



Ann Arbor Transportation Authority  
2700 South Industrial Highway  
Ann Arbor, Michigan 48104  
734.973.6500 734.973.6338 F  
theride.org

September 28, 2012

Jacqueline Beaudry  
Clerk, City of Ann Arbor  
301 East Huron Street  
Ann Arbor, MI 48104

**Official Notice: New Transit Authority Articles of Incorporation will be filed on October 3, 2012**

Dear City of Ann Arbor Clerk;

This is official notice that the Washtenaw County Clerk will file Articles of Incorporation creating a new Transit Authority in the boundaries of Washtenaw County under MCL 196 of 1986 on October 3, 2012. The Ann Arbor Transportation Authority (AATA) board will request the filing, pursuant to the Public Transportation Agreement adopted by the County on September 5, 2012.

**The City of Ann Arbor is within Washtenaw County boundaries and is therefore included in the new transit authority boundaries.** Under MCL 196 of 1986 the City of Ann Arbor has the right to withdraw (or withdraw particular electoral precincts) from the authority until November 2, 2012. Requests to withdraw received after that date are void.

- **If your community wishes to remain in the new transit authority, NO ACTION IS NECESSARY.** Though, as a courtesy, please contact Karen Wheeler at 734.794.1763. If your board chooses to pass a resolution (a sample has been included); please include it with the response form, attached.
- **If your community wishes to withdraw** (or withdraw particular electoral precincts) from the new transit authority, your board must pass a resolution indicating withdrawal (or withdrawal of particular precincts) from the new transit authority. A sample resolution has been included. If your board has taken action previously to withdraw from the authority, you do not have to take action again. Return the response form and attach resolution.

All responses (form, resolutions) must be received by AATA **no later than 5pm on November 2, 2012.**

My staff will be contacting clerks in each community to send electronic copies of the sample resolutions, answer questions, ensure the process is clear, and that we receive your notice. If you have questions or would like a presentation, please contact Deb Freer at 734.794.1881 or [DFreer@theride.org](mailto:DFreer@theride.org).

Best regards,

Michael Ford  
CEO, Ann Arbor Transportation Authority

CITY OF ANN ARBOR  
CITY CLERK

OCT 03 2012

TIME: \_\_\_\_\_

CC: City of Ann Arbor Board Members

Attachments: FAQs, Response Form\*, sample resolutions\*, Articles of Incorporation\*  
(\*included in clerk's letter only, find electronic copies at [movingyouforward.org](http://movingyouforward.org))

## RESPONSE FORM: NEW TRANSIT AUTHORITY INCORPORATION

The \_\_\_\_\_ of \_\_\_\_\_  
[City/Village/Township] [Name of Community]

**Will remain in the new transit authority**  
[NO ACTION REQUIRED, though a courtesy call to Karen Wheeler at 734.794.1763 is appreciated] IF your board chooses to pass a resolution, please provide it with this response form by 5pm, November 2, 2012.

**Will withdraw from the new transit authority**  
IMPORTANT: Attach a board resolution to this form and deliver to AATA by 5pm, November 2, 2012. If your board has taken action previously, attach the resolution indicating withdrawal from the authority.

**Will withdraw the following electoral precincts from the new transit authority**  
Precincts that will NOT be part of the new authority: \_\_\_\_\_  
IMPORTANT: Attach a board resolution to this form and deliver to AATA by 5pm, November 2, 2012.

\_\_\_\_\_  
Name of Mayor/President/Supervisor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Clerk

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Please return this form (and **any relevant board resolutions**) by **5pm, November 2, 2012** to Karen Wheeler, AATA Executive Assistant, using any of these methods:

**Email (scanned copy):**

[kwheeler@theride.org](mailto:kwheeler@theride.org)

Subject: Response to Incorporation

**Fax:**

734.973.6338

ATTN: Karen Wheeler

**Mail:**

Karen Wheeler

AATA

2700 S. Industrial

Ann Arbor, MI 48104

**Karen will confirm receipt of your correspondence with an email to the clerk (or letter, if requested).**

## **Resolution to Participate in the New 196 Transit Authority in Washtenaw County**

**Whereas,** the Ann Arbor Transportation Authority (AATA), with input from thousands of residents, examined the need for public transit services in Washtenaw County and developed a 30-year transit vision for Washtenaw County communities; and

**Whereas,** AATA, in collaboration with local leaders, developed a countywide governance structure that provides representation based on population, charter millage funding and transit assets and has been meeting with district representatives on the "unincorporated" u196 Board since October 2011; and

**Whereas,** the AATA held more than 25 meetings in local transit districts as well as hundreds of meetings with public, business and educational leaders, attended community events across the county, and presented at dozens of local meetings to create a Five-Year Transit Program; and

**Whereas,** the Five-Year Transit Program proposes essential transit services for all community residents, including Dial-A-Ride, Dial-A-Ride PLUS, Express Services, Community Connectors, AirRide, Community Circulators, Park and Ride lots; VanRide, and extensive fixed-route bus improvements; and

**Whereas,** the Five-Year Transit Program services provide communities indispensable transportation options and mobility for all residents, especially seniors, youth and people with disabilities, and ensures communities' quality of life, economic resilience, and job access; and

**Whereas,** the AATA presented the final Five-Year Transit Program throughout the county at nine district advisory committee meetings and at numerous public board and community meetings as requested; and

**Whereas,** on October 2, 2012, the AATA Board, with community representatives from the u196 Board present, passed a resolution asking the Washtenaw County Clerk to file Articles of Incorporation for the new Public Act 196 Transit Authority on October 3, 2012; and

**Whereas,** each community in Washtenaw County has the opportunity at incorporation to choose whether to participate in the new PA 196 Transit Authority, and at subsequent times as outlined in PA 196 of 1986; and

**Whereas,** participating communities will take part in the new PA 196 Transit Authority board representation, receive service, and allow their voters an opportunity to fund an expanded transit service.

