

**RECEIVERSHIP TRANSITION ADVISORY BOARD
FOR
THE CITY OF LINCOLN PARK**

Rules of Procedure

ARTICLE I

Adoption

The Receivership Transition Advisory Board for the City of Lincoln Park, Michigan (“the Board”) adopts these Rules of Procedure (“Rules”) to govern its organization and operations pursuant to Section 23(4) of Public Act 436 of 2012, the Local Financial Stability and Choice Act, (“the Act”).

The purpose of the Board is to provide the City with guidance and oversight on matters of operations, budget, finance, and any other matter relevant to the success of the City of Lincoln Park. The Board may exercise those powers granted under Section 23(4) of Public Act 436 of 2012, the Local Financial Stability and Choice Act and those duties assigned in the Appointment Letter dated December 22, 2015.

ARTICLE II

Members - Term of Office

The membership of the Board, its term of office, and the method of its selection shall be as set out in Sections 23(2) and (3) of the Act. A vacancy on the Board may, but need not, be filled by the Governor of the State of Michigan in the same manner as the original appointment. Each member of the Board shall take and subscribe to the constitutional oath of office under Section 1 of Article XI of the Constitution of Michigan of 1963. The oath shall be filed with the Office of the Great Seal of the Secretary of State of the State of Michigan.

ARTICLE III

Officers and Employees

Section 1. Officers. The officers of the Board shall be the Chairperson, the Vice-Chairperson, and a Secretary. At the first regular meeting, the Board shall select from among themselves the officers of Vice Chair, and Secretary. All members of the Board serve at the pleasure of the Governor.

Section 2. Chairperson. The State Treasurer of the State of Michigan (the “State Treasurer”), or his or her designee appointed to represent the State Treasurer, shall be the Chairperson of the Board. The Chairperson shall preside at all meetings of the Board.

Section 3. Vice-Chairperson. The Board shall select a Vice-Chairperson from among the members of the Board. The Vice-Chairperson shall preside at all meetings of the Board upon request of the Chairperson, including in the absence of the Chairperson. The Vice-Chairperson shall have other duties and responsibilities as delegated by the Chairperson, as permitted by law.

Section 4. Secretary. The Board shall select a Secretary from among the members of the Board. The Secretary shall keep all the records of the Board and certify the approved minutes.

Section 5. Absence of Chairperson and Vice-Chairperson. Whenever the Chairperson and Vice-Chairperson, if one has been selected, are unable to attend a meeting of the Board, the members present at that meeting shall designate a temporary presiding officer from among the members present, who shall preside at the meeting.

Section 6. Vice Chairperson Vacancy. Should the office of Vice-Chairperson become vacant, the Board shall select a successor from its membership.

Section 7. Sub-Committees. The Chairperson may designate and appoint Board members to one or more sub-committees to advise the Board. The Chairperson, or his or her designee, shall chair the sub-committees and preside at all meetings of a sub-committee.

Section 8. Retention of Professionals. The Board may request from the Department of Treasury the use of professional services it considers necessary. If authorized, the Department of Treasury shall determine the necessary qualifications. "Professional services" means services that require a high degree of intellectual skill, an advanced degree, or professional licensing or certification. Those providing the professional services are distinguished based on their specialized knowledge, experience, and expertise. Professional services include, but are not limited to, accounting, actuarial, appraisal, auditing, investment advisor, and legal services. Any use of or contract for legal services requires prior approval by the Department of Attorney General.

Section 9. Budgeting, Procurement, Personnel, and Related Management Functions. The Board shall exercise its powers, duties, functions, and responsibilities under the Act, under the direction and supervision of the State Treasurer.

Section 10. Compensation and reimbursement. Members of the Board shall serve without compensation for their service on the Board. However, a member may be reimbursed for actual and necessary expenses, including customary expenses related to travel, meals, and lodging which are incurred in connection with his or her official duties. A member shall provide original copies of all receipts for meals, lodging, and travel with any request for reimbursement. Any reimbursement for expenses shall be reviewed and approved by the Board before being submitted to the Michigan Department of Treasury.

ARTICLE IV

Meetings

Section 1. Public Meetings. All meetings of the Board shall be held in compliance with Public Act 267 of 1976, the Open Meetings Act.

