

Articles of Incorporation
name **Recreational Authority**

ARTICLE I
NAME

The name of the Authority shall be and is the “_____”, hereinafter referred to as the Authority.

ARTICLE II
DEFINITIONS

Section1. Definitions from Act 321. The terms “Articles,” “Authority,” “Board,” “Participating Municipality,” “Park,” “Recreational Purposes,” and “Territory of the Authority” as used in these Articles shall have the same definitions as contained in Section 3 of the Michigan Public Act 321 of 2000, as amended (MCL 123.1131, et seq.) (hereafter referred to as “Act 321”).

Section2. Other Terms. Other terms shall have such meaning as may be specified in Act 321 in the various provisions of these Articles of Incorporation, and the meanings customarily ascribed to them, considering the context and subject matter of these Articles of Incorporation. The definitions in Act 321 shall control over the definitions in the Articles of Incorporation, which shall control over customary meanings.

ARTICLE III
PARTICIPATING MUNICIPALITIES AND TERRITORY

The Participating and creating Municipalities of the Authority are the City of New Baltimore, a Michigan Municipal Corporation, and the Township of Chesterfield, a Michigan Municipal Corporation, each of which are hereby designated and referred to in these Articles as the “Participating Municipalities.” The Territory of the Authority shall include all of the property situated within the corporate boundaries of all of the Participating Municipalities.

ARTICLE IV
PURPOSE

The purpose of the Authority shall be to acquire, construct, operate, maintain and/or improve such other facilities as are authorized by Section 5 of Act 321, as determined by the Board following consultation with the legislative bodies of each of the Participating Municipalities.

ARTICLE V
POWERS

The Authority shall possess all the powers specified in Act 321, subject to the limitations of authority as provided by law and/or limitations as specified in these Articles of Incorporation, 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 the 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, from 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 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 for 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 in each year and shall end on the last day of of the subsequent year.

ARTICLE VIII
GOVERNING BOARD

Section 1 Board of Trustees. The Authority shall be directed and governed by a Board of Trustees, known as the “ [REDACTED] Recreational Authority Board” and hereinafter sometimes referred to as the “Board.” The Board shall always be comprised of an odd number of Board members.

Section 2. Membership of Board.

- a. Composition. The Board shall be comprised of:
 - i. [REDACTED] members selected by the legislative body of each Participating Municipality, each of whom shall be a registered voter of said Participating Municipality; and
 - ii. A member selected by the [REDACTED], who is a registered voter in Macomb County.
- b. Term. The term of each board member shall be [REDACTED] () years.

Section 3. Oath of Office. 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, or in the case of the member selected by the [REDACTED], with the County Clerk.

Section 4. First Board; Organizational Meeting; Subsequent Board Members.

- a. Selection of First Board. The members of the first Board shall be selected within forty five (45) days after the effective date of the incorporation of this Authority.
- b. Organizational Meeting. Within sixty (60) days after the effective date of the incorporation of the Authority, the members of the first Authority Board shall qualify by taking the constitutional oath of office and shall meet for the purpose of organization. At such organizational meeting, the Board shall select a Chairperson and a Vice Chairperson, each of whom shall be a member of the Board. The [REDACTED] Clerk and [REDACTED] Treasurer, who shall not be members of the Board, unless appointed, shall act and assume the authority and responsibilities of the Secretary and Treasurer of the Authority, respectively. At the organizational meeting, the Board shall confirm by vote that the [REDACTED] Clerk and [REDACTED] shall serve as the first Secretary and Treasurer of the Authority, respectively. All of such officers shall serve until the organizational meeting of the following year, which shall be held each year in [REDACTED], or until their respective successors shall be selected and qualify. No selection to the Authority and no selection of an officer shall be deemed to be invalid because it was not made within the times or at the time specified in these Articles.
- c. Removal. Any Board member may be removed at any time for cause or without cause by action of the governing body that selected such member.

ARTICLE IX
COMPENSATION

Pursuant to the requirements of Act 321, members of the Authority Board shall not be compensated for their service by 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

In the event of a vacancy on the Board, the governing body selecting such representative shall fill the vacancy as expeditiously as possible.

ARTICLE XI
MEETINGS

Section 1. Scheduling. Meetings of the Authority shall be held as required and at least quarterly at such time and place as shall be prescribed by resolution of the Board. Each member of the Board shall have one vote. Special meetings of the Board may be called by the Chairperson, or any two (2) members thereof.

