

City of Mackinac Island

City Hall, 7358 Market Street, P.O. Box 455, Mackinac Island, MI 49757-0455

Resolution for Master Agreement Adoption & Authorized Signature 2027 - 2031 MDOT Master Agreement Resolution No. 26-010

City of Mackinac Island
County of Mackinac, State of Michigan

Meeting of the City Council of the City of Mackinac Island, County of Mackinac,
State of Michigan, held on the 14th day of October, 2026, at 4:00 p.m.

PRESENT: Members _____

ABSENT: Members _____

A motion was made by _____, and supported by _____
to adopt the 2027 - 2031 MDOT Master Agreement and to authorize David Lipovsky, II to sign
the agreement on behalf of the City of Mackinac Island.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECALRED ADOPTED.

Danielle Ruddle, City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the
City Council of the City of Mackinac Island, County of Mackinac, State of Michigan, at a regular
meeting held on October 14, 2026 at 4:00 pm, and that said meeting was conducted and public
notice of said meeting was given pursuant to and in full compliance with the Open Meetings
Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were
kept and will be or have been made available to the public by said act.

Danielle Ruddle, City Clerk

City Clerk: (906) 847-3702
City Treasurer/Assessor: (906) 847-6002

Mayor's Assistant: (906) 847-6556
Building & Zoning: (906) 847-4035
Fax: (906) 847-6430

Police Administration: (906) 847-3345
Fire Administration: (906) 847-8159

2027 MASTER AGREEMENT SUMMARY OF DRAFT CHANGES

MDOT OFFICE OF PASSENGER TRANSPORTATION | 08.13.2026

The Michigan Department of Transportation (MDOT) Office of Passenger Transportation (OPT) maintains a five-year master agreement with transportation service providers defining terms for authorizing Federal and State grant funds to the service agencies. The current master agreement covers October 1, 2021 through September 30, 2026 (Fiscal Years 2022 – 2026). This document summarizes changes in the forthcoming 2027 Master Agreement, to be effective October 1, 2026 through September 30, 2031 (Fiscal Years 2027 – 2031).

In total, 58 key changes were made across 24 sections. The agreement is also reorganized from 42 sections to 11 subject-based sections with chapters contained within. Changes are listed here according to their section number in the 2022 Master Agreement.

This document is for the purpose of summarization; it is not intended to define or expand any terms from the 2027 Master Agreement.

Change Summary

2022 Sec. #	2022 Sec. Title	2027 Sec. #	Change
Overall			Sections re-sorted as subsections of 11 subject-based sections, to improve document navigation. Updated PTMS references to PTIMS.
0	Table of Contents	0	Linked formatting makes the TOC hyperlinked to each subsection, to improve digital document user experience. Text formatting cleaned up to improve TOC navigation and trim the document's overall size.
1	Definitions		Section removed to be in alignment with other MDOT agreements, with key terms defined at first use.
3	Annual Application	2.A	Title and language adjusted to reflect that some funding programs are not on annual cycles.
4	Conflict of Interest	10.A	Addition of "in writing to MDOT" for Agency disclosure of any potential conflict of interest in it receiving financial assistance through a project authorization.
5	Project Funding	2.C	Replaced "maximum cost" with "maximum reimbursement" in first sentence to clarify that an authorization total is a reimbursement total that may not equal final price.

2022 Sec. #	2022 Sec. Title	2027 Sec. #	Change
			Addition to final sentence: failure to comply with funding award or MDOT requirements may result in MDOT requiring the reimbursement of funds previously disbursed.
6	Eligible Project Costs	2.B	Travel costs updated to MDOT standard language. Language added specifying that expenses paid under a project authorization cannot be included in expenses to be reimbursed under the LBO Program.
7	Budget Adjustments, Revisions, and Amendments	4.A	"Budget Adjustments" will henceforth be known as "Administrative Modifications", accounting for the fact that, by definition, they do not involve budgetary changes. The definition of Administrative Modification (formerly known as "budget adjustment") is updated to reflect the bounds of a federal award administrative modification as defined in Chapter III of FTA C 5010.1F: "An administrative modification to a project authorization may be used for changes that do not revise the scope of work, authorization amount, or authorization purpose." The definition of Revision is updated to reflect the bounds of a federal award amendment as defined in Chapter III of FTA C 5010.1F: "A revision to a project authorization may be used for a proposed change that would add a new line item, change the project authorization amount, change the Federal, State, or local amounts, change the quantity of items, significantly change the scope, or extend the term of the project authorization." Revision requests must be received no later than 60 days before an authorization expiration date and must be received by August 1 for changes to be effective by September 30. If applicable, revision requests requiring written approval from a local or regional allocation committee need to include subject written committee approval. Addition: "Authorizations will not go beyond their Federal grant period of performance. Likewise, authorization changes will match their corresponding Federal grant period of performance. MDOT will not reimburse expenses beyond authorization start and end dates, unless the AGENCY has approved pre-award authority." Removal of 5-day requirement on notification to MDOT on "significant event(s)" of significant impact potential on projects. Addition of term, "In extraordinary, unforeseen circumstances MDOT reserves the right to make exceptions to deadlines herein." Sufficient progress toward the obligation of funds must now be made within six months of receiving a project authorization; a reduction from 12 months.
8	Timely Expenditure of Funds	4.B	Sufficient progress toward the obligation of funds must be made within six months - down from twelve months - of receiving an awarded project authorization or MDOT may cancel the project authorization and the AGENCY will no longer have access to the funds.