Section 2. Regular Meetings. Regular Meetings of the Board shall be held monthly, at the times and places determined by the Board. The call for a Regular Meeting, specifying the time and place of the meeting and the suggested agenda shall be delivered in person, mailed, faxed, or emailed to each member of the Board prior to the date of such meeting. Notice, posting and other procedures for the call of Regular Meetings shall be performed in accordance with Public Act 267 of 1976, the Open Meetings Act.

Section 3. Special Meetings. Special Meetings of the Board shall be held at such times and such places as may be determined by the Board at any Regular or Special Meeting, or at any other times and places as determined by the Chairperson. Special Meetings shall be held only for the purpose for which it is called. The call for a Special Meeting specifying the time and place for such meeting may be emailed or given by telephone to the business or home address or cell phone of each member of the Board not less than 18 hours before the time of the meeting. Notice, posting and other procedures for the call of Special Meetings shall be performed in accordance with Public Act 267 of 1976, the Open Meetings Act.

Section 4. Emergency Sessions. The Board may meet in emergency session without the written notice or noted time constraints if a severe and imminent threat to the health, safety or welfare of the public exists, provided such emergency session occurs in accordance with Public Act 267 of 1976, the Open Meetings Act and only if two-thirds of the members of the Board are present and as the first order of business vote to affirm holding the emergency session. Only those subjects directly relating to the emergency session may be discussed or considered by the Board during the emergency session.

Section 5. Closed Sessions. The Board may meet in a closed session, provided such closed session occurs in accordance with Public Act 267 of 1976, the Open Meetings Act.

Section 6. Quorum. A majority of the members of the Board shall constitute a quorum of the Board for the transaction of business at a meeting, or the exercise of a power or function of the Board, but a lesser number may adjourn a meeting of the Board.

Section 7. Attendance. Members shall make all reasonable efforts to attend meetings of the Board. If a member is unable to attend a Regular or Special Meeting, he or she shall inform Treasury Department staff and the Chairperson prior to the meeting. Any absence shall be noted in the minutes for that meeting.

Section 8. Telephonic Attendance at Meetings. Members of the Board may attend and participate in a meeting of the Board by the use of telecommunication or other electronic equipment so long as all persons participating in the meeting may hear each word and if the meeting is otherwise conducted in compliance with Public Act 267 of 1976, the Open Meetings Act.

Section 9. Televising, Broadcasting, and Video Recording of Meetings. The Board, in consultation with the City of Lincoln Park, may resolve to permit official televising, broadcasting, and video recording of meetings. Such video recordings shall be subject to the direction and will of the Board, and may be suspended or terminated by Board resolution. The City shall assume all cost and expense of video recording and video storage.

Section 10. Action by the Board. The Board shall only take the actions approved by a resolution or motion of the Board which had a concurring vote of a majority of the members of the Board.

Section 11. Manner of Voting. Voting on a resolution shall be by a voice vote unless a member requests a roll call vote. In the case of a roll call vote, the individual yeas and nays shall be entered in the minutes of that meeting.

Section 12. Minutes. Minutes of all the Board meetings, including all votes, shall be kept on file in the Department of Treasury. Proposed minutes for a Board meeting shall be prepared within eight business days of the meeting. The minutes shall be corrected and approved at the succeeding meeting. If corrected, the minutes shall show both the original entry and the correction. The minutes for each meeting of the Board shall be open and available to the public in compliance with Public Act 267 of 1976, the Open Meetings Act, and Public Act 442 of 1976, the Freedom of Information Act. The Department of Treasury FOIA coordinator shall process eligible FOIA requests for the Board.

Section 13. Submission of Agenda Items. An item that a City official is required to submit to the Board for consideration shall be transmitted to the Board at least 10 calendar days prior to the Board meeting at which the item is to be considered. An item not submitted in accordance with the preceding sentence may be added to an agenda at the discretion of the Board. Late items not added to an agenda will be placed on the agenda of the next regularly scheduled Board meeting or, as deemed necessary, on the agenda of a Special or Emergency meeting of the Board.

