

**AMENDMENT TO THE FERRY BOATS ORDINANCE 629
CITY OF MACKINAC ISLAND, MICHIGAN
Ord. No. 632 Eff. April 8, 2026**

An ordinance amending the City of Mackinac Island Ordinance No. 629 with respect to specific dates, timelines, a and regulation requirements of Ferry Boat Regulation.

THE CITY OF MACKINAC ISLAND ORDAINS:

Section 1. Purpose.

The purpose of this Ordinance is to amend Division 3, Sections 21 and 22 of Ferry Boats Ordinance, No. 629 to modify the dates, timelines, and regulation requirements.

Section 2. Amendment of Section 21, entitled “Cost of Regulation”

Division 3, Section 21 of Ordinance No. 629 is hereby amended to read in its entirety as follows:

Section 21. Cost of regulation.

(a) The Council shall determine the annual cost of regulation of Ferry Boat Companies and assess each Company an Annual Regulation Fee for the cost of regulation. Upon passage of this ordinance, the Council shall invoice the 2026 Annual Regulatory Fee of \$150,000.00 to each Ferry Boat Company to cover the estimated 2026 cost of regulation of Ferry Boat Companies. A Ferry Boat Company shall be required to pay such invoice 30 days after the date of the invoice. The annual cost of regulation shall include all fees paid for consultants, legal services, court costs, litigation costs, and other costs directly associated with regulation of Ferry Boat Companies.

(b) After 2026, the Council shall establish the Annual Regulatory Fee by the first Friday in February. The Annual Regulatory Fee shall be based on forecasted cost of regulation that year, the amount of regulatory costs incurred by the Council in the previous year, and the previous year’s Annual Regulatory Fee. The Annual Regulatory Fee shall be calculated by subtracting any collected unused regulatory fees from the previous year from the projected annual regulatory costs. If the previous year’s actual regulatory cost exceeded the previous year’s Regulatory Fee collected, the cost in excess of the Regulatory Fee shall be added to the current years projected regulatory costs.

Annual Regulatory Fee

*= Projected Current Year Regulatory Cost – (Previous Year Regulatory Fee
– Actual Regulatory Cost)*

Section 3. Amendment of Section 22, entitled “Regulatory Procedure”

Division 3, Section 22 of Ordinance No. 629 is hereby amended to read in its entirety as follows:

Section 22. Regulatory Procedure.

(a) In order to effectively and properly review, assess and determine reasonable rates for the 2026 Service Rates within the short period of time available, upon passage of this Ordinance, all Ferry Boat Companies shall provide any and all documentation needed for the Council to review Ferry Boat Company operations, cost to provide Ferry Boat Services, annual revenues, quantity of Service Classes provided, and any other documentation or information requested by the Council. Said documentation shall be prepared by and certified by a certified public accountant. All documentation shall be submitted to the Council within 20 days of the date of a written request by Council. The Council shall act as swiftly as possible to obtain a cost-of-service study in order to determine Ferry Boat Service rates which are fair and reasonable, and which will provide the Ferry Boat Companies with a fair Return on Equity. Immediately upon issuance of the Ferry Service Rates by the Council, those rates shall be implemented by the Ferry Boat Companies for the 2026 season. In the event the information requested by council is not provided in the manner provided herein, or is incomplete, or not in usable format, the Council shall assess daily fines for each day the Ferry Boat Companies fail to comply, as provided for in this Ordinance, and may implement temporary rates for the 2026 season.

(b) Ferry Boat Companies shall file an independent financial audit of ferry boat companies and their parent organizations on annual basis for purposes of setting ferry boat service rates.