Section 2. Public Notice. Public notice of the time, date, and place of each meeting of the Board shall be given in the manner required by the Open Meeting Act, 1976 PA 267, MCL §15.261 to 15.275.

Section 3. Quorum, Voting. A majority of the members of the Board shall constitute a quorum, which shall be required in order to conduct a meeting of the Board. The Board shall act by motion or resolution. A vote of the majority of the members of the Board who are present at any meeting, at which a quorum is present, shall be sufficient for passage of any motion or resolution. However, any decision regarding the annual budget, capital expenditures, projected revenues, projected expenditures, budget and budget amendments, must be supported by a vote of the majority of the members of the Board.

Section 4. Rules, Procedures, Records. The Board shall have the right to adopt rules governing its procedures, which are not in conflict with the terms of any statute of the State of Michigan or of these Articles of Incorporation. The Board shall keep a record of its proceedings, which record shall be signed by the Secretary and open to the public. All votes shall be “Yes,” “No” or “Abstain,” provided where the vote is unanimous, it shall only be necessary to so state.

Section 5. Freedom of Information Act. A writing prepared, owned, or used by the Authority in the performance of an official function shall be made available in compliance with the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246.

ARTICLE XII
DUTIES OF BOARD AND OFFICERS

Section 1. Chairperson. The Chairperson of the Board shall be the presiding officer of the Board, and shall be permitted, with the consent of the Board, to appoint committees of the Board as necessary. Except as herein otherwise provided, the Chairperson and Board Members shall not have any executive or administrative functions other than as a member of the Board.

Section 2. Vice Chairperson. In the absence or disability of the Chairperson, the Vice-Chairperson shall perform the duties of the Chairperson.

Section 3. Secretary. The Secretary shall be the recording officer for the Board. The Board shall determine within the first year following the appointment of the first Board whether the [REDACTED] Clerk shall continue to serve as Secretary. If a person other than the [REDACTED] Clerk is to serve as Secretary, 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.

Section 4. Treasurer. 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 there from shall be signed by two (2) persons, which persons 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 unless duties are performed by the City Clerk and Treasurer. The Authority shall pay the cost of the bonds. The Board shall determine within the first year following the appointment of the first Board whether the [REDACTED] Treasurer shall continue to serve as Treasurer for the Board. If a person other than the [REDACTED] Treasurer is to serve as Treasurer for the Board, 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.

ARTICLE XIII
REVENUE SOURCES, FINANCING THE AUTHORITY, AND BUDGETING

Section 1. Power to Raise Revenue. The Authority shall have the power to raise revenue in the manner authorized by Act 321.

Section 2. Financing the Authority.

a. Contributions from Each Participating Municipality.

i. Unless and until the Authority is funded by a separate tax levy, the Participating Municipalities will fund the Authority with direct contributions. The Participating

Municipalities will provide enough funding to assure that the Authority can carry out its operations, as agreed by the legislative bodies of the Participating Municipalities.

ii. Nothing in this paragraph shall be construed as preventing a Participating Municipality or non-participating organization, by action of its governing body, from providing additional contributions to the Authority, for either general or a specific use.

b. Tax Levy.

i. As an alternative to the financial contribution formula in Section s(a) of this Article XIII, the Authority may levy a tax on all taxable property within the Territory of the Authority as authorized by Section 11 of Act 321 (as approved by voters). For so long as the Authority is funded by a levy as authorized by Section 11 of Act 321, the imposition of such a levy shall preclude the Authority from requiring any further financial contributions from each Participating Municipality. Nothing in this paragraph shall be construed as preventing a Participating Municipality or non-participating organization, by action of its governing body, from providing additional contributions to the Authority, for either general or a specific use.

ii. Prior to making a final determination to levy a tax, as provided above, the Board shall seek the input of the legislative bodies of the Participating Municipalities.

c. Rollover Funding During Initial Operations. In addition to the above sources, the Authority may, during its first year of operations and additionally until an approval of a Property Tax Levy, be funded in part or whole via allocation of funds already designated for recreational activities by one or more of the Participating Municipalities. Any funds allocated directly from any Participating Municipality under this paragraph shall be credited toward that Participating Municipality's share under any budgetary computations under Section 2(a) of this Article XIII for the first year or part thereof of operations of the Authority. During the start-up period of the Authority, and until the commencement of a Property Tax Levy, the Authority's funds shall be administered by the [redacted] Treasurer's office, which shall account separately for all funds of the Authority. Prior to commencement of a Property Tax Levy, the Authority shall determine whether to continue an arrangement for separate administration by the [redacted] Treasurer's office, or whether the Authority shall, internally or by contract, make other arrangements for the management and accounting of the Authority's finances.

