Date: _____

ARTICLES OF INCORPORATION
MANISTEE AREA FIRE AUTHORITY

Pursuant to the Emergency Services to Municipalities Act, PA 57 of 1988 (MCL 124.601 *et seq*.), as amended, ("Act 57"), the undersigned Incorporating Municipalities hereby adopt these Articles of Incorporation (the "Articles") establishing the Manistee Area Fire Authority and agree to be bound by the same.

I. Name of Authority.

The name of the authority shall be the "Manistee Area Fire Authority" (the "Authority").

II. Body Corporate.

The Authority shall be a body corporate, with the power to sue or be sued in any court of this state. The Authority shall possess all the powers necessary to carry out the purposes of its incorporation, and those incident to those purposes. The enumeration of the powers in these Articles shall not be construed as a limitation upon the Authority's general powers.

III. Incorporating Municipalities.

Unless these Articles are amended pursuant to article XX or a municipality withdraws pursuant to article XXIII the following municipalities comprise the "Incorporating Municipalities:"

A. City of Manistee

B. Onekama Township

C. Filer Township

D. Stronach Township

IV. Purposes.

The Authority shall operate a fire department to provide emergency services and emergency medical services within the total territory of the Incorporating Municipalities pursuant to these Articles and any contract for service, within those portions of non-incorporating municipalities as specified in their written contracts for service, and pursuant to any other written agreement for emergency services entered into by the Authority. As used in these Articles of Incorporation:

> "Fire Protection Services" means all services, functions, and duties customarily performed by municipal fire departments relating to fire prevention, fire code enforcement and

inspections, fire suppression, fire investigation, rescue operations, hazardous materials response, and other fire-related emergency response activities, together with all other fire protection services authorized by applicable law. Fire Protection Services also include providing all personnel, facilities, vehicles, apparatus, equipment, and other resources necessary or appropriate to perform such services.

"Emergency Medical Services" means all services, functions, and duties relating to emergency medical response, emergency medical care, first responder services, basic and advanced life support, ambulance services, patient stabilization and transportation, and other emergency medical services authorized by applicable law. Emergency Medical Services also include providing all personnel, facilities, vehicles, apparatus, equipment, and other resources necessary or appropriate to perform such services.

"Emergency Services" means, collectively, Fire Protection Services and Emergency Medical Services, as defined in these Articles of Incorporation.

V. Membership.

The Authority is formed upon a nonstock membership basis comprised of the Incorporating Municipalities. Incorporating Municipalities shall possess the rights, privileges, and obligations as specified in these Articles and any contract for service with the Authority.

VI. Jurisdiction.

The jurisdiction of the Authority shall be comprised of the total territory of the Incorporating Municipalities.

VII. Registered Agent.

A. The registered agent of the Authority is the person holding the Office of the President of the Authority Board, or such other person as the Board shall designate.

B. The registered agent's street address is 281 1st Street, Manistee, MI 49660.

C. The registered agent's mailing address is 281 1st Street, Manistee, MI 49660.

D. Upon the receipt of any documents regarding the Authority, the registered agent will promptly transmit such documents to the Incorporating Municipalities and the Authority Board.

VIII. Assumption of Liabilities.

The Authority assumes no debts and liabilities of whatever nature previously held or owed by the Incorporating Municipalities excluding the MERS retiree pension liabilities held by the City of Manistee.

IX. Powers.

The Authority shall have the following powers, which shall be liberally construed in its favor:

A. All powers provided for or permitted under Act 57.

B. To acquire real or personal property by purchase, lease, gift, devise, or condemnation, either within or without its corporate limits.

C. To hold, manage, control, sell, exchange, or lease the real and personal property it has acquired; and to dispose of, divide, or distribute any real or personal property it has acquired.

D. Subject to Section 10 of Act 57 and these Articles, to hire and discharge employees, contractors, and consultants.

E. To seek reimbursement of Authority expenses from those public agencies, excluding the incorporating municipalities, having jurisdiction for the incident which requires the Authority's response.

F. To adopt bylaws and rules of administration to accomplish the purposes of Act 57, including but not limited to establishing rules and regulations for the governance of the Authority's employees and/or volunteers and for the care and management of the Authority's equipment and property.

