

**BY-LAWS OF THE
SOUTHWEST MICHIGAN REGIONAL AIRPORT AUTHORITY
BENTON HARBOR, MICHIGAN**

**ARTICLE I
PURPOSES**

Section A. The purpose of the Southwest Michigan Regional Airport Authority (hereinafter referred to as the Authority) is as follows:

1. To plan, promote, acquire, construct, improve, enlarge, extend, own, lease and maintain real and personal property necessary to operate an airport;
2. To operate the landing, navigational and building facilities necessary for such an airport;
3. To provide efficient service to all who use the facility; and
4. To initiate and maintain rules and regulations for the operation of the airport and the Authority.

Section B. The Authority shall be a corporate body with the power to sue or be sued in any Michigan court and may exercise any and all powers necessary and incident to the acquisition, construction, improvement, enlargement, extension, ownership, lease, maintenance and operation of the landing, navigational and building facilities necessary for the airport.

**ARTICLE II
OFFICE OF THE AUTHORITY**

Section A. Principal Office. The principal office of the Authority shall be located at 1123 Territorial Road, Benton Harbor, Michigan 49022.

Section B. Registered Office. The registered office of the Authority may be the same as the principal office of the Authority.

**ARTICLE III
MEMBERSHIP**

Section A. The present membership of the Authority shall consist of: the Cities of Benton Harbor and Saint Joseph; the Charter Townships of Benton, Lincoln, St. Joseph; and Royalton Township; all located in Berrien County, Michigan.

Section B. Any county, city, incorporated village, or township may become a member municipality of the Authority upon resolution adopted by its governing body, and acceptance thereof by resolution adopted by a majority vote of the governing board of the Authority (hereinafter the Board).

Section C. Any county, city, incorporated village, or township which is now or hereafter becomes a member municipality of the Authority may, upon request and upon resolution of its governing body, duly accepted by a 2/3 majority vote of the Board, be released from membership in the Authority.

Section D. A county, city, incorporated village, or township may not be released from membership in the Authority until:

1. All outstanding obligations of the Authority that have been incurred after the time of the admission of the county, city, incorporated village or township to the Authority have been paid or adequate provision has been made for the payment thereof; and
2. That portion of prior obligations allocated to the county, city, incorporated village, or township wishing to be released, as may be agreed to by the Board and the governing body of the member municipality, has been paid or adequate provision has been made for the payment thereof.

Section E. Each member municipality of the Authority is annually liable for a sum not to exceed 1.00 mill of their taxable value, determined to be required and certified by the Authority annually, for the purpose of planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, leasing, maintaining and operating the necessary landing, navigational and building facilities of the airport and to allow implementation of other provisions of the Authority. In the event that a member municipality shall join the Authority without passing an ad valorem property tax for the Authority, then that member municipality's liability shall not exceed what they would otherwise owe using 1.00 mill of its taxable value. In no event shall a member municipality's annual liability exceed the ad valorem property tax for the Authority passed by that municipality or its general fund contribution in lieu thereof.

Section F. It is the intent of the member municipalities, and that of the Authority, that no member municipality shall be liable to the Authority for any term which exceeds ten (10) Years ending December 31, 2026, nor for any additional contribution without prior approval of its electorate or that member municipality's prior approval of a general fund

contribution in lieu thereof. For purposes of these By-Laws, the following definitions apply: A "general fund contribution" is a contribution made by a member municipality in lieu of approval by a vote of the majority of the qualified electors of an ad valorem property tax for the Authority, or a contribution made by a member municipality in addition to its approved ad valorem property tax. "Additional contribution" is a sum of money in addition to the member municipalities currently approved and levied ad valorem property tax for the Authority.

Section G. In the event that the member municipality's electorate fails to approve an ad valorem property tax for the Authority and if the member municipality fails to approve a general fund contribution in lieu thereof, then that municipality shall withdraw and be released from the Authority subject to the conditions set forth in Article III, Section D.

Section H. The legislative bodies of the member municipalities of the Authority may raise by an ad valorem property tax to be levied on the taxable property within their respective jurisdiction, a sum of money to be used to fulfill the obligation set forth in Section E, to assist in the planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, leasing, maintaining, and operating the landing, navigational, and building facilities necessary for the airport. The tax shall not exceed 1.00 mill of the taxable valuation of each member municipality. On computing the total tax to be levied, the taxable valuation of any member municipality of the Authority shall not be used more than once. In no event shall a member municipality's annual liability exceed the ad valorem property tax for the Authority passed by that municipality or its general fund contribution in lieu thereof.

Section I. The Authority shall certify the amount due from each member municipality. Payment of sums so certified shall be due and payable to the Authority 120 days subsequent to the date upon which local taxes become due and payable in member municipalities participating in the Authority. Each member municipality shall be liable for the amount so certified.

