

NOTICE OF CONSIDERATION TO ESTABLISH A RECREATIONAL AUTHORITY
PURSUANT TO THE RECREATIONAL AUTHORITIES ACT, PA 321 OF 2000, MCL 123.1131 et. seq.

This item will be considered at a Regular Meeting of the Charter Township of Plymouth Board of Trustees on Tuesday, June 12, 2018 at 7:00 PM at Plymouth Township Hall located at 9955 N Haggerty Road, Plymouth MI 48170

ARTICLES OF INCORPORATION FOR THE
PLYMOUTH AREA RECREATIONAL AUTHORITY

These articles of incorporation for the Plymouth Area Recreational Authority ("PARA") are adopted by the City of Plymouth, a Michigan home rule city whose administrative offices are located at 201 S. Main St., Plymouth, MI 48179 (the "City"), and the Charter Township of Plymouth, a Michigan charter township whose administrative offices are located at 9955 N. Haggerty Rd., Plymouth, MI 48170 (the "Township"), to take effect as of _____, 2018.

ARTICLE I
CREATION

1.1 **Creation.** There is established the Plymouth Area Recreational Authority ("PARA") in accordance with the Recreational Authorities Act, 2000 PA 321, MCL 123.1131, et. sec. ("Act 321"), the participating municipalities for which are the City and the Township and which shall be a public body corporate.

1.2 **Purpose.** PARA is established for the following purpose: to acquire, construct, operate, maintain, and improve the Plymouth Arts and Recreation Complex located at 650 Church Street in the City of Plymouth (the "PARC Property") as an arts and recreation complex serving residents of the City and the Township as authorized under Act 321.

1.3 **Territory.** The territory of PARA is the combined jurisdictional limits of the City and the Township.

1.4 **Board.**

(a) PARA shall be initially governed by a seven member appointed Board of Directors (Board). The Mayor of the City with the consent of the City Commission shall appoint three (3) Board members. The Township Supervisor with the consent of the Township Board shall also appoint four (4) Board members. The appointed board shall serve until midnight, December 31, 2020. Board members shall be residents of and registered voters in their respective communities.

(1) A vacancy prior to the expiration of a term shall occur upon any of the following: (i) the death of the incumbent; (ii) the incumbent's resignation; (iii) the incumbent's removal from office; (iv) the incumbent's ceasing to reside within the jurisdictional limits of the appointing entity (v) the incumbent's conviction of any infamous crime or the incumbent's offense involving a violation of the incumbent's oath of office; (vi) the decision of a court or other competent tribunal, declaring void the incumbent's appointment; or (vii) the incumbent's refusal or neglect to take the oath of office, or to give or renew any official bond, or to deposit such oath or bond, in the manner and within the time prescribed by law.

(2) An appointed board member may be removed by the appointing body for good cause shown after a public hearing.

(3) A vacancy on the board shall be filled in the same manner and by the same persons and body as the original appointment. Those appointed to fill a vacancy created prior to the expiration of a term shall serve until the completion of the unexpired term.

(b) At its first meeting, the board shall elect a chairperson, secretary, treasurer, and any other officers it considers necessary. Officers shall be elected by the board annually at the first meeting following January 1 of each year.

(1) The chairperson shall at all times be a resident of the Charter Township of Plymouth, and shall preside at all meetings of the board and shall have all privileges and duties of a board member, including the right to vote on all matters. The chairperson shall be elected by a majority of the board, annually, from the board's membership.

(2) The secretary shall keep or cause to be made all reports, records, and minutes required by these articles of incorporation or applicable law.

(3) The treasurer shall keep or cause to be made all appropriate financial records and reports required by these articles of incorporation or applicable law.

(c) Members of the board shall serve without compensation.

(d) Three (3) Board members shall be elected by City voters, and four (4) elected by Township voters at the November 2020 municipal election. Those members elected shall have their terms commence on January 1, 2021. Those members elected shall serve for a period of four (4) years. A vacancy on the elected board shall be filled by the City Commission or Township Board, upon recommendation of the Mayor and Supervisor, respectively, depending on where the vacancy occurred. Those appointed to fill a vacancy created prior to the expiration of a term shall serve until the completion of the unexpired term.

1.5 **Meetings.**

(a) The board shall meet at least quarterly and shall annually establish a meeting schedule which shall be posted at the offices of the City and the Township in the manner and time provided by law.

