

By-Laws
Of
THE LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF STERLING HEIGHTS

(A Michigan Local Development Finance Authority formed pursuant
to Act 281 of the Public Acts of 1986, MCL 125.2151 et seq)

ARTICLE I

Name and Address

Section 1. **Name.** The name of the Authority is the Local Development Finance Authority of the City of Sterling Heights (the Authority).

Section 2. **Address.** The address of the Authority is 40555 Utica Road, P. O. Box 8009, Sterling Heights, Michigan 48311-8009.

ARTICLE II

Directors

Section 1. **General Powers.** The Board of Directors (the Board) of the Authority shall exercise the powers and manage the business and affairs of the Authority.

Section 2. **Board of Directors.** The composition of the Board and the terms and procedures for the appointment, removal, and replacement of Directors shall be governed by the applicable statutes, ordinances, and bylaws of the Authority.

Section 3. **Conflict of Interest.** Directors shall comply with the applicable conflict of interest and disclosure provisions set forth in City Code Section 2-155 and adhere to the guidelines established by the public service ethical principles resolution of the City Council, as amended.

Section 4. **Meetings.** Meetings of the Board may be called by or at the request of the Chairperson of the Board or any four (4) Directors. The meetings of the Board shall be public, and the appropriate notice of such meetings shall be provided to the public. The Board shall hold an annual meeting in the third calendar quarter of each year at which time officers of the Board shall be elected as provided in Article III, Section 2.

Section 5. **Notice.** Notice of any meeting shall be given in accordance with the Open Meetings Act (Act No. 267 of the Public Acts of 1976).

Section 6. **Quorum.** A majority of the Directors appointed and serving constitutes a quorum for the transaction of business at any meeting of the Board, however, a majority of the Board present may adjourn the meeting from time to time without further notice. The vote of the majority of the Directors present at a meeting at which a quorum is present constitutes the action of the Board, unless the vote of a larger number is required by statute or by these bylaws. Amendment of the bylaws by the Board requires the vote of not less than a majority of the Directors of the Board appointed and serving.

Section 7. **Rules of Procedure.** The rules of parliamentary procedure as set forth in the latest edition of *Robert's Rules of Order* shall govern the Authority in all cases to which such rules are applicable, provided that they are not in conflict with statutes, ordinances, or these bylaws.

Section 8. **Attendance.** Excessive absenteeism, including but not limited to missing three (3) consecutive regular meetings without reasonable excuse, may be reported by the Board, in its discretion based upon the impact of the absenteeism on the

Board's ability to properly perform its essential functions, to the City Council for potential removal for cause.

ARTICLE III

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 Deputy Secretary/Treasurer who need not be a Director. The same person may hold two offices, however the same person shall not hold the office of Chairperson and Vice Chairperson simultaneously. An officer shall not execute, acknowledge, or verify an instrument in more than one capacity if the instrument is required by law or these bylaws to be executed, acknowledged, or verified by two 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 third calendar quarter of each year. The term of each office shall be for one (1) year. Each officer shall hold office until his/her successor is appointed. No person shall hold the same office for more than three successive terms. The election shall be conducted through a nomination process. The Chairperson shall open the nomination process and members may nominate themselves or other members for an officer position. After all nominations have been made and accepted by the nominee(s), the chairperson will then conduct a vote for each nomination relating to the officer position in question. A majority vote of the members present shall be sufficient to elect a member to the officer position for which he/she was

nominated. Nomination and election of the Chairperson position shall be first, followed by the Vice Chairperson, Secretary/Treasurer, and Deputy Secretary/Treasurer (if any).

Section 3. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, shall be filled by the Board at any regular or special meeting of the Board for the unexpired portion of the term of such office. Vacancies shall be filled by the second regular meeting or the passage of two months following the occurrence of the vacancy, whichever time period is shortest.

Section 4. **Chairperson and Vice Chairperson.** The Chairperson shall be the chief executive officer of the Authority, but he or she may from time to time delegate all or any part of his/her duties to the Vice Chairperson. He or she, or in his/her absence, the Vice Chairperson, shall preside at all meetings of the Board; he or she shall have general and active management of the business of the Authority; and he or she shall perform all the duties of the office as provided by law or these bylaws. He or she shall be an ex-officio member of all standing committees, and shall have the general powers and duties of supervision and management of the Authority.

Section 5. **Secretary/Treasurer and Deputy Secretary/Treasurer.** The Secretary/Treasurer and Deputy Secretary/Treasurer 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. They shall further perform all duties of the office of the Secretary/Treasurer as provided by law or these bylaws.

Section 6. **Delegation of Duties to the Offices.** In the absence of any officer of the Authority, or for any other reason that the Board may deem sufficient, the Board may

delegate, from time to time and for such time as it may deem appropriate, the powers or duties, or any of them, of such officer to any other officer, or to any Director, provided a majority of the Board appointed and serving concurs therein.

ARTICLE IV

Contracts, Loans, Checks and Deposits, and Annual Reports

Section 1. **Contracts.** The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

Section 2. **Loans/Grants.** No grant or loan shall be contracted on behalf of 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 Council. Such authority may be general or confined to specific instances.

Section 3. **Checks, Drafts, Etc.** All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority and in such a manner as shall from time to time be determined by resolution of the Board.

Section 4. **Deposits.** All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies, or other depositories consistent with established City policy and procedures.

Section 5. **Annual Reports.** All funds of the Authority shall be publicized annually as part of the audited City Annual Financial Report. A report detailing the activities of the Authority shall be presented annually to the City Council for review.

ARTICLE V

Fiscal Year

The fiscal year of the Authority shall correspond at all times to the fiscal year of the City of Sterling Heights.

ARTICLE VI

Amendments

Amendment or repeal of the bylaws by the Board requires the affirmative vote of not less than a majority of the Directors of the Board appointed and serving at a regular or special meeting called for that purpose. All amendments shall be subject to the approval of the City Council.

I HEREBY CERTIFY that the above bylaws were adopted the _____ day of _____, 2008.

Secretary/Treasurer

Approved by City Council at a regular meeting held the _____ day of _____, 2008.

Walter Blessed, City Clerk

