

**CITY OF HIGHLAND PARK TAX INCREMENT  
FINANCE AUTHORITY ("TIFA") RESOLUTION APPROVING  
SECOND AMENDED RULES OF PROCEDURE**

Minutes of the special meeting of the Board of Directors of the City of Highland Park Tax Increment Finance Authority (the "TIFA") held at 30 Gerald Avenue (City Hall) in the City of Highland Park, Wayne County, Michigan on the 17th day of October, 1995.

The following resolution was offered by Mr. Williams and supported by Mr. Evans.

WHEREAS, on June 18, 1984, the City of Highland Park City Council passed a resolution establishing a Tax Increment Financing and Development Authority, prescribing its powers and duties and designated its boundaries; and

WHEREAS, on April 17, 1989, the Board of the TIFA passed a Resolution adopting its first Rules of Procedure; and

WHEREAS, since the first Rules of Procedure were initially adopted the TIFA has undertaken activities pursuant to its development plan and has discovered the need to amend its current Rules of Procedure to better administer its powers and duties as prescribed;

WHEREAS, the Board of the TIFA has reviewed the proposed Second Amended Rules of Procedure and desires to adopt the Amended Rules as proposed in order to facilitate the administration of its powers and duties as prescribed;

NOW, THEREFORE, BE IT RESOLVED:

That the Rules of Procedure adopted by the Board of the TIFA on April 17, 1989, be and the same hereby are amended in the form as presented to the Board for review on October 17, 1995, and attached hereto.

ADOPTED AS FOLLOWS:

YEAS:	<u>5</u>
NAYS:	<u>0</u>
ABSENTEES:	<u>3</u>
ABSTENTIONS:	<u>0</u>

RESOLUTION DECLARED ADOPTED.

PROPOSED SECOND AMENDED RULES OF PROCEDURE OF THE  
CITY OF HIGHLAND PARK TAX INCREMENT FINANCE AUTHORITY

These Rules of Procedure are hereby adopted subject to an in conformance with the authority and power given to the Authority by P. A. No. 450 of 1980 as amended.

ARTICLE I  
Offices

Section 1. Registered Office. The City of Highland Park Tax Increment Finance Authority (Authority) shall have and continuously maintain in the State of Michigan a registered office. The registered office may be, but need not be, identical with the Authority's principal office in the State of Michigan, and the address of the registered office may be changed from time to time by the Board of Members by a duly adopted resolution. Unless and until so changed, the registered office of the Authority is 15840 Second Avenue, Highland Park, Michigan 48203.

Section 2. Other Offices. The Authority may have such other offices as the Board of Members may determine, or the affairs of the Authority may required from time to time.

ARTICLE II  
Board of Members.

Section 1. General Powers. The affairs of the Authority shall be managed by its Board of Members in conformance with the provisions of Act 450 of 1980, as amended.

Section 2. Regular Meetings. Regular meetings of the Board of Members (Board) shall be held on the third Tuesday of each month at 5:30 p.m., or at such other time and place as the Board shall designate. Said meetings may be adjourned by action of the Board from time to time to a definite fixed place, date and time.

The Authority shall keep minutes of each meeting showing the date, time, place, members present, members absent, any decisions made at a meeting open to the public and the purpose or purposes for which a closed session is held. The minutes shall include all roll call votes taken at the meeting. Corrections in the minutes shall be made not later than the next meeting after the meeting to which the minutes refer. Corrected minutes shall be available no later than the next subsequent meeting after correction. The corrected minutes shall show both the original entry and the correction. Minutes shall be public records open to public inspection and shall be available at the address designated on posted public notices

pursuant to section 5 herein. Copies of the minutes shall be available to the public at the reasonable estimated cost for printing and copying. Proposed minutes shall be available for public inspection not more than 8 business days after the meeting to which the minutes refer. Approved minutes shall be available for public inspection not later than five (5) business days after the meeting at which the minutes are approved by the public body.

Section 3. Special Meetings. Special meetings of the Board of Members may be called by or at the request of the Director, Chairman, or any three (3) members.

Section 4. Notice of Special Meetings. Written notice of special meetings of the Board shall be either:

(a) Served personally on each member of the Board or left at his or her usual place of employment or residence not less than twenty-four (24) hours prior to the time of the Special Meeting;

(b) Given personally by telephone communication to each member of the Board not less than twenty-four (24) hours prior to the time of the Special Meeting; however, in every case where telephone notice is given, an affidavit shall be filed with the secretary of the Authority, signed by the person giving said notice, that notice was given to the Member by such means; or

(c) Given by first class mail to each member of the Board not less than seventy-two (72) hours prior to the time of the Special Meeting.

