

BYLAWS
of the
REGIONAL TRANSIT AUTHORITY

ARTICLE I
GENERAL

Section 1. Title.

The name of the public body corporate created by the Regional Transit Authority Act, Act 387, Public Acts of Michigan, 2012 (the “Act”), is the Regional Transit Authority (the “Authority.”)

Section 2. Authority.

The Authority is a municipal public body corporate and a metropolitan authority authorized by Section 27 of Article VII of the Michigan Constitution of 1963. Pursuant to the Act, power is granted to the Board of the Authority (the “Board”), as governing body of the Authority, to adopt Bylaws consistent with the Act.

Section 3. Offices.

The principal office of the Authority shall be at 1001 Woodward Avenue, Suite 1400, Detroit, Michigan 48226, or at such other location as may be determined by the Board from time to time.

Section 4. Seal.

The Authority may adopt and use a corporate seal, which shall be of such form, and device as the Board may determine. It shall have inscribed thereon the name of this body and the year of its creation. The secretary shall be the keeper of the Authority’s corporate seal. The secretary shall have authority to affix the seal to any instrument requiring it and when so affixed, it may be attested by his or her signature. The Board may give general authority to any other officer to affix the seal of the Authority and to attest the affixing by his or her signature.

ARTICLE II
AUTHORITY BOARD

Section 1. Appointment and Qualifications.

The Authority shall be governed by a Board consisting of ten (10) members, nine (9) of which are voting members, appointed in the manner and with the qualifications as provided in Section 5 of the Act. Board members shall serve without compensation, but may receive reimbursement for necessary travel and expenses consistent with policies and procedures established by the Board from time to time, the Act and any other applicable law, subject to available funding.

Section 2. Vacancies.

If a vacancy occurs on the Board other than by expiration of a term, the vacancy shall be filled in the same manner as the original appointment for the remainder of the term, as provided in the Act. A Board member may continue to serve until a successor is appointed and qualified.

Section 3. Quorum and Manner of Acting.

A majority of the voting members of the Board constitute a quorum for the transaction of business of the Authority. No person shall be entitled to exercise a proxy vote for any Board member. No action of the Board shall be effective unless approved by a vote of a majority of all voting members of the Board, except as follows:

(a) The following actions require approval by seven (7) of the nine (9) voting Board members, and must include the affirmative vote of at least one (1) member from each participating County and the member appointed by the Mayor of Detroit:

(i) The placing of a question on a ballot of the levy of an assessment under Section 10(2) of the Act.

(ii) The determination of the rate of, or amount of, any assessment to be requested by the Authority at an election.

(iii) The placing of a question on a ballot to approve a motor vehicle registration tax.

(iv) The determination of the rate of, or amount of, any motor vehicle registration tax to be requested by the Authority at an election.

(v) Beginning on July 1, 2024, approval of an agreement for the transfer to the authority of assets of a nonprofit street railway corporation organized under the nonprofit street railway act, 1867 PA 35, MCL 472.1 to 472.27.

(vi) A determination to acquire, construct, operate, or maintain a commuter rail line operating between the city with the largest population within a county described in section 5(1)(d) of the Act and a city described in section 5(1)(f) of the Act.

(b) The following actions require the unanimous approval of all voting members of the Board:

(i) Except as otherwise provided in subdivision (a)(vi), a determination to acquire, construct, operate, or maintain any form of rail

passenger service within a public transit region. Beginning on July 1, 2024, this subparagraph does not apply to a street railway system organized under the nonprofit street railway act, 1867 PA 35, MCL 472.1 to 472.27.

(ii) A determination to acquire a public transportation provider, subject to the requirements in Section 6(3)(b)(ii) of the Act.

(iii) A determination to place on a ballot the question of acquiring, accepting responsibility for, or obligating itself to assume liability for or to pay any legacy costs, including, but not limited to, costs associated with litigation, claims, assessments, worker's compensation awards or charges, swap losses, pensions, health care, or other postemployment benefits, of a public transportation provider that may be purchased, merged with, assumed, or otherwise acquired by an authority.

Section 4. Meetings.

(a) General. The business of the Board shall be conducted at public meetings held in compliance with the Open Meetings Act, Act 267, Public Acts of Michigan, 1976, as the same may be amended from time to time (the "Open Meetings Act").

(b) Notice of Meetings. Public notice of the date, time and place of each meeting of the Authority, including any rescheduled or recessed meeting, shall be given as provided in the Open Meetings Act. In addition, the secretary, or his or her designee, shall give or cause to be given notice either personally, by first class mail, facsimile communication or electronic communication to each member of the Board, not later than the time the public notice is given, but the failure to do so shall not invalidate any proceedings of the Authority.

