

APPENDIX B

BYLAWS OF THE CITY OF KALAMAZOO LOCAL DEVELOPMENT FINANCE AUTHORITY

ARTICLE I: Name and Address

Name. The name of the Authority is the City of Kalamazoo Local Development Finance Authority (referred to as the “Authority”). The address of the Authority is 241 West South Street, Kalamazoo, Michigan, 49007. The Authority is organized under Act 281 of the Public Acts of 1987, as amended, MCL 125.2151 et. seq. (referred to as the “Act”).

ARTICLE II: Directors

- Section 1.** **General Powers.** The business and affairs of the Authority shall be managed by its Board, except as limited by the Act or by these Bylaws.
- Section 2.** **Board of Directors.** The Board of Directors (referred to as the “Board”) of the Authority shall consist of not less than 11 persons, 7 appointed by the Mayor of the City of Kalamazoo, 1 appointed by the Kalamazoo County Board of Commissioners, 1 appointed by the Chief Executive Officer of Kalamazoo Valley Community College, and 2 appointed by the Chief Executive Officer of Kalamazoo Public Schools, all with approval of the Kalamazoo City Commission (referred to as the “City Commission”).
- Section 3.** **Initial Board of Directors.** An equal number, as near as possible, of the Directors first appointed to the Board shall have terms as designated by the City Commission of 1 year, 2 years, 3 years, and 4 years.
- Section 4.** **Term of Appointment.** After the first appointment, each Director shall serve for 4 years. An appointment of a Director to fill an unexpired term of another Director shall be only for the unexpired portion of the term. The term of appointment shall end on December 31 of the last year of each Director’s term, subject to a Director holding office until a successor for that Director is appointed.
- Section 5.** **Oath of Office.** Before assuming the duties of office, a Director shall qualify by taking and signing a constitutional oath of office.
- Section 6.** **Replacements and Vacancies.** Subsequent Directors shall be appointed in the same manner as original appointments at the expiration of each Director’s term of office. A Director whose term of office has expired shall continue to hold office until the appointment, with the consent of the City Commission, of his/her successor is effective. A Director may not be reappointed, unless with the consent of the City Commission, to serve more than two consecutive terms. If a vacancy is created by death or resignation, a successor shall be appointed, in the same manner as original appointments, within 30 days to hold office for the remainder of that vacated term of office.
- Section 7.** **Removal.** With prior notice and an opportunity for explanation, a Director may be removed from office by a majority vote of the City Commission for cause to include, without limitation, neglect of duty, nonattendance at meetings, (defined as absent for more than 50% of the regular meetings within any calendar year) misconduct or malfeasance. The removal of a Director is subject to review by Kalamazoo County Circuit Court.

- Section 8.** **Conflict of Interest.** A Director who has a direct interest in any matter before the Authority shall disclose his/her interest prior to any discussion of that matter by the Authority, which disclosure shall become a part of the record of the Authority's official proceedings. The interested Director shall further refrain from participation in the Authority's action relating to the matter. Each Director, upon taking office and annually thereafter, shall acknowledge in writing that they have read and agree to abide by this section.
- Section 9.** **Committees.** By resolution passed by a majority of the whole Board, the Board may establish any committee, to advise the Board. Any number of Directors may be appointed to serve on a committee and the Board may also designate alternate members of a committee to act in the place of an absent or disqualified member. A committee, and its members, shall serve at the pleasure of the Board. A committee designated by the Board, may exercise those powers and authority of the Board as stated in the resolution establishing the committee, except it shall not have the authority to: (a) recommend to members a dissolution of the Authority, or a revocation of dissolution; (b) amend the Bylaws of the Authority; or (c) fill vacancies in the Board.
- Section 10.** **Compensation.** A Director shall serve without compensation except a Director shall be reimbursed for actual and necessary expenses.
- Section 11.** **Ex-Officio Member.** The City Commission may appoint any person to serve as a non-voting, ex-officio member to the Board and to serve at the pleasure of the City Commission. An ex-officio member may serve as a non-voting member on any committee to which that person is appointed, and may receive reimbursement for costs and expenses if approved in a resolution passed by a majority of the whole Board. Notices of meetings and participation in those meeting shall be given and allowed. During the term of an agreement, known as the Kalamazoo SmartZone Agreement and to which the Authority is a party, an ex-officio member who is a representative of the Michigan Economical Development Corporation (MEDC), or its successor, shall serve on the Board in this capacity.