Section 5. Public Notice. Public notice of all regular, special or rescheduled regular or Special Meetings of the Authority, shall be given pursuant to the applicable provisions of Act 267 of the Public Acts of Michigan, 1976, MCLA §15.264 (the Open Meetings Act), as amended.

Section 6. Waiver. Any member may waive notice of any meeting either before or after such meeting. Attendance of a Member at a meeting constitutes waiver of notice of the meeting except were a member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless otherwise required by these Rules of Procedure.

Section 7. Closed Sessions. The Authority may meet in a closed session only for the purposes designated in the Open Meetings Act (MCLA §15.268). A two-thirds (2/3) roll call vote of Board members elected or appointed and serving shall be required to call a Closed Session, except when it involves personal matters relative to an Authority officer, employee, staff member or individual agent, if the named person requests a Closed Session, and where the session involves strategy or negotiation connected with the

negotiations of a collective bargaining agreement, if either party requests a closed session.

When a closed session of the Authority Board is held pursuant to the provisions of the Open Meetings Act, a separate set of minutes shall be taken by a clerk or secretary of the Authority at a closed session. These minutes shall be retained by the Authority, and shall not be available to the public. These minutes shall only be disclosed to the public if required under Sections 10, 11 or 13 of the Open Meetings Act.

Section 8. Quorum. A majority of the members of the Authority's Board shall constitute a quorum and all proceedings of the Board shall require a vote of a majority of the quorum for favorable action, unless the vote of a larger number of members is required herein or by law. Any meeting at which all members of the Board are present shall be a legal meeting for the conduct of the Authority's business, notwithstanding the fact that notice of the meeting was not given in the manner set forth above; provided, however, that notice of such meeting was given in accordance with the provisions of the Open Meetings Act.

Section 9. Open Meetings. All meetings, proceedings and actions of the Authority, except as otherwise provided in Section 7 hereof, shall be open to the public and shall be held in the Main Conference Room, City Hall Building, Highland Park, Michigan, or at such other place or places as the Board thereof or its authorized officers may from time to time designate. All persons shall be permitted to attend any meeting except as otherwise provided in Section 7 herein.

Section 10. Procedure. The order of business and all other matters of procedure at every Board meeting may be determined by the Chairperson or other presiding member. However, the Board shall act by resolution or motion only. Roberts Rules of Procedure may be employed by the Chairperson or other presiding member in the conduct of any meeting.

Section 11. Offices. The Board shall, by an affirmative vote of a majority of its members, elect a Chairperson, and may elect a Vice Chairperson, a Secretary and a Treasurer.

(a) The Chairperson shall have and exercise general charge and supervision of the affairs of the Authority, and shall perform such other duties as may be assigned to him or her by the Board. The Chairperson may designate an alternate to act in his or her stead in his or her absence or disability.

(b) The Vice Chairperson shall perform those duties as may be assigned to him or her by the Board and may be designated by such title or titles as the Board may determine.

(c) The Secretary shall maintain custody of the official seal and of records,

books, documents, or other papers not required to be maintained by the Treasurer. The Secretary shall keep a record of its proceedings, and shall perform such other duties delegated by the Board (the Board may employ and fix the compensation of a secretary, that is, this position need not be filled by a Board member. In such case, the secretary would be a staff person of the Authority, and not an Officer of the Authority).

(d) The Treasurer shall keep the financial records of the Authority and who, together with the Director of the Authority, shall approve all vouchers for the expenditure of funds of the Authority. The Treasurer shall perform such other duties as may be delegated to him or her, and shall furnish a bond in an amount as prescribed by the Board. (The Board may employ and fix the compensation of a treasurer, that is, this position need not be filled by a Board member. In such case, the treasurer would be a staff person of the Authority and not an Officer of the Authority).

Section 12. Terms and Qualifications of Members. The Board of Members shall consist of not less than seven (7) or more than thirteen (13) members as shall be determined by the City Council. Members shall be appointed by the Mayor with the City Council's approval. The Chairperson of the Board shall be elected by the Board. The members shall be appointed for terms of four (4) years, except, of the members first appointed, an equal number shall be appointed for four (4) years, three (3) years, two (2) years and one (1) year. Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

A member whose term of office has expired shall continue to hold office until the member's successor has been appointed by the Mayor with the advice and consent of the City Council. If a vacancy is created by death, resignation, removal by operation of law or any other reason which renders a member unable to serve his or her full term, a successor shall be appointed by the Mayor for the unexpired term only. In the event that any of the aforementioned reasons for removal from the Board reduces Board membership below that mandated by law, then said vacancy shall be filled by the Mayor within thirty (30) days of the condition which produced the vacancy.

