

# HOUSE BILL No. 4140

January 30, 2013, Introduced by Reps. Somerville and Muxlow and referred to the Committee on Local Government.

A bill to amend 1945 PA 327, entitled  
"Aeronautics code of the state of Michigan,"  
by amending sections 111, 112, 113, and 114 (MCL 259.111, 259.112,  
259.113, and 259.114), as added by 2002 PA 90.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 111. (1) An authority created under ~~or pursuant to this~~  
2 chapter shall be directed and governed by a board consisting of 7  
3 members.

4       (2) ~~The~~ **SUBJECT TO SUBSECTION (8), THE** members of a board **OF**  
5 **AN AUTHORITY** created under section 110(2) shall be appointed as  
6 follows:

7       (a) Two board members shall be appointed by the governor, with  
8 1 board member appointed for an initial term of 6 years and 1 board  
9 member appointed for an initial term of 8 years.

10       (b) One board member shall be appointed by the legislative  
11 body of the local government that owns the airport, for an initial

term of 4 years. Notwithstanding any other statute, law, ordinance, or charter provision to the contrary, the board member appointed by the legislative body may be a member of the legislative body of the local government that owns the airport, but only while continuing to serve as a member of the legislative body of that local government.

(c) Four board members shall be appointed by the local chief executive officer of the local government that owns the airport, with 1 board member appointed for an initial term of 4 years, 1 board member appointed for an initial term of 2 years, and 2 board members appointed for an initial term of 6 years.

(d) Each appointing entity shall file each appointment under this subsection with the department. Each subsequent appointment by an appointing entity to fill a vacancy on the board shall also be filed with the department.

(3) Upon incorporation of an authority ~~pursuant to~~ **UNDER** section 110(3), the local chief executive officer, with the consent of the legislative body of the local government if the local chief executive officer is not elected, shall appoint the members of the board. Of the board members first appointed under this subsection, 1 board member shall be appointed for a term of 2 years, 2 board members shall be appointed for terms of 4 years each, 3 board members shall be appointed for terms of 6 years each, and 1 board member shall be appointed for a term of 8 years.

(4) A board member appointed ~~pursuant to~~ **UNDER** subsection (2)(b) or (c), ~~or (3)~~, **OR (8)(B) OR (C)** must be a citizen of the United States and a resident of the local government that owns the

1 airport over which operational jurisdiction will be transferred to  
2 an authority. A board member appointed ~~pursuant to~~ **UNDER** subsection  
3 (2)(a) **OR (8) (A)** must be a citizen of the United States and a  
4 resident of the area within the jurisdiction of the regional  
5 planning commission created under 1945 PA 281, MCL 125.11 to  
6 125.25, in which the airport over which operational jurisdiction  
7 will be transferred is located. Except as permitted by subsection  
8 (2)(b) **OR (8) (B)**, a person shall not be appointed under subsection  
9 (2), ~~or~~ (3), **OR (8)** as a board member if he or she is, or was  
10 during the 12 months preceding the date of appointment, an elected  
11 public official or employee of this state or an agency or  
12 instrumentality of this state, a local government or an agency or  
13 instrumentality of a local government, or the federal government or  
14 an agency or instrumentality of the federal government.

15 (5) A board member appointed ~~pursuant to~~ **UNDER** subsection (2),  
16 ~~or~~ (3), **OR (8)**, a chief executive officer, and **A** chief financial  
17 officer of an authority, shall, at time of appointment or hiring  
18 and subject to subsection (6), meet all of the following  
19 qualifications:

20 (a) Neither the board member or the chief executive officer or  
21 chief financial officer, nor the spouse or his or her siblings,  
22 children or their spouses, parents, or siblings or their spouses of  
23 the board member or the chief executive officer or chief financial  
24 officer, are actively engaged or employed in any other business,  
25 vocation, or employment of any civil aeronautics enterprise  
26 connected with the airport under the control of the authority.

27 (b) Neither the board member or the chief executive officer or

1 chief financial officer, nor the spouse or his or her siblings,  
2 children or their spouses, parents, or siblings or their spouses of  
3 the board member or the chief executive officer or chief financial  
4 officer, have a combined 15% or greater direct pecuniary interest  
5 in any civil aeronautics enterprise connected with the airport  
6 under the control of the authority.