d. Budget Process During Periods Not Funded by Property Tax Levy. For so long as the Authority is not financed by a Property Tax Levy as provided in Section 11 of Act 321 and Section 2(b) of this Article XIII, the mandates of this paragraph shall apply to the Authority's budgeting process. 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 [redacted]. The Board shall adopt the proposed budget by a majority vote of the members of the Board in such a manner as to assure submission of the adopted tentative budget to the Participating Municipalities no later than [redacted] of each year. The proposed budget shall provide for contributions from the Participating Municipalities as described in Section 2(a) of this Article XIII. After the approval of the proposed budget by the governing bodies of a majority of the Participating Municipalities, the Board shall give final approval to the Authority

budget for the next fiscal year. The budget may be amended from time to time upon approval by the governing bodies of a majority of the Participating Municipalities.

e. Budget Process During Periods Funded by Property Tax Levy. During any period in which the Authority is financed by a Property Tax Levy as provided in Section 11 of Act 321 and Article XIII.2 (b) of these Articles, the mandates of this paragraph shall apply to the Authority's budgeting process, and shall supercede the mandates of Section 2(d) of this Article XIII. 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 July 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 [REDACTED] of the year it is to commence. The Board's approval by 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. During any period in which the Authority shall cease to be funded by a Property Tax Levy as provided in Section 11 of Act 321 and Section 2(b) of this Article XIII, the budget procedure followed shall be that found in Section 2(d) of this Article XIII, which shall supercede this Section 2(e) during all such times.

f. Accounting and Budgeting Practices. 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

PARTICIPATING MUNICIPALITY ADMISSION AND WITHDRAWAL

Section 1 Admission. An additional municipality or district may become a Participating Municipality in the Authority only upon amending these Articles in compliance with Article XXIII below and, if a tax is authorized to be levied by the Authority at the time of the proposed admission, the electors of the Participating Municipality seeking admission must first approve the tax. Any additional municipality wishing to become a Participating Municipality in the Authority must to re-publish the amended Articles of Incorporation, consistent with Article XXI.

Section 2 Withdrawal.

a. Limitation. 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.

b. Procedure. 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 () 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.

c. Liability. A Participating Municipality that withdraws from the Authority shall remain liable for an equal proportion of the debts and liabilities of the Authority incurred while the Participating Municipality was a part of the Authority.

d. Return of Property to Authority. Any property owned by the Authority, which is in the possession of the withdrawing Participating 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 Participating 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 XV DISSOLUTION OF AUTHORITY

Section 1 Procedure.

a. Concurring Resolutions. The Authority may be dissolved by the concurring resolutions of the governing body of each then Participating Municipalities of the Authority at the time of such dissolution.

b. Outstanding Indebtedness. 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 to the Participating Municipalities of the Authority at the time of the dissolution based upon each Participating Municipality's most recent financial contribution to the Authority.

c. Contributed Assets. Any land, buildings, and/or facilities that were contributed to the Authority by a Participating Municipality and is maintained, owned, or operated by the Authority shall revert back to the originating municipality.

d. Purchased or Donated Land. Any land purchased by the Authority or received by donation shall be sold and the proceeds shall be shared in proportion to the contributions received from the Participating Municipalities, if the Participating Municipalities, at the time of dissolution, the sole funding for the Authority's budget has never come from tax revenue. However, if the Authority was ever funded by Authority tax revenue, then the proportionate shares for distributing the assets of the Authority remaining at the time of dissolution and after all debts of the Authority are paid, shall be distributed to the Participating Municipalities according to the formula arrived at by dividing the state equalized value of the real property in each Participating Municipality by the state equalized value of all real property in the Authority on the effective date 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 public purposes consistent with the purposes approved by the electorate for the original levy.

