



**Holland Satellite SmartZone
Local Development Finance Authority (LDFA)
Board of Directors Meeting
December 13, 2023 12:00 p.m.
Holland City Hall, 270 S River Ave, 2nd floor Training Room**

A. Informational Meeting Agenda

1. Update of goals, priorities, and projects
2. Public Comments/Questions

B. Board of Directors Meeting Agenda

1. Call to Order
2. Public Comments
3. Minute Review/Approval 9.27.23 Meeting
4. SmartZone Financial Report 11.30.2023
5. LDFA Board Terms
6. Election of Officers
7. Lakeshore Advantage SURGE Center Update
8. Adjourn
 - i. Next Meeting March 20, 2024, City of Holland



**Holland Satellite SmartZone
Local Development Finance Authority (LDFA)
Board of Directors Meeting
September 27, 2023, 12:00 p.m.**

Members Present: Brian Burch, Vince Bush, Charley Hasemann, Luciano Hernandez, Lynn McCammon, Jill Miller, Randall Schipper, Doug Zylstra and Mike Morin

Ex-Officio Members Present: Greg Barry and Steve Bulthuis

Absent: Peter Beukema, Marcia Bishop, Anne Harten, Fred Molnar, Paul Sachs, Scott Spoelhof and Keith VanBeek

Lakeshore Advantage Staff: Angela Huesman and Nora Mansfield

Copies to: City of Holland Clerk, Holland Charter Township Clerk and Ottawa County Clerk

A. Board of Directors Meeting Agenda

1. Call to Order

A quorum being present the meeting was called to order at 12:05 pm

2. Public Comments

Brian Burch asked if there were any public comments. As there were no public comments, he moved on to the first order of business.

3. Minute Review/Approval 6.21.23 Meeting

Motion made by Jill Miller to approve minutes. Supported by Mike Morin. Motion unanimously approved.

4. SmartZone Financial Report 6.30.2023 (unaudited)

Lynn McCammon summarized the financial reports for the fiscal year ending June 30, 2023. The SmartZone ended the year with \$756,000 in cash, which will be used to fund the Lakeshore Advantage and City Ice Rink project in FY 2024. Board accepted as information.



5. SmartZone Financial Report 8.31.23

Lynn McCammon gave a financial recap of revenues and expenditures for the two months ending 8/31/23. Brian Burch asked about reporting implications regarding the FY 2024 budget planned use of reserves. Lynn indicated this was budgeted to reflect the timing of project disbursements and was in accordance with allowable budgeting standards. The Board accepted as information.

6. Next Center 1st Floor Lease

In March 2023, the SmartZone Board approved a \$1,000,000 request from Lakeshore Advantage for a prepaid lease. The intent of the approval was to contribute the amount to be used by Lakeshore Advantage for their new building in exchange for no future rent payments. Angela Huesman presented a draft lease between SmartZone and Lakeshore Advantage for the space to be occupied by the Surge incubator. Randy Schipper noted several questions given the non-typical features of the agreement. Lynn McCammon also provided information about the GASB accounting regulations for leases.

Angela asked if this agreement should be a stand-alone lease or incorporated as part of the SmartZone contract with Lakeshore Advantage. Lynn noted that currently Lakeshore Advantage provides the space for programming as part of their agreement for services. Others questioned if a SmartZone could be a party to a lease, if there were any restrictions related to any grants received by the SmartZone, any concerns about liability if the SmartZone was a party to a lease. Based on the discussion, the board felt incorporating a provision for Lakeshore Advantage to provide space for SURGE as part of their agreement was preferable.

Luciano Hernandez made a motion to amend the prior board approval for the \$1,000,000 contribution towards prepaid rent to instead structure the agreement with Lakeshore Advantage to reflect the responsibility of Lakeshore Advantage to provide programming space in the building that is being constructed for the remainder of the current SmartZone life. Jill Miller supported. Motion approved unanimously. Randy Schipper will work with Angela Huesman on the necessary language.