**Whereas,** (Name of Community Board) has listened to the (community) residents and considered the benefits to and needs of (community);

**Now therefore Be it Resolved,** the (community) board will participate in the new 196 transit authority being formed in Washtenaw County and will allow the (community) residents the opportunity to vote to improve transit services in our municipality and participating municipalities in Washtenaw County.

## **Resolution to Withdraw from the New 196 Transit Authority in Washtenaw County**

**Whereas,** the Ann Arbor Transportation Authority (AATA), with input from thousands of residents, examined the need for public transit services in Washtenaw County and developed a 30-year transit vision for Washtenaw County communities; and

**Whereas,** AATA, in collaboration with local leaders, developed a countywide governance structure that provides representation based on population, charter millage funding and transit assets and has been meeting with district representatives on the "unincorporated" u196 Board since October 2011; and

**Whereas,** the AATA held more than 25 meetings in local transit districts as well as hundreds of meetings with public, business and educational leaders, attended community events across the county, and presented at dozens of local meetings to create a Five-Year Transit Program; and

**Whereas,** the Five-Year Transit Program proposes essential transit services for all community residents, including Dial-A-Ride, Dial-A-Ride PLUS, Express Services, Community Connectors, AirRide, Community Circulators, Park and Ride lots, VanRide, and extensive fixed-route bus improvements; and

**Whereas,** the Five-Year Transit Program services provide communities indispensable transportation options and mobility for all residents, especially seniors, youth and people with disabilities, and ensures communities' quality of life, economic resilience, and job access; and

**Whereas,** the AATA presented the final Five-Year Transit Program throughout the county at nine district advisory committee meetings and at numerous public board and community meetings as requested; and

**Whereas,** on October 2, 2012, the AATA Board, with community representatives from the u196 Board present, passed a resolution asking the Washtenaw County Clerk to file Articles of Incorporation for the new Public Act 196 Transit Authority on October 3, 2012; and

**Whereas,** each community in Washtenaw County has the opportunity at incorporation to choose whether to participate in the new PA 196 Transit Authority, and at subsequent times as outlined in PA 196 of 1986; and

**Whereas,** participating communities will take part in the new PA 196 Transit Authority board representation, receive service, and allow their voters an opportunity to fund an expanded transit service; and

**Whereas,** (Name of Community Board) has listened to the (community) residents and considered the benefits to and needs of (community);

**Now therefore Be it Resolved,** the (Community ) board will withdraw (Community ) [OR] the following electoral precincts X, Y, Z of community)] from the new 196 transit authority being formed in Washtenaw County at this time and the (community) residents will not vote, participate in governance, receive improved service, or provide funding for expanded transit service.

# NEW TRANSPORTATION AUTHORITY

## ARTICLES OF INCORPORATION

### ARTICLE 1

#### INTRODUCTION

The Washtenaw County Board of Commissioners adopts these Articles of Incorporation, pursuant to the provisions of Act 196 of Public Acts of 1986 so as to create the New Transportation Authority and establish its powers, duties, rights, and responsibilities; the composition and selection process for its Board of Directors; and establishes the effective date for these Articles of Incorporation.

### ARTICLE 2

#### DEFINITIONS

The following definitions will be applicable to, and utilized throughout these Articles of Incorporation:

- **ACT 7:** "Act 7" means public Act No. 7 of the Public Acts of 1967, as amended, known as the Urban Cooperation Act, being sections 124.501 to 124.512 of the Michigan Compiled Laws.
- **ACT 196:** "Act 196" means Act No. 196 of the Public Acts of 1986, as amended, known as the Public Transportation Authority Act, being sections 125.451 to 124.479 of the Michigan Compiled Laws.
- **AUTHORITY:** "Authority" means the public transportation authority created under Act 196 and these Articles of Incorporation.
- **BOARD:** "Board" means the governing body of the Authority, consisting of directors described in article 4.
- **MEMBER:** "Member" means any political subdivision that forms the authority or which joins the authority as a member as allowed by Act 196.
- **POLITICAL SUBDIVISION:** "Political subdivision" means Washtenaw County, or any city, village, or township.
- **PUBLIC TRANSPORTATION, PUBLIC TRANSPORTATION SERVICE, PUBLIC TRANSPORTATION PURPOSE:** "Public transportation" means the movement of people and goods by publicly or privately owned water vehicle, bus, railroad car, rapid transit vehicle, taxi cab or other conveyance which provides general or special service to the public, but not including charter or sightseeing service or transportation which is exclusively used for school purposes. Public transportation, public transportation services, or public transportation purposes as defined are declared by law to be transportation purposes within meaning of section 9 of article IX of the Michigan Constitution.
- **TAXABLE PROPERTY:** "Taxable property" means the property taxable under the general property tax act(s) of the State of Michigan, except for property expressly exempted by act(s) of the state legislature.