G. To adopt ordinances that allow the Authority to assess fees on owners or occupants of property who receive emergency services to cover the costs of providing emergency services. An ordinance adopted under this paragraph shall be rescinded if, within 60 days from the date the ordinance is adopted, 1/3 or more of the Incorporating Municipalities vote to rescind the ordinance Such fees may address incidents involving negligent acts, bomb threats, downed power lines, excessive or repeated requests for service, excessive false alarms, and other circumstances in which cost recovery is appropriate.

H. To apply for and accept grants, loans, or contributions from the federal government or any of its agencies, the state, or other public or private agencies to be used for any of the purposes of Act 57 and to do any and all things within its express or implied powers necessary or desirable to secure that financial or other aid or cooperation in the carrying out of any of the purposes of Act 57

I. To enter into any contracts with other entities not prohibited by law.

J. To investigate emergency services requirements, needs, and programs and engage, by contract, consultants as may be necessary and cooperate with the federal government, state, political subdivisions, and other authorities in those investigations.

K. To levy a tax on all of the taxable property within the Authority's jurisdiction as authorized by section 12 of Act 57 but only if approved unanimously by the Authority Board.

L. To borrow money and issue bonds pursuant to section 9a of Act 57.

M. To carry over fund balances from year to year consistent with sound financial management for capital improvements, vehicle and equipment purchases, contingencies, and other similar purposes for which contingency fund balances are customary.

N. To initiate, conduct, prosecute, or terminate litigation or other legal action to protect, preserve, defend, or further the Authority's interests.

O. To take any additional action or make any policy necessary to implement these powers to carry out the purposes of the Authority.

X. Service to Incorporating Municipalities.

A. The Authority shall provide emergency services throughout the Incorporating Municipalities.

B. The provision of emergency services to the Incorporating Municipalities under section X.A shall not require a contract for service between the Authority and the Incorporating Municipalities.

C. Beyond the contributions of an Incorporating Municipality under Section XVIII.A, no resident of an Incorporating Municipality shall be required to make a separate payment to the Authority for the provision of fire protection services provided by the Authority. This prohibition shall not apply to fees or charges for emergency medical services or other services for which the Authority is otherwise authorized by law to impose a fee or charge.

XI. Service to Non-incorporating Municipalities.

The Authority may enter into a contract with a city, village, or township that is not an Incorporating Municipality for the provision of emergency services. The term of such contract for service shall not exceed 30 years. The charges for services under a contract with a nonincorporating municipality may be greater than the charges to an Incorporating Municipality. Any contract for services must specify that the charges specified in a contract shall be subject to change from time to time without notice. No emergency services shall be provided to a nonincorporating municipality without a contract for service or other form of agreement between the respective municipality and the Authority.

XII. Limitations.

Except as provided in these Articles, the Authority may not obligate any of the Incorporating Municipalities to pay any debt of the Authority.

XIII. Authority Board.

A. The Authority shall be governed by a Board (the "Authority Board"). Unless otherwise delegated, all powers of the Authority shall be exercised by the Authority Board. To the extent permitted by law, the Authority Board may delegate such powers to its officers, staff, volunteers, and committees as it deems appropriate.

B. The Authority Board shall be comprised of one (1) representative from each of the Incorporating Municipalities. If at any time the Authority Board has an even number of representatives, the Authority Board shall also appoint an at-large representative by majority vote, who shall be a registered elector residing within the territory of the Authority Each Incorporating Municipality shall also nominate one (1) alternate representative to attend in the primary representative's absence. Both the primary and alternate representatives shall serve a three (3) year term. The at-large representative shall serve a three (3) year term, or until such time as the Authority Board no longer has an even number of representatives from the Incorporating Municipalities, whichever occurs first. Should additional municipalities become Incorporating Municipalities following the initial adoption of these Articles, the initial term of the respective representatives for the new Incorporating Municipalities shall coincide with the current three (3) year terms of the current Authority Board members. No member of the Authority Board shall be a current employee of the Authority, nor a member of another fire department with whom the Authority has a contract.

