

City of Mackinac Island Ferry Boat Regulation Resolution

Whereas Shepler's Mackinac Island Ferry Company and Mackinac Island Ferry Company, d/b/a Arnold Transit Company (hereafter collectively the "Ferry Companies") submitted their respective rates and schedules for the 2026 season through what they called "courtesy notices" sent to the city on or about November 14, 2025, as required under their respective franchise agreements and the city ordinance; and

Whereas the City of Mackinac Island passed Resolution 25-015 on or about November 24, 2025, which made the following findings:

1. The City of Mackinac Island does not have the information necessary to determine whether the rate increases implemented by the Ferry Companies in 2025 and the rate increase proposed in the "courtesy notices" referenced herein are fair and reasonable; and
2. The City and the Ferry Companies are in litigation regarding the ability of the City to regulate the rates and schedules; and
3. The federal district court entered a preliminary injunction granting the ferry boat companies' motion and holding that until further order of the court, the Ferry Companies may continue to charge the transit rates they disclose to the City; and

Whereas, the City of Mackinac Island under Resolution 25-015 resolved that the City would place on file the "courtesy notices" from the Ferry Companies listing their respective rates and schedules, the City did not approve the rates and reserved the right to reject the rates at a later date in the event the aforementioned preliminary injunction is set aside by the district court or the Court of Appeals; and

Whereas, the 6th Circuit Court of Appeals did vacate the district court's preliminary injunction as to the regulation of the ferries' charges, prices and rates, including ancillary fees such as priority boarding and luggage fees; and

Whereas, the 6th Circuit Opinion states that "the City may implement Ordinance 629, or any subsequently enacted ordinance, regulating ferry rates and fares, consistent with this opinion and in accordance with the authority vested in the City by the Charter and present law"; and

Whereas, Section 21(a) of Ordinance 629 set the 2025 Annual Regulatory Fee at \$150,000.00 per Ferry Boat Company, which fee was not collected in 2025; and

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Whereas, Section 22(a) of Ordinance 629 required the Ferry Companies to 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 “upon passage of [Ordinance 629]” in order to allow the City to prepare for the review of a Ferry Company’s 2026 Service Rates; and

Whereas, the Ferry Companies failed to comply with the timelines and regulation requirements under Ordinance 629.

THEREFORE, IT IS HEREBY RESOLVED that with the vacation of the district court’s preliminary injunction under the 6th Circuit Court of Appeals opinion, the City of Mackinac Island officially rejects the 2026 season rates provided by the Ferry Boat Companies through the “courtesy notices” sent to the City on or about November 14, 2025.

IT IS HEREBY FURTHER RESOLVED that the City demands that the Ferry Boat Companies comply with the requirements of Ordinance 629, and any subsequently enacted ordinance, regulating ferry rates and fares, consistent with the 6th Circuit Court of Appeals opinion dated March 12, 2026.

IT IS HEREBY FURTHER RESOLVED that the City shall amend certain dates and timelines under Ordinance 629, in order to allow the Ferry Boat Companies to come into compliance with the Ordinance.

IT IS HEREBY FURTHER RESOLVED that the City shall assess daily fines, as specified under Ordinance 629, and any subsequently enacted ordinance, for each day that the Ferry Boat Companies fail to comply with the Ordinance and the timelines and requirements provided.

Moved: _____

Seconded: _____

Ayes: _____

Nays: _____

Absent: _____

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I hereby certify that the foregoing is a true and complete copy of a resolution offered and adopted by the City of Mackinac Island City Council at a Special Meeting held on March 17, 2026 at 2:00 PM EST.

Signed: _____

Dated: _____

Richard Chambers, Alderman

Tom Corrigan, Alderman

Steven Moskwa, Alderman

Anneke Myers, Alderwoman

Lindsey White, Alderwoman

Jason St. Onge, Alderman

Margaret Doud, Mayor

Danielle Leach, City Clerk