(c) Regular Meetings. The Board shall adopt a schedule of regular meetings, which may be held at the Authority's principal office or at such other places as the Board may determine. The Board shall meet at least once each quarter.

(d) Special Meetings. Special meetings of the Board may be called by the chairperson or at the request of at least one (1) board member from three (3) separate jurisdictions of the Authority. Notice of special meetings shall be given as provided in the Open Meetings Act and subsection (b).

(e) Emergency Meetings. Emergency meetings of the Board may be held in the event of a severe and imminent threat to the health, safety, or welfare of the public when two-thirds (2/3) of the members of the Board decides that delay would be detrimental to efforts to lessen or respond to the threat. Notice of emergency meetings shall be given as provided in Section 5(5) of the Open

Meetings Act. If a quorum of the Board cannot be assembled within one (1) hour of an official declaration of a state of emergency, or the general manager's determination of an emergency, the general manager is authorized to act on behalf of the authority until a quorum of the Board can be convened.

Section 5. Compliance with Open Meetings Act.

(a) Minutes of Meetings. The Board shall keep written or printed minutes of each meeting as provided in the Open Meetings Act, which shall be made available to the public in compliance with the Michigan Freedom of Information Act, Act 442, Public Acts of Michigan, 1976, as the same may be amended from time to time.

(b) Closed Sessions. The Board may meet in closed session for the purposes provided in the Open Meetings Act.

Section 6. Authority Website.

The Authority shall establish a website as provided in the Act, and the Authority shall post on the website its budget, policies and procedures, and updates on Authority activities and transactions and the progress of any project, including, but not limited to, a proposed rolling rapid transit system, as such updates become available. The Authority shall also post all of the following information on a website, as provided in the Act:

(a) An asset management plan for all revenue vehicles and facilities, major facility components, and major pieces of equipment owned or leased by the Authority, as defined by the State Department of Transportation. The Authority shall update the asset management plan annually.

(b) The method used by the Authority to determine the percentage of operating costs that will be funded with local funds and the percentage that will be funded with fares. The Authority shall update this information every three (3) years.

(c) A plan and commitment to conduct a survey of user satisfaction and a survey of general public satisfaction with the services and performance of the Authority every three (3) years. The Authority shall provide results for the most recent completed surveys to the State Department of Transportation.

(d) A dashboard of the Authority's performance that includes, at a minimum, the information required under subsections (a)-(c) of this Section 6. The dashboard shall also include annual performance indicators for the Authority that have been established by the Board. The dashboard shall be readily available to the public, and shall be updated annually.

Section 7. Committees.

In furtherance of its conduct of the business of the Authority, the Board may establish such committees of its members and establish such procedures and assign such duties and responsibilities to such committees as it may deem necessary or appropriate. Except for a citizens' advisory committee created under subparagraph (a) of this section and a public transportation provider advisory council created under subparagraph (b) of this section, each committee established by the Board under this section must include the Board member appointed by the mayor of the City of Detroit, one Board member from Macomb County, one Board member from Oakland County, one Board member from Washtenaw County, and one Board member from Wayne County." Any committee established by the Board shall keep written or printed minutes of its proceedings. Committee meetings shall be open to the public and public notice of such meetings shall be given as required by applicable law and as may be required by the Board. A majority of the voting members of any committee constitute a quorum for the transaction of business of the committee. No person shall be entitled to exercise a proxy vote for any committee member. No action of a committee shall be effective unless approved by a vote of a majority of all voting members of the committee. The Board shall establish the following committees in accordance with the Act:

(a) A citizens' advisory committee that consists of public transit residents (as defined in the Act). The citizens' advisory committee may meet at least once every quarter. The citizens' advisory committee may make reports to the Board at each Board meeting, which may include recommendations to the Board. The citizens' advisory council may do all of the following:

(i) Review and comments on the comprehensive regional public transit service plan for the public transit region (as defined in the Act) of the Authority and all annual updates.

(ii) Advise the Board regarding the coordination of functions between different owners and operators of public transportation facilities within the public transit region (as defined in the Act) of the Authority.

(iii) Review and comment on a specialized services coordination plan for persons with disabilities and persons who are 65 years of age or older, as required by State Trunk Line Highway System Act, Act 51, Public Acts of Michigan, 1951, as amended.

(iv) Upon request of the Board, provide recommendations on other matters that concern public transportation in the public transit region (as defined in the Act) of the Authority.