7. Board Terms

Lynn McCammon reviewed the information discussed at the prior meeting regarding the SmartZone board and executive committee appointments. The executive committee appointments are scheduled for the December board meeting with an effective date of January 1 of the following year. However, three of the four existing officers are scheduled to roll off the board in the next two years, therefore limiting the available transition time.

The board discussed the current limitation to two four-year terms. Several members expressed concerns about the potential loss in institutional knowledge. Others commented that the life of the SmartZone is already limited. In addition, the board positions represent all the different organizations and members have to be reappointed every four years.

Randy Schipper clarified that this is not a state requirement, but rather included in the SmartZone bylaws. This could be changed by amending the bylaws. Lynn McCammon noted that a board member had commented after the prior meeting that the term limits were discussed when the SmartZone was formed and the board member was not in favor of changing to eliminate term limits.

After much discussion, the board generally felt removing the term limits would not present a problem. Vince Bush made a motion to amend the SmartZone bylaws to eliminate term limits. Doug Zylstra supported. The motion passed unanimously. Randy Schipper will work with Angela to prepare the amendment. The City of Holland and Holland Charter Township will need to approve the amendment.

8. Lakeshore Advantage SURGE Center Update

Nora Mansfield introduced herself and then presented the update for SURGE. She highlighted companies and events at the SURGE center as well as year-to-date metrics. Vince Bush requested the next presentation include additional information on the start-up companies. Board accepted as information.

9. Adjourn

Motion made by Luciano Hernandez to adjourn (12:50 pm). Support by Jill Miller. Motion unanimously approved.

- **Next Meeting December 13, 2023, City of Holland City Hall**

Holland LDFA SmartZone

Meeting Date: December 13, 2023

Agenda Item: 4

Subject: November 30, 2023 Financial Report

Prepared By: Lynn McCammon

Recommendation: LDFA SmartZone Board approval of the Financial Report for the month ending November 30, 2023.

LDFA SmartZone Board approved the FY 2024 Budget in March 2023. FY 2024 revenues are budgeted at \$647,500 and budgeted expenditures total \$1,150,532. This includes a \$503,032 planned use of reserves allocated for projects approved in FY 2023. Attached is the Budget Performance Report through November 30, 2023, which represents 41.67% of the fiscal year (July 1, 2023 through June 30, 2024).

Revenues

Year-to-date revenues totaled \$604,858.72, or 93% of budget. This is made up of Tax collections received from the City and the Township. Tax Collections for Fiscal Year 2024 start as of July 1st and continue through February 29th. Final tax payments from the County will occur in April 2024.

Expenditures

Fiscal Year 2024 Adopted budget has been set for \$1,150,532. Year-to-date expenditures are only \$66,582.36 which represents 6% of the fiscal year. Variances in the contractual administrative accounts are due to timing and are expected to smooth out as the year progresses.

Approved projects

The SmartZone Board approved \$1,000,000 for the Lakeshore Advantage project, payable as prepaid rent, and a \$500,000 contribution to the City of Holland Ice Rink project in March 2023. Both commitments will be paid over a three-year period, dependent on available cash flow. The FY 2024 budget included \$633,675 for the Lakeshore Advantage prepaid rent and \$166,667 for the ice rink. No payments have been made to date.