### ARTICLE 3

#### AUTHORITY FORMATION

#### **SECTION 3.01: CREATION, NAME, PURPOSES, AND POWERS**

The Washtenaw County Board of Commissioners hereby creates a public transportation authority pursuant to Act 196. The Authority shall be a public body corporate and shall be known and exercise its powers under the title of "The Washtenaw Ride" or other such names as decided by its board of directors. Upon succeeding to the AATA as described in Section 3.06, the Authority has the power to use the names "The Ride", "Ann Arbor Transportation Authority", and any other name owned by AATA. The Authority is

created for the purpose of providing public transportation services under Act 196. The Authority shall possess all of the powers articulated in these articles, Act 196, and as provided in the Public Transportation Agreement between the Ann Arbor Transportation Authority, The Cities of Ann Arbor and Ypsilanti and the County of Washtenaw, dated September 5, 2012.

**SECTION 3.02: JURISDICTIONAL BOUNDARY AND MEMBERSHIP**

The jurisdictional boundary of the Authority for purposes of Act 196, is the geographical area known as the County of Washtenaw, Michigan, and includes the territory within all political subdivisions within Washtenaw County, subject to withdrawal of any political subdivision pursuant to Act 196. The County of Washtenaw is initially the only member of the Authority. Other political subdivisions may become members pursuant to Act 196. Notwithstanding the foregoing, the Authority may provide services outside its jurisdictional boundary as authorized by law.

The Authority shall send certified letters to the chief elected official, the clerk and chief administrative official, as appropriate, of each political subdivision of the County giving them notice of their rights to withdraw (so-called "opt-out") within 30 days under the first sentence of Act 196 section 8(5). If there is a vote on a funding mechanism for the operations of the authority, only those communities that have not opted out will vote and be subject to any tax adopted as a funding mechanism.

**SECTION 3.03: ADOPTION, ENDORSEMENT, AND PUBLICATION**

The Washtenaw County Clerk/Register of Deeds (hereinafter "Clerk") shall endorse these Articles of Incorporation after their adoption by the Washtenaw County Board of Commissioners. The Authority shall publish them once in a newspaper including but not limited to *Washtenaw Legal News* on a date at least 10 days, but not more than 30 days, after their adoption.

**SECTION 3.04: FILING OF ARTICLES**

The Clerk shall file a printed copy of these Articles of Incorporation in the Clerk's Office, and the Authority shall file them with the Michigan Secretary of State, and the Director of the Michigan Department of Transportation and provide confirmation of such filing to the Clerk and, if requested, any political subdivision to be served by the Authority.



**SECTION 3.05: EFFECTIVE DATE; VALIDITY PRESUMED**

The Authority shall become operative, and these Articles of Incorporation shall become effective, thirty (30) days after filing with the Clerk's Office, with the Michigan Secretary of State, and the Director of the Michigan Department of Transportation (MDOT), whichever is later. The validity of the incorporation of the Authority will be conclusively presumed unless questioned in a court of competent jurisdiction within sixty (60) days after the publication of the articles of incorporation.

**SECTION 3.06: SUCCESSOR-IN-INTEREST TO ANN ARBOR TRANSPORTATION AUTHORITY (AATA)**

Notwithstanding the operative effective date of the Authority, it shall not succeed the AATA as provider of a Public Transportation Service within the cities of Ann Arbor and Ypsilanti and be entitled to assume or assert any financial or other rights as successor-in-interest unless and until all of the following occurs: (a) passage of a countywide funding mechanism and approval of the MDOT and Federal Transit Administration, (b) approval of the Public Transportation Agreement by the governing bodies of the County of Washtenaw, cities of Ann Arbor and Ypsilanti, and the Ann Arbor Transportation Authority and satisfaction of the terms and conditions therein, and (c) approval of these Articles of Incorporation by an affirmative vote of a majority of persons elected to and serving on the legislative body of each political subdivision which contributes revenue in the form of a charter millage to AATA.

**SECTION 3.07: SEVERABILITY**

The requirements and the various chapters, parts, sections, and clauses of these Articles of Incorporation are severable. If a court of competent jurisdiction determines that any article, part, sentence, paragraph, section, or clause is unconstitutional or invalid, the remaining chapters, parts, portions, and provisions of these Articles of Incorporation shall remain in full force and effect, except that if any of the conditions (a) through (c) in Section 3.06 are declared unconstitutional or invalid, the Authority shall not succeed to the AATA, as described in that section.

**SECTION 3.08: MEMBER ADMISSION AND RELEASE AFTER AUTHORITY FORMATION**

If conditions in Act 196 are met after the conclusive formation of the Authority, political subdivisions may become members in the Authority and members may be released from membership in the Authority.

**SECTION 3.09: POLITICAL SUBDIVISION WITHDRAWAL AFTER AUTHORITY FORMATION**

If conditions in Act 196 are met after the conclusive formation of the Authority, a political subdivision may withdraw from the Authority. In addition, a political subdivision may withdraw under the same terms that Act 196 gives members the right to be released from membership.