ARTICLE III: Meetings

- Section 1.** **Annual Meeting.** The Board shall hold an annual meeting in the second calendar quarter of each year, at which time officers of the Board shall be elected as provided in Article IV, Section 2.
- Section 2.** **Regular Meetings.** The Board shall conduct regular meetings at a time and place as the Board determines.
- Section 3.** **Special Meetings.** Special meetings of the Board may be called by or at the request of the Chairperson of the Board, any 2 Directors, or the Mayor of the City of Kalamazoo.
- Section 4.** **Notice to Public.** The meetings of the Board shall be public, and notice of any meetings shall follow the Open Meetings Act (Act No. 267 of the Public Acts of 1976).
- Section 5.** **Quorum.** A majority of the Directors then in office makes up a quorum for the transaction of business at any meeting of the Board. In the absence of a quorum a

majority of the Board present, however, may adjourn the meeting to another date without further notice. The vote of the majority of the Directors present at a meeting where a quorum exists constitutes the action of the Board, unless the vote of a larger number is required by the Act or by these Bylaws. Any amendment of the Bylaws requires the vote of not less than a majority of the members of the Board then in office.

Section 6. **Participation by Communication Equipment.** A member of the Board or of a committee designated by the Board may take part, and is considered present, in a meeting by conference telephone or similar communications equipment that allow persons attending the meeting to hear each other.

ARTICLE IV: Officers

Section 1. **Officers.** The officers of the Authority shall be elected by the Board and shall consist of a Chairperson, Vice Chairperson, and Secretary/Treasurer. The Board may also appoint a Recording Secretary who need not be a member of the Board. Two or more offices may be held by the same person, but an officer shall not execute, acknowledge, or verify an instrument in more than one capacity if the instrument is required by law or Bylaws to be executed, acknowledged, or verified by 2 or more officers.

Section 2. **Nomination, Election, and Term of Office.** The officers of the Authority shall be elected by the Board at an annual meeting held during the second calendar quarter of each year. Candidates shall be nominated by a nominating committee composed of 3 members appointed by the Chairperson, who may be 1 of the 3 members. The term of each office shall be for 1 year. Each officer shall hold office until his/her successor is appointed. No person shall hold the same office for more than 3 successive terms.

Section 3. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or other reason may be filled at any meeting of the Board for the unexpired portion of the term of that office.

Section 4. **Chairperson.** In the absence of the employment of an executive director, the Chairperson shall be the chief executive officer of the Authority. The Chairperson shall preside at all meetings of the Board and shall perform any duty assigned to him or her by the Board or as required by the Act or these Bylaws. The Chairperson shall serve as an ex-officio member of all standing committees other than the Executive Committee.

Section 5. **Vice Chairperson.** The Vice Chairperson shall perform the duties of the Chairperson in the Chairperson's absence and any additional duties assigned to him or her by the Board.

Section 6. **Secretary/Treasurer and Recording Secretary.** The Secretary/Treasurer or Recording Secretary shall attend all meetings of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. They shall further perform all duties of the office of Secretary/Treasurer as provided by law or these Bylaws. They shall be sworn to the faithful discharge of their duties.

- Section 7.** **Delegation of Duties of Offices.** In the absence of any officer of the Authority, or for any other reason that the Board determines is beneficial to the Authority, the Board may delegate, for an appropriate period, any power or duty of any officer to another officer, Director or agent, provided a majority of the Board then in office approves this action.
- Section 8.** **Executive Committee.** The Chairperson, Vice Chairperson and Secretary/Treasurer shall comprise the Executive Committee. The Executive Committee may, upon a majority vote, authorize the expenditure of up to \$1,000.00 for any expense listed as an eligible item for expenditure under the approved Authority funding guidelines. The Executive Committee must report any such expenditures to the Board at the next regularly scheduled Board meeting.