Budget Performance Report

Fiscal Year to Date 11/30/23
Exclude Rollup Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year Total
Fund Y01 - Smartzone Fund										
REVENUE										
Department 000 - General Revenues										
450582.C	Contributions from Other Govts From City of Holland	450,000.00	.00	450,000.00	238.75	.00	447,651.45	2,348.55	99	350,478.17
450582.H	Contributions from Other Govts Holland Township	167,500.00	.00	167,500.00	.00	.00	140,761.10	26,738.90	84	144,187.81
480665.0	Investment Income General	5,000.00	.00	5,000.00	.00	.00	7,161.46	(2,161.46)	143	17,561.57
480665.X	Investment Income Market Adjustment	.00	.00	.00	.00	.00	1,667.29	(1,667.29)	+++	(1,667.29)
480669.SZ	Rental SmartZone Tennant Income	25,000.00	.00	25,000.00	.00	.00	7,617.42	17,382.58	30	32,529.99
490568	Local Grant	.00	.00	.00	.00	.00	.00	.00	+++	25,000.00
Department 000 - General Revenues Totals		\$647,500.00	\$0.00	\$647,500.00	\$238.75	\$0.00	\$604,858.72	\$42,641.28	93%	\$568,090.25
REVENUE TOTALS		\$647,500.00	\$0.00	\$647,500.00	\$238.75	\$0.00	\$604,858.72	\$42,641.28	93%	\$568,090.25
EXPENSE										
Department 240 - Smartzone										
722804.0	Contractual-Legal General	500.00	.00	500.00	.00	.00	.00	500.00	0	.00
722805.1	Contractual-Finance Independent Audit	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	1,000.00
722805.3	Contractual-Finance Accounting & Budget	14,140.00	.00	14,140.00	.00	.00	.00	14,140.00	0	12,360.00
722807.C	Contractual-Architect/Engineer Infrastructure Development -City	166,667.00	.00	166,667.00	.00	.00	297.50	166,369.50	0	1,020.00
722807.LSA	Contractual-Architect/Engineer Infrastructure Development LSA	633,675.00	.00	633,675.00	.00	.00	.00	633,675.00	0	.00
722809.61	Contractual-Misc Management Services	150,000.00	.00	150,000.00	.00	.00	37,500.00	112,500.00	25	150,000.00
722809.69	Contractual-Misc Entrepreneurial Programming	56,000.00	.00	56,000.00	.00	.00	2,062.00	53,938.00	4	35,993.02
722809.DDA	Contractual-Misc DDA Services	11,000.00	.00	11,000.00	.00	.00	.00	11,000.00	0	8,300.00
723910.L	Commercial Insurance Premiums Liability Insurance	1,750.00	.00	1,750.00	1,695.00	.00	2,201.00	(451.00)	126	1,695.00
723942.0	Building Rental/Lease General	93,000.00	.00	93,000.00	.00	.00	21,000.00	72,000.00	23	84,000.00
723955.0	Misc. General	800.00	.00	800.00	.00	.00	26.48	773.52	3	1,100.97
723955.M	Misc. Misc Marketing Events	22,000.00	.00	22,000.00	.00	.00	3,495.38	18,504.62	16	5,284.06
730980.0	Office Equipment/Furniture General	.00	.00	.00	.00	.00	.00	.00	+++	15,326.27
Department 240 - Smartzone Totals		\$1,150,532.00	\$0.00	\$1,150,532.00	\$1,695.00	\$0.00	\$66,582.36	\$1,083,949.64	6%	\$316,079.32
EXPENSE TOTALS		\$1,150,532.00	\$0.00	\$1,150,532.00	\$1,695.00	\$0.00	\$66,582.36	\$1,083,949.64	6%	\$316,079.32
Fund Y01 - Smartzone Fund Totals										
REVENUE TOTALS		647,500.00	.00	647,500.00	238.75	.00	604,858.72	42,641.28	93%	568,090.25
EXPENSE TOTALS		1,150,532.00	.00	1,150,532.00	1,695.00	.00	66,582.36	1,083,949.64	6%	316,079.32
Fund Y01 - Smartzone Fund Totals		(\$503,032.00)	\$0.00	(\$503,032.00)	(\$1,456.25)	\$0.00	\$538,276.36	(\$1,041,308.36)		\$252,010.93
Grand Totals										
REVENUE TOTALS		647,500.00	.00	647,500.00	238.75	.00	604,858.72	42,641.28	93%	568,090.25
EXPENSE TOTALS		1,150,532.00	.00	1,150,532.00	1,695.00	.00	66,582.36	1,083,949.64	6%	316,079.32
Grand Totals		(\$503,032.00)	\$0.00	(\$503,032.00)	(\$1,456.25)	\$0.00	\$538,276.36	(\$1,041,308.36)		\$252,010.93

Holland LDFA SmartZone

Meeting Date: December 13, 2023

Agenda Item: 6

Subject: LDFA Board Terms

Prepared By: Lynn McCammon

Recommendation: Consider approval of an amendment to the Local Development Finance Authority (LDFA) SmartZone Rules of Procedure to remove the term limit of board members.