**ARTICLE 4**  
**BOARD OF DIRECTORS**

**SECTION 4.01: INITIAL BOARD**

Subject to Section 4.02 of these Articles of Incorporation, the Board shall consist of fifteen (15) directors appointed by the following entities based principally on population, historical investment, and ongoing financial contributions:

<u>Number</u>	<u>Appointing Entity</u>
7	City of Ann Arbor
1	City of Ypsilanti
1	Pittsfield Township
2	South East District (under an interlocal agreement among the following political subdivisions: Townships of Augusta and Ypsilanti)
1	South Middle District (under an interlocal agreement among the following political subdivisions: Cities of Milan and Saline and the Townships of Lodi, Saline and York)
1	West District (under an interlocal agreement among the following political subdivisions: the City of Chelsea, Village of Manchester and the Townships of Bridgewater, Dexter, Freedom, Lima, Lyndon, Manchester, Sharon, and Sylvan)
1	North East District (under an interlocal agreement among the following political subdivisions: the Townships of Ann Arbor, Northfield, Salem, and Superior)
<u>1</u>	North Middle District (under an interlocal agreement among the following political subdivisions: the Village of Dexter, and the Townships of Scio and Webster)
15	

The governing bodies of the Cities of Ann Arbor and Ypsilanti and the Charter Township of Pittsfield shall appoint their respective directors in accordance with their adopted policies and procedures for appointment to boards and commissions and retain the right to remove and replace such directors in accordance with the same procedures. The other districts select directors through Act 7 Interlocal Agreements, which contain procedures for appointment and removal. The County of Washtenaw, may but is not required to, appoint a non-voting ex-officio to the Board. Appointing governing bodies or districts may select an alternate to serve in place of the member or members in their absence. When a director is absent, the alternate shall have the same voting powers but may not assume an officer position.



**SECTION 4.02: BOARD MAKE UP REVIEW**

The directors shall revisit the Board make-up if (a) either Ann Arbor or Ypsilanti City reduces or fails to contribute its charter millage to the Authority; (b) if another community levies a millage and contributes it to the Authority; or (c) if all communities within one of the Act 7 districts withdraw from the Authority. The Board make-up shall also be reviewed and be subject to change by two-thirds of the directors after each census to assure appropriate attention to population distribution.

**SECTION 4.03: TERM**

The terms of office of the first Board of Directors appointed shall be fixed by the respective appointing bodies so that the terms for 2 city of Ann Arbor directors and 1 Pittsfield Township director will be for 1 year; 1 city of Ann Arbor director, 1 director appointed from the South East District, 1 director appointed from the North Middle District and 1 director from the West District will be for 2 years; 2 city of Ann Arbor directors, 1 South Middle District director and 1 North East director will be for 3 years; and 2 city of Ann Arbor directors, 1 South East District director and the city of Ypsilanti director will be for 4 years. For the purposes of appointment the areas identified shall correspond to the areas in Attachment A. After the initial Board is formed, all directors will be appointed for 4 years, subject to conditions of their appointment by their respective appointing bodies. All regular appointments to the Board shall be made to coincide with October 1 of each calendar year; however, seated directors will hold over until a successor has been appointed, and when such a successor has been appointed the appointment term shall be modified so that it terminates to coincide with the regular appointment term. A vacancy in office shall be filled by that director's original appointing body for the remainder of the unexpired term. The term of director's alternate shall expire according to the same schedule as the director.

The Authority shall notify the respective appointing bodies at least 45 days prior to the expiration date of the term of office of any person serving on the Board.

**SECTION 4.04: RESIGNATIONS, VACANCIES, AND REMOVALS**

A director may resign at any time and such resignation shall become effective upon the Authority's receipt of a written resignation notice, unless the notice specifies a later date. The Authority Board may, upon a 2/3rds vote of its other directors, remove a director prior to the expiration of that director's term of office for persistent failure to perform the duties of that director's office, other reasons as specified in the bylaws, gross misconduct in office, conviction of a felony involving extortion, or financial misconduct. A director may be removed from office with or without cause at any time by the same local body or process that appointed the director.

**SECTION 4.05: COMPENSATION**

Directors shall serve without compensation.

**SECTION 4.06: INTERESTS IN CONTRACTS**

Directors may not have a financial interest, direct or indirect, in any contract with the Authority, except as permitted by law.

**SECTION 4.07: BOARD QUALIFICATIONS**

All Authority directors shall be residents of Washtenaw County, at least eighteen years old, shall be representative of public transportation interests as they exist in the County and other qualifications as detailed in the Bylaws of the Authority. Notwithstanding the above, any of these requirements may be waived by a governing body authorized to appoint directors under section 4.01 by resolution concurred in by not less than 2/3rds of that governing body's directors. Directors may not hold office in violation of Michigan's Incompatible Offices Act, MCLA 15.181-.185, or other similar law.

**ARTICLE 5**  
**PUBLIC MEETINGS**

**SECTION 5.01: PUBLIC MEETINGS**

The Authority shall conduct all meetings of the Board in compliance with the Open Meetings Act (Act 267 of the Public Acts of 1976). The Authority shall provide public notice of the time, date, and place of the meeting in the manner required by Act 267 of 1976, as amended. The Authority shall meet at regular intervals. It shall adopt its own rules of procedure and shall keep a record of its proceedings. A majority of the directors appointed and serving shall constitute a quorum. Each director shall have one vote. Decisions of the Board require a majority vote of the directors appointed and serving at a Board meeting having a quorum present, except approval of the budget which requires approval of 2/3rds of all directors and amendment of the articles which requires approval of 4/5<sup>th</sup> of all directors. No director shall cast a vote in proxy for an absent director; however, the Board shall permit a director's alternate, if any, to attend a meeting in the director's absence and vote.