7 (c) The board member or the chief executive officer or chief  
8 financial officer would not be considered to have a conflict of  
9 interest under 1968 PA 318, MCL 15.301 to 15.310, in respect to any  
10 contract or subcontract involving the airport if the board member  
11 or the chief executive officer or chief financial officer were  
12 considered a state officer under 1968 PA 318, MCL 15.301 to 15.310.

13 (6) A board member **OR HIS OR HER RELATIVE** who, at any time  
14 during his or her term of service, becomes in violation of  
15 subsection (5)(b) shall have 30 days to divest, or arrange for the  
16 divestment of, the interest that caused the violation. If the board  
17 member or his or her relative is still in violation of subsection  
18 (5)(b) after the expiration of the 30-day period, the entity that  
19 appointed that board member shall remove the board member from  
20 office.

21 (7) Notwithstanding any law or charter provision to the  
22 contrary, appointments by a local chief executive officer under  
23 subsection (2) ~~shall~~**ARE** not ~~be~~ subject to the approval by the  
24 legislative body of the local government.

25 **(8) THE BOARD OF AN AUTHORITY APPOINTED UNDER SUBSECTION (2)**  
26 **THAT EXISTS ON THE DATE OF THE 2013 AMENDATORY ACT THAT AMENDED**  
27 **THIS SECTION IS DISSOLVED EFFECTIVE 30 DAYS AFTER THE EFFECTIVE**

1 DATE OF THE 2013 AMENDATORY ACT THAT AMENDED THIS SECTION AND SHALL  
2 BE REPLACED WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE 2013  
3 AMENDATORY ACT THAT AMENDED THIS SECTION WITH A BOARD WHOSE MEMBERS  
4 ARE APPOINTED AS FOLLOWS:

5 (A) TWO BOARD MEMBERS SHALL BE APPOINTED BY THE GOVERNOR, WITH  
6 1 BOARD MEMBER APPOINTED FOR AN INITIAL TERM OF 6 YEARS AND 1 BOARD  
7 MEMBER APPOINTED FOR AN INITIAL TERM OF 8 YEARS.

8 (B) FOUR BOARD MEMBERS SHALL BE APPOINTED BY THE LEGISLATIVE  
9 BODY OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT, WITH 1 BOARD  
10 MEMBER APPOINTED FOR AN INITIAL TERM OF 4 YEARS, 1 BOARD MEMBER  
11 APPOINTED FOR AN INITIAL TERM OF 2 YEARS, AND 2 BOARD MEMBERS  
12 APPOINTED FOR AN INITIAL TERM OF 6 YEARS. NOTWITHSTANDING ANY OTHER  
13 STATUTE, LAW, ORDINANCE, OR CHARTER PROVISION TO THE CONTRARY, A  
14 BOARD MEMBER APPOINTED BY THE LEGISLATIVE BODY MAY BE A MEMBER OF  
15 THE LEGISLATIVE BODY OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT,  
16 BUT ONLY WHILE CONTINUING TO SERVE AS A MEMBER OF THE LEGISLATIVE  
17 BODY OF THAT LOCAL GOVERNMENT.

18 (C) ONE BOARD MEMBER SHALL BE APPOINTED BY THE LOCAL CHIEF  
19 EXECUTIVE OFFICER OF THE LOCAL GOVERNMENT THAT OWNS THE AIRPORT FOR  
20 AN INITIAL TERM OF 4 YEARS.

21 (D) EACH APPOINTING ENTITY SHALL FILE EACH APPOINTMENT UNDER  
22 THIS SUBSECTION WITH THE DEPARTMENT. EACH SUBSEQUENT APPOINTMENT BY  
23 AN APPOINTING ENTITY TO FILL A VACANCY ON THE BOARD SHALL ALSO BE  
24 FILED WITH THE DEPARTMENT.