C. The at-large Board Member may be removed by a majority vote of the Authority Board, and any vacancy in the at-large representative position shall be filled by appointment of the Authority Board for the remainder of the applicable term. The Authority Board members appointed by the Incorporating Municipalities may be removed at any time for any reason by the appointing Municipality and any vacancy that occurs shall be filled by the legislative body that made the original appointment for the balance of the term being fulfilled.

D. A quorum of the Authority Board necessary to conduct business shall be a majority of the entire Authority Board. All decisions of the Authority Board shall require the affirmative vote of a majority of the entire Authority Board, not just those members present.

E. The Authority Board may create such committees as it deems appropriate. However, the Authority Board may not delegate legislative authority or fiscal oversight and responsibility.

F. The Authority Board shall meet at least quarterly each year.

G. The Authority Board shall oversee and monitor the operation and maintenance of the Authority's activities, the collection of funds and the distribution of expenditures for the operation and maintenance programs, and the acquisition of vehicles and other equipment.

H. The Authority Board may reimburse its members, Fire Chief, officers, volunteers, and employees for authorized expenses which have been incurred on behalf of the Authority.

I. The Authority Board shall adopt its own rules of procedure.

J. The Authority Board shall comply with the Michigan Open Meetings Act, PA 267 of 1976 (MCL 15.261 *et seq.*) as amended, and with the Michigan Freedom of Information Act, PA 442 of 1976 (MCL 15.231 *et seq.*), as amended.

XIV. Authority Board Officers.

The Authority Board shall annually select from its members a President, Vice President, Secretary, and Treasurer. Each such officer of the Authority shall serve for a term of one (1) year, or until his or her successor is appointed and assumes office. The President shall be the presiding officer of the Authority Board. In the absence of the President, the Vice President shall perform the duties of the President. The Secretary shall be the recording officer of the Authority and the custodian of the Authority's records. The Treasurer shall be the custodian of the Authority's funds. At the request of the Authority Board, the Treasurer shall give the Authority a bond in the amount determined by the Authority Board for the faithful performance of his or her duties. No Authority funds shall be expended, except by a check or other bank draft authorized by the Authority Board and signed by both the Treasurer and the Secretary.

XV. Fire Chief.

A. The Authority Board shall appoint a Fire Chief. The Fire Chief shall be responsible for the management of the day-to-day operations of the Authority and any other duties delegated by the Authority Board. The Fire Chief shall be responsible for the preparation and presentation of the Authority's annual Budget. The Fire Chief shall be the senior administrative officer of the Authority and shall report directly to the Authority Board. It is preferred to have a Fire Chief that has a State of Michigan Fire Chief certification.

B. The Fire Chief shall be an at-will employee of the Authority and serve at the pleasure of the Authority Board.

C. The Fire Chief may authorize the hiring of other employees and officers of the Authority without approval of the Authority Board, subject to the Authority's approved budget and applicable personnel policies. Such employees and officers shall be appointed and removable by the Fire Chief. The Authority Board may separately authorize the retention of attorneys, consultants, and other professional advisors to provide services to the Authority Board.

XVI. Duration.

The duration of the Authority shall be perpetual unless dissolved pursuant to these Articles.

XVII. Fiscal Year.

The fiscal year of the Authority shall begin on April 1st of each year.

XVIII. Budget and Finance.

A. Consistent with these Articles, the Authority will be financed via a combination of direct contributions from the Incorporating Municipalities, Authority-wide millages, contracts for service, and donations.

B. Should no Authority-wide millage be in effect, the Authority will be funded via direct contributions from Incorporating Municipalities, contracts for service, and donations. In such case, the annual direct contribution from each Incorporating Municipality shall be paid in full prior to April 1st of each year. The annual direct contribution from Incorporating Municipalities will be as follows: The Authority Board shall annually determine the amount of each incorporating municipality's financial contribution to the approved Authority budget for the ensuing fiscal year pursuant to a "cost weighted formula" accounting for population, State Equalized Value value and historical usage factors, as follows:

State Equalized Value: Seventy percent of the total budget amount, excluding projected revenues received from sources other than the Incorporating Municipalities, shall be allocated among the Incorporating Municipalities based on the proportion that each Incorporating Municipality's State Equalized Value bears to the total State Equalized Value of all Incorporating Municipalities, as determined by the most recently finalized State Equalized Values. Property located within a village shall be included in the State Equalized Value of the township in which such property is located, unless the village is separately an Incorporating Municipality, in which case such property shall not be counted twice for purposes of this calculation.