ARTICLE IV **AIRPORT AUTHORITY BOARD**

Section A. The Authority shall be governed by a Board consisting of one (1) representative from each member municipality to be appointed by its respective legislative body.

Section B. The appointed representatives and their alternates shall be members of the legislative bodies that appointed them, unless otherwise provided for by that member municipality's governing body's resolution. Representatives and their designated alternates shall be appointed for five (5) year terms by resolution of each member municipality and evidence of the appointment shall be filed with the Secretary of the

Authority by each representative. A representative shall serve without compensation but shall be reimbursed for actual expenses incurred in the discharge of official duties.

Section C. Designated Alternate - Each representative to the Board shall have a designated alternate appointed by their local governing entity who shall be the legal representative for that member municipality in the event of the absence of the regular appointed representative. Such alternate shall be registered with the Secretary of the Board prior to attendance to the Board meeting. Registration of such an alternate shall remain in effect until notice of change by the member municipality. The alternate shall not assume the duties of an officer of the Authority, but shall be a voting member in the absence of the representative.

Section D. Any county, city, incorporated village, or township who subsequently becomes a member municipality shall be entitled to one (1) representative to be appointed pursuant to this Article. The initial term of the representative(s) of any new member municipality joining the Authority after December 31, 2016, shall end contemporaneously with the terms of all other representatives appointed and serving at that time.

Section E. In the event that less than four (4) municipalities are members of the Authority, each member municipality shall have two (2) representatives appointed to the Authority pursuant to this Article.

ARTICLE V **OFFICERS AND DUTIES**

Section A. The Board shall elect annually a Chairperson and a Vice-Chairperson who must be a representative of the Board and a Secretary and Treasurer who need not be a representative of the Board. These elections are to be held at the regular Board meeting in June of each year, and newly elected officers shall take office on July 1. Additional officers may be appointed from time to time as deemed necessary by the Board. Officers who are not representatives of the Board shall not be entitled to vote.

Section B. The Chairperson, if present, shall preside over all meetings of the Board and be an ex-officio member of all committees. The Chairperson shall decide all questions of order subject to appeal to the Board. The Chairperson shall appoint persons to all committees and designate the Chairperson of each. The Chairperson shall arbitrate disputes between committee persons or committees. The Chairperson shall perform such other incidental and reasonable responsibilities that pertain to the office of Chairperson. The Chairperson shall not legally bind the Authority without the approval of the Board.

Section C. The Vice-Chairperson shall perform the duties and exercise the power of the Chairperson during the absence or disability of the Chairperson.

Section D. The Secretary shall serve as the keeper of the records, policies, and procedures of the Board and shall keep those policies and procedures and records current and available for utilization by Board representatives. It shall be the Secretary's responsibility to see to it that minutes of all Board meetings are taken, approved, and after being approved by the representatives of the Board, preserved so that they may be referred to by the public and any interested person. The Secretary shall perform such other duties as the Board may from time to time designate.

Section E. The Treasurer shall have the custody of all of the funds of the Authority. He or she shall keep accurate books and records of all funds of the Authority and record all receipts and disbursements. It shall be the Treasurer's responsibility to see to it that all money, security, and other valuable effects of the Authority are deposited in a safe and secure place. The Treasurer shall disburse the funds of the Authority as may be ordered by the Board and shall render to the Board at regular meetings of the Board and whenever required by the Board an account of all transactions and of the financial condition of the Authority. The accounts and financial records of the Authority shall be audited each year by a Certified Public Account licensed to practice accountancy in the State of Michigan.

Section F. No officer shall serve more than two (2) consecutive terms in the same office.

ARTICLE VI **MEETINGS**

Section A. The Authority shall hold a regular meeting each month, at a date and time to be determined by the Board in compliance with the Open Meetings Act. These meetings shall be held at the terminal building of the Southwest Michigan Regional Airport. Additional or regular meetings may be held at locations designated by the Board in its discretion, to be in compliance with the Open Meetings Act, 1976 Public Act 276, as amended.

Section B. The regular meeting in June shall be designated as the annual meeting of the Board.

Section C. The Chairperson may call a special meeting of the Board at any time upon reasonable notice. Further, the Chairperson shall call a special meeting upon request of three (3) representatives on the Board. In addition to the public notice required by the Open Meetings Act, notice for any special meeting shall be given by the Chairperson, either in person or in writing, to each representative in advance of that meeting.

Representatives attending any regular or special meeting shall be deemed to have received proper notice of that meeting if that representative is in attendance at the meeting. In addition, any representative may waive the notice requirements of any meeting, either before or after the meeting has been held.

Section D. Notice of all meetings shall be posted as required by the Open Meetings Act, 1976 Public Act 276, as amended.

Section E. The Board shall keep a written record of each meeting, which record and any other 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 Act No. 442 of the Public Acts of 1976, as amended, being Sections 15.231 to 15.246 of the Michigan Compiled Laws (also known as FOIA).

