carrying out the duties of office, including, without limitation, compliance with the Freedom of Information Act and other state laws relating to record keeping and management.

The Treasurer shall be the custodian of the funds of the Authority and shall give to it a bond conditioned upon the faithful performance of the duties of his or her office. All money shall be deposited in a bank or banks, to be designated by the Board, and all checks or other forms of withdrawal shall be signed by two (2) persons, which shall be the Secretary, the Treasurer or their respective designees, as approved by the Board of Directors. All authorized signatories shall give a bond conditioned upon the faithful performance of the prescribed duties. The Authority shall pay the cost of the bonds. The Board shall establish qualifications for such office, including the capability of carrying out the duties of office as provided by law and these Articles of Incorporation.

The Board shall function as a governing body and shall not manage or administer the day to day operations of the facilities owned, rented, or managed by the Authority.

ARTICLE XIII

REVENUE SOURCES, BUDGETING, AND FINANCING THE AUTHORITY

Revenue Sources

The Authority shall have the power to assess and collect fees, rents, tolls, excises, and service charges; to borrow money and to issue revenue bonds in accordance with the provisions of MCL 141.101 et. seq. as amended; to borrow money and issue bonds on the credit of the Authority in a sum not to exceed 2 mills of the taxable value of the taxable property within the territory of the Authority for the purpose of acquiring, owning, purchasing, constructing, maintaining or operating a public swimming pool and to appropriate money annually for Authority purposes and to levy and collect taxes for Authority purposes in a sum not to exceed one (1) mill provided that it is approved in each participating municipality by a vote of the electorate, as provided in MCL 123.1131 et. seq., and to raise revenue by any other levy or bond issuance authorized by that statute. The term of any bond, note, land contract, installment purpose contract or other borrowed money shall not extend beyond the last day of the fiscal year of a property tax authorized under Article XIII.

All revenue from whatever source shall be public funds.

Financing the Authority

A. Property Tax Levy

The Authority may levy a tax on all taxable property within the territory of the Authority as authorized by MCL 123.1131 et. seq.

The Authority may levy the tax only upon the approval of a majority of the electors in each of the participating municipalities of the Authority.

B. Borrow Money/Issue Bonds or Notes

The Authority may borrow money and issue bonds or notes in accordance with the provisions of MCL 123.1153 and approved by the electors in each of the participating municipalities of the authority in full accordance with the provisions of MCL 123.1131 et seq to finance the acquisition, construction and improvement of a public swimming pool, including the acquisition of sites and the acquisition and installation of furnishings and equipment. The Authority shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the Authority, exceeds 2 mills of the taxable value of the taxable property within the district as determined under MCL 211.27a. Bonds or notes issued by the Authority are a debt of the Authority and not of the participating municipalities.

Budgeting

The Board shall prepare a proposed annual operating and capital budget reflecting the projected revenues and projected expenditures of the Authority for the next fiscal year beginning January 1. The Board shall adopt the proposed budget by a majority vote of the members of the Board in such a manner as to assure that said budget is approved prior to January 1 of the year it is to commence. The Board's approval by a majority vote shall be the final approval required for the budget. The budget may be amended from time to time upon approval of a majority of the Board. Nothing in this subsection shall be construed to require a participating municipality to fund the Authority with any general fund monies without the approval of said funding by that participating municipality's governing body, which shall retain the discretion to approve or deny general fund monies to the Authority during the time periods to which this subsection applies. The accounting and budgeting practices of the Authority shall conform with standard accounting practices, the Uniform Budgeting and Accounting Act, Act 2, Public Acts of Michigan, 1968, as amended, and all other applicable provisions of law.

ARTICLE XIV

LIABILITIES

The Authority may contract for all appropriate insurance with an insurance company or may contract for inclusion by a participating municipality in the municipality's insurance coverage.

Notwithstanding the above, the Authority's participation in any program of self-insurance will require approval of all participating municipalities.

