

**CHELSEA DOWNTOWN DEVELOPMENT AUTHORITY
CHELSEA, MICHIGAN**

BY-LAWS
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ARTICLE 1 Name and Principal Office

The name of this Authority is the Downtown Development Authority (the “DDA”) of the City of Chelsea, Washtenaw County, Michigan (the “City”). The principal office of the DDA is located at 305 South Main Street, Chelsea, Michigan 48118.

ARTICLE 2 Purpose of the DDA and the Purpose of the By-Laws

The purpose of the DDA is established by the Downtown Development Authority Act, Act 197 of 1975, as amended, (the “Act”), and the Ordinances of the City (the “Ordinances.”). In the event of an ambiguity in these By-Laws or conflict with the Act, the Act shall control.

ARTICLE 3 Geographic Boundaries of the DDA District

The geographic boundaries of the DDA District is depicted in the attached appendix (the “District”).

ARTICLE 4 Board of Directors

Section 1.

The business and affairs of DDA shall be managed by its Board of Directors (the “Board”)

Section 2.

The Board shall consist of the Mayor of the City and 11 members as approved by the City Council.

Section 3.

Members of the Board shall be appointed by Mayor of the City, subject to approval by the City Council. Not less than a majority of the members shall be persons having an interest in property located in the District or representatives having an interest in property located in the District. Not less than 1 of the members shall be a resident of the District, if the District has 100 or more persons residing within it.

Section 4.

Each member shall serve for a term of four (4) years. An appointment to fill a vacancy shall be made by the Mayor of the City for the unexpired term only. Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the Board shall be elected by the Board.

Section 5.

The business which the Board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

Section 6.

All expense items of the DDA shall be publicized monthly and the financial records shall always be open to the public. These records will be made available on the City's Website.

Section 7.

In addition to the items and records prescribed in subsection (5), a writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

Section 8.

If any member of the Board is absent from three (3) consecutive regularly scheduled meetings, or four (4) meetings in the previous twelve (12) regularly scheduled meetings then that member may be considered delinquent. Delinquency shall be grounds for the City Council to remove a member from the Board for nonperformance of duty, or misconduct, after holding a public hearing on the matter. The Board secretary, or acting secretary in the absence of the elected secretary, shall keep attendance records and shall notify the City Council whenever any member of the Board has an attendance delinquency as described above. Absences may be excused if due to illness, injury, sudden emergency, or the conduct of other business as authorized by the Board.

Section 9.

The DDA and its board members shall deal with administrative services solely through the city manager. Neither the DDA nor any member thereof shall give orders to any of the subordinates of the city manager.

ARTICLE 5. Conflicts of Interest and Incompatibility of Office.

Section 1.

Each member of the Board shall avoid conflicts of interest which shall at a minimum include, but not necessarily be limited to, deliberating or voting on, or review a matter:

- A. directly concerning him or her or out of which s/he may receive a financial benefit that is more than incidental.
- B. concerning land owned by him or her.
- C. involving a corporation, company, partnership, or any other entity in which he or she is a part owner, or any other relationship where he or she may stand to have a financial gain or loss that is more than incidental.
- D. involving land adjacent to land owned by him or her if the particular improvement or issue with respect to that land also is adjacent to or otherwise,

- may impact the land adjacent to that land owned by him or her.
- E. concerning his or her spouse, children, step-children, grandchildren, parents, brothers, sisters, grandparents, parents in-law, grandparents in-law, or members of his or her household.
 - F. where his or her employee or employer is:
 - (1) An applicant or agent for an applicant, or
 - (2) Has a direct interest in the outcome.

Section 2.

Where a conflict of interest may exist, the question shall be put to the attorney for the Board and the opinion of the attorney shall be binding with respect to the existence of a conflict of interest. A vote may be tabled to obtain the opinion of the Board attorney.

Section 3.

When a conflict of interest may exist, the member of the Board, of the committee in question, shall do all of the following immediately, upon first knowledge of the matter:

- (a) Declare a conflict may exist at the next meeting of the Board or committee;
- (b) Cease to participate as a Board member or committee member regarding that matter if a conflict of interests exists; and
- (c) During deliberation of the agenda item before the Board or committee, leave the meeting or remove one's self from the table where members of the Board sit, until that agenda item is concluded.