Call volume: Fifteen percent of the total budget amount, excluding projected revenues received from sources other than the incorporating municipalities, shall be allocated between the incorporating municipalities based on the three-year average call volume for the incorporating municipalities.

Service Fee: Fifteen percent of the total budget amount, excluding projected revenues received from sources other than the Incorporating Municipalities, shall be allocated equally among the Incorporating Municipalities, with each Incorporating Municipality responsible for an equal share of such amount.

C. Fiscal Year 1 shall commence on April 1, 2027. Any Incorporating Municipality that does not timely pay its direct contribution shall not be entitled to receive emergency services until such payment is made.

D. Should an Authority-wide millage be in effect pursuant to section 12 of Act 57, the Authority will be funded via the Authority-wide millage, contracts for service, and donations. Should an Authority-wide millage be in effect, the Incorporating Municipalities shall not be required to pay any annual contribution pursuant to section XVIII.B; however,

the Authority shall retain any annual contributions paid prior to the effective date of the Authority-wide millage.

E. Subject to the following provisions, the Authority Board shall have budgetary and financial control over the Authority:

1. The Authority shall comply with the applicable requirements of the Uniform Budgeting and Accounting Act, PA 2 of 1968 (MCL 141.421 *et seq.*), as amended, and the Budget Hearings of Local Governments Act, PA 43 of 1963 (2nd Ex. Sess.) (MCL 41.411 *et seq.*), as amended.

2. The Authority shall provide a copy of the proposed budget to the Incorporating Municipalities no later than thirty (30) days prior to the public hearing held pursuant to Budget Hearings of Local Governments Act, PA 43 of 1963 (2nd Ex. Sess.) (MCL 41.411 *et seq.*), as amended.

3. Approval of the budget shall require the affirmative vote of the majority of the Authority Board then serving.

F. At its own expense, the Authority shall have its financial records audited annually by a certified public accountant selected by the Authority Board. A copy of any draft of and any final annual audit shall be forwarded to the Incorporating Municipalities upon receipt by the Authority Board.

XIX. Transfer of Employees.

The transfer of any employees of the Incorporating Municipalities to the Authority shall be subject to the provisions of Section 10 of Act 57.

XX. Addition of Incorporating Municipalities.

A. Subject to paragraph XX.C, any county, city, village, or township may become an Incorporating Municipality and member of the Authority via an amendment to these Articles. Such amended Articles must be adopted by the legislative body of the county, city, village, or township seeking to become an Incorporating Municipality and by the legislative body of all current Incorporating Municipalities composing the Authority.

B. Any such amended Articles shall be endorsed and published, and certified printed copies shall be filed in the same manner as the original articles of incorporation, except that the filed printed copies shall be certified by the Authority Secretary.

C. As a prerequisite to becoming an Incorporating Municipality, the voters of the municipality seeking admission to the Authority must approve any existing authority-wide millage.

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D. If no Authority-wide millage is in effect, the newly admitted Incorporating Municipality will pay a pro-rated annual direct contribution for the current fiscal year promptly upon admission to the Authority.

E. Any ordinance adopted pursuant to section 9(b) of Act 57 shall become effective throughout the new Incorporating Municipality upon the effective date of such municipality's membership in the Authority.

XXI. Amendment.

A. These Articles may be amended following the adoption of resolutions approving such amendment by the legislative bodies of all the Incorporating Municipalities.

B. Any amendments shall be published, and certified printed copies shall be filed in the same manner as the original articles of incorporation, except that the filed printed copies shall be certified by the Authority Secretary.

XXII. Transfer of Assets to the Authority.

A. Following the effective date of these Articles, the Incorporating Municipalities will disclaim any interest in the personal property, tangible or intangible, that was previously held by the respective fire departments and shall take all reasonable steps to promptly effectuate the transfer of such property to the Authority. Such property includes but is not limited to the following: Fire apparatus and Vehicles, Personal Protective Equipment, Tools and Equipment, Portable Radios, Computer Systems, Training Assets. Notwithstanding the foregoing, any specific vehicles, apparatus, equipment, or other personal property expressly identified in an exhibit to these Articles as excluded from the transfer shall remain the property of the respective Incorporating Municipality and shall not be transferred to the Authority.