ARTICLE V: Employment of Personnel

- Section 1.** **Executive Director.** The Board may employ and fix the compensation of an executive director, subject to the approval of the City Commission. The executive director shall serve at the pleasure of the Board. A member of the Board is not eligible to hold the position of executive director. Before entering upon the duties of the office, the executive director shall take and subscribe to the constitutional oath. The executive director shall be the chief executive officer of the Authority. Subject to the approval of the Board, the executive director shall supervise, and be responsible for, the preparation of plans and the performance of the functions of the Authority in the manner authorized by the Act. The executive director shall attend the meetings of the Board, and shall render to the Board and to the City Commission a regular report covering the activities and financial condition of the Authority. If the executive director is absent or disabled, the Board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath as required of the executive director. The executive director shall furnish the Board with information or reports governing the operation of the Authority as the Board requires. The executive director shall furnish bond in an amount as prescribed by the Board.
- Section 2.** **Legal Counsel.** The Board may retain legal counsel to advise the Board in the proper performance of its duties. The legal counsel shall represent the Authority in actions brought by or against the Authority.
- Section 3.** **Other Personnel.** The Board may employ and fix the compensation of other personnel deemed necessary by the Board to assist the executive director and the officers in carrying out their duties.
- Section 4.** **Employee Benefits.** The employees of the Authority shall be eligible to participate in municipal retirement and insurance programs as if they were civil service employees, except that the employees of the Authority are not civil service employees.
- Section 5.** **Contracts for Employee Services.** The Authority may, at its discretion, contract with the City of Kalamazoo for all administrative, planning and legal services in support of its operations.

ARTICLE VI: Budget and Financial Affairs

- Section 1.** **Fiscal Year.** The fiscal year of the Authority shall correspond at all times to the fiscal year of the City of Kalamazoo.
- Section 2.** **Adoption of Budget.** The Board shall annually prepare a budget and shall submit it to the City Commission following the requirements under the city charter to submit proposed budgets to the City Commission. The Board shall not finally adopt a budget for any fiscal year until the budget has been approved by the City Commission. The Board may, however, temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds in accordance with the Act. Funds of the City shall not be included in the budget except those authorized in the Act or by the City Commission.
- Section 3.** **Audit and Financial Reports.** The Authority shall submit financial reports to the City Commission just like departments of the City are required to submit reports. The Authority shall be audited annually by the same independent auditors auditing the City and copies of the audit report shall be filed with the City Commission.
- Section 4.** **Access by Public.** All expense items of the Authority shall be publicized annually and the financial records shall be open to the public pursuant to Freedom of Information Act (Act No. 442 of the Public Acts of 1976).
- Section 5.** **Contracts.** The Board may authorize, as reflected in the minutes or resolution approved by the Board, any officer or agent to enter into any contract or execute and deliver any instrument for the Authority.
- Section 6.** **Loans/Grants.** No grant or loan shall be contracted for the Authority and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board and approved by the City Commission.
- Section 7.** **Checks.** All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by those officers or agents of the Authority in the manner determined by resolution of the Board.
- Section 8.** **Deposits.** All funds of the Authority not otherwise employed shall be promptly deposited to the credit of the Authority in those banks, trust companies or other depositories as the Board may elect.

ARTICLE VII: Miscellaneous

- Section 1.** **Corporate Body.** The Authority shall be a public body corporate and shall possess all the powers necessary to carry out the purpose for which it was incorporated and as provided the Authority by the Act.
- Section 2.** **Waiver of Notice.** If any action of the Board, or any of its committees, requires notice to any person or the lapse of a set period of time, the action may be taken without notice and without lapse of the period of time, if before or after the action is completed the person entitled to notice or to participation in the action to be taken submits a signed waiver of these requirements.

Section 3. **Rules of Procedure.** In addition to the requirements of the Act and these Bylaws, the Board shall adopt Rules of Procedure subject to approval of the City Commission.

ARTICLE VIII: Amendments to Bylaws

Section 1. **Amendments.** These Bylaws may be altered, amended, or repealed by the affirmative vote of a majority of the Board then in office at any regular or special meeting called for that purpose, subject to approval of the City Commission.

Section 2. **Temporary Bylaws.** Until these Bylaws, including any subsequent amendment, become effective upon the approval of the City Commission, they shall be temporary Bylaws of the Authority.

I HEREBY CERTIFY that the above Bylaws were adopted the _____ day of _____, 200__.

Secretary

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2/19/02