(b) All business of the board shall be conducted at public meetings held in compliance with the Open Meetings Act, 1976 PA 267, and all records of PARA shall be made available in compliance with the Freedom of Information Act, 1976 PA 442, as amended.

(c) Special board meetings may be called by the chairperson or any two board members. All members shall be notified in writing at least 18 hours prior to a special meeting.

1.6 **Voting.**

(a) A majority of board members shall constitute a quorum.

(b) Official action may be taken upon the vote of a majority of a quorum of the board members present, unless the board adopts bylaws requiring a larger number.

1.7 **Minutes.**

(a) Minutes of all board meetings shall be prepared and approved as required by law, including the Open Meetings Act, 1976 PA 267. Copies of minutes shall be sent or delivered to the City and the Township as soon as reasonably possible following a board meeting.

(b) Minutes and other public records shall be kept and made available from either the City or the Township in accordance with the Freedom of Information Act, 1976 PA 442.

1.8 **Bylaws.** The board shall adopt procedural bylaws for the conduct of its meetings.

ARTICLE II
OPERATIONAL REQUIREMENTS

2.1 **Powers.** PARA may do one or more of the following:

(a) 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, the PARC Property and any other real and personal property to be used in or beneficial to the operation of the Plymouth Arts and Recreation Complex. The property may include franchises, easements, or rights of way on, under, or above any property. PARA may pay for the property, or pledge for the payment of the property, from revenue of PARA.

(b) Apply for and accept grants or contributions from individuals, the federal government or any of its agencies, the State of Michigan, a municipality, or other public or private agencies to be used for any of the purposes of PARA.

(c) Hire full-time and/or part-time employees and retain professional services.

(d) Provide for the maintenance of all of the real and personal property of PARA.

(e) Assess and collect fees for services provided by and expenses incurred by PARA.

(f) Receive revenue as appropriated by the legislature of this state, the City, the Township, or any subsequent participating municipality.

(g) Enter into contracts incidental to or necessary for the accomplishment of the purposes of PARA.

(h) Exercise such other powers as may from time to time be authorized by Act 321.

2.2 **Function.** PARA shall operate, maintain, repair, replace, and improve property and facilities under its control, and plan, implement, oversee, and control recreational programs and recreational services in accordance with the direction of the board and within its budget. PARA may accomplish these functions by entering into a renewable concession agreement not to exceed 20 years with Plymouth P.A.R.C., Inc., a 501(c)(3) nonprofit corporation doing business as Plymouth Arts and Recreation Complex ("Plymouth PARC"), as concessionaire, pursuant to which Plymouth PARC shall operate, maintain, repair, replace, and improve property and facilities for the PARC Property and any other property ancillary and related thereto acquired by PARA, and plan,

implement, oversee, and control recreational programs and recreational services, subject to the terms and conditions to be set forth in such concession agreement.

2.3 **Termination.** In the event PARC does not fulfill its obligations as specified in the concession agreement, the Board reserves the right to terminate PARC's concession agreement and seek a replacement concession agreement with an alternative vendor consistent with the objectives of Section 2.2.

2.4 **Preferences.** PARA may offer discounts and other preferences to residents of the City and Township, as provided in Section 12 of Act 321.

ARTICLE III
FINANCING AND INSURANCE

3.1 **Fiscal Year.** The fiscal year of PARA shall be from January 1 to December 31.

3.2 **Annual Budget.**

(a) The board shall prepare an annual budget for PARA operations in accordance with sections 14-19 of the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.434 to 141.439 (the "UBAA"). The proposed budget shall be submitted to the City, the Township, and any subsequent municipal members for review. The City, the Township, and any subsequent municipal member may recommend adjustments to their own designated board representative(s), but shall not amend, reject, or approve the submitted budget. PARA board's approval of the budget shall require the approval of a simple majority of a quorum of the Board.

(b) The board shall not expend funds in excess of its approved budget or in excess of any PARA funds on hand. No funds of the City, the Township, or any subsequent municipal member (except for contributions made to PARA by any of those entities) shall be committed or expended, except as appropriated by its governing body.

(c) PARA funds may be invested as provided by section 1 of 1943 PA 20, MCL 129.91.

(d) The board shall obtain an annual audit of PARA in the manner provided by sections 6 to 13 of the UBAA, MCL 141.426 to 141.433, and Section 27 of Act 321.