The Authority must secure and maintain comprehensive general liability insurance, business automobile liability insurance, and if it employs any personnel, workers compensation and employer's liability insurance. The minimum liability level limits for such insurance shall be as follows:

- Workers' Compensation
 - \$500,000 Employers Liability: Each Accident
 - \$500,000 Employers Liability: Disease – Policy Limit
 - \$500,000 Employers Liability: Disease – Each Employee
 - Statutory Benefit: Included
- Commercial Auto
 - \$1,000,000 Combined Single Limit
 - \$1,000,000 Uninsured/Underinsured Motorists Liability
 - \$1,000,000 Hired/Borrowed Auto Liability
 - \$1,000,000 Non-Owned Auto Liability
 - Personal Injury Protection (PIP) – “UNLIMITED”
- Public Officials/Wrongful Acts
 - \$5,000,000 – Limit of Liability Per Occurrence

The Authority must indemnify and hold harmless any participating municipality against any general losses, damages or liabilities due to the service and activities of the Authority or participation in the Authority up to the Authority's liability insurance policy limits.

ARTICLE XV

PARTICIPATING MUNICIPALITY WITHDRAWAL

A participating municipality shall not withdraw from the Authority during the period that a tax is authorized to be levied by the electors of the Authority.

A participating municipality may withdraw from the Authority, subject to the limitation in the first paragraph of this Article, by resolution of the participating municipality's legislative body approving the withdrawal. A certified copy of the resolution shall be provided to the Board at least twelve (12) months prior to the beginning of a new fiscal year for the Authority. Such new fiscal year shall serve as the effective date for the withdrawal.

A participating municipality that withdraws from the Authority shall remain liable for a proportion of the debts and liabilities of the Authority incurred while the participating municipality was a part of the Authority. The proportion of the Authority's debts for which a participating municipality remains liable as a result of this withdrawal from the Authority shall

be determined by dividing the state equalized value of the real property in the participating municipality by the state equalized value of all real property in the Authority on the effective date of withdrawal.

Any property owned by the Authority, which is in the possession of the withdrawing municipality or in the possession of personnel who will no longer remain with the Authority as a result of the participating municipality's withdrawal from the Authority, shall be returned to the Authority before the effective date of the withdrawal. The withdrawing municipality shall not be entitled to the return of any credit for any property or money it transferred to or paid to the Authority prior to the withdrawal.

ARTICLE XVI

DISSOLUTION OF AUTHORITY

The Authority may be dissolved by the concurring resolution of the governing body of a majority of the participating municipalities of the Authority at the time of such dissolution. Prior to dissolution of the Authority, any outstanding indebtedness of the Authority, including any bonds issued under Section 21 and/or Section 23 of Act 321 shall be paid. Any assets of the Authority remaining after the payment of any such outstanding indebtedness shall be distributed evenly to the participating municipalities of the Authority at the time of the dissolution. In all instances, the participating municipality in which said real estate is located shall be given the right of first refusal on the purchase of said real estate. In the event of a dissolution following a period of property tax levy by the Authority, any funds obtained via levy, and/or property purchased by such funds, which are subsequently distributed to the participating municipalities pursuant to this Article shall be assigned by the participating municipalities to their general fund.

ARTICLE XVII

EMPLOYEES

The Board may employ such personnel and employees as it may consider desirable and may retain from time to time the services of attorneys, accountants, and other consultants, as the Board considers necessary to carry out the purpose of the Authority.

ARTICLE XVIII

AUDIT

The Board shall obtain an annual audit of the Authority pursuant to MCL 123.1157. The books and records of the Authority shall be open for inspection by any participating municipality at all reasonable times.

ARTICLE XIX

STATE, FEDERAL AND PRIVATE GRANTS

The Authority shall have the power to apply for and accept grants, loans or contributions from the United States of America or any agency or instrumentality thereof, the State of Michigan or other public or private organizations or foundations; and to do any and all requirements necessary or desirable to secure such financial or other aid or cooperation in carrying out any of the purposes of Act 321

ARTICLE XX

INVESTMENT

The Treasurer of the Authority when authorized by a resolution of the Board may invest general funds by the Authority. The Board must approve the Treasurer's investment policy. Such investment by the Treasurer shall be made in compliance with the laws of the State of Michigan. This authority may be delegated to staff, but the board shall adopt appropriate policies and procedures to assure compliance with the laws of the State of Michigan.