25 (9) ~~(8)~~—The board shall appoint a chief executive officer who  
26 shall be an ex officio member, without vote, of the board and shall  
27 not be considered in determining the presence of a quorum. ~~, who~~—A

1 **CHIEF EXECUTIVE OFFICER APPOINTED UNDER THIS SUBSECTION** shall have  
 2 professional qualifications commensurate with the responsibility of  
 3 the jobs to be performed by such officials. The board may enter  
 4 into a contract with the chief executive officer for a commercially  
 5 reasonable length of time commensurate with the length of time for  
 6 contracts of airport chief executive officers, directors, or  
 7 managers with similar responsibilities at other airports or airport  
 8 authorities within or without this state with a comparable number  
 9 of annual enplanements.

10 (10) ~~(9)~~ The chief executive officer shall appoint a chief  
 11 financial officer who shall be the treasurer of the authority ~~—AND~~  
 12 who shall have professional qualifications commensurate with the  
 13 responsibility of the jobs to be performed by such officials.  
 14 Notwithstanding any law or charter provision to the contrary, it  
 15 ~~shall be~~ **IS** the duty and right of the chief financial officer of  
 16 the authority to receive all money belonging to the authority, or  
 17 arising or received in connection with the airport over which  
 18 operational jurisdiction has been transferred to the authority,  
 19 from whatever source derived. Money of the authority shall be  
 20 deposited, invested, and paid by the chief financial officer only  
 21 in accordance with policies, procedures, ordinances, or resolutions  
 22 adopted by the board. Upon the approval date, the authority ~~shall~~  
 23 ~~be~~ **IS** considered to be the owner of all money or other property  
 24 then or thereafter received by the treasurer of the local  
 25 government or deposited in the treasury of a local government to  
 26 the credit of the airport for which operational jurisdiction has  
 27 been transferred to the authority. The authority ~~shall be~~ **IS**

1 entitled to all interest and other earnings on ~~those funds~~ **THAT**  
2 **MONEY** on and after the latter of ~~the effective date of this chapter~~  
3 **MARCH 26, 2002** or the date on which the authority is created or  
4 incorporated. The treasurer of any local government receiving or  
5 having custody of money or other property belonging to an authority  
6 under this chapter shall promptly transfer the money and other  
7 property to the custody of the chief financial officer of the  
8 authority. The chief financial officer shall provide the board with  
9 copies of all reports made by the chief financial officer to the  
10 chief executive officer.

11       Sec. 112. (1) Upon the expiration of the term of an initial  
12 appointment under section 111(2), ~~or~~ (3), **OR (8)**, all full term  
13 appointments **OF MEMBERS OF A BOARD** shall be for a term of 6 years.  
14 The expiration date of the term of office of a member of the board  
15 shall be on October 1 of the year in which the term is to expire,  
16 but a member of the board shall hold office until the board  
17 member's successor is appointed and qualified, or until resignation  
18 or removal. If a member of the board is unable to complete his or  
19 her term of office, a successor shall be appointed in the same  
20 manner as the original appointment to complete the term. A member  
21 of the board may resign by written notice to the authority. The  
22 resignation is effective upon its receipt by the secretary or  
23 chairperson of the authority or at a subsequent time as set forth  
24 in the notice of resignation.

25       (2) A member of the board may not be appointed to serve more  
26 than 2 consecutive full terms. For purposes of this subsection, an  
27 initial term under section 111(2) **OR (8)** and an appointment to fill

1 a vacancy in a term with more than 3 years remaining count as full  
2 terms.

3 (3) The appointing entity for ~~any-A~~ board member appointed  
4 under section 111(2), ~~or~~ (3), **OR (8)** may only remove a board member  
5 appointed by the appointing entity for cause.

6 (4) Before assuming the duties of office, a member of the  
7 board shall qualify by taking and subscribing to the constitutional  
8 oath of office.