Section 14. Resolutions and Effective Date. All resolutions shall be in writing, be numbered sequentially by year, and be kept on file in the Michigan Department of Treasury. A resolution shall become effective on the day of its adoption immediately upon adjournment of the meeting at which it was adopted, unless otherwise stated in the resolution.

Section 15. Public Comment. Each Board agenda shall provide for public comment. Each individual speaker shall be limited to two (2) minutes, unless otherwise permitted by the Board. In order to speak during public comment, an individual must first sign up on the public comment sign-up sheet. The Board shall not respond to questions or statements raised during public input. Public comment in the form of written correspondence submitted to the Board shall be noted on the record by the Chairperson during public comment, but only after all members of the public wishing to speak have done so. No additional responses regarding submitted comments shall be required. If requested by a member of the Board, the Chair shall have discretion to allow a member of the audience to speak at times other than reserved time for public participation. The Chair shall also have the discretion, unless another member of the

Board objects, to extend the amount of time an individual may speak if they represent a larger group or are providing specialized information at the request of the Board.

Section 16. Disorderly Conduct. The Chairperson may call to order any person who is being disorderly by speaking out of order or otherwise disrupting the proceedings, or speaking longer than the allotted time without permission of the Chairperson. Such person shall be seated until the Chairperson determines whether the person is in order. If the person so engaged in presentation is called out of order, he or she shall not be permitted to continue to speak at the same meeting except by special leave of the Board.

ARTICLE V

Liability of Members, Officers, and Employees

Section 1. Immunity. Section 7 of Public Act 170 of 1964 generally permits governmental immunity as a defense to a member's alleged negligence in violating his or her duties and responsibilities, so long as the member:

- a. Is acting, or reasonable believes he or she is acting, within the scope of his or her authority; and
- b. The conduct of the member does not amount to gross negligence that is the proximate cause of the injury or damage. As used in this Section, "gross negligence" means conduct so reckless as to demonstrate a substantial lack of concern for whether an injury results.

ARTICLE VI

Miscellaneous Provisions

Section 1. Parliamentary Procedure. To the extent practicable, the Board shall conduct its meetings procedurally in accordance with the latest edition of *Roberts Rules of Order*.

Section 2. Fiscal Year. The fiscal year of the Board shall be the same as the fiscal year of the State.

Section 3. Execution of Documents. The Board may authorize by resolution the execution of documents or certificates on behalf of the Board by the members of the Board and other authorized officers of the Board, as it considers appropriate.

Section 4. Conflict of Interest. Members of the Board shall be subject to the provisions of Public Act 317 of 1968 and Public Act 318 of 1968, as well as any ethics policy adopted by the Board.

Section 5. Conflict with the Act. To the extent that there is any conflict between these Rules and the Act or the underlying statutes, the Act and the underlying statutes shall control.

Section 6. Ethical Duties. Members of the Board shall be subject to the provisions of Public Act 196 of 1973, the State Ethics Act, as well as any ethics policy adopted by the Board.

Section 7. Adoption of Policies. The Board may adopt standards of conduct, conflicts of interest, and ethics policy which the Board may adopt and incorporate into these Rules of Procedure as Policy No. 1 hereto without further amendment to these Rules of Procedure.

Section 8. Annual Report. The Board shall conduct or cause to be conducted a formal annual evaluation of the City's operational and financial progress by identifying strengths, weaknesses, benchmarks achieved, and benchmarks not yet achieved, including a list of specific recommendations, potential resources available to assist City officials, and any other constructive feedback that informs City officials, residents, and other stakeholders concerning how the City can promote and ensure its long term sustainability. The annual report may take any form the Board so chooses.

Section 9. Principal Address. The principal address of the Board shall be 430 W. Allegan St. Lansing, Michigan 48922 or such other location as may hereafter be determined by the Board.

ARTICLE VII

Amendment and Suspension of Rules of Procedure

Section 1. Amendment. These Rules of Procedure may only be amended or repealed at a Regular Meeting or Special Meeting by a vote of a majority of the appointed and serving Board Members then in office. A proposed amendment shall be in writing and be provided to all Board Members in advance of the meeting at which the amendment will be considered. Advance notice of motions to amend these Rules need not be given.