Board members shall serve without salary, but may be reimbursed their actual expenses incurred in the performance of their official duties.

A member may be removed from office for cause by a majority vote of the City Council of the City of Highland Park. Upon recommendation by the Board to the City Council, a Board member may be removed for cause for the failure to attend three (3) or more consecutive Board meetings, without sufficient excuse to the other Board members.

Section 13. Indemnification. The Board of Members of the Authority or any person executing any revenue bond or revenue note on behalf of the Authority shall not be liable personally on the revenue bond or revenue note, or be subject to any personal liability

or accountability by reason of the issuance of the revenue bond or revenue note, by reason of acquisition, construction, ownership, or operation of a project, or by reason of any action taken or omitted by the Board of Members. The Authority, to the full extent permitted by law, at its expense, shall indemnify and save harmless, of, from and against, any and all claims, damages, demands, expenses to include all attorney fees and legal costs, liabilities and losses any person made, or threatened to be made, a party to any pending, threatened or completed civil, criminal, administrative or arbitative action, suit or proceeding and any appeal therein (an any injury or investigation which could lead to such action, suit or proceeding) by reason of the fact that he or she is or was a Member, officer or employee of the Authority, except in relation to matters as to which it shall be finally adjudged in such action, suit or proceeding that such person is liable for negligence or misconduct in the performance of his or her duties or acted in an unreasonable manner or not in good faith. Such right of indemnification shall inure to the benefit of the legal representative of such person in any such action.

### ARTICLE III Director of the Authority

The Board of Members may employ and fix the compensation of an individual or another agency to perform the functions of a director, subject to the approval of the City Council. The director shall serve at the pleasure of the Board. A member of the Board is not eligible to hold the position of director.

The hired individual person or the designated person on behalf of the agency acting as the director shall be the chief executive officer of the Authority and shall be known as the "Executive Director". Subject to the approval of the Board, the 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 P.A. 450 of 1980, as amended. The director shall attend the meetings of the Board, and shall render to the Board and to the City Council a regular report covering the activities and financial condition of the Authority. The director shall also prepare and submit for the approval of the Board, a budget for the operation of the TIFA for each fiscal year. Prior to the adoption of the budget by the Board, the budget shall be approved by the Highland Park City Council. If the 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 or her office the acting person shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the Board with information or reports governing the operation of the Authority as the Board requires.

ARTICLE IV  
Committee of Members

The Board of Members, by resolution adopted by a majority of the members present at any meeting, may designate and appoint one or more committees to assist the Board in the discharge of its duties, each of which shall consist of at least two but less than five (5) members, which committees shall exercise such authority as shall be granted to them by such resolution; provided such committees shall not have any power or authority reserved to the Board of Members by these Rules of Procedure, statutes, or other laws; provided, further, that said committees shall not adopt an agreement or merger or consolidation or an agreement for the sale, lease or exchange of, any of the Authority's property and assets, dissolve the Authority or amend the Rules of Procedure of the Authority. All actions by the committees shall be subject to approval by the Board of Members. The resolution establishing an advisory committee shall state the names of the committee members, their terms of office and the committee's function.

ARTICLE V  
Contracts, Checks, Deposits and Funds

Section 1. Contracts. The Board of Members may authorize any Officer or Officers, agent or agents of the Authority to enter into any contract or execute and deliver any instrument in the name of an on behalf of the Authority, and such authority may be general or confined to specific instances. In the absence of such specific authorization by the Board of Members, such contract(s) or instrument(s) as are authorized for execution by the Board of Members shall be signed by the Chairman and counter-signed by the Vice-Chairman, Secretary or the Treasurer of the Authority, or if such Officers have not been elected by any other Board member.

Section 2. Checks, Drafts and Bonds. All checks, drafts or orders for the payment of money, bonds, 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 manner as shall from time to time be determined by resolution of the Board of Members. In the absence of such determination by the Board of Members, such instrument shall be signed by the Board member holding the office of Treasurer, but if no such officer has been elected, then by the person employed by the Board to act as treasurer, or other member designated by the Board.

Section 3. Deposits. All funds of the Authority shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositaries as the Board of Members may select.

Section 4. Gifts. The Board of Members may accept on behalf of the Authority any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Authority.

