

AERONAUTICS CODE OF THE STATE OF MICHIGAN (EXCERPT)
Act 327 of 1945

259.142 Chief executive officer; chief financial officer; appointment; qualifications; duties and responsibilities; regional authority; procurement policies and procedures; purchasing contracts and agreements; members of board or officer, appointee, or employee of regional authority as public servant; ethics policy; personal liability; indemnification.

Sec. 142.

(1) A board shall appoint a chief executive officer who must have professional qualifications commensurate with the responsibility of the jobs to be performed by chief executive officers. The chief executive officer is an ex officio member of the board, is not considered in determining the presence of a quorum, and does not have a vote. The chief executive officer serves at the pleasure of the board. The board may contract with the chief executive officer for a commercially reasonable length of time commensurate with the length of time for contracts of airport chief executive officers, directors, or managers with similar responsibilities at other airports or airport authorities in or outside of this state with a comparable number of annual enplanements. A contract under this subsection is terminable at will by the board.

(2) A chief executive officer shall appoint a chief financial officer who shall serve as the treasurer of the regional authority. The chief financial officer must have professional qualifications commensurate with the responsibility of the jobs to be performed by chief financial officers. Notwithstanding any law to the contrary, the chief financial officer shall receive all money belonging to the regional authority or arising or received in connection with the airport from whatever source derived. The chief financial officer shall deposit, invest, and pay money of the regional authority only in accordance with applicable state law and policies, procedures, ordinances, or resolutions adopted by the board. On and after the approval date, the regional authority is considered to be the owner of all money or other property previously or later received by the treasurer of the local government or deposited in the treasury of the local government to the credit of the airport for which operational jurisdiction has been transferred to the regional authority. The regional authority is entitled to all interest and other earnings on the money on and after the approval date. The treasurer of a local government that receives or has custody of money or other property that belongs to a regional authority shall promptly transfer the money or other property to the custody of the chief financial officer of the regional authority.

(3) The board shall require the chief financial officer and chief executive officer to post a suitable bond of not less than \$100,000.00 by a responsible bonding company. The regional authority shall pay the premium of the bond.

(4) The board shall prescribe the duties and responsibilities of the chief executive officer that are in addition to the duties and responsibilities imposed on the chief executive officer by this chapter. The chief executive officer shall supervise, and is responsible for, all of the following:

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

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

(c) The negotiation, establishment and approval of compensation and other terms and conditions of employment for employees of the regional authority, within the budget approved by the board. However, any collective bargaining agreements for represented employees are subject to board approval.

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

(e) The negotiation, supervision, and enforcement of other contracts as approved by the board and entered into by the regional authority and the supervision of contractors and subcontractors of the regional authority in their performance of their duties.

(5) The chief executive officer may execute and deliver, and delegate signatory power for, contracts, leases, obligations, and other instruments approved by the board or for which power to approve has been delegated to the chief executive officer of the regional authority by this chapter or by action of the board. The chief executive officer has all powers incident to the performance of his or her duties that are prescribed by this chapter or by the board. The board may delegate additional powers to the chief executive officer not enumerated in this chapter. If the chief executive officer is temporarily absent or disabled, he or she may designate a qualified person as acting chief executive officer to perform the duties of the office. If the chief executive officer fails or is unable to designate an acting chief executive officer, the board shall designate an acting chief executive officer for the period of absence or disability of the chief executive officer.

(6) A regional authority shall establish procurement policies and procedures consistent with the procurement policies of the FAA and any applicable state laws or rules, including any competitive bidding requirements.

(7) A regional authority may enter into a lease purchase or installment purchase contract for a period not to exceed the anticipated useful life of the item purchased. The authority may enter into a cooperative purchasing

agreement with this state or another public entity for the purchase of goods, including, but not limited to, recycled goods, and services necessary for the authority.

(8) A member of the board or an officer, appointee, or employee of a regional authority is a public servant under 1968 PA 317, MCL 15.321 to 15.330, and is subject to any other applicable law with respect to conflicts of interest. The board shall establish an ethics policy governing the conducting of airport business and the conduct of airport employees. A regional authority shall establish policies that are no less stringent than those provided for public officers and employees by 1973 PA 196, MCL 15.341 to 15.348, and coordinate efforts for the regional authority to preclude the opportunity for and the occurrence of transactions by the regional authority that would create a conflict of interest involving members of the board or employees of the authority.

(9) A member of the board or an officer, appointee, or employee of the regional authority is not subject to personal liability when acting in good faith within the scope of his or her authority and is not subject to liability for any liability of the regional authority. The board may defend and indemnify a member of the board or an officer, appointee, or employee of the regional authority against liability arising out of the discharge of his or her official duties. A regional authority may indemnify and procure insurance indemnifying members of the board and officers, appointees, and employees of the regional authority from personal loss or accountability for liability asserted by a person with regard to bonds or other obligations of the regional authority, or from any personal liability or accountability by reason of the issuance of the bonds or other obligations or by reason of any other action taken or the failure to act by the regional authority. The regional authority may also purchase and maintain insurance on behalf of any person against any liability asserted against the person and incurred by the person in any capacity or arising out of the status of the person as a member of the board or an officer or employee of the regional authority, whether or not the regional authority would have the power to indemnify the person against that liability under this subsection. A regional authority, pursuant to bylaw, contract, agreement, or resolution of its board, may obligate itself in advance to defend and indemnify persons.

(10) A regional authority shall indemnify and hold harmless the local government for any civil claim existing or any civil action or proceeding pending by or against the local government involving or relating to the airport, airport facilities, or any civil liability related to the obligations of the local government issued or incurred with respect to the airport that was pending at the time of, or that was incurred before, the transfer of operational jurisdiction of the airport to the regional authority.

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