



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
REGULAR MEETING**

Thursday, August 10, 2017 at 1:30 PM

Capitol View Building
201 Townsend St Suite 900
Lansing, MI 48933

AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Approval of Minutes**
 - a. Minutes of the June 8, 2017 regular Executive Committee meeting
- V. Administrative Report**
- VI. New Business**
 - a. Resolution 2017-04 CGAP Amendment Request
 - b. Resolution 2017-05 CY 2017 Regular Meeting Schedule Amendment
 - c. Resolution 2017-06 FY 2017-2018 Budget Time Schedule
 - d. Resolution 2017-07 FY 2017-2018 Budget Notice
 - e. Presentation of FY 2017-2018 Budget Recommendation
- VII. Public Comment**
- VIII. Other Business**
- IX. Adjournment**

A copy of the proposed minutes of the meeting will be available for public inspection at the principal office of the Authority within 8 business days. A copy of the approved minutes of the meeting, including any corrections, will be available for public inspection at the principal office of the Authority within 5 business days after approval.



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
REGULAR MEETING**

Thursday, June 8, 2017 at 2:00 p.m.

Livonia City Hall
4th Floor Conference Room
33000 Civic Center Drive
Livonia, MI 48933

MINUTES

Proposed Minutes Approved Minutes

MEETING TYPE: Regular Special

I. Call to Order

The meeting was called to order at 2:53 PM.

II. Roll Call

Executive Committee Member Attendance:

Stacie Behler, Chairperson	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
James Cambridge, Secretary	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Absent
Eric DeLong, Treasurer	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Doug Smith, Member	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Al Vanderberg, Member*	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent

*Participated via teleconference.

Other attendees:

- Robert Bruner, Michigan Municipal Services Authority
- Kristen Delaney, Michigan Municipal Services Authority
- Steven Liedel, Dykema*

III. Approval of Agenda

Moved by: Smith
Supported by: DeLong

Yes: X No: ___

IV. Approval of Minutes

a. Minutes of the March 9, 2017 regular Executive Committee meeting

Moved by: Vanderberg
Supported by: DeLong

Yes: X No: ___

V. Administrative Report

The administrative report was delivered by CEO Robert Bruner at the earlier Authority Board meeting.

VI. New Business

b. Resolution 2017-03 Merit Membership Services Agreement

Moved by: Smith
Supported by: Vanderberg

Yes: X No: ___

II. Public Comment

None

III. Other Business

None

IV. Adjournment

Motion to adjourn the meeting at 2:55 PM.

Moved by: Smith
Supported by: Vanderberg

Yes: X No: ___

Certification of Minutes

Approved by the Executive Committee on July 13, 2017.

Authority Secretary

Date

PROPOSED



Michigan Municipal Services Authority

Administrative Report

Prepared August 4, 2017

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Financial Report

MMSA Administrative Report

**Michigan Municipal Services Authority
General Fund**

Fund	Activity	FYE 2017 Adopted	July 2017	FYE 2017 Year to Date	FYE 2017 Budget to Date	Variance
Operating Revenues						
101	539		\$ -	\$ -	\$ -	
		\$ 127,706	\$ 8,428	\$ 100,207	\$ 106,422	-5.8%
		\$ 127,706	\$ 8,428	\$ 100,207	\$ 106,422	-5.8%
TOTAL OPERATING REVENUES		\$ 255,412	\$ 16,856	\$ 200,414	\$ 212,843	-5.8%
Operating Expenses						
101	101	\$ 2,000	\$ -	\$ -	\$ 1,667	-100.0%
101	173	\$ 224,812	\$ 16,530	\$ 184,845	\$ 187,343	-1.3%
101	191	\$ 5,000	\$ 326	\$ 5,568	\$ 4,167	33.6%
101	223	\$ 10,600	\$ -	\$ 10,000	\$ 8,833	13.2%
101	228	\$ 4,000	\$ -	\$ -	\$ 3,333	-100.0%
101	266	\$ 9,000	\$ -	\$ -	\$ 7,500	-100.0%
TOTAL OPERATING EXPENSES		\$ 255,412	\$ 16,856	\$ 200,413	\$ 212,843	-5.8%
Change in Net Position		\$ -	\$ (0)	\$ 1	\$ -	

**Michigan Municipal Services Authority
VHWM**

Fund	Activity	FYE 2017 Adopted	July 2017	FYE 2017 Year to Date	FYE 2017 Budget to Date	Variance	
Operating Revenues							
501	539	State Grants	\$ -	\$ -	\$ -	\$ -	
501	600	Charges for Services	\$ 600,000	\$ 55,774	\$ 696,746	\$ 500,000	39.3%
TOTAL OPERATING REVENUES			\$ 600,000	\$ 55,774	\$ 696,746	\$ 500,000	39.3%
Operating Expenses							
501	266	Attorney	\$ 6,000	\$ -	\$ 24,839	\$ 5,000	396.8%
501	271	Program Management	\$ 60,000	\$ -	\$ -	\$ 50,000	-100.0%
501	272	Contractual Services	\$ 540,000	\$ 51,353	\$ 662,240	\$ 450,000	47.2%
501		Transfer to General Fund	\$ 127,706	\$ 8,428	\$ 100,207	\$ 106,422	-5.8%
TOTAL OPERATING EXPENSES			\$ 733,706	\$ 59,781	\$ 787,287	\$ 611,422	28.8%
Change in Net Position			\$ (133,706)	\$ (4,007)	\$ (90,541)	\$ (111,422)	-18.7%