3.3 **Authority to Tax**

(a) PARA shall have the authority to levy a tax of not more than .75 mills for not more than 20 years, renewable after 20 years, on all of the taxable property within the territory of PARA for the purposes of acquiring, constructing, operating, maintaining, and improving the PARC Property. PARA may levy the tax only upon the approval of a majority of the electors in each of the participating municipalities of PARA voting on the tax at the November 6, 2018 general election. The proposal for a tax shall be submitted to a vote of the electors of the City and Township by resolution of the PARA board.

(b) A ballot proposal for a tax shall state the amount and duration of the millage and the purposes for which the millage may be used. A proposal for a tax shall not be placed on the ballot unless the proposal is adopted by a resolution of the board and certified by the board not later than 60 days before the election or such longer period as may be required by state law to the Wayne County clerk for inclusion on the November 6, 2018 ballot.

(c) If a majority of the electors in each of the participating municipalities of the authority voting on the question of a tax approve the proposal as provided under subsection (a), the tax levy is authorized.

(d) The proceeds of a tax levied pursuant to this section 3.3 shall only be used by PARA for the purposes described in this section and shall not be used by PARA for any purpose prohibited by under Section 11(4) of Act 321.

3.4 **Annual Budget Funding Obligations.** Funding for PARA shall be through the following:

(a) Such funds as are appropriated by the City and the Township in accordance with the terms and conditions of this Agreement; and

(b) Such other funds as may be available to the board, including gifts and grants from public or private entities or individuals, or activity and program fees.

(c) A tax levy as provided in Act 321 and these articles of incorporation.

3.5 **Insurance.**

(a) The board shall secure and maintain insurance with such terms, coverages, and amounts as are in the discretion of the board needed to cover PARA's property, the operations of PARA, the staff employed by PARA, PARA's indemnification obligations, and such other items as may, in the board's discretion be important to insure; provided that the board may require Plymouth PARC to secure and maintain insurance to cover the PARC Property in lieu of obtaining such insurance. Proof of such insurance shall be furnished to the City and the Township upon request.

(b) The cost of such insurance shall be paid by PARA as part of its annual budget.

ARTICLE IV
AMENDMENT, DISSOLUTION

4.1 **Amendment.** These articles of incorporation may be amended by an affirmative vote of a majority of the members serving on the governing bodies of the City and Township.

4.2 **Dissolution.**

(a) Provided there is no outstanding debt or contractual obligations of PARA, it may be dissolved by approval of dissolving resolutions adopted by the governing bodies of the City and Township. If there is outstanding debt or contractual obligations, dissolution can occur only upon meeting the terms and conditions of such debt or contracts. Neither the City nor Township may withdraw from PARA during the period in which PARA has been authorized to levy a tax by the electors of PARA.

(b) Upon the dissolution, property held or used by PARA shall be allocated and distributed in accordance with the following:

(1) All property, of any nature, which is titled to or otherwise owned by the City, the Township, or any other party, shall remain the property of that person or entity.

(2) All monies and funds, from whatever source, which are the property of PARA shall be distributed between the City and the Township in accordance with the most recent contribution percentages, after deducting any expenses associated with the dissolution of the board and PARA.

(3) All property, other than that otherwise provided for in subsections 4.2(b)(1) and (2) above, shall be divided by agreement between the City and the Township in accordance with the formula described in subsection (2). If the parties do not agree on the value attributed to the items of property, the property may be divided by a legally recognized form of arbitration, as assigned by the Board. If the parties do not choose arbitration, and cannot agree on how to distribute the property between them, then the property shall be disposed of by the Board at public auction. All revenues received as a result of any auction shall be distributed in accordance with the formula set forth in subsection (2) above, except that administrative expenses associated with the auction shall also be deducted prior to any distribution.

(c) Should the November 6, 2018 millage election referenced in Section 3.3 be rejected by the voters of either the City or Township as provided in Section 3.3, this agreement is immediately null and void upon final certification of the election results by both the City and Township, and the Board as outlined in Section 1.4 is immediately disbanded without recourse by the PARA Board and/or PARC.

The incorporating parties have signed these articles of incorporation as of the date first above written. They were published in The Eagle, a newspaper of general circulation in the City and Township on June 7, 2018,

THE CITY OF PLYMOUTH

By: _____
Oliver Wolcott, Mayor

By: _____
Maureen Brodie, City Clerk

Resolution adopted _____, 2018

THE CHARTER TOWNSHIP OF PLYMOUTH

By: _____
Kurt L. Heise, Supervisor

By: _____
Jerry Vorva, Township Clerk

Resolution adopted _____, 2018

Publish June 7, 2018
Jerry Vorva, Clerk,
Charter Township of Plymouth