Section F. A majority of the representatives or their alternates shall constitute a quorum sufficient for voting purposes. On all voting issues before the Board, a simple majority of the representatives in attendance shall constitute a legal majority. A representative of the Board must be present in person in order to vote on any issue coming before the Board.

Section G. Meetings of The Board shall be conducted according to Robert's Rules of Order. The general order of business of the Board meeting shall be substantially as follows:

1. Call to order.
2. Roll call.
3. Approval of Minutes.
4. Treasurer's Report.
5. Airport Director's Report
6. Committee Reports.
7. Old Business.
8. New Business.
9. Correspondence.
10. Public Comments.
11. Board Comments.
12. Adjournment.

Section H. Minutes of all Board meetings shall be kept as determined by the Board. These minutes shall record the date, time, place, representatives present, representatives absent, and any decisions made. After the minutes are approved at the next meeting of the Board, they shall be kept as public records open to inspection as required by the applicable law.

ARTICLE VII **COMMITTEES**

Section A. The Board may appoint an executive committee, consisting of the Chairperson and two (2) other representatives of the Board, to carry on the active administrative duties of the Authority.

Section B. The Chairperson, with the approval of the Board, may appoint the following standing committees whose duties shall be as follows:

1. **FINANCE COMMITTEE:** The finance committee shall consist of a minimum of three (3) persons. The committee shall see to it that the budget is prepared not later than April 1 of each year for the approval of the Board. The committee shall closely supervise the accounting, auditing, and financial policies of the Authority and shall make recommendations to the Board regarding rates, credit, and other financial matters.

2. **BUILDING, EQUIPMENT, AND GROUNDS MAINTENANCE:** The maintenance committee shall consist of a minimum of three (3) persons. It shall be the duty of the committee to have general supervision of and make recommendations for the maintenance of all buildings and grounds owned or leased by the Authority and to see to it that the airport is maintained in good repair and in such condition that the airport can function efficiently.

Section C. The Chairperson, with the approval of the Board, may appoint special committees for limited times and purposes as the Chairperson deems necessary.

Section D. The Chairperson may appoint or disband any standing or special committees with the approval of the Board. Vacancies on committees shall be replaced by the Chairperson with the approval of the Board. The Chairperson, with the approval of the Board, shall designate membership in the standing committees at the annual meeting of each fiscal year.

Section E. The executive committee shall consist exclusively of Board representatives. All other committees shall consist of at least one (1) representative and may include persons who are registered voters from the member municipalities.

Section F. The duties, responsibilities, and duration of all committees shall be decided by the Chairperson with the approval of the Board.

Section G. The Chairperson, with the approval of Board, may also appoint an airport advisory committee whose duty shall be to advise the Board in regard to technical problems of airport operation or in regard to state and federal policies.

Section H. Meetings of a standing or special committee may be convened by its Chairperson or a majority of the committee members at any time upon reasonable notice to its members and to the Chairperson of the Board and in accordance with any applicable law. A quorum shall consist of a majority of the committee's members.

Section I. No person shall be appointed to chair the same committee for more than three (3) consecutive years.

ARTICLE VIII **EMPLOYEES AND SERVICES**

Section A. The Board may employ directly or contract for the services of an airport manager. The manager shall have charge of the operation of the airport subject to such written rules, policies and regulations as the Board may enact from time to time.

Section B. The Board may employ directly or contract for the services of such other employees as it deems necessary for the planning promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining and operating of the airport.

ARTICLE IX **BUDGET**

Section A. The fiscal year of the Authority shall run from July 1 to June 30, inclusive.

Section B. The Board shall prepare a budget not later than April 1 of each year which shall be approved by the Board for the coming year. The Board shall ascertain what appropriations are required from the member municipalities to meet their respective shares of the amount of the budget in excess of the estimated revenues. The Board shall then certify the amounts to be paid by each member municipality by not later than April 1. In no event shall sums requested from each member municipality exceed 1.00 mill of its taxable value per annum, and in no event shall a member municipality's liability exceed the ad valorem property tax for the Authority passed by that municipality or its general fund contribution in lieu thereof.

Section C. The budget shall contain an itemized statement of the estimated current expenses and the expenses for capital outlay, including the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year or which have previously matured and are

unpaid, and the estimated revenue of the Authority from all sources for the ensuing fiscal year.

Section D. The Board shall cause an annual audit to be made of the accounts of the Treasurer by a competent Certified Public Accountant licensed to practice accountancy in the State of Michigan.

Section E. An annual report shall be made by the Board, a copy of which shall be filed with the Michigan Aeronautics Commission and with the participating local units of government.

Section F. The Treasurer and any employee handling funds shall be required to furnish a bond in an amount of not less than \$20,000.00 by a bonding company acceptable to the Board. The cost of the premium shall be paid by the Authority.