9 Sec. 113. (1) Upon the appointment of at least 4 members of  
10 ~~the-A~~ board under section 111(2) **OR (8)**, the board may hold its  
11 first meeting. If ~~less- FEWER~~ than 4 members of the board have been  
12 appointed under section 111(2) **OR (8)** within 30 days after the date  
13 on which the authority is created, a majority of those board  
14 members appointed may hold the first meeting of the board after the  
15 expiration of that 30-day period. The first meeting of the board  
16 shall not be held more than 60 days after the creation date of the  
17 authority. Not later than 60 days after an authority is  
18 incorporated under section 110(3), the board of the authority shall  
19 hold its first meeting. At the first meeting, the board shall  
20 organize by electing a chairperson, a vice-chairperson, a  
21 secretary, and additional officers of the board as the board  
22 considers necessary. All officers of the board shall be elected  
23 annually by the board. All officers of the authority, except the  
24 chief executive officer and the chief financial officer, must be  
25 members of the board.

26 (2) The business ~~that-OF~~ the board ~~may perform~~ shall be  
27 conducted at a public meeting of the board held in compliance with



1 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public  
2 notice of the time, date, and place of the meeting shall be given  
3 in the manner required by the open meetings act, 1976 PA 267, MCL  
4 15.261 to 15.275. A board shall adopt rules consistent with the  
5 open meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its  
6 procedures and the holding of meetings.

7 (3) Except for those powers reserved or delegated to the chief  
8 executive officer of an authority by this chapter or by the board,  
9 the board shall not delegate any power of the board to any other  
10 officer or committee of the authority except as provided in section  
11 114(3). The board may withdraw from the chief executive officer any  
12 power that the board had delegated to the chief executive officer.

13 (4) Members of a board may be reimbursed by an authority for  
14 actual and necessary expenses incurred in the discharge of their  
15 official duties. The members of the board shall not be compensated  
16 for service to the authority or attendance at any meetings.

17 (5) A board may act only by resolution or ordinance. A  
18 majority of the members of the board then in office, or of any  
19 committee of the board, ~~shall constitute~~ **ARE** a quorum for the  
20 transaction of business. A vote of a majority of the members of the  
21 board serving at the time of the vote is necessary to approve the  
22 issuance by the authority of bonds, including special facilities  
23 bonds, or other obligations payable from revenues, including  
24 special facilities revenues, derived from the airport, or to  
25 approve or amend the annual budget of the authority or hire, remove  
26 or discharge, or set the salary of the chief executive officer.  
27 Except as otherwise provided in this chapter, a vote of the

1 majority of the board members present at a meeting at which a  
2 quorum is present constitutes the action of the board or of the  
3 committee.

4       Sec. 114. (1) After organization, a board shall adopt a  
5 schedule of regular meetings and adopt a regular meeting date,  
6 place, and time. The board shall meet not less than quarterly per  
7 year. The board chairperson shall call a special meeting upon  
8 request of 3 members of the board in the manner required by the  
9 open meetings act, 1976 PA 267, MCL 15.261 to 15.275. A board shall  
10 keep a written or printed record of each meeting, which record and  
11 any other writing prepared, owned, used, in the possession of, or  
12 retained by the board in the performance of an official function  
13 shall be made available to the public in compliance with the  
14 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

15       (2) A board shall provide for a system of accounts to conform  
16 to a uniform system required by law and for the auditing at least  
17 once a year of the accounts of the authority by an independent  
18 certified public accountant selected by the audit committee  
19 pursuant to subsection (3). A board shall meet any and all auditing  
20 or financial reporting requirements imposed by law and shall file a  
21 copy of its annual audit with the department and with the clerk of  
22 the house of representatives and the secretary of the senate. An  
23 authority shall provide the necessary reports to the local  
24 government that owns the airport over which operational  
25 jurisdiction has been transferred in a timely manner in order for  
26 the local government to be able to comply with the reporting  
27 requirements of the government finance officers association of the

1 United States and Canada. A board shall require of ~~the~~ chief  
2 financial officer and chief executive officer of the authority **TO**  
3 **OBTAIN** a suitable bond of not less than \$100,000.00 by a  
4 responsible bonding company, and the cost of the premium of the  
5 bond shall be paid by the authority.