**ARTICLE 6**  
**POWERS**

**SECTION 6.01: OPERATIONAL POWERS**

The Authority may plan, promote, finance, acquire, improve, enlarge, extend, own, construct, operate, maintain, replace, and contract for public transportation services by means of one or more public transportation systems and public transportation facilities pursuant to the provisions of Act 196.

The Authority shall be administered in the manner determined by the Board and as provided in these Articles. However, no enumeration of powers in these Articles shall be construed as a limitation on the general powers of the Authority under Act 196.

**SECTION 6.02: EXEMPTION FROM MOTOR CARRIER ACT**

In the exercise of its powers within its boundaries, the Authority is exempt from the Motor Carrier Act, Act No. 254 of the Public Acts of 1933, being sections 475.1 to 479.20 of the Michigan Compiled Laws; Act No. 3 of the Public Acts of 1939, being Sections 460.1 to 460.8 of the Michigan Compiled Laws; and Act No. 42 of the Public Acts of 1982, being Sections 474.101 to 474.141 of the Michigan Compiled Laws.

**ARTICLE 7**  
**FUNDING**

**SECTION 7.01: FUNDING**

The Authority may apply for and accept grants, loans, or contributions from the federal government or any of its agencies, the state, other public or private agencies, or other lawful sources.

**SECTION 7.02: FINANCING**

The Authority may finance public transportation services, including any public transportation system and public transportation facilities pursuant to the provisions of Act 196. Budgets and appropriations shall be made in accordance with Act 2 of the Public Acts of 1968.

**SECTION 7.03: TAX LEVY**

The Authority may levy a tax for public transportation purposes as provided for and within the time limits and rates established by Act 196 within its jurisdictional boundary subject to the tax limitations of which are provided by general law within the meaning of section 6 of article IX of the Michigan Constitution of 1963.

No tax may be levied except upon the approval of a majority of the registered electors residing within the jurisdictional boundary of the Authority affected and qualified to vote and voting on the tax at a general or special election called in accordance with Act 196.

**SECTION 7.04: POLITICAL SUBDIVISION TAX LEVY**

Any member of the Authority or a political subdivision otherwise granted taxing authority under state law may levy a tax within the limits of the political subdivision, and appropriate, grant, or contribute, in whole or in part, the tax levied and collected to the Authority for public transportation purposes as authorized by Act 196, or to provide sufficient money to fulfill its contractual obligations to the Authority, which tax will be within charter, statutory, and constitutional limitations thereon.

**SECTION 7.05: PAYMENTS, APPROPRIATIONS, OR CONTRIBUTIONS**

Any member of the Authority or a political subdivision outside Washtenaw County may contract with the Authority to make payments, appropriations, or contributions to the

Authority of the proceeds of taxes, special assessments, or charges imposed or collected by the political subdivision or out of any other funds legally available in exchange for service.

**SECTION 7.06: FULL FAITH AND CREDIT**

Any political subdivision within the Authority's jurisdiction may, but is not required to, pledge its full faith and credit for payment of its contractual obligation to the Authority.

**SECTION 7.07: NOTES AND BONDS**

If the Authority has issued notes or bonds in anticipation of payments, appropriations, or contributions to be made to the Authority pursuant to a contract by a political subdivision, the political subdivision may levy a tax, subject to all appropriate statutory and constitutional requirements, on all taxable property in the political subdivision to provide sufficient money to fulfill its contractual obligations to the Authority in accordance with law.

**SECTION 7.08: EXISTING LEVIES**

Any political subdivision outside the Authority's jurisdiction that has authorized the levy of a tax to provide money for public transportation purposes or has imposed, collected special assessments, or charges for public transportation purposes may contract with the Authority to make payments, appropriations, or contributions to the Authority of the proceeds of the taxes, special assessments, subject to the conditions of the original authorization of such levy in exchange for service.

**SECTION 7.09: BORROWING MONEY**

By resolution of the Board, the Authority may borrow money and issue notes and bonds in anticipation of the collection of taxes and other revenues for its current or succeeding fiscal year, to provide funds for operating purposes or for capital purposes related to transportation facilities pursuant to the provisions of Act 196.

**SECTION 7.10: REVENUES PLEDGED FOR PAYMENT OF DEBT**

The revenues pledged for payment of debt service on bonds or notes shall be, and remain subject to, a statutory lien until the payment in full of the principal and interest on the bonds or notes unless the resolution authorizing the issuance of the bonds or notes provides for earlier discharge of the lien by substitution of other security. The pledge of revenues and any statutory lien that exists for the payment of debt services on bonds or notes shall be effective for all purposes without delivery of any evidence in this regard or any recording.

**SECTION 7.11: INVESTMENTS**

The Authority may invest any of its money in accordance with all applicable laws and regulations.

**ARTICLE 8**  
**COLLECTIVE BARGAINING AGREEMENTS**

**SECTION 8.01: CONTRACTUAL OBLIGATIONS**

The Authority shall have the right to collectively bargain and enter into agreements with labor organizations pursuant to applicable law. Upon succession by the Authority to a public transportation system, the Authority shall assume and be bound by any existing collective bargaining agreements applicable to that system for the remainder of the term of that agreement, and, except where the existing collective bargaining agreement may otherwise permit, shall retain the employees covered by that collective bargaining agreement. The succession to a public transportation system by the Authority shall not adversely affect any existing rights and obligations contained in the existing collective bargaining agreement.