ARTICLE XXI

EXEMPTION FROM TAXATION

The property of the Authority shall be exempt from all taxation and assessments and no writ of attachment or writ of execution shall be levied upon the property of the Authority.

ARTICLE XXII

PUBLICATION

These Articles of Incorporation shall be published not less than once in a newspaper generally circulated within the participating municipalities, before they are adopted. The adoption of these Articles of Incorporation by a participating municipality shall be evidenced by an endorsement on these Articles by the clerk of such participating municipality. Upon adoption

of these Articles of Incorporation by each of these participating municipalities, a printed copy shall be filed with the Secretary of the State by the City Clerk of the City of Mount Pleasant.

ARTICLE XXIII

EFFECTIVE DATE

The Authority shall become effective upon the filing of certified copies of these Articles with the Secretary of State, as provided in the preceding Article.

ARTICLE XXIV

AMENDMENTS

Amendments may be made to these Articles of Incorporation at any time if adopted by the legislative body of each participating municipality of which the Authority is composed. This requirement shall apply to all amendments to the articles, including those which would otherwise be exempted by paragraph (3) of Section 5 of Act 321. Any such amendment shall be published, endorsed, and certified and printed copies thereof filed in the same manner as the original Articles of Incorporation.

ARTICLE XXV

MISCELLANEOUS

These Articles of Incorporation may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The captions in these Articles of Incorporation are for convenience only and shall not be considered as part of these Articles of Incorporation or in any way limiting or amplifying the terms and provision hereof.

These Articles have been adopted by the governing bodies of the (TO BE DETERMINED) as set forth in the following endorsements, and in witness of (TO BE DETERMINED).

The foregoing Articles of Incorporation were adopted by (TO BE DETERMINED) at a meeting duly held on (TO BE DETERMINED).

MID-MICHIGAN AQUATIC RECREATIONAL AUTHORITY ISABELLA COUNTY, MICHIGAN

RESOLUTION TO ADOPT ARTICLES OF INCORPORATION

WHEREAS, the _____, Isabella County and State of Michigan has determined that it wishes to participate in a recreational authority with certain powers as provided for at MCL 123.1131 et. seq. and

WHEREAS, Articles of Incorporation have been drafted and are attached as Exhibit One and

WHEREAS, the proposed articles have been published one time in The Morning Sun, a newspaper of general circulation within the _____, County of Isabella and State of Michigan and

WHEREAS, MCL 123.1135 (3) directs that the articles of incorporation, "shall be adopted and may be amended by an affirmative vote of majority of the members serving on the legislative body of each participating municipality",

NOW THEREFORE BE IT RESOLVED that the _____, Isabella County and State of Michigan resolves to adopt the Articles of Incorporation attached as Exhibit One.

IT IS FURTHER RESOLVED THAT in accordance to MCL 123.1135 (5)(6) "Upon adoption of the articles or amendments to the articles by each of the participating municipalities, a printed copy of the articles or the amended articles shall be filed with the secretary of the state by the clerk of the last participating municipality to adopt the articles or amendments. The authority's articles of incorporation, or amendments to the articles, take effect upon filing with the secretary of state."

Upon roll call vote on the adoption of the resolution, the following voted "Aye":

The following voted "Nay: _____

The Supervisor/Mayor/Board President declared the resolution duly adopted.

_____ Clerk

The undersigned clerk for the _____ hereby certifies that the foregoing constitutes a true and complete copy of an excerpt of minutes of a meeting of the _____, Isabella County, and State of Michigan, held on and voted as indicated by said minutes; that said meeting was held in accordance with the Open Meetings Act of the State of Michigan.

Clerk

Recommended Recreation Authority Geographic Boundary