Section 4.

If a member of the Board is appointed or elected to another office, which is an incompatible office with his or her membership on the Board, then on the effective date of the appointment to the other office, that appointment shall result in an automatic resignation from the Board. If a member of another office is appointed to the Board, which is an incompatible office with his or her membership in the other office, then on the effective date of the appointment to the Board, that appointment shall result in an automatic resignation from the other office. If it is unclear whether or not a Board member holds, or will hold, an incompatible office, the question shall be put before the City Council for a determination.

Section 5.

Gifts shall not be accepted by a member of the Board or liaisons from anyone connected with an agenda item before the Board. As used here, gifts shall mean cash, any tangible item, or service, regardless of value; and food valued over \$10.

ARTICLE 6 Powers of the Board

Section 1. The Board shall have all powers conferred upon it under the DDA Act.

ARTICLE 7. Officers

Section 1: Officers – The Officers of the Board shall be a Chairperson, Vice-Chairperson, Treasurer and Secretary. All officers shall be members of the Board, with the exception of the Secretary.

Section 2: Removal of Officers – An officer may be removed by a majority vote of the Board whenever in its’ judgment the best interest of the Board will be served. An officer may resign from office and still continue to serve as a member of the Board.

Section 3: Chairperson – The Chairperson shall preside at all meetings of the Board and shall discharge the duties as a presiding officer.

Section 4: Vice-Chairperson – In the absence of the Chairperson or the event of inability to serve as Chairperson, the Vice-Chairperson shall perform the duties of the Chairperson.

Section 5: Treasurer – The Treasurer shall prepare a monthly statement of all revenues and expenses and, with the assistance of appropriate City Officials, an Annual Financial Report, including the status of the tax increment finance account, covering the fiscal year of the Authority which shall be submitted to the City and the Michigan State Tax Commission. The fiscal year of the Authority shall be the same as that of the City, July 1 through June 30. In accordance with law, the Board shall direct an annual audit to be prepared and forwarded to the City Council, unless the audit is conducted within the audit of the City.

Section 6: Secretary – The Secretary or designee shall attend all meetings of the Board and record all votes and the minutes of all proceedings in a book or binder to be kept for that purpose. The Secretary shall give, or cause to be given, notice of all meetings of the Board and shall perform such other duties as may be prescribed by the Board. The Secretary shall, when authorized by the Board, attest by signature to actions of the Board.

Section 7: In the absence of any officer of the corporation, the Board may delegate the powers and duties of any officer to any member provided a majority of the Board then in office concurs therein.

Section 8: Election of Officers – Officers shall be elected by a majority vote of the Board. The term of office shall be for one (1) year and begin at the close of the Annual Meeting at which they are elected. No member shall hold more than one (1) office at a time.

ARTICLE 8 Optional Designation of an Executive Director

The Board may hire an Executive Director to manage the daily operations of the Authority. The duties, rights and responsibilities of employees of the Authority shall be consistent with the provisions of Act No. 197 of the Public Acts of 1975.

ARTICLE 9 Board Meetings

Section 1: - Regular and special meetings. All meetings of the Board will be held in compliance with state statutes, including the Open Meetings Act, 1976 PA 267 as amended, and with these By-Laws.

A. Regular meetings.

Regular meetings of the Board will be held at least once in each month.

B. Special meetings.

A special meeting shall be called by the Board Secretary upon the written request of the Chair or any three members of the Board on at least 24 hours’ written notice to each member of the Board served personally or left at the Board member’s usual place of residence. Special meeting notices shall state the purpose of the meeting. No official action shall be transacted at

any special meeting of the Board unless the item has been stated in the notice of such meeting.

Section 2: - Study sessions.

Upon the call of the Chair or the Board and with appropriate notice to the Board members and to the public, the Board may convene a work session devoted exclusively to the exchange of information relating to municipal affairs. No votes shall be taken on any matters under discussion nor shall any Board member enter into a formal commitment with another member regarding a vote to be taken subsequently.