Michigan Municipal Services Authority
FMS

Fund	Activity	FYE 2017 Adopted	July 2017	FYE 2017 Year to Date	FYE 2017 Budget to Date	Variance	
Operating Revenues							
502	539	State Grants	\$ -	\$ -	\$ 1,500,000	\$ -	0.0%
502	600	Charges for Services	\$ 2,863,430	\$ -	\$ 1,889,620	\$ 2,386,192	-20.8%
TOTAL OPERATING REVENUES			\$ 2,863,430	\$ -	\$ 3,389,620	\$ 2,386,192	42.1%
Operating Expenses							
502	266	Attorney	\$ 6,000			\$ 5,000	-100.0%
502	271	Program Management	\$ 50,000	\$ -	\$ -	\$ 41,667	-100.0%
502	272	Contractual Services	\$ 2,679,047	\$ -	\$ 3,301,466	\$ 2,232,539	47.9%
502		Transfer to General Fund	\$ 127,706	\$ 8,428	\$ 100,207	\$ 106,422	-5.8%
TOTAL OPERATING EXPENSES			\$ 2,862,753	\$ 8,428	\$ 3,401,673	\$ 2,385,628	42.6%
Change in Net Position			\$ 677	\$ (8,428)	\$ (12,053)	\$ 564	-2236.4%

**Michigan Municipal Services Authority
All Funds**

	FYE 2017 Adopted		July 2017		FYE 2017 Year to Date		FYE 2017 Budget to Date	Variance
OPERATING REVENUES								
General	\$ 255,412	\$	16,856	\$	200,414	\$	212,843	-5.8%
VHWM	\$ 600,000	\$	55,774	\$	696,746	\$	500,000	39.3%
FMS	\$ 2,863,430	\$	-	\$	3,389,620	\$	2,386,192	42.1%
TOTAL OPERATING REVENUES	\$ 3,718,842	\$	72,630	\$	4,286,780	\$	3,099,035	38.3%
OPERATING EXPENSES								
General	\$ 255,412	\$	16,856	\$	200,413	\$	212,843	-5.8%
VHWM	\$ 733,706	\$	59,781	\$	787,287	\$	611,422	28.8%
FMS	\$ 2,862,753	\$	8,428	\$	3,401,673	\$	2,385,628	42.6%
TOTAL OPERATING EXPENSES	\$ 3,851,871	\$	85,065	\$	4,389,373	\$	3,209,893	36.7%
CHANGE IN NET POSITION	\$ (133,029)	\$	(12,435)	\$	(102,593)	\$	(110,858)	-7.5%

MICHIGAN MUNICIPAL SERVICES AUTHORITY

Summary of Revenues and Expenditures

Date	Check Number	Invoice Number	Description	Check Amount	Deposits/ Other Credits	Account Balance
6/30/17			Beginning Balance			\$ 519,434.37
7/7/17	ACH		Benefits Express	\$ 47,963.11		\$ 471,471.26
	ACH	expenses	Robert Bruner	1,297.43		\$ 470,173.83
	ACH	expenses	Robert Bruner	345.68		\$ 469,828.15
7/13/17	Direct Deposits		Payroll	5,068.26		\$ 464,759.89
	ACH	payroll Taxes	US Treasury IRS	4,852.36		\$ 459,907.53
	ACH	payroll Taxes	State of Michigan	709.41		\$ 459,198.12
		s/c	Bank Service Charge	25.86		\$ 459,172.26
7/14/17	ACH		Segal Consulting	3,390.00		\$ 455,782.26
7/21/17	ACH		Michael A Tawney & Comp	300.00		\$ 455,482.26
7/27/17	ACH		BCBS	1,042.86		\$ 454,439.40
	Direct Deposits		Payroll	5,068.24		\$ 449,371.16
7/28/17		Deposit	City of Detroit		\$ 55,774.23	\$ 505,145.39
TOTAL MI MUN SERV AUTH CASH BALANCE						<u>\$ 505,145.39</u>

Michigan Municipal Services Authority
Balance Sheet
As of July 31, 2017

ASSETS

CURRENT ASSETS

Cash in Bank	\$ 505,145.39
Due From Cities	<u>136,647.65</u>

Total Current Assets 641,793.04

PROPERTY AND EQUIPMENT

TOTAL ASSETS \$ 641,793.04

CURRENT LIABILITIES

Accounts Payable	\$ 132,744.79
Accrued State W/H	473.32
Accrued Federal W/H	1,344.00
Accrued FICA	2,421.12
Accrued MESC	27.64
Accrued Salaries & Wages	<u>6,930.77</u>

Total Current Liabilities 143,941.64

LONG-TERM LIABILITIES

Total Liabilities 143,941.64

FUND BALANCE

Fund Balance Retained	600,442.27
Current Revenue over Expenses	<u>(102,590.87)</u>

Total Fund Balance 497,851.40

TOTAL LIABILITIES AND FUND BALANCE \$ 641,793.04

Michigan Municipal Services Authority
Statement of Income
For the 1 Month and 10 Months Ended July 31, 2017

	<u>1 Month Ended</u> <u>July 31, 2017</u>	<u>10 Months Ended</u> <u>July 31, 2017</u>
Revenues		
Contract Revenue	\$ 55,774.23	\$ 4,086,365.88
Operating Expenses		
Salary Director	\$ 8,498.90	