The SmartZone Rules of Procedure originally approved by City Council and Holland Charter Township Board in October 2014 was amended in 2018 to include a limitation on the number of terms that members of the Board of Directors may serve.

When the original board was appointed by the participating entities, a limit of two 4 year terms was included. With the term limit compelling the replacement of two directors at the end of 2023, the other board members discussed the possibility of eliminating the limitation so directors with deep institutional knowledge can be reappointed, especially since the SmartZone itself has a limited life. At the September 27th meeting, the board voted to direct the drafting of an amendment to the Rules of Procedure to remove the term limit to avoid losing the institutional knowledge of directors and because the term of the SmartZone itself expires in several years. The appointing authority for a particular director seat would still have the option of appointing a different person if it desires.

If approved by the SmartZone Board, this amendment will be forwarded to the City and Holland Charter Township for approval.

**HOLLAND SMARTZONE
LOCAL DEVELOPMENT FINANCE AUTHORITY**

**SECRETARY'S CERTIFICATE
OF
AMENDMENT TO RULES OF PROCEDURE**

December ____, 2023

I, Randall S. Schipper, hereby certify that I am the duly elected, qualified and acting Secretary of the Holland SmartZone Local Development Finance Authority (the "SmartZone"), and as such, am authorized to execute this Secretary's Certificate on behalf of the SmartZone. At its meeting on December ____, 2023, the Board of Directors of the SmartZone approved the following Resolution:

1. Resolved, that Article II, Section 2 of the SmartZone's Rules of Procedure is hereby amended to remove the term limit for members of the Board.

The undersigned has executed this Secretary's Certificate of the Holland SmartZone Local Development Finance Authority as of the date first written above to certify the above actions.

Randall S. Schipper
Secretary

**HOLLAND SMARTZONE
LOCAL DEVELOPMENT FINANCE AUTHORITY**

**Amendment to
Rules of Procedure**

1. Article II, Section 2 of the Articles of Incorporation is hereby amended to remove the term limit for members of the Board.

**HOLLAND
SMARTZONE LOCAL DEVELOPMENT FINANCE AUTHORITY**

RULES OF PROCEDURE

**Article I
Governing Body of Authority**

Section 1. Governing Body. The authority shall be under the supervision and control of the Board pursuant to the Local Development Financing Act, Act 281 of the Public Acts of Michigan of 1986, as amended specifically by Act 248 of the Public Acts of Michigan of 2000 (the "Act").

**Article II
Board**

Section 1. Composition of Board. The Board of the authority shall consist of 12 members and six ex-officio members. Four members shall be appointed by the City of Holland Mayor and approved by the Holland City Council. Three members shall be appointed by the Holland Charter Township Supervisor and approved by the Holland Charter Township Board. One member shall be appointed by the Ottawa County Board of Commissioners. Two members each shall be appointed by the Superintendent of Holland Public Schools and Superintendent of West Ottawa Schools. The ex-officio members shall be designated by the City of Holland Manager, Holland Township Supervisor, Ottawa County, Michigan Economic Development Corporation, Holland/Zeeland Community Foundation and Holland Downtown Development Authority, and shall serve so long as the organizations determine, shall not have a vote and shall not count towards a quorum.

Section 2. Term of Office. The members of the Board shall be appointed for a term of four years except the members first appointed. The City of Holland members shall serve a one, two, three and four years term in the first appointments. The Holland Charter Township members will serve a term of one, two and four year term in the first appointments. The initial Ottawa County Commission member should be appointed to a three-year term. The initial Holland Public Schools members should be appointed to a two and three-year term. The initial West Ottawa Schools members should be appointed to a one and four year term. A member whose term has expired shall continue to hold office until the member's successor is appointed. Board members will be limited to a two-term limit.