**SECTION 8.02: EMPLOYEE RETIREMENT**

The Authority shall honor the pension or retirement system established by any succeeded public transportation system and members and beneficiaries of those retirement system shall continue to have the same rights, privileges, benefits, obligations, and status.

**ARTICLE 9**  
**AUDITS**

The Authority shall obtain an annual audit in accordance with sections 6 to 13 of Act 2 of the Public Acts of 1968 of the Michigan Compiled Laws. The audit shall be in accordance with generally accepted government auditing standards as promulgated by the United States General Accounting Office and satisfy federal regulations relating to federal grant requirements.

The Authority shall publish notice that an annual audit has been obtained once in the *Washtenaw County Legal News* and file a printed copy with the Clerk of each of the political subdivisions represented by directors on the Board, the State Treasurer, and the State Transportation Department, as provided for in Act 196.

**ARTICLE 10**  
**ARTICLES OF INCORPORATION;**

**SECTION 10.01: AMENDMENTS**

These Articles of Incorporation may be amended only upon a four-fifths (4/5) vote of the directors appointed and serving on the Authority unless another vote of Board is required under the terms of these Articles or provided for in Act 196. All amendments must comply with applicable state and federal laws. All amendments to the Articles of Incorporation become effective only after they are executed jointly by the Chairperson and by the Secretary of the Board of the Authority, filed with the recording officer of the Washtenaw County Clerk, and filed and published in the same manner as the original Articles of Incorporation.



## **SECTION 10.02: DISSOLUTION OF THE AUTHORITY**

The Authority may be dissolved in accordance with the provisions of Act 196 and as provided for in Section 12 of the Public Transportation Agreement referenced in section 3.01. If the City of Ann Arbor is the only political subdivision in the County remaining within the Authority after the expiration of the statutory 30-day withdrawal period, the Authority shall be dissolved. The dissolution action shall provide for the effective date of such dissolution and shall include provisions for the distribution of all assets and for the settlement of all debts and liabilities of the Authority and the provision for continued transportation services to Ann Arbor and Ypsilanti. Notice of such dissolution shall be executed jointly by the Chairperson and by the Secretary of the Board of the Authority, filed with the recording officer of the Washtenaw County Clerk, and filed and published in the same manner as the original Articles of Incorporation.

Except as provided above, dissolution is not required if either (a) a member political subdivision is released from membership pursuant to Section 3.08, or (b) a political subdivision withdraws from the Authority pursuant to Section 3.09.

On release from or dissolution of the Authority, any millage obligation pledged for the use by the Authority shall be deemed extinguished as of the date of the dissolution subject to payment or provision for payment of all obligations of the political subdivision to the Public Authority or its creditors as of the date of release or dissolution; and thereafter in the case of dissolution of the Authority, the respective political subdivision shall have no obligation to pledge the respective tax levy to any successor-in-interest to the Authority.

**CLERK ENDORSEMENT**

The foregoing Articles of Incorporation for the Authority were adopted by an affirmative vote of a majority of the members serving on Washtenaw County Board of Commissioners at a meeting duly held on the 5<sup>th</sup> day of September A. D. 2012. Pursuant to Act 196 execution of this endorsement here below by the Clerk/Registrar of Washtenaw County, the incorporating authority, shall be evidence of adoption of the Articles of Incorporation.

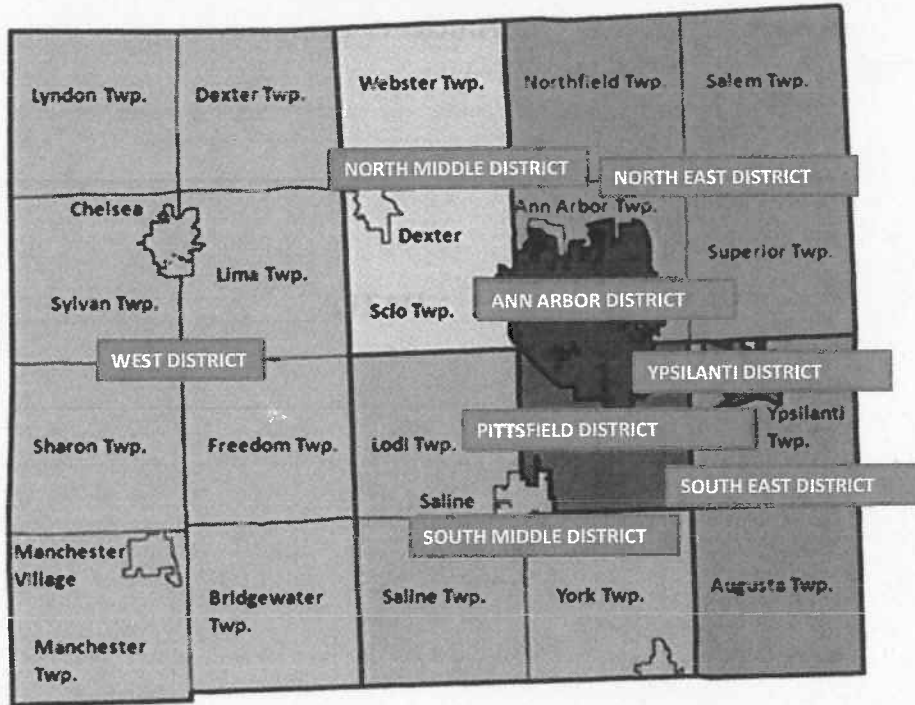
**COUNTY OF WASHTENAW**

\_\_\_\_\_ DATE: \_\_\_\_\_  
Chairperson, Washtenaw County  
Board of Commissioners

\_\_\_\_\_ DATE: \_\_\_\_\_  
County Clerk/Register of Deeds

# NEW TRANSPORTATION AUTHORITY ARTICLES OF INCORPORATION

## ATTACHMENT A



# Incorporation Process

## Frequently Asked Questions

### **Will the Ann Arbor Transportation Authority (TheRide) provide the Five-Year Program improvements, or will a new transit organization be required?**

TheRide is moving forward with some improvements now, such as increased service on Route 4 between Ann Arbor and Ypsilanti and the new AirRide service to Detroit Metro Airport.

