

**DOWNTOWN DEVELOPMENT AUTHORITY BOARD
OF THE CITY OF MONTROSE, MICHIGAN**

BY-LAWS

Adopted by the Montrose DDA Board: May 12, 2009

Approved by Montrose City Council: May 28, 2009

Approved by Montrose City Council: May 16, 2019

Approved by Montrose City Council: December 19, 2019

Approved by Montrose City Council: March 18, 2021

Approved by Montrose City Council: January 25, 2025

ARTICLE 1

Name and Principal Office

Section 1: The name of this Authority is the Downtown Development Authority (DDA) of the City of Montrose. This DDA was established by ordinance of the City of Montrose pursuant to Public Act 57 of the Public Acts of the State of Michigan.

ARTICLE 2

Statement of Mission and Purpose

Section 1: Mission Statement – The mission of the Montrose DDA is to enhance the quality of life and develop a positive image of Downtown Montrose for residents, businesses and visitors by promoting cultural and economic growth in the designated DDA area.

Section 2: Purpose – The purpose of the Montrose DDA is to act in accordance with the provisions of Act 57 of the Public Acts of 2018 as amended hereinafter referred to as the “Act”. The Authority shall have all the powers, which now or hereafter may be conferred by law on authorities organized under this Act. The overall goal of the Authority is to undertake public improvements and other activities that have the greatest impact in strengthening the downtown area and attracting new private investments in the DDA area.

In addition, the Authority is organized to stimulate downtown revitalization in Montrose through organization (encouraging cooperation and building leadership in the business community); promotion (creating a positive image for downtown by promoting the downtown as an exciting place to live, shop and invest); design (improving the appearance of the downtown); economic restructuring (identifying new market opportunities and stimulate investment); and to receive, administer and distribute funds in connection with any activities related to the above purposes. No part of the net earnings of the Program shall inure to the benefit of any of its members or any other individual.

ARTICLE 3

Program Area

Section 1: The Program Area shall be that geographic area indicated on the attached map [Exhibit A].

ARTICLE 4

Board of Directors

Section 1: General Powers – The Authority shall operate within the Authority district described in the Ordinance as currently in effect and as it may be amended pursuant to the Ordinance and the Act. The Authority shall be under the supervision and control of the Authority's Board of Directors, hereinafter referred to as the "Board".

Section 2: Size and Tenure – The Board shall consist of the Mayor, Chief Executive Officer of the City of Montrose, and not less than eight (8) members not more than twelve, (12). The members shall be appointed for a term of four (4) years.

Section 3: Selection of Board Members – The Mayor of the City of Montrose, with the advice and consent of the City Council, shall appoint Board Members. A member of the Authority shall have one of the following qualifications:

- 1) Resident of the City of Montrose
- 2) Registered voter in the City of Montrose
- 3) Have an interest in real property in the DDA district

Not less than a majority of the members shall have an interest in property located in the Authority District. Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional Oath of Office.

Section 4: Compensation – All members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses while conducting the business of the Board provided prior approval has been authorized by the Board.

Section 5: Vacancies and Expiration of Terms – A member whose term of office has expired shall continue to hold office until the member's successor is appointed and qualified. An appointment to fill a vacancy shall be made in the same manner as the original appointment, but for the unexpired term only. The Mayor of the City of Montrose shall, with the advice and consent of the City Council, appoint a successor within a reasonable period of time after the vacancy was created.

Section 6: Removal of Board Members – Pursuant to proper notice and an opportunity to be heard, a member may be removed from office for cause by the majority vote of the City Council. Sufficient cause for removal includes, but is not limited to, neglect of duty, non-attendance at meetings (A member who is absent from three (3) consecutive meetings of the Board may be removed from the Board by the Mayor with the concurrence of the City Council), or loss of status conferred by an interest in the DDA district.

ARTICLE 5

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.

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 and when so acting, shall have all the powers and be subject to the restrictions of the Chairperson.

Section 5: Treasurer – The Treasurer or designee shall prepare a quarterly statement of all revenues and expenses, with the assistance of appropriate City Officials, and an Annual Financial Report covering the fiscal year of the Authority. The fiscal year of the Authority shall be the same as that of the City, July 1 through June 30. The Board will direct an annual audit to be prepared and the results of which shall be forwarded to the Montrose City Council.

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 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: Election of Officers – Officers of the Board shall be elected at the Annual Meeting in February. 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. If, for any reason, election of Officers should not occur at the annual meeting, the Board shall elect officers at a regular or special meeting within ninety days.

ARTICLE 6

Employment of Personnel

Section 1: An Executive Director may be employed and shall serve at the pleasure of the Board. The Board of Directors shall annually set the Executive Director's compensation. The Executive Director shall manage the daily operations of the Authority. The Executive Director shall be responsible for coordinating the implementation of the Authority's policies and projects and such other duties as the Board of Directors may require. 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.

Section 2: The Board may contract with the City of Montrose for any or all administrative, planning and legal services in support of its operations.

ARTICLE 7

Meetings

Section 1: Annual Meeting: An Annual Meeting shall be held the first regular meeting in February at a time and place to be set by the Board.

Section 2: Regular Meetings: Regular meetings of the Board shall be held at a time and place to be set by the Board.

Section 3: Special Meetings: Special meetings of the Board may be called by the Chairperson, Vice-Chairperson in the absence of the Chairperson, or by any three (3) Board members by giving twenty-four (24) hours notice of the meeting, stating the purpose of the meeting and by posting a notice eighteen (18) hours prior to the meeting in the regular notice location in City Hall.