Section 3. Effective Date of Appointment. The term of office of Board members shall begin on January 1, except for those members first appointed, whose terms shall commence on the effective date of appointment and expire the stated number of years after January 1, 2015.

Section 4. Filling of Vacancies. If a vacancy is created due to the death, resignation or removal of a Board member, a successor shall be appointed in the same manner as the original appointment to serve for the remainder of the term vacated.

Section 5. Removal of Board Member. (i.) Subject to proper notice and an opportunity to be heard, a Board member may be removed from office before the expiration of his or her term for neglect of duty including nonattendance at meetings, misconduct, malfeasance or for any other good cause by a majority vote of the elected body of the governmental jurisdiction that appointed the member.

Section 6. Compensation of Board Members. Board members shall serve without compensation, but shall be reimbursed for actual and necessary expenses, as approved by the Board.

Section 7. Disclosure of Interest. A Board member who has a direct interest in any matter before the authority shall disclose his or her interest prior to the authority taking any action with respect to the matter. Such disclosure shall become a part of the record of the authority's official proceedings. Any Board member making such disclosure shall refrain from participating in the authority's decision-making process relative to such matter and must leave the meeting while the issue is being discussed. All Board Members are required to sign a conflict of interest form prior to Oath of Office to disclose any conflicts.

Section 8. Oath of Office. Before assuming the duties of office, a Board member shall qualify by taking and subscribing to the constitutional oath of office.

Article III Power of Board

Section 1. Board Powers. The Board may:

(a) Study and analyze unemployment, underemployment, recruitment, retention and joblessness and the impact of growth upon the authority district;

(b) plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of public facilities in express approval with the city and/or township in which the facility will or might reside;

(c) develop long-range plans to promote growth within the authority district and take the necessary steps to implement the plans to the fullest extent possible including receiving the designation of the Authority District as a certified technology park in order to create jobs and promote economic growth;

(d) implement any plan of development necessary to achieve the purposes of the Act in accordance with the authority granted by said Act;

(e) make and enter into contracts necessary or incidental to the exercise of the Board's powers and the performance of its duties;

(f) acquire by purchase or otherwise on terms and conditions and in a manner the authority considers proper; own or lease as lessor or lessee; convey, demolish, relocate, rehabilitate or otherwise dispose of real or personal property, or rights or interest in that property, which the authority determines is reasonably necessary to achieve the purposes of the Act, and to grant or acquire licenses, easements and options with respect to the property in express approval with the city and/or township in which the facility will or might reside;

(g) improve land, prepare sites for buildings, including the demolition of existing structures, and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair or operate a building and any necessary or desirable appurtenances to a building as provided in the Act for the use, in whole or in part, of a public or private person or corporation, or a combination thereof in express approval with the city and/or township in which the facility will or might reside;

(h) fix, charge and collect fees, rents and charges for the use of a building or property or a part of a building or property under the authority's control, or a facility in the building or on the property, and pledge the fees, rents and charges for the payment of revenue bonds issued by the authority in express approval with the city and/or township in which the facility will or might reside;

(i) lease a building or property or a part of a building or property under the authority's control in express approval with the city and/or township in which the facility will or might reside;

(j) accept grants and donations of property, labor or other things of value from a public or private source in express approval with the city and/or township;

(k) acquire and construct public facilities in express approval with the city and/or township in which the facility will or might reside;

(l) incur costs in connection with the performance of the Board's authorized functions including, but not limited to, administrative costs, architects, engineers, legal and accounting fees; and

(m) plan, propose and implement an improvement to a public facility on eligible property to comply with the barrier free design requirements of the State of Michigan construction code in express approval with the city and/or township in which the facility will or might reside.

(o) The authority shall not enter into contracts or spend amounts in excess of its budgets without approval of the City of Holland and Holland Charter Township.

Article IV
Officers of the Board

Section 1. Elected Officers of the Board. The Board shall elect from its members a Chairperson, Vice Chairperson, Secretary and Treasurer.

Section 2. Term of Office. The officers of the Board shall serve two-year terms. An officer whose term has expired shall, however, continue to hold office until a successor is appointed.