Section 5. The Board of Members shall have an annual audit performed by a public accounting firm.

#### ARTICLE VI Books and Records

The Authority shall keep accurate and complete books and records of accounts and shall also keep minutes of the proceedings of the Board of Members and committees having any of the authority of the Board of Members, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Authority may be inspected by any member, or his or her agent or attorney for any proper purpose at any reasonable time.

#### ARTICLE VII Fiscal Year

The fiscal year of the Authority shall begin on the first day of July and end on the last day of June of each year.

#### ARTICLE VIII Seal

The Board of Members shall provide a seal, which shall be the official seal of the Authority.

#### ARTICLE IX Conflicts of Interest and Disclosure

Section 1. Subject to Section 2 of this Article and in accordance with Act No. 317 of 1968, as amended, a member, Officer, or employee of the Authority shall not:

(a) Be a party, directly or indirectly to any contract between himself or herself and the Authority; or

(b) Directly or indirectly solicit any contract between the Authority and (1) himself or herself; (2) any firm (meaning a co-partnership or other unincorporated



association) of which he or she is a partner, member or employee; (3) any private corporation in which he or she is a stockholder owning more than one percent of the total outstanding stock of any class where such stock is not listed on a stock exchange or stock with a present total market value in excess of \$25,000 where such stock is listed on a stock exchange or of which he or she is a director, officer or employee; or (4) any trust of which he or she is a beneficiary or trustee; nor shall he or she take any part in the negotiation for such contract or renegotiation thereof or amendment thereto for the approval thereof; nor shall he or she represent either party in the transaction.

Section 2. The restrictions of Section 1 of this Article shall not apply to a member, Officer or employee of the Authority who is paid for working an average of twenty-five (25) hours per week or less for a public entity, as that term is defined in MCLA §15.321.

Section 3. A contract involving the Authority and a member, Officer or employee of the Authority shall meet all of the following requirements:

(a) The member, Officer or employee shall promptly disclose any pecuniary interest in the contract to the Authority, which disclosure shall be made of record in its official proceedings;

(b) The contract is approved by a vote of not less than two-thirds (2/3) of the full Board of Authority in open session, where the interested party is a Board member, said approval must be by a two-third (2/3) vote of the full Board excluding the said interested member; and

(c) The official body discloses the following summary information its official minutes:

(i) The name of each party involved in the contract.

(ii) The terms of the contract, including duration, financial entity included in the contract, and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.

(iii) The nature of any pecuniary interest.

This Section and Section 1 hereof shall not prevent a Board member from making or participation in making a Board decision to the extent that the Board member's participation is required by law. If 2/3 of the members are not eligible under this section to vote on a contract or to constitute a quorum, a member may be counted for purposes of a quorum and may vote on the contract if the member will directly benefit from the contract in an amount less than \$250.00 and less than 5% of the public cost of the contract and the member files a sworn affidavit to that effect with the Authority. The affidavit shall be made a part of the public record of the official proceedings.

Section 4. Pursuant to Section 4 of P.A. No. 317 of 1968, the prohibitions of this Article shall not apply to:

- (a) contracts between public entities;
- (b) contracts awarded to the lowest qualified bidder, other than a public servant, pursuant to notice of letting of the contract and receipt of sealed bids therefor;
- (c) contracts for public utility service where the rates therefore are regulated by the State or Federal government.

#### ARTICLE X Reporting, Public Access to Records

Section 1. The Authority shall prepare and submit an annual report NOT MORE THAN 120 DAYS AFTER THE CONCLUSION OF THE FISCAL YEAR OF THE AUTHORITY to the Highland Park City Council which report shall fully describe the activities of the Authority including a statement of all revenues and expenditures since the previous report.

Section 2. The financial records, accountings, audit reports, and other reports of public monies under the control of the Authority shall be public records and open to inspection.

Section 3. The Authority shall publish in a newspaper of general circulation in the City of Highland Park, not more than 120 days after the conclusion of the Authority's fiscal year a statement of all its revenue and expenditures for the year and shall distribute copies of the report upon request.

#### ARTICLE XI Amendments to Rules of Procedure

The Board shall have the power to make, alter, amend or repeal these Rules of Procedure of the Authority by a majority vote of the Board at any regular or special meeting, provided that at least five (5) days written notice of intention to make, alter, amend or repeal these Rules of Procedure in all or in part with written copies of the proposed changes included, and provided further that such alterations, amendments or revocations are in compliance with the enabling powers and authority vested in the Authority by PA 450 of 1980.