

# HOUSE BILL No. 5239

December 15, 2011, Introduced by Rep. Somerville and referred to the Committee on Local, Intergovernmental, and Regional Affairs.

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

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

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

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

17 (3) Upon incorporation of an authority ~~pursuant to~~ **UNDER**  
18 section 110(3), the local chief executive officer, with the consent  
19 of the legislative body of the local government if the local chief  
20 executive officer is not elected, shall appoint the members of the  
21 board. Of the board members first appointed under this subsection,  
22 1 board member shall be appointed for a term of 2 years, 2 board  
23 members shall be appointed for terms of 4 years each, 3 board  
24 members shall be appointed for terms of 6 years each, and 1 board  
25 member shall be appointed for a term of 8 years.

26 (4) A board member appointed ~~pursuant to~~ **UNDER** subsection  
27 (2)(b) or (c), ~~or~~ (3), **OR (8)(B) OR (C)** must be a citizen of the

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

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

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

1 (b) Neither the board member or the chief executive officer or  
2 chief financial officer, nor the spouse or his or her siblings,  
3 children or their spouses, parents, or siblings or their spouses of  
4 the board member or the chief executive officer or chief financial  
5 officer, have a combined 15% or greater direct pecuniary interest  
6 in any civil aeronautics enterprise connected with the airport  
7 under the control of the authority.

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

14 (6) A board member who, at any time during his or her term of  
15 service, becomes in violation of subsection (5)(b) shall have 30  
16 days to divest, or arrange for the divestment of, the interest that  
17 caused the violation. If the board member or his or her relative is  
18 still in violation of subsection (5)(b) after the expiration of the  
19 30-day period, the entity that appointed that board member shall  
20 remove the board member from 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 2012 AMENDATORY ACT THAT AMENDED**  
27 **THIS SECTION IS DISSOLVED EFFECTIVE 30 DAYS AFTER THE EFFECTIVE**

1 DATE OF THE 2012 AMENDATORY ACT THAT AMENDED THIS SECTION AND SHALL  
2 BE REPLACED 30 DAYS AFTER THE EFFECTIVE DATE OF THE 2012 AMENDATORY  
3 ACT THAT AMENDED THIS SECTION WITH A BOARD WHOSE MEMBERS ARE  
4 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

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

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

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

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

24       (2) A member of the board may not be appointed to serve more  
25 than 2 consecutive full terms. For purposes of this subsection, an  
26 initial term under section 111(2) **OR (8)** and an appointment to fill  
27 a vacancy in a term with more than 3 years remaining count as full

1 terms.

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

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

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

25 (2) The business that the board may perform shall be conducted  
26 at a public meeting of the board held in compliance with the open  
27 meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of



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

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

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

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

1 quorum is present constitutes the action of the board or of the  
2 committee.

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

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

1 financial officer and chief executive officer of the authority a  
2 suitable bond of not less than \$100,000.00 by a responsible bonding  
3 company, and the cost of the premium of the bond shall be paid by  
4 the authority.

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

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

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

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

1 the board then serving. The chief executive officer of an authority  
2 shall supervise, and be responsible for, all of the following:

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

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

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

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

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

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

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

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

25 (iii) Conduct and supervise audits relating to financial  
26 activities of the authority's operations.

27 (iv) Recommend policies for activities to protect the

1 authority's assets and to prevent and detect fraud and abuse.

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

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

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

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

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

18 (5) The chief executive officer of an authority shall have the  
19 power and authority to execute and deliver, and to delegate  
20 signatory power for, contracts, leases, obligations, and other  
21 instruments approved by the board or for which power to approve has  
22 been delegated to the chief executive officer of the authority. The  
23 chief executive officer of an authority shall have all powers  
24 incident to the performance of his or her duties that are  
25 prescribed by this chapter or by the board. The board may delegate  
26 additional powers to the chief executive officer of the authority  
27 not enumerated in this chapter. All actions of the chief executive

1 officer of an authority shall be in conformance with the policies  
2 of the board and in compliance with law. The chief executive  
3 officer of an authority shall attend the meetings of the board and  
4 shall render to the board a regular report covering the activities  
5 and financial condition of the airport. If the chief executive  
6 officer of an authority is temporarily absent or disabled, the  
7 chief executive officer of the authority may designate a qualified  
8 person as acting chief executive officer of the authority to  
9 perform the duties of the office. If the chief executive officer of  
10 an authority fails or is unable to designate an acting chief  
11 executive officer of the authority, the board shall designate an  
12 acting chief executive officer of the authority for the period of  
13 absence or disability of the chief executive officer of the  
14 authority. The chief executive officer of the authority shall  
15 furnish the board with information or reports governing the  
16 operation of the airport as the board requires.

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

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



1 following apply:

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

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

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

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

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

26 (7) The authority may enter into lease purchases or  
27 installment purchases for periods not exceeding the anticipated

1 useful life of the items purchased. The authority may enter into a  
2 cooperative purchasing agreement with the state or other public  
3 entities for the purchase of goods, including, but not limited to,  
4 recycled goods, and services necessary for the authority.

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

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

26 (10) An authority shall establish an ethics manual governing  
27 the conducting of airport business and the conduct of airport

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

12 (a) Immediate disclosure of the existence and nature of any  
13 financial interest that would reasonably be expected to create a  
14 conflict of interest.

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

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