Section 3. Effective Date of Appointment. The term of office of an officer of the Board shall begin on February 1, except for those officers first elected, whose term shall commence on the date of election and expire two years thereafter..

Section 4. Filling of Vacancies. If a vacancy is created due to the death, resignation or removal of an officer of the Board, a successor shall be elected by the Board within sixty days to serve for the remainder of the vacated term.

Section 5. Duties of Officers. The following officers shall have the following duties:

- (a) Chairperson – the Chairperson shall preside at all meetings of the Board and shall discharge the duties of a presiding officer.
- (b) Vice Chairperson – In the absence of the chairperson or in the event of inability to serve as chairperson, the vice chairperson shall perform the duties of the chairperson and when so acting, shall have all the powers and be subject to all the restrictions of the chairperson.
- (c) Secretary – the Secretary shall maintain custody of the official seal and the records, books, documents or other papers of the authority not required to be maintained by the Treasurer. The Secretary shall keep or cause to be kept a record of the proceedings of the Board and shall perform other duties as may be delegated by the Board.
- (d) Treasurer – The Treasurer shall keep the financial records of the authority and shall, together with approved contracted organization or individual, approve all vouchers for the expenditures of the Authority. The Treasurer shall perform such other duties as may be delegated by the Board and shall furnish a bond in an amount as may be prescribed by the Board. The premium of any required bond shall be paid for by the Authority

Article V
Appointment and Retention of Other Personnel

Section 1. Appointment of Executive Director. The authority may contract with an organization or individual to serve an executive director subject to review by the governing bodies creating the authority. The executive director shall take and subscribe to constitutional oath of office.

Section 2. Retention of Legal Counsel. The Board may retain legal counsel to advise the Board in the proper performance of its duties. Legal counsel may represent the authority in actions brought by or against the authority.

Article VI
Meetings of the Board

Section 1. Annual Meeting. An annual meeting of the Board shall be held in January of each year at a time and place to be set by the Board. The election of officers shall be held at the annual meeting. If the election of officers shall, for any reason, not be held at the annual meeting, the Board shall elect officers at a regular or special meeting of the Board within ninety days of the annual meeting.

Section 2. Regular Meetings. Regular meetings of the Board shall be held at times and places set by the Board in compliance with the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended. At each regular meeting expenses of the authority shall be considered and approved by the Board.

Section 3. Special Meetings. Special meetings of the Board may be called by the Chairperson or any three members of the Board by giving Board members twenty-four hours written or telephonic notice of the special meeting and the purpose of the meeting. Notice of the meeting shall also be posted eighteen hours in advance in compliance with the Open Meetings Act.

Section 4. Meetings to be Public. All meetings of the Board shall be open to the public and provide for public participation in compliance with the Open Meetings Act.

Section 5. Meeting Agendas. The authority shall prepare the agenda for all meetings and whenever possible mail or deliver the agenda for receipt by Board members at least 48 hours prior to the meeting. At the beginning of any regular meeting any Board member may add an item to the meeting's agenda.

Section 6. Quorum and Voting. A majority of Board members (at least seven) in office shall constitute a quorum for the transaction of business of the Board. The concurring vote of a majority of those present and voting shall constitute the action of the Board unless the concurring vote of a larger number is required by law or elsewhere in these rules. In the event that the effective membership of the Board is reduced because of the disclosure of interest

pursuant to Article II, Section 7 hereof, the concurring vote of a majority of the remaining Board members eligible to vote shall constitute the action of the Board.

Section 7. Rules of Order. Unless otherwise required by law or provided in these rules, the most recent version of Robert's Rules of Order shall govern the conduct of all meetings of the Board.

Article VII Committees and Advisory Boards

Section 1. Committees. The Board by resolution may designate one or more committees to advise the Board. Committee members shall be members of the Board. The Chairperson of the Board shall appoint the members and shall select the chairperson of each committee. Committees may be dissolved by vote of the Board. At each annual meeting of the Board, all committees will be evaluated and either continued or dissolved. A majority of the members of a committee constitutes a quorum. The concurring vote of a majority of committee members present at a meeting at which a quorum is present shall constitute the action of the committee.