(b) A public transportation provider advisory council that consists of two (2) members appointed by each public transportation provider (as defined in the Act) in the public transit region (as defined in the Act). The public transportation

provider advisory council may make reports to the Board at each Board meeting, which may include recommendations on the following issues:

- (i) Coordination of service.
- (ii) Funding.
- (iii) Plans.
- (iv) Specialized services.
- (v) Other matters as requested by the Board.

Section 8. General Manager.

The Board shall select and retain a general manager. The general manager shall administer the Authority with the direction of the Board and in accordance with these Bylaws, the Act and other applicable law. The general manager shall be responsible for the day-to-day operation of the Authority; the control, management and oversight of the Authority's functions; the preparation and submission to the Board of an annual budget pursuant to Article IV of these Bylaws; and the supervision of all Authority employees. The general manager shall have the power and authority to execute and deliver, and to delegate signatory power for, contracts, obligations and other instruments which have been approved by the Board, or for which signatory power has been delegated to the general manager by the Board, within such parameters and subject to such limitations as shall be determined by the Board in accordance with the Act and other applicable law. The general manager shall take such other actions and assume such responsibilities as provided by law. All terms and conditions of the general manager's employment, including length of service and removal, shall be specified in a contract between the general manager and the Authority, provided that the general manager shall serve at the pleasure of the Board.

**ARTICLE III
OFFICERS; DUTIES; CONFLICTS OF INTEREST**

Section 1. Officers.

The officers of the Authority shall consist of a chairperson, vice chairperson, secretary and treasurer, and such additional officers or assistant officers as the Board considers necessary or convenient.

Section 2. Election of Officers and Term.

Pursuant to the Act, the Governor's representative appointed to the Board by the Governor shall serve as chairperson of the Board and shall serve without vote. The Board shall elect other officers of the Authority annually, at the first meeting of the Board each operating year.

Section 3. Term and Vacancies.

Except for the chairperson, officers shall serve for one-year (1-year) terms. A vacancy due to death, disqualification, resignation, incapacity to serve or removal in accordance with law shall be filled in the same manner as provided in this Article III from among the Board members at a regular or special board meeting, for the unexpired term of any such office.

Section 4. Duties of Officers.

(a) Chairperson. The chairperson shall preside at all meetings of the Board. The powers and duties of a chairperson are those provided by law, these Bylaws and rules of procedure adopted by the Board. The chairperson shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(b) Vice Chairperson. In the absence of the chairperson or in the event of the chairperson's inability or refusal to act, the vice chairperson shall perform the duties of the chairperson, and when so acting, shall have all the powers of and be subject to all the restrictions upon the chairperson. The vice chairperson shall perform such other duties and have such other powers as the Board may from time to time prescribe.

(c) Secretary. The secretary, or his or her designee, shall keep or cause to be kept minutes of all of the meetings of the Board. The secretary, or his or her designee, shall give, or cause to be given, notice of meetings as provided in the Open Meetings Act and these Bylaws, and shall perform such other duties as may be directed by the Board from time to time.

(d) Treasurer. The treasurer shall be the chief financial officer of the Authority unless the Board appoints or designates another chief financial officer. The duties and responsibilities of the treasurer are those prescribed by or pursuant to applicable law and these Bylaws, and those duties as may be directed by the Board from time to time. The Board may require of the Treasurer a bond pursuant to law and Board resolution.

Section 5. Discharge of Duties and Conflicts of Interest.

A member of the Board shall discharge the duties of the position in a nonpartisan manner, in good faith, in the best interests of the State of Michigan and the citizens of the public transit region (as defined in the Act), and with the degree of diligence, care, and skill that an ordinarily

prudent person would exercise under similar circumstances in a like position. A member of the Board shall not make or participate in making a decision, or in any way attempt to use his or her position as a member of the Board to influence a decision, on a matter before the Authority in which the member is directly or indirectly interested. A member of the Board shall not be interested directly or indirectly in any contract with the Authority or the State Department of Transportation that would cause a substantial conflict of interest. A member of the Board shall comply with all of the following:

- (a) The Lobbyists, Lobbying Agents, and Lobbying Activities Act, Act 472, Public Acts of Michigan, 1978, as the same may be amended from time to time, as if the Board member were subject to that act and that Board member's receipt of a gift or compensation would be in violation of that act if given by a lobbyist, a lobbyist agent, or a representative of a lobbyist under that act.
- (b) The Incompatible Offices Act, Act 566, Public Acts of Michigan, 1978, as the same may be amended from time to time.
- (c) The Conflict of Interest Act, Act 318, Public Acts of Michigan, 1968, as the same may be amended from time to time, as if the Board member were a state officer.
- (d) The Contracts of Public Servants with Public Entities Act, Act 317, Public Acts of Michigan, 1968, as the same may be amended from time to time, as if the Board member were a public servant.