However, the most efficient way to provide countywide transportation service is by creating a new regional transportation authority (an Act 196 Authority). This will ensure that all communities that wish to participate in countywide transportation will have a voice in the decision-making process. TheRide's board of directors would maintain membership on the new authority's board, while expanding that membership to other communities that decide to participate and dedicate funding for transit services.

### **Who will oversee the new transportation authority?**

In preparation for creating a new countywide transit organization, the county has been divided into eight transit districts represented by 15 directors, including the current AATA board. The current list of directors is available at [MovingYouForward.org](http://MovingYouForward.org).

Once incorporated, the directors will establish bylaws and determine transit services and locations for transit facilities, funding needs and policies on how and when to provide services within Washtenaw County and outside the new transit authority boundaries.

Transit District Advisory Committees made up of citizens in each of the eight transit districts have been and will continue to advise district board members on local transportation needs.

### **How were the District Representative selected for the new transit board?**

District Representatives were selected by the municipalities in each of the eight transit districts through Act 7 Interlocal agreements and/or by board resolution.

### **What is the role of the Transit District Advisory Committees?**

Each of the eight districts has its own advisory committee. Each committee brings together transit service providers, senior citizen advocates, human service representatives, the business community and other interested citizens to provide advice on the development and implementation of transit improvements in their own local district.

### **Why do we need Transit District Advisory Committees?**

Each community of Washtenaw County has its own transit needs and goals. Each Transit District Advisory Committee's focus will be to make recommendations on how to prioritize transit service improvements, location of bus stops and types of transit amenities for its own unique areas of the county.

**What will you call the new transportation authority?**

The District Representatives and Act 55 Board members have tentatively agreed on The Washtenaw Ride as the legal name of the new authority, while each new service will be branded as an extension of the existing brand name “TheRide.” There will be an effort to preserve local identity, while ensuring that all services are clearly understood throughout the county.

**Which services will be added first? How did you pick these services?**

The Five-Year Transit Program document (available at [www.MovingYouForward.org](http://www.MovingYouForward.org) ) lists the services to be implemented in Year 1 in Chapter IV, starting on page 95. The selections represent where the need is greatest, where services could be coordinated, and where it is practical with available resources. For instance in the urban area, Year 1 emphasizes implementing longer hours on the fixed route bus network, since this is important and can be done fairly easily with the existing fleet of buses. In the non-urban areas Dial-A-Ride and circulator services can be implemented and improved using existing non-profit provider buses. Other services will be implemented as soon as possible as vehicles are acquired (which can take 6 – 12 months).

**Who has opted in/out? Is service expansion assuming all communities will opt in?**

The current program assumes every community is still in. After the incorporation period the program will be revised to reflect the participating communities by the board of directors.

**What happens if a district doesn't want to participate but still wants service?**

It is advantageous for communities to participate as it ensures board representation and decision-making power on transit services, funding, and implementation. Communities that participate in the new authority will receive board representation, new and expanded services, and participate in an authority-wide funding mechanism.

Communities that do not participate will not be guaranteed service or representation. The new transit authority board will determine the criteria, timing, and cost to communities that do not participate.

**What happens when others opt out? Will the board's composition change depending on who participates?**

A single community that opts out will not cause the board membership to change. As stated in the new transit authority Articles of Incorporation, there are limited reasons for the board make-up to change:

- If all communities within a particular district withdraw from the Authority
- After each census to assure appropriate attention to population distribution
- If either the City of Ann Arbor or Ypsilanti reduces or fails to contribute its charter millage
- If another community levies a millage and contributes it to the new transit authority

After incorporation, the board of directors will determine how changes to the board make up will be handled and there will be a focus on maintaining regional balance.



**Can an opted-out community ever opt-in at a later date?**

Yes, at the discretion of the new transit authority board who will be determining the criteria, timing, and cost to communities that do not initially participate.

**Can communities opt out at a later date?**

Yes, Act 196 permits political subdivisions that are participating in an authority to opt out at the expiration of voter-approved funding.

**How much will the Five-Year Program enhanced services cost?**

Overall, it is estimated that the Five-Year Transit Program will require \$59 million in additional capital investments in Washtenaw County's transportation network and an additional \$164 million in operating costs over the next five years. After taking existing local revenue, state and federal funding, and user fees, there is a gap of approximately \$39 million that would need to be covered by local funds and it is estimated that a levy countywide of 0.584 would be sufficient to provide the needed funding for implementing and operating all 5-Year Transit Program services throughout Washtenaw County. The final services and funding needed are ultimately dependent on what communities participate.