Section 2. Advisory Boards. The Board by resolution may designate one or more advisory boards to advise the Board. Members of advisory boards need not be members of the Board. The Chairperson of the Board shall, with the advice and consent of the Board, select members of each advisory board. The members of each advisory board shall select a chairperson of the advisory board. An advisory board may be dissolved by vote of the Board. At each annual meeting of the Board, all advisory boards will be evaluated and either continued or dissolved. A majority of the members of an advisory board constitutes a quorum. The concurring vote of a majority of committee members present at a meeting at which a quorum is present shall constitute the action of the advisory board.

Article VIII Contracts, Funds and Gifts

Section 1. Contracts. The Board may authorize the chair or approved contracted organization or individual to enter into any contract or to execute and deliver any instrument on behalf of the authority within the limits authorized by the Act. The authorization of the Board may be general or limited to a specific contract or instrument. All purchase of property or facilities can only occurred with a majority vote of the authority and in express approval with the city and/or township in which the facility will or might reside.

Section 2. Authority Funds. All funds of the authority shall be placed in such banks, trust companies or other depositories as selected by the Board. All checks, drafts or other orders for the payment of money shall be signed by the Treasurer or officer of the board. All notes or other evidence of indebtedness issued in the name of the authority shall be signed by

any two officers of the Board. All resources must be placed in a FDIC assured banking institution.

Section 3. Gifts and Grants. The Board may accept on behalf of the authority any gift, grant, contribution or bequest for the general purposes or for any special purpose of the authority.

Article IX Books, Records, Audits and Financial Reports

Section 1. Books and Records. The authority shall keep current and complete records of the books and accounts of the authority and minutes of all meetings of the Board. All records and minutes shall be kept at Holland City Hall. The records of the authority shall include the names and addresses of all board members and advisory board members.

Section 2. Annual Audit. An annual audit of the authority's financial books and records shall be conducted by an independent certified public accounting firm.

Section 3. Annual Report of Tax Increment Financing Plan. The authority shall submit annually to the City of Holland, Holland Charter Township, Michigan Economic Development Corporation and the Michigan State Tax Commission a financial report of the status of any tax increment financing plan of the authority.

Article X Funding of Authority Activities

Section 1. Sources of Funding. The activities of the authority may be financed from one or more of the following sources:

- (a) contributions to the authority for the performance of its functions;
- (b) revenue from any property, building or facility owned, leased, licensed or operated by the authority or under its control;
- (c) tax increments received pursuant to a tax increment financing plan established pursuant to the Act;
- (d) money obtained from any other legal sources approved by the Holland City Council and Holland Charter Township Board.

Article XI
Miscellaneous

Section 1. District Boundaries. The authority shall exercise its powers within an authority district established or amended from time to time by the Holland City Council and Holland Charter Township Board pursuant to the Act.

Section 2. Fiscal Year. The fiscal year of the authority shall begin on January 1 of a year and end on December 31 of the following year, provided, however, the first fiscal year of the authority shall begin upon final approval from the Michigan Department of Treasury and end December 31, 2015.

Section 3. Annual Budget. The authority shall prepare or cause to be prepared and shall submit for the approval of the Board a budget for the operation of the authority for the ensuing year. The budget shall be prepared in the manner and contain the information required by the municipal departments of the City of Holland and Holland Charter Township. Before the budget may be adopted by the Board, it shall be approved by the Holland City Council and Holland Charter Township Board. The authority shall not enter into contracts or spend amounts in excess of its budgets without approval of the City of Holland and Holland Charter Township.