ARTICLE IV RECORDS, FISCAL YEAR, BUDGET AND AUDIT

Section 1. Records.

The Authority shall keep or cause to be kept all records required by law, together with such additional records as the Board or any officer of the Authority may direct. Records of the business of the Authority shall be kept at its principal office.

Section 2. Fiscal Year.

The fiscal year of the Authority shall begin on October 1 and shall end on September 30 of each calendar year.

Section 3. Budget.

The Board shall adopt and maintain an annual budget in accordance with the Uniform Budget and Accounting Act, Act 2, Public Acts of Michigan, 1968, as the same may be amended from time to time ("Act 2"), and shall post its budget annually on the Authority's website as provided in Article II, Section 6 of these Bylaws.

Section 4. Annual Audit.

The Board shall provide for a uniform system of accounts for the Authority to conform to and for the auditing of the Authority's accounts. The Board shall obtain an annual audit of the Authority by an independent certified public accountant and report on the audit and auditing procedures under Sections 6-13 of Act 2. The audit shall be in accordance with generally accepted government auditing standards and shall satisfy federal regulations regarding federal grant compliance audit requirements. The Authority's audit shall be filed with the State Treasurer and the State Department of Transportation within six (6) months after the end of the Authority's fiscal year.

**ARTICLE V
RULES OF PROCEDURE**

The rules of procedure applicable to the Board and all committees established by the Board shall be Robert's Rules of Order, Newly Revised, unless such other rules of procedure shall be adopted by resolution of the Board.

**ARTICLE VI
EXECUTION OF DOCUMENTS AND OTHER ACTIONS**

The general manager, chairperson or any authorized officer of the Authority shall have the power and authority to execute and deliver, and to delegate signatory power for, contracts, obligations, and other instruments approved by the Board, or for which signatory power has been delegated to the general manager, chairperson or other authorized officer by the Board. The Board shall adopt a policy which establishes the circumstances under which the general manager, chairperson or other authorized officer of the Authority may enter into a contract within such parameters and subject to such limitations as determined by the Board, in accordance with the Act and other applicable law. The general manager, chairperson or any authorized officer of the Authority shall have the power and authority to take such other actions or execute such other functions as shall be delegated to the general manager, chairperson or such other officer by the Board, within such parameters and subject to such limitations as shall be determined by the Board.

**ARTICLE VII
IMMUNITY, INDEMNIFICATION AND INSURANCE**

Section 1. Immunity.

A member, officer, appointee or employee of the Authority shall not be subject to personal liability when acting in good faith within the scope of his or her authority or on account of the liability of the Authority.

Section 2. Indemnification.

The Authority shall indemnify and procure insurance indemnifying board members against liability arising out of the discharge of his or her official duties, or for liability asserted by a person with regard to bonds or other obligations of the Authority, of from any personal liability or accountability by reason of the issuance of bonds or other obligations or by reason of any other action taken or the failure to act by the Authority. A Board member is presumed to act in good faith absent clear and convincing evidence to the contrary, and the Authority shall indemnify and hold harmless any Board member from the outset of any claim to the extent provided by law. The Board shall use competitive procurement methods to obtain insurance pursuant to this Section.

Section 3. Insurance.

The Authority shall, in addition to the insurance referred to above, purchase, using competitive procurement methods, and maintain insurance on behalf of each member of the Board and each officer and appointee of the Authority against any liability arising out of the status of that person or asserted against that person and incurred by that person in any capacity. Pursuant to the Act, the Authority may procure or become a self-funded insurer against loss in connection with the property, assets, or activities of the Authority.

Section 4. Eligible Expenses.

Indemnification or other payment under this Article VII may be for expenses, including attorneys' fees, actually and reasonably incurred, and for judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred.

**ARTICLE VIII
AMENDMENTS TO BYLAWS**

These Bylaws may be altered, amended or rescinded and new bylaws may be adopted by majority vote of the Board at any regular or special meeting of the Board called therefor, provided that at least ten (10) days written notice, incorporating the exact language of the proposed change, has been given to all members of the Board.

Adopted by the Board of the Regional Transit Authority on February 20, 2020.

Freman Hendrix, Secretary of the Authority

Approved as to form:
Dykema Gossett PLLC