B. Following the effective date of these Articles, the Incorporating Municipalities shall lease to the Authority the real property identified below for the purpose of providing emergency services and conducting activities incidental thereto. The Incorporating Municipalities and the Authority shall execute such lease agreements as may be reasonably necessary to effectuate the foregoing.

FACILITY	ADDRESS	OWNER	

XXIII. Withdrawal from the Authority.

A. An Incorporating Municipality may withdraw from the Authority pursuant to Section 11 of Act 57 and these Articles.

B. If an Incorporating Municipality withdraws from the Authority within four (4) years of the effective date of these Articles, that municipality shall not be entitled to receive any portion or share of the assets of the Authority, which assets shall be retained by the Authority for the benefit of the remaining Incorporating Municipalities excluding real property leased to the Authority by the withdrawing Incorporating Municipality or any personal property expressly excluded from transfer to the Authority pursuant to these Articles.

C. If an Incorporating Municipality withdraws from the Authority after four (4) years following the effective date of these Articles, the withdrawing Incorporating Municipality shall be responsible for its proportionate share of the outstanding debts, liabilities, and obligations of the Authority existing as of the effective date of withdrawal. Such proportionate share shall be determined by dividing the State Equalized Value of the withdrawing Incorporating Municipality by the aggregate State Equalized Value of all Incorporating Municipalities, including the withdrawing Incorporating Municipality, based on the most recently finalized State Equalized Values available as of the effective date of withdrawal. The withdrawing Incorporating Municipality shall pay its proportionate share of such debts, liabilities, and obligations to the Authority in accordance with terms reasonably established by the Authority Board.

D. Following satisfaction of the withdrawing Incorporating Municipality's obligations under this subsection, the withdrawing Incorporating Municipality shall be entitled to the return of any personal property originally contributed by such municipality to the Authority that remains owned by the Authority, in its then-existing condition. The then-current fair market value of any such returned property shall be credited against the withdrawing Incorporating Municipality's proportionate share of the remaining assets of the Authority otherwise distributable under this subsection. The withdrawing Incorporating Municipality shall also be entitled to its proportionate share, determined using the State Equalized Value formula set forth above, of the net value of any other assets acquired by the Authority during such municipality's membership in the Authority. The Authority may satisfy its obligations under this subsection through the transfer of assets, payment of their equivalent value, or a combination thereof, as determined by the Authority Board. No distribution shall be required to the extent it would impair the Authority's ability to satisfy its remaining financial obligations.

E. The withdrawal of any particular Incorporating Municipality does not require dissolution of the Authority.

XXIV. Dissolution.

The Authority may be dissolved only upon approval by all Member Municipalities unless otherwise provided by law. Prior to dissolution, all debts and liabilities of the Authority shall be paid or adequately provided for. Following satisfaction of all obligations, the remaining assets shall be distributed among the Member Municipalities in proportion to

their respective capital contributions, unless otherwise agreed by unanimous resolution of the Member Municipalities. For purposes of this section, capital contributions shall include the fair market value of personal property and equipment transferred to the Authority by each Incorporating Municipality upon formation of the Authority, together with any subsequent financial or property contributions made by such Incorporating Municipality toward the acquisition or improvement of capital assets of the Authority. The distribution of assets may be accomplished through the transfer of specific assets, payment of their equivalent value, or a combination thereof, as determined by the Authority Board. Any real property leased to the Authority by an Incorporating Municipality and any personal property expressly excluded from transfer to the Authority under these Articles shall not be considered assets of the Authority for purposes of this section.

XXV. Publication and Filing.

The Clerk for the City of Manistee shall be responsible for publishing these Articles and for filing a certified copy of these Articles of Incorporation with the Secretary of State as required by Act 57.

XXVI. Effective Date.

These Articles are effective upon their filing with the Secretary of State.

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Equipment Excluded from Transfer

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