Section G. The Board shall render to each participating member municipality, annually by July 1, a certified report of the operation of the airport. Each report shall state the condition of the finances, the amount of money expended, and the money received from all sources. The Board shall also file a copy of the report with the Department of Treasury together with any other information the Department of Treasury may require.

Section H. Within 30 days after the formation of the Authority, and annually on July 1 thereafter, the Board shall file with the Secretary of State a report as the Secretary of State may require, showing the date of formation, the names of the member municipality, and any other information as the report may call for.

Section I. The Board, by resolution adopted by an unanimous vote, may borrow money and issue notes therefor, maturing not more than 4 years from the date of their issuance and bearing interest at not to exceed the maximum rate allowed under the Michigan Municipal Finance Act (as amended). Borrowing shall be for the purpose of meeting current expenses of operation, maintenance and physical development of the airport. The resolution shall provide for the pledging of income and revenues of the Authority not previously pledged for the payment of such notes, and shall also provide for a special sinking fund into which there shall first be paid, as collected, a sufficient sum from the revenues the Authority pledges therefor to retire both the principal and interest of the notes at maturity. The resolution may also provide for the pledging of other assets of the Authority as additional security for the payment of the notes. Notes issued under this section shall be subject to the provisions of the Michigan Municipal Finance Act (as amended). It is the intent of the member municipalities, and that of the Authority, that no member municipality shall be liable to the Authority for any term which exceeds ten (10) years ending December 31, 2026.

Section J. For the purpose of acquiring, purchasing, constructing, improving, enlarging, or repairing the airport, the Board may issue self-liquidating bonds of the Authority in

accordance with the Michigan Municipal Finance Act (as amended). The bonds shall not impose any liability upon the member municipalities, other than on the amounts which are assessed against the respective municipalities, which amounts or any portion thereof may be pledged by the Board for the payment of the bonds. No bonds shall be issued or indebtedness incurred beyond one (1) year without prior approval of the governing body of each member municipality. The amount required to be paid by any municipality shall be considered to be a part of the revenues of the Authority as defined under the Michigan Municipal Finance Act (as amended).

ARTICLE X **DOCUMENTS**

Section A. All checks, drafts, and orders for payment of monies shall be signed in the name of the Authority and shall be counter-signed by such officers or agents of the Authority as from time to time shall be designated for that purpose by the Board.

Section B. The execution of any contract, conveyance, or other instrument or document authorized by the Board except as herein stated shall be executed in the name of the Authority by the Chairperson (or in his or her absence the Vice Chairperson) and the Secretary (or in his or her absence by the Treasurer). The seal of the Authority shall be attached to such documents.

ARTICLE XI **AMENDMENTS TO THE BY-LAWS**

Section A. These By-Laws may be revised or amended at any regular meeting of the Board provided that members of the Board have been advised at a previous regular meeting that changes in the By-Laws are being contemplated.

Section B. Should the Chairperson of the Board or three representatives feel that changes may be desirable, a special committee may be appointed whose duty shall be to prepare copies of proposed revisions or amendments. Copies of any proposed changes shall be sent to each representative by first class mail at least seven (7) days prior to the meeting at which they will be considered with proof of delivery required to each representative of the Board. The proposed revision or amendments shall be adopted at the next regular meeting, if approved by a majority of the Board.

ARTICLE XII **ADOPTION**

When the By-Laws have been revised or amended as outlined above, they shall replace any prior By-Laws, rules or regulations and shall become effective immediately.

ARTICLE XIII **OTHER POWERS**

Section A. The Board may purchase, lease, accept by gift or devise real or personal property, or condemn private property. Condemnation shall be exercised by the authority in the same manner as provided by the state aeronautics commission by Section 104 of Act No. 327 of the Public Acts of 1945, being Section 259.104 of the Michigan Compiled Laws, or under such other appropriate acts as shall be passed for the purpose of instituting and prosecuting condemnation proceedings for airport or landing field purposes.

Section B. The Authority may sell, exchange, lease, hold, manage, and control such property. It may convey its property or any part thereof without monetary consideration to a nonprofit corporation organized for the purpose of owning, maintaining, and operating a public airport or permit the use of such property by such corporation. The conveyance or permission for use shall be upon condition that the corporation maintain and operate an airport upon any land so conveyed or use of which is permitted, and that the corporation shall conform to the rules and standards provided by Act No. 327 of the Public Acts of 1945, as amended, being Sections 259.1 to 259.208 of the Michigan Compiled Laws.

ARTICLE XIV **SEVERABILITY**

Any article, section, or provision of this agreement that is held to be invalid by any court of competent jurisdiction shall be considered deleted from these By-Laws, but such deletion shall in no way affect any other article, condition, or provision of these Bylaws.