Section 4. Amendment to Rules. These rules may be altered, amended or repealed and new rules adopted (i) by majority vote of the Board members present at a Board meeting and upon approval of the Holland City Council and Holland Charter Township Board; or (ii) by majority vote of the elected bodies of the Holland City Council and the Holland Charter Township Board

Approved by the Holland
City Council on
October 1, 2014

Approved by the Holland
Charter Township Board on
October 2, 2014

Approved by the Board on
October 8, 2014

**HOLLAND SMARTZONE
LOCAL DEVELOPMENT FINANCE AUTHORITY**

**SECRETARY'S CERTIFICATE
OF
AMENDMENT TO RULES OF PROCEDURE**

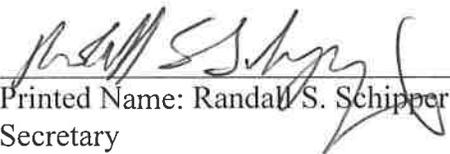
December 19, 2018

I, Randall S. Schipper, hereby certify that I am the duly elected, qualified and acting Secretary of the Holland SmartZone Local Development Finance Authority (the "SmartZone"), and as such, am authorized to execute this Secretary's Certificate on behalf of the SmartZone. At its meeting on December 19, 2018, the Board of Directors of the SmartZone approved the following Resolution:

1. Resolved, that Article II, Section 2 of the SmartZone's Rules of Procedure is hereby amended as follows: The last sentence is replaced with the following: Board members will be limited to two consecutive four year terms. A partial term, whether due to the initial shortened terms as provided in this section or due to appointment to fill a term of another person, is disregarded for the purposes of this two-term limit.

2. Resolved, that Article XI, Section 2 of the SmartZone's Rules of Procedure is hereby amended to read as follows: The fiscal year of the authority is July 1 to June 30 of the following calendar year.

The undersigned has executed this Secretary's Certificate of the Holland SmartZone Local Development Finance Authority as of the date first written above to certify the above actions.



Printed Name: Randall S. Schipper
Secretary

Holland LDFA SmartZone

Meeting Date: December 13, 2023

Agenda Item: 7

Subject: SmartZone Election of Officers

Prepared By: Lynn McCammon

Recommendation: Conduct an election of the Chairperson, Vice Chairperson, Secretary and Treasurer for a two-year term that commences on February 1, 2024.

The contract with the City for administrative services includes the language “ensure Executive Committee positions are reappointed every two years”. As part of this, City staff researched the process and noted the following included in the LDFA Rules of Procedure.

The LDFA Rules of Procedure Article IV Officers of the Board includes the following language related to election of officers of the board:

Section 1. Elected Officers of the Board. The Board shall elect from its members a Chairperson, Vice Chairperson, Secretary and Treasurer.

Section 2. Term of Office. The officers of the Board shall serve two-year terms. An officer whose term has expired shall, however, continue to hold office until a successor is appointed.

Section 3. Effective Date of Appointment. The term of office of an officer of the Board shall begin on February 1, except for those officers first elected, whose term shall commence on the date of election and expire two years thereafter..

Furthermore, Article VI Meetings of the Board states:

Section 1. Annual Meeting. An annual meeting of the Board shall be held in January of each year at a time and place to be set by the Board. The election of officers shall be held at the annual meeting. If the election of officers shall, for any reason, not be held at the annual meeting, the Board shall elect officers at a regular or special meeting of the Board within ninety days of the annual meeting.

Traditionally, the SmartZone has held the annual meeting in December instead of January, so the action requested for the LDFA board at the December 13, 2023 meeting is to elect the positions of Chairperson, Vice Chairperson, Secretary and Treasurer for a two-year term that commences on February 1, 2024 in accordance with the Rules of Procedure.



Holland Satellite SmartZone Local Development Finance Authority (LDFA) Board of Directors Meeting Calendar

The regular meetings of the Holland SmartZone Local Development Financing Authority for 2024 are scheduled as follows:

Location	Date	Time
Holland City Hall	Wednesday, March 20 th	12:00pm
Holland City Hall	Wednesday, June 19 th	12:00pm
Holland City Hall	Wednesday, September 18 th	12:00pm
Holland City Hall	Wednesday, December 11 th	12:00pm

Meeting Location Address:

City of Holland City Hall	270 S River Ave Holland, MI 49423	Training Room
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