Section 4: Notice of Meetings – Public notice of the time, date and place of the meetings of the Authority shall be given in the manner required by Act No. 267 of the Public Acts of 1976, Michigan Open Meetings Act.

Section 5: Agenda – The Secretary shall prepare the agendas for all meetings and send them to the Board members at least seventy-two (72) hours prior to the meeting. Any member of the Board may request any item to be placed on the agenda.

Section 6: Quorum and Voting – A majority of the members of the Board in office shall constitute a quorum for the transaction of business. A vote of the majority of the members present at a meeting shall constitute the action of the Board unless the vote of a larger number is required by statute, or elsewhere in these by-laws. In the event that effective membership is reduced because of a conflict of interest, a majority of the remaining members eligible to vote shall constitute the action of the Board.

Section 7: Rule of Order – Robert's Rules of Order will govern the conduct of all meetings.

Section 8: Open and Closed Meetings – The Board shall adopt rules consistent with Act No. 267 of the Public Acts of 1976, Michigan Open Meetings Act, governing its procedures and the holding of regular meetings. The public is welcome to attend all open meetings of the Board. Closed meetings of the Board may be called for purposes listed in the Open Meetings Act No. 267 of the Public Acts of 1976, as amended, if approved by the Authority.

ARTICLE 8

Committees

Section 1: The Chairman may, by resolution and with majority vote of the Board, establish one or more committees. The designation and appointment of any such committees and the delegation thereto of authority shall not operate to relieve the Board, or any individual Director, of any responsibility imposed upon them by law.

ARTICLE 9

Agreements and Contracts

Section 1: Only the Board shall enter into any contract or execute and deliver any instrument on behalf of the Authority within the limits authorized by the Act. All agreements and contracts will be reviewed by an attorney. All contracts by or on behalf of the Authority shall be signed by the Chairperson and at least one other Board member.

ARTICLE 10

Assets and Liabilities

Section 1: Funds – All orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Authority shall be signed by the Chairperson and at least one other Board member and forwarded to the City Manager of the City of Montrose for the issuance of payment. The Vice-Chairperson is authorized to execute documents in the absence of the Chairperson. All funds of the Authority shall be placed in such banks, trust companies, or other depositories by the Treasurer of the City of Montrose.

Section 2: Gifts – The Board may accept on behalf of the Authority any contributions, gifts, bequests or devise for the general purposes or for any special purpose of the Authority.

Section 3: Budget – The Board shall set goals and objectives annually in January to develop and approve a budget for the fiscal year beginning July 1st. In April the Board shall submit an annual budget to the City Council of the City of Montrose for final approval.

ARTICLE 11

Records

Section 1: Records – The Authority shall keep correct and complete records of books and accounts and minutes of all regular and special meetings. The records shall be kept at the principal office of the Authority, which will have a record of the names and addresses of the members. All books and records, financial or otherwise, of the Authority shall be made available to the public in compliance with the Michigan Freedom of Information Act, Act No. 442 of the Public Acts of 1976. In addition to the records prescribed herein 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. An annual audit by an independent Certified Public Accountant will be conducted.

Section 2: The fiscal year of the Authority shall at all times conform to the fiscal year of the City of Montrose.

ARTICLE 12

Conflict of Interest

Section 1: A Board member who has a conflict of interest regarding any matter before the Authority shall disclose the interest prior to any action by the Authority with respect to the matter. The disclosure shall become part of the record. Any member making such a disclosure shall then refrain from participating in the Authority's discussion and decision making process relative to the matter.

ARTICLE 13

Indemnification

Section 1: Indemnification – Whenever any claim is made or any civil action is commenced against any officer or employee of the Authority, or injuries to persons or property caused by the negligence of the officer or employee while in the course of their employment, and while acting in the scope of their authority, the Board may, but is not required to, pay for legal services and also for any judgment or compromised settlement of the claim, pursuant to Act No. 170, of the Public Acts of 1964, as amended.

Section 2: Reimbursement – Any indemnification under Section 1 shall be made by the Board only as authorized in the specific case upon a determination that indemnification of the employee or officer is proper in circumstances because they have met the applicable standard of conduct set forth in Section 1. Such determination shall be made in either of the following ways:

1. By a majority vote of the members of the Board who were not parties to such action, suit or proceedings; or
2. If such quorum is not obtainable, or even if obtainable, a quorum of disinterested members so directs, supported by the recommendation of legal counsel in a written opinion.

Section 3: Insurance – The Board may purchase and maintain a professional Liability/Errors & Omissions Insurance Policy on behalf of any person who is or was a member or officer of the corporation against any liability asserted against the officer or employee and incurred by them in any such capacity or arising out of their status as such, whether or not the Board would have power to indemnify that person against such liability under Sections 1 and 2 of this article. Any insurance policy purchased and maintained by the Authority shall list the City of Montrose as co-insured.

ARTICLE 14

Amendment of By-Laws

Section 1: These By-Laws may be amended at any meeting of the Board by a majority vote, provided that the amendment has been submitted in writing to each

board member one (1) week prior to the meeting. The By-Laws are subject to approval by the Montrose City Council.

ARTICLE 15

Effect of Non-Compliance

Section 1: Subject to the provisions of law: (1) no meeting or action taken by the Board under procedures substantially in compliance with these By-Laws shall be deemed voidable, as a result of a non-compliance; (2) any action taken under procedures not in compliance with these By-Laws may be ratified and confirmed at any subsequent meeting of the Board, pursuant to these By-Laws, and the validity thereof shall not be affected or influenced by any deficiencies in the original procedures.