**What will happen if a millage fails?**

Our agreement with the County, Ann Arbor and Ypsilanti specifies that the new authority would have until the end of 2014 to get funding in place. If a millage fails in 2013, the new authority can ask the voters once more in 2014. If no millage passes, then the AATA and the new authority board will work with citizens and local communities on next steps, if any. Note, AATA services will continue to be run by the existing authority until new funding is in place.

**What will happen with existing non-profit service providers?**

We will provide new and improved transit services in participating communities with voter approved funding, but are committed to maintaining the current levels of service provided by existing service providers. For instance, AATA currently passes through state and federal formula funds to two non-profit transit providers, and will continue to do so for existing services, at their current level only. Note, these funds are subject to change by the state.

Communities can improve and expand local services and receive the benefit of leveraging pass-through funds for expanded services by joining the new transit authority.

# The Five-Year Program Frequently Asked Questions

## **Why do we need improved transit in Washtenaw County?**

The support for mass transit/countywide service is overwhelming – 70 percent of Washtenaw County residents believe it's important.

Significant gaps exist in the services being provided now. Some areas of Washtenaw County have no service whatsoever. We need to ensure our growing elderly population is able to remain independent. Additionally, rising gas prices continue to make commuting alone unaffordable. Good, affordable public transportation promotes a healthier quality of life, attracts businesses and jobs locally and helps spur economic development throughout our region.

## **Who benefits from improved transit?**

You or someone you know depends on/benefits from public transportation. Our region needs better options for its residents and visitors to connect, prosper and thrive. The AATA Five-Year Transit Program provides options for people in all walks of life: from youth traveling to their first job; parents deciding whether to save for college or buy another car; workers reducing stress, saving time and money on their daily commute; and seniors and people with disabilities staying active in their downtown or traveling to the nearest medical center. Public transit services help reduce congestion on the roads commuters travel. Ignoring these critical needs merely increases our transportation and infrastructure challenges in the future.

## **How many people ride buses in Washtenaw County?**

As reported June 4, 2012 by *USA Today*, the AATA saw a 9 percent increase in the first quarter of 2012 compared with last year – ranking No. 4 nationally for ridership gains. Today:

- 6 million+ trips are taken per year on TheRide
- 6 million+ annual trips are taken on U-M bus services
- 40,000+ annual trips are taken on WWAVE services
- 22,000+ annual trips are taken on People's Express services
- 4,000 annual trips are taken on Manchester Senior Services

We estimate that annual ridership will rise by 3.3 million more rider trips when all the 5-year service improvements are implemented.

## **What are the most immediate improvements I will see as part of the Five-Year Program?**

The immediate improvements will enhance existing Ann Arbor- and Ypsilanti-area services and increase access to public transportation in underserved areas of Washtenaw County.

Throughout Washtenaw County, you will see:

- Increased door-to-door bus service for seniors and people with disabilities
- Several express routes reduce local congestion and help workers reach their jobs in urban areas
- New Park & Ride lots
- Local routes in Chelsea, Milan, Saline and Dexter

In the urban Ann Arbor area, residents can expect:

- Buses that come earlier and run later into the evening
- Increased service frequency on key corridors and many local routes
- More weekend routes and longer weekend hours

In the urban Ypsilanti area, residents can expect:

- Double the number of routes for quicker and more direct service
- Increased peak-hour buses coming every 30 minutes (down from one hour)
- Improved weekend service

### **What improvements are being proposed over the 5-Year time frame?**

Overall in the urban area, there will be a 25% increase in service on weekdays and a 120-130 % service increase on weekends. Currently, many areas that are served get service that operates only for limited times. For example, most Dial-A-Ride is 8:30 a.m. to 4:30 p.m. Monday through Friday, while we propose to offer it from 6:30 a.m. to 8 p.m. and add Saturday hours from 8:00 a.m. to 6:30 p.m. If all proposed services in the Five-Year Service Program are implemented, an estimated 3.3 million additional rider trips per year will be taken on Washtenaw County's improved public transportation network.

### **Will any existing services decrease if a new countywide transit authority is created?**

All existing public transportation services will be maintained. The Five-Year Service Program calls for improvements to existing services and implementation of new services, provided that new funding sources are secured.

### **How will we pay for the public transit improvements in the Five-Year Service Program?**

A Financial Task Force of business experts and community leaders has created recommendations for how to fund the countywide transit improvements. Their report shows that a 0.5 to 1.0 mill property tax millage could raise the needed funds. If all services are implemented in the 5-Year Program, we estimate the owner of a \$200,000 home would pay about \$60 per year if the proposal were approved. The cost would be approximately \$1 per week for the average Washtenaw County homeowner.

### **Will bus fares increase?**

A countywide fare and ticketing system needs to 1) introduce some new fares and ways of paying to be used on new services that don't exist today; 2) integrate the systems of each carrier in a way that makes it as easy as possible for riders to understand and be able to use multiple services as seamlessly as possible, and 3) achieve an optimal trade-off between ridership goals and revenue goals. The program cites the recommendations of our consultant and the Financial Task Force to increase fares in general. A modest fare increase is assumed for budgetary purposes. However, it will be up to a new transit authority board to decide on any fare increases.

### **Will the public have a say in all of this?**

Yes. The public has been and will continue to be asked to provide input throughout every step of the process. Regular District Advisory Committee meetings have been held throughout the county in addition to community and public board meetings, outreach to community festivals, and online forums.

More importantly, the new authority can only improve and expand transit services if voters in the participating communities approve local funding.