Section 2. Suspension. Any and all of the provisions of these Rules, except those required by State law, may be suspended by the affirmative vote of a majority of the members.

Date: 2-16-16
Lincoln Park, Michigan

Standards of Conduct, Conflicts of Interest, and Ethics Policy

This Standards of Conduct, Conflict of Interest, and Ethics Policy (this "Code") for the members of the Receivership Transition Advisory Board is designed to maintain the standards of conduct of the Board, and to assure compliance with applicable law.

The Board is committed to conducting its business in accordance with the highest ethical standards. It is the policy of the Board to conduct its business fairly, ethically, and in compliance with applicable law.

This Code requires not only the avoidance of misconduct, but also the avoidance of acts or omissions by a Board Member that give the appearance of misconduct or impropriety, as well as the obligation to report misconduct. Board Members shall not enter into any activity or incur any expense or liability which would compromise the Board's commitment to these high standards.

I. Disclosure of Substantial Financial Interests. All Board Members must disclose any relevant substantial financial interests held that could create the appearance of impropriety. This must be done at any point during a member's term, at the next scheduled meeting of the Board, after an apparent conflict arises. A "substantial financial interest" is an interest that will result in an immediate or future financial gain.

II. Conflicts of Interest. A Board Member's duty to the Board demands avoiding and disclosing actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of a Board Member or any of their affiliates conflicts with the interests or benefits of the Board or the City. A Board Member also has a conflict of interest if, in the course of performing his or her duties for the Board, such Board Member's judgment and discretion is or may be influenced by considerations of personal gain or benefit, or gain or benefit to a third party other than the Board or the City.

A. A Board Member shall not engage in any conduct that constitutes a conflict of interest and shall immediately advise the Board in writing of any incident or circumstance that may present the existence of a conflict of interest. The Board shall immediately notify in writing the State Treasurer and the Mayor of any potential conflicts of interest.

B. A Board Member with a conflict of interest related to any matter before the Board shall disclose the conflict of interest before the Board takes any action with respect to such matter, which disclosure shall become a part of the record of the Board's official proceedings. The Board Member shall refrain from doing all of the following with respect to the matter that is the basis of the conflict of interest:

1. voting in the Board's proceedings related to the matter.
2. participating in the Board's discussion of and deliberation on the matter.
3. discussing the matter with any other Board Member.

C. A Board Member shall not directly or indirectly through an affiliate (i) do business with the City, (ii) have any contracts with the City, (iii) respond to any request for proposals of the City, (iv) seek any no-bid contracts (pending or future) of the City, or (v) have any affiliates who are officers or employees of the City.

D. Board Members shall not have or acquire financial interest in any property or asset owned by the City, or have an interest in any provider of goods and services to the City, unless such interest comes through ownership of publicly traded shares constituting not more than 1.0% ownership in such provider.

III. Confidential Information. During and after a Board Member's service with the Board, Members shall not knowingly disclose to third parties, or appropriate for their own use or the use of others, any Confidential Information obtained during his or her service with the Board. "Confidential Information" means any information concerning the Board's and the City's assets, employees, property, affairs, customers, service providers, processes, technology, data, financial information and any other information or data concerning the operation of the Board or the City that is not public information.

IV. Fair Dealing. The Board is committed to conducting its business fairly and in accordance with the highest ethical standards. No Board Member shall:

- a. use unfair techniques, such as misrepresentation of material facts or improper concealment of information, to gain an advantage;
- b. offer or accept a bribe, kickback or improper favor in order to secure a business advantage;
- c. knowingly use his or her official position, in violation of applicable law, to improperly influence a decision of the Board, the Mayor, the Council or any other employees of the City; and
- d. attempt to influence any decision to fill a City employment position with an immediate family member.

V. Reporting of Illegal or Unethical Behavior and Violations of this Code. A Board Member shall report promptly any actual, attempted, or apparent violation of this Code. If a violation is observed or reported, or is indicated by records or other information of which a Board Member becomes aware, then the matter shall be immediately reported to the State Treasurer and Mayor. In no event shall the Board take or threaten any action against another Board Member for making a complaint or disclosing information in good faith concerning an actual, attempted, or apparent violation of this Code.