6 (3) A board appointed under section 111(3) shall appoint an  
7 audit committee consisting of 3 members of the board. With respect  
8 to boards appointed ~~pursuant to~~ **UNDER** section 111(2) **OR (8)**, the  
9 board shall have a 3-member audit committee with each appointing  
10 entity represented on the board designating 1 board member  
11 appointee to serve on the audit committee. The audit committee  
12 shall hold its first meeting within 60 days after the creation or  
13 incorporation of the authority under this chapter. A majority of  
14 members appointed and designated as audit committee members by an  
15 appointing entity under this subsection may conduct the business of  
16 the committee. The audit committee shall meet not less than 4 times  
17 each year with the chief financial officer, the chief executive  
18 officer of the authority, and the authority's independent public  
19 auditors to review the reports related to the financial condition,  
20 operations, performance, and management of the authority and  
21 airport including, but not limited to, all contractors and  
22 subcontractors, and may also order special investigations or  
23 audits, the cost of which shall be reimbursed by the authority. The  
24 audit committee shall also review the activities and reports of the  
25 internal auditor of the authority who shall be appointed by the  
26 chief executive officer of the authority. The audit committee of a  
27 board appointed ~~pursuant to~~ **UNDER** section 111(2) **OR (8)** shall once

1 every 2 years, recommend 3 independent certified public accounting  
2 firms that, in the judgment of the audit committee, possess  
3 sufficient resources and qualifications to conduct annual financial  
4 audits of the accounts of the authority. Not less ~~that~~ **THAN** 90 days  
5 ~~prior to~~ **BEFORE** the first full fiscal year of the authority and the  
6 last fiscal year of each subsequent contract period for which  
7 financial audits will be conducted under section ~~114(2)~~, **SUBSECTION**  
8 **(2)**, the 3 recommendations of the audit committee shall be  
9 presented to the legislative body of the local government that owns  
10 the airport over which operational jurisdiction has been  
11 transferred ~~pursuant to~~ **UNDER** this chapter. From the 3  
12 recommendations of the audit committee, the legislative body of the  
13 local government may select, not more than 30 days after receipt of  
14 the recommendations of the audit committee, the independent  
15 certified public accounting firm with whom the authority shall  
16 execute an agreement to conduct annual financial audits for the  
17 succeeding 2 fiscal years of the accounts of the authority. If the  
18 legislative body does not select 1 of the recommended independent  
19 certified public accounting firms to conduct annual financial  
20 audits for the next 2 fiscal years of the authority within 30 days  
21 after receipt of the recommendations of the audit committee, the  
22 audit committee ~~shall have~~ **HAS** the sole power to select the  
23 independent certified public accounting firm with whom the  
24 authority shall execute an agreement to conduct annual financial  
25 audits of the accounts of the authority for the next 2 fiscal  
26 years. The terms and conditions of a contract ~~to be~~ entered into  
27 with the independent certified public accounting firm selected by

1 the legislative body of the local government shall be exclusively  
2 established by the authority. The legislative body of the local  
3 government shall not have the right or power to modify ~~any~~**THE**  
4 proposed terms and conditions of a contract between the authority  
5 and an independent certified public accounting firm recommended by  
6 the audit committee. Neither the legislative body nor any member of  
7 the legislative body of the local government shall impose ~~any~~**A**  
8 requirement, restriction, or condition upon, or solicit any  
9 agreement or contribution from, the independent certified public  
10 accounting firm or any member or employee of the independent  
11 certified public accounting firm, selected or considered by the  
12 legislative body of the local government. ~~No~~**A** charter provision or  
13 resolution of the local government shall **NOT** contradict,  
14 supplement, or expand this subsection. A person may not prevent or  
15 prohibit the internal auditor or the audit committee from carrying  
16 out or completing any audit or investigation. The internal auditor  
17 and members of the audit committee ~~shall be~~**ARE** protected under the  
18 whistleblowers' protection act, 1980 PA 469, MCL 15.361 to 15.369.

19 (4) A board shall appoint and fix the compensation of a chief  
20 executive officer of the authority by a vote of not less than the  
21 majority of the members of the board then serving. The board shall  
22 prescribe ~~these~~**THE** duties and responsibilities of the chief  
23 executive officer of the authority that are in addition to the  
24 duties and responsibilities imposed upon the chief executive  
25 officer of the authority by this chapter. The chief executive  
26 officer of an authority shall serve at the pleasure of the board  
27 and the board may remove or discharge the chief executive officer

1 of the authority by a vote of not less than the majority of the  
2 members of the board then serving. The chief executive officer of  
3 an authority shall supervise, and be responsible for, all of the  
4 following:

5 (a) The day-to-day operation of the airport, including the  
6 control, supervision, management, and oversight of the functions of  
7 the airport.