2022 Sec. #	2022 Sec. Title	2027 Sec. #	Change
9	Competitive Procurement	3.A	"Competitive" removed from section title.
10	Third-Party Contract Procedures	3.B	Removed reference to Commission policy, and replace with reference to MDOT Procurement Guidelines for Grantees Receiving Federal Transit Administration Funds and/or State Funds via MDOT.
14	Inspection of Project Equipment and Records	9.B	Added reference to 2 CFR 200.332(b)(5).
15	Use and Disposition of Facility/Revenue Vehicles/Equipment	3.E	Removed reference to 49 CFR 18.
			Added reference to MDOT OPT Preventative Maintenance Manual.
			Removed IJIA reference.
			Added term giving MDOT a security interest in non-revenue vehicles priced \$50,000 or more.
			Added term that incidental use of Federal/State-funded revenue vehicles/equipment or facilities for nonpublic transportation use "shall be declared with submission of MDOT's Incidental Use Form".
16	Insurance	3.I	Add clarification: "Insurance payment for loss or damage will be made to MDOT, <i>if an asset has not met its useful life.</i> "
17	Indemnification	7.C	Added "defend" to term that agency "agrees to indemnify, defend, and save harmless the State of Michigan..."
18	Billings and Payments for Capital Programs	3.G	Section title simplified.
			Added term: "a. All requests for payment must be submitted in accordance with the procedures established by MDOT and outlined in the latest applicable program guidance and documentation. MDOT will provide access to current payment procedures, including required forms, formats, and submission methods. The Agency agrees to comply with all such procedures as a condition of reimbursement. MDOT reserves the right to modify payment processes, systems, and requirements, and such modifications shall become effective upon notice without requiring an amendment to this Agreement."
			Budget summary threshold for equipment procurements and facility improvements increased from \$5,000 to \$10,000.
			Updated: "Within one hundred twenty (120) days after costs have been incurred or an invoice received, the AGENCY must submit to MDOT a complete billing to be charged against the project authorization."
			Defined "complete billing" with reference to MDOT External Procedure #70200.
			Added term: "MDOT reserves the right to adjust reimbursement amount according to Section 10b(3)(f) of Act 51, which requires that the State pay not less than two-thirds of the local match required for Federal Transit Administration capital grants to local transit agencies."
			Addition: "As an exception, when an AGENCY has pre-award authority, the one hundred twenty (120) day clock on costs incurred or invoice received shall start at the Federal award date."

2022 Sec. #	2022 Sec. Title	2027 Sec. #	Change
			Removed LBO reference, and moved it to Eligible Project Costs section.
19	Billings and Payments for Operating Programs	3.H	Removed specification for quarterly payments, and replaced with: "Payments will be made according to deadlines and guidance in the MDOT OPT Specialized Services Manual, the State of Michigan Management Plan for Funding Under Sections 5310, 5311, 5339, Section 70, and Other Competitive Programs of the Federal Transit Administration, and applicable MDOT guidance for subsequent designated programs."
			Removed LBO reference, and moved it to Eligible Project Costs section.
20	The Section 5311 Rural Area Operating Program	6.A	Added: "A general ledger for the fiscal year must be submitted with the Reconciled OAR for MDOT to review and sample selected invoices."
			Removed reference to quarterly payments.
			Added: "Payments will be made according to deadlines and guidance in the MDOT OPT Specialized Services Manual, the State of Michigan Management Plan for Funding Under Sections 5310, 5311, 5339, Section 70, and Other Competitive Programs of the Federal Transit Administration, and applicable MDOT guidance for subsequent designated programs. "
			Added: "If a Federal or State law, regulation, or circular referenced in the Audit Guide should become obsolete through a new applicable Federal or State law, regulation, or circular, the latest version shall apply even if the update has not yet been incorporated into the Audit Guide."
			Added regarding audited eligible expenses, compliance with the Revenue and Expense Manual and the Audit Guide.
21	The Specialized Services Program	6.C	Revised "Budget Adjustments" sub-part title to "Transferring Funds from One Recipient to Another:"
			Removed competitive bidding requirements being identified as specific to use of Federal funds; defaults the requirements to be agnostic of fund source.
22	The Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program	6.B	Added Performance Measures Reporting term.
23	Reporting Requirements	5	Added State Management Plan reference to milestone reports sub-part.
			Removed Section 5310 Performance Measures sub-part.
28	Annual CPA Audit Requirements	9.G	Updated Federal Single Audit, State Transit Audit, and No CPA Audit threshold to \$1,000,000.
			Replaced listing of digital ADA compliant formatting attributes with reference to "Web Content Accessibility Guidelines (WCAG) Version 2.1, per 28 CFR Part 35".
			Removed paper mail address reflecting current practice of digital submission.

2022 Sec. #	2022 Sec. Title	2027 Sec. #	Change
			Added for federal and no-CPA-audit terms, clarification that if during the time of this agreement responsibility for these audit submissions transitions to a new point of contact, direct notification to the new applicable point of contact designated by the FTA or MDOT.
32	Nondiscrimination and Disadvantaged Business Enterprise	7	Removed \$250K threshold, due to 49 CFR 26.21(a)(2) requiring that all FTA Tier I and Tier II recipients must have a DBE program.
33	Certification	10.B	Added: "The AGENCY's signature on the AUTHORIZATION constitutes the AGENCY's certification..."
37	Interest of Members or Delegates to Congress	10.E	Title simplified.