Section 2 Disposition of Lands Acquired with MNRTF Funding. Notwithstanding the above paragraph, in the event that, at the time of dissolution, the Authority is in possession of lands acquired with, or developed with, in whole or in part, grant funds from the Michigan Natural Resources Trust Fund (hereinafter the “MNRTF”), the following procedure shall control the disposition of said lands. All lands purchased or developed with MNRTF funds, in whole or in part, must be maintained as public outdoor recreation land in perpetuity, unless said lands are replaced with land of equivalent fair market value and recreational usefulness, unless said lands, instead of being purchased, are leased for a period of at least twenty (20) years with the assistance of MNRTF funds. Accordingly, to comply with MNRTF mandates in the event of dissolution, the Participating Municipality in which the lands acquired or developed with MNRTF funds are located shall assume title and control of said lands, and shall be required to maintain said lands as public outdoor recreation land in perpetuity, or until the expiration of any lease of the lands from any party to the Authority or its successors whose original period was twenty (20) years or longer, whichever is greater, unless said lands are replaced with land of equivalent fair market value and recreational usefulness. Said lands shall be transferred to the Participating Municipality in which the lands are located, and said transfer shall not be credited, set-off, or computed against any other allocation under this Article’s dissolution procedure, nor shall any credit, computation, or set-off be made in recognition of any maintenance costs associated with said lands.

ARTICLE XVI 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 XVII AUDIT

The Board shall procure an annual audit, consistent with the requirements of Section 27 of Act 321, to be made of the books, records and financial transactions of the Authority by a certified public accountant. Copies of the audit report prepared by the certified public accountant shall be furnished to each Participating Municipality. The books and records of the Authority shall be open for inspection by any Participating Municipality at all reasonable times.

ARTICLE XVIII
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. In the event that any grant, loan or contribution shall require a long term obligation as to the use, maintenance, or operation of a specific piece of property, the approval of the governing body of the Participating Municipality in which such property is located shall be required prior to the acceptance of the grant, loan, or contribution by the Authority.

ARTICLE XIX
INVESTMENT

The Treasurer of the Authority when authorized by a resolution of the Board may invest general funds of 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.

ARTICLE XX
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 XXI
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 thereof shall be filed with the Secretary of State by the [redacted] Clerk of the [redacted].

ARTICLE XXII
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 XXIII
AMENDMENTS

These Articles of Incorporation may be amended at any time so as to permit any county, city, village or township to become a Participating Municipality of the Authority, if such amendment to the Articles of Incorporation is adopted by the legislative body of such county, city, village or township proposing to become a member, and if such amendment is adopted by the legislative body of each Participating Municipality of which the Authority is composed. Other 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 XXIV
REVERSION OF LEASES OF EXISTING PARK LAND

In the event that any land leased to the Authority shall, during the Authority's stewardship and lease of said lands, be improved or developed, in whole or in part, with the assistance of Michigan Natural Resources Trust Fund ("MNRTF") and/or Land and Water Conservation Fund ("LWCF") monies, the Authority shall, throughout the Authority's stewardship and lease of the lands, be responsible for maintaining said lands in accordance with all grant requirements attendant to funding under the MNRTF and/or LWCF requirements. In the event of the dissolution of the Authority, or any other termination of the Authority's lease for any reason, the Participating Municipality which holds title to the lands shall maintain said lands in accordance with all grant requirements attendant to funding under the MNRTF and/or LWCF requirements, in perpetuity for those obligations occurring pursuant to LWCF requirements, and for the entire period of the grant or original lease of the property, whichever is longer, for those obligations occurring under the MNRTF. The requirements of this paragraph shall not be utilized in any way in determining any calculations, credits, or set-offs in regards to any dissolution arrangements under Article XV of these Articles.

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 provisions hereof.

These Articles have been adopted by the governing bodies of the: City of New Baltimore and the Township of Chesterfield, as set forth in the following endorsements, and in witness whereof the

Mayor and City Clerk of the City of New Baltimore and the Supervisor and Township Clerk of the Township of Chesterfield have endorsed thereon the statement of such adoption.

The foregoing Articles of Incorporation were adopted by the City Council of the City of New Baltimore, Macomb County, Michigan, at a meeting duly held on the ____ day of _____, 2014.

Mayor, City of New Baltimore

Clerk, City of New Baltimore

The foregoing Articles of Incorporation were adopted by the Township Board of the Township of Chesterfield, Macomb County, Michigan, at a meeting duly held on the ____ day of _____, 2014.

Supervisor, Township of Chesterfield

Clerk, Township of Chesterfield

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