8 (b) The issuance of bonds and notes approved by the board.

9 (c) The negotiation and establishment of compensation and  
10 other terms and conditions of employment for employees of the  
11 authority.

12 (d) The appointment, dismissal, discipline, demotion,  
13 promotion, and classification of employees of the authority.

14 (e) The negotiation, supervision, and enforcement of contracts  
15 entered into by the authority, and the supervision of contractors  
16 and subcontractors of the authority in their performance of their  
17 duties.

18 (f) The appointment of an internal auditor who shall have  
19 professional qualifications commensurate with the responsibility of  
20 the jobs to be performed by such an official, and who shall:

21 (i) Report to the chief executive officer and provide  
22 information to the board and its audit committee as required under  
23 this chapter.

24 (ii) Receive and investigate any allegations that false or  
25 misleading information was received in evaluating the authority's  
26 internal accounting and administrative control system.

27 (iii) Conduct and supervise audits relating to financial

1 activities of the authority's operations.

2 (iv) Recommend policies for activities to protect the  
3 authority's assets and to prevent and detect fraud and abuse.

4 (v) Conduct other audit and investigative activities as  
5 assigned by the board, the audit committee, or the chief executive  
6 committee.

7 (vi) Adhere to appropriate professional and auditing standards.

8 (vii) Provide to the audit committee on an annual basis a  
9 report prepared by the internal auditor on the evaluation of the  
10 authority's internal accounting and administrative control system.  
11 For the period reviewed, the report shall include, but not be  
12 limited to, both of the following:

13 (A) A **DETAILED** description of any material inadequacy or  
14 weakness discovered in connection with the evaluation of the  
15 authority's internal accounting and administrative control system  
16 and a time schedule for correcting the internal accounting and  
17 administrative control system. ~~, described in detail.~~

18 (B) A listing of each audit or investigation performed by the  
19 internal auditor ~~pursuant to~~ **UNDER** this chapter.

20 (5) The chief executive officer of an authority shall have the  
21 power and authority to execute and deliver, and to delegate  
22 signatory power for, contracts, leases, obligations, and other  
23 instruments approved by the board or for which power to approve has  
24 been delegated to the chief executive officer of the authority. The  
25 chief executive officer of an authority shall have all powers  
26 incident to the performance of his or her duties that are  
27 prescribed by this chapter or by the board. The board may delegate

1 additional powers to the chief executive officer of the authority  
2 not enumerated in this chapter. All actions of the chief executive  
3 officer of an authority shall be in conformance with the policies  
4 of the board and in compliance with law. The chief executive  
5 officer of an authority shall attend the meetings of the board and  
6 shall render to the board a regular report covering the activities  
7 and financial condition of the airport. If the chief executive  
8 officer of an authority is temporarily absent or disabled, the  
9 chief executive officer of the authority may designate a qualified  
10 person as acting chief executive officer of the authority to  
11 perform the duties of the office. If the chief executive officer of  
12 an authority fails or is unable to designate an acting chief  
13 executive officer of the authority, the board shall designate an  
14 acting chief executive officer of the authority for the period of  
15 absence or disability of the chief executive officer of the  
16 authority. The chief executive officer of the authority shall  
17 furnish the board with information or reports governing the  
18 operation of the airport as the board requires.

19 (6) The authority shall establish contracting policies and  
20 procedures providing for all of the following:

21 (a) Except for the negotiated construction contracts permitted  
22 under this subdivision, a contract shall not be awarded by an  
23 authority or the chief executive officer of the authority for the  
24 construction, repair, remodeling, or demolition of an airport  
25 facility unless the contract is let pursuant to a procedure that  
26 requires ~~a~~ competitive bidding. A negotiated construction contract  
27 shall not be required to be let by competitive bidding if the board



1 or the chief executive officer of the authority with delegated  
2 authority to enter into contracts determines that any of the  
3 following apply:

4 (i) The negotiated contract amount is less than \$50,000.00.  
5 However, if the contract amount, including change orders,  
6 subsequently exceeds \$50,000.00, the authority shall detail, in  
7 writing, the reasons why the contract amount exceeded \$50,000.00.