Section 3: - Meetings to be public.

All regular and special meetings of the Board shall be open to the public, and citizens shall have a reasonable opportunity to be heard in accordance with such rules and regulations as the Board may determine, except that the meetings may be closed to the public and the media in accordance with the Open Meetings Act.

All official meetings of the Board and its committees shall be open to the media, freely subject to recording by radio, television and photographic services at any time, provided that such arrangements do not interfere with the orderly conduct of the meetings.

The DDA will arrange for videorecording of all regular open meetings of the Authority. This record shall be made available to the public on cable access within 3 working days of the meeting date. The record will be available via download from the City Web site, OR via DVD hardcopy at city offices, or both. Records will be maintained for public access via hardcopy for a minimum of four years.

Section 4: - Agenda preparation.

A. An agenda for each regular Board meeting shall be prepared by the Chair with the following order of business:

- i. Call to order and roll call of Board
- ii. Public hearings on matters under consideration
- iii. Brief public comment on agenda items
- iv. Approval of consent agenda
- v. Approval of regular agenda
- vi. Approval of Board minutes
- vii. Submission of bills
- viii. Communications to the Board
- ix. Reports from Board committees
- x. Reports from officers and City Manager as scheduled
- xi. Unfinished business
- xii. New business
- xiii. Announcements
- xiv. Adjournment

B. Consent agenda

A consent agenda may be used to allow the Board to act on numerous administrative or noncontroversial items at one time. Included on this agenda can be noncontroversial matters such as approval of minutes, payment of bills, approval of recognition resolutions, etc. Upon request by any member of the Board, an item shall be removed from the consent agenda and placed on the regular agenda for discussion.

Section 5 - Quorum.

A majority of the entire elected or appointed and sworn members of the Board shall constitute a quorum for the transaction of business at all Board meetings. In the absence of a quorum, a lesser number may adjourn any meeting to a later time or date with appropriate public notice.

Section 6 - Presiding officer.

The presiding officer shall be responsible for enforcing these rules of procedure and for enforcing orderly conduct at meetings. The Chair is ordinarily the presiding officer. The Board shall appoint one of its members Chair pro tempore, who shall preside in the absence of the Chair. In the absence of both the Chair and the Chair pro tempore, the member present who has the longest consecutive service on the Board shall preside.

Section 7 - Disorderly conduct.

The Chair may call to order any person who is being disorderly by speaking out of order or otherwise disrupting the proceedings, failing to be germane, speaking longer than the allotted time or speaking vulgarities. Such person shall be seated until the Chair determines whether the person is in order.

If the person so engaged in presentation is called out of order, he or she shall not be permitted to continue to speak at the same meeting except by special leave of the Board. If the person shall continue to be disorderly and disrupt the meeting, the Chair may order the removal of the person from the meeting. No person shall be removed from a public meeting except for an actual breach of the peace committed at the meeting.

Section 8 - Closed meetings.

1. Purpose. Closed meetings may be held only for the reasons authorized in the Open Meetings Act.

a. Calling Closed Meetings

At a regular or special meeting, the Board members, appointed and serving, by a two-thirds roll call vote may call a closed session under the conditions outlined in the Open Meetings Act. The roll call vote and purpose(s) for calling the closed meeting shall be entered into the minutes of the public part of the meeting at which the vote is taken.

b. Minutes of closed meetings

A separate set of minutes shall be taken by the Board Secretary or the designated secretary of the Board at the closed session. These minutes will be retained by the Board Secretary, shall not be available to the public, and shall only be disclosed if required by a civil action, as authorized by the Michigan Open Meetings Act. These minutes may be destroyed one year and one day

after approval of the minutes of the regular meeting at which the closed session was approved.

Section 9 - Discussion and voting

A. Rules of parliamentary procedure

The rules of parliamentary practice as contained in the latest edition of [Robert's Rules of Order, newly revised or an alternative source of procedural rules] shall govern the Board in all cases to which they are applicable, provided that they are not in conflict with these By-laws, Board resolution or applicable state statutes. The Chair may appoint a parliamentarian.

B. Roll call

In all roll call votes, the names of the members of the Board shall be called in alphabetical order.

C. Duty to vote

Election to a deliberative body carries with it the obligation to vote. Board members present at a Board meeting shall vote on every matter before the body, unless otherwise excused or prohibited from voting by law. A Board member who is present and abstains or does not respond to a roll call vote shall be counted as voting with the prevailing side and shall be so recorded, unless otherwise excused or prohibited by law from voting.

Conflict of interest, as defined by law, shall be the sole reason for a member to abstain from voting.

The right to vote is limited to the members of Board present at the time the vote is taken. Voting by proxy or by telephone is not permitted.

All votes must be held and determined in public; no secret ballots are permitted.

D. Results of voting

In all cases where a vote is taken, the chair shall declare the result.

It shall be in order for any Board member voting in the majority to move for a reconsideration of the vote on any question at that meeting or at the next succeeding meeting of the Board. When a motion to reconsider fails, it cannot be renewed.

Section 10 - Citizen participation

A. General

Each regular Board meeting agenda shall provide for reserved time for audience participation.

If requested by a member of the Board, the presiding officer shall have discretion to allow a member of the audience to speak at times other than reserved time for audience participation.

B. Length of presentation

Any person who addresses the Board during a Board meeting or public hearing shall be limited to three (3) minutes in length per individual presentation. The Board Secretary will maintain the official time and notify the speakers when their time is up.

C. Addressing the Board

When a person addresses the Board, he or she shall state his or her name and home address.

Remarks should be confined to the question at hand and addressed to the chair in a courteous tone. No person shall have the right to speak more than once on any particular subject until all other persons wishing to be heard on that subject have had the opportunity to speak.

D. Other Transparency Measures

The following documents or records will be readily available to the public on the City of Chelsea Website:

- 1) Annual Plan*
- 2) Current TIF plan*
- 3) Monthly expenses*
- 4) Other Current Financial records*
- 5) Reimbursements of expenses*
- 6) Agenda & minutes*
- 7) Updated video records and links*

Section 11 - Suspension of rules

The rules of the Board may be suspended for a specified portion of a meeting by an affirmative vote of two-thirds of the members present except that Board actions shall conform to state statutes and to the Michigan and the United States Constitutions.

ARTICLE 10 Committees

A. Standing and special committees of Board

The Board may have committees or special committees. Committees shall be established by board resolution and listed by name and with a definition of their purposes and scopes. Committee members will be appointed by the Chair. They shall be members of the Board. The Chair shall fill any committee vacancies. The committee member shall serve for a term of one year and may be re-appointed. Special committees may be established for a specific period of time by the Chair or by a resolution of the Board which specifies the task of the special committee and the date of its dissolution.

B. Citizen task forces

Citizen task forces may be established by a resolution of the Board which specifies the task to be accomplished and the date of its dissolution. Members of such committees will be appointed by the Chair, subject to approval by a majority vote of the Board.

ARTICLE 11 Agreements and Contracts

Section 1: All contracts or instruments of the DDA shall be executed on behalf of the DDA only as authorized by resolution of the Board. .

ARTICLE 12. Effective Date.

These By-Laws shall become effective upon approval of the City Council.

ARTICLE 13. Amendment of By-Laws

These By-Laws may be amended at any regular meeting of the Board, provided that the amendment has been submitted in writing at a previous regular meeting and approved by the City Council.

ARTICLE 14 Annual Plan

The DDA, consistent with PA 197, will prepare an annual plan and include

- a) The amount and source of TIF revenue*
- b) The amount in any bond reserve account*
- c) The amount and purpose of expenditures from the account.*
- d) The amount of principal and interest on any outstanding bonded indebtedness.*
- e) The initial assessed value of the project area*
- f) The captured assessed value retained by the authority*
- g) The tax increment revenues received*
- h) The number of jobs created as a result of the implementation of the TIF plan*
- i) Any additional information the governing body or the state tax commission considers necessary.*
- j) Current Projects*
- k) Fiscal Year Goals*
- l) Long term projects*
- m) Anticipated capital expenditures*