(c) For all years after the 2026 Service Rates, a Ferry Boat Company shall submit in writing to the Council its proposed Service Rates and Schedule of Services for the following year, no later than September 1st of each year. A Ferry Boat Company has the obligation to demonstrate that the proposed Services Rates are just and reasonable for the services provided. A Ferry Boat Company shall include all documentation required to justify the proposed Service Rates and Schedule of Services, including but not limited to, the prior year's revenues by Service Class, quantity of services provided by Service Class, number of vehicles assessed parking fees and associated revenue, cost to perform service, maintenance costs, capital investment, audited financials, fuel costs, overhead and administrative costs, proposed Return on Equity, debt cost, depreciation, taxes, and any other costs included in the Service Rates. In the event any subsidiary, or commonly owned company, provides services related to Ferry Boat Service, including but not limited to parking, employment, or shuttles, that company's documentation and information shall be provided to the Council in accordance to this Section 22. The Franchisee shall provide any additional requested documentation or other information to the Council or its designee within 10 business days of issuance of the written request.

(d) For all years after the 2026 Service Rates, the Council shall provide final determination of the Service Rates and Schedule of Services no later than December 30th for the rates that are scheduled to go into effect the following calendar year. However, in the event the information requested by Council is not provided in the manner provided herein, is incomplete, or not in usable format, or if any other actions of a Ferry Boat Company cause delays in the Council's regulatory process, the Council shall assess daily fines for each day the Ferry Boat Companies fail to comply, as provided for in this Ordinance, and may implement temporary rates for the implement temporary rates for the upcoming season. The Council shall not be liable to the Ferry Boat Companies if there is any delay in the final determination of the Service Rates and Schedule of Services.

(e) The Council has the right to require an independent audit of a Ferry Boat Company's financials if it is determined, in the Council's sole judgment, that the audited financials provided by a Ferry Boat Company are not adequate in the judgment of the Council.

(f) A Ferry Boat Company shall be entitled to a fair Return on Equity in the Ferry Boat Service. Return on Equity shall not include portions of capital financed through debt.

(g) A Ferry Boat Company has the right to request reconsideration by the Council of the Council's determination of the Service Rates and Schedule of Services. With any request for reconsideration, a Ferry Boat Company shall include documentation that the current approved Service Rates do not cover operating and maintenance costs, and do not provide a fair rate of return on capital investment. The Ferry Boat Company shall also propose different Service Rates.

Section 4. Any ordinances, or portions thereof, in conflict with this Ordinance are repealed to the extent necessary to give this Ordinance full force and effect.

Section 5. Severability.


Should any section, clause, or provision of this ordinance be declared to be invalid by a court of record, the same shall not affect the validity of the ordinance as a whole or any part thereof, other than the part so declared invalid.

Section 6. Effective Date.

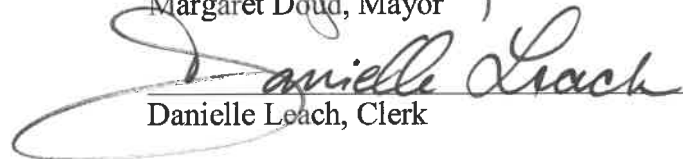
These Sections of the Ordinance are hereby determined by the City Council to be immediately necessary for the interest of the City. This ordinance shall become effective twenty (20) days after passage.

Section 7. Effective of Amendment.

Other than the above amended Sections, all other sections and provisions of Ordinance 629 remain in full force and effect as set forth in Ordinance 629.



Margaret Doud, Mayor



Danielle Leach, Clerk

Adopted: 3.18.2026

Effective: 4.8.2026

**CERTIFICATION OF ORDINANCE
PUBLICATION & POSTING**

RE: Ordinance Number: No. 632

Date Adopted: *March 18, 2024*

Date Effective: *April 8, 2024*

Ordinance Title: Ferry Boat Ordinance

I certify that I have caused a copy of the foregoing ordinance (which I have compared to this original) to be published in the _____, (if applicable), a newspaper of general circulation within the City limits, on _____.

OR

I certify that I have caused the foregoing ordinance to be posted in the following five (5) public places within the City limits:

1. First National Bank of St. Ignace
2. Mackinac Island Post Office
3. Outside of City Hall
4. Community Hall
5. Central Savings Bank

Dated: *3/18/2024*


Danielle Leach, City Clerk