8 (ii) As determined in writing by the board or the chief  
9 executive officer with delegated authority to enter into contracts,  
10 the contract is for emergency repair or construction necessitated  
11 by a sudden, unforeseen occurrence or situation of a serious and  
12 urgent nature and is not for convenience or expediency.

13 (iii) As determined in writing by the board or the chief  
14 executive officer with delegated authority to enter into contracts,  
15 the repair or construction is necessary to ensure passenger safety  
16 or otherwise protect life or property.

17 (b) The authority shall establish policies and procedures for  
18 hiring professional service contractors.

19 (c) The authority shall utilize competitive bidding for all  
20 purchases and all other contracts unless the board, or, if  
21 authorized by the board to approve procurements, the chief  
22 executive officer of the authority, determines and details in  
23 writing the reason that competitive solicitation of bids or  
24 proposals is not appropriate, that procurement by competitive bids  
25 is not practicable to efficiently and effectively meet the  
26 authority's needs, or that another procurement method is in the  
27 public's best interests.

1           (7) The authority may enter into lease purchases or  
2 installment purchases for periods not exceeding the anticipated  
3 useful life of the items purchased. The authority may enter into a  
4 cooperative purchasing agreement with ~~the~~**THIS** state or other  
5 public entities for the purchase of goods, including, but not  
6 limited to, recycled goods, and services necessary for the  
7 authority.

8           (8) The chief executive officer of an authority shall comply  
9 with all federal and state contracting requirements pertaining to  
10 disadvantaged business enterprises, minority business enterprises,  
11 and other targeted business enterprises and shall seek to ensure  
12 maximum participation of disadvantaged business enterprises,  
13 minority business enterprises, and other targeted business  
14 enterprises in contracting opportunities with the authority.

15           (9) Members of the board and officers, appointees, and  
16 employees of the authority are public servants under 1968 PA 317,  
17 MCL 15.321 to 15.330, and are subject to any other applicable law  
18 with respect to conflicts of interest. The board shall establish  
19 policies and procedures requiring periodic disclosure of  
20 relationships which may give rise to conflicts of interest. The  
21 board shall require that a member of the board or a chief executive  
22 officer or chief financial officer who has a direct interest in any  
23 matter before the authority disclose the member's or officer's  
24 interest and any reasons reasonably known to the member of the  
25 board or officer why the transaction may not be in the best  
26 interest of the public or the authority before the board takes any  
27 action with respect to the matter. The disclosure shall become part

1 of the record of an authority's proceedings.

2 (10) An authority shall establish an ethics manual governing  
3 the conducting of airport business and the conduct of airport  
4 employees. An authority shall establish policies that are no less  
5 stringent than those provided for public officers and employees by  
6 1973 PA 196, MCL 15.341 to 15.348, and coordinate efforts for the  
7 authority to preclude the opportunity for and the occurrence of  
8 transactions by the authority that would create a conflict of  
9 interest involving members of the board and employees of the  
10 authority. At a minimum, these policies shall include compliance by  
11 each member of the board and employees of the authority who  
12 regularly exercise significant discretion over the award and  
13 management of authority procurements with policies governing all of  
14 the following:

15 (a) Immediate disclosure of the existence and nature of any  
16 financial interest that would reasonably be expected to create a  
17 conflict of interest.

18 (b) Withdrawal by an employee or member from participation in  
19 or discussion or evaluation of any recommendation or decision  
20 involving an authority procurement that would reasonably be  
21 expected to create a conflict of interest for that employee or  
22 member.

23 (11) An authority shall work collaboratively with appropriate  
24 local governmental units in the implementation of any federally  
25 sanctioned and funded programs for the mitigation of aircraft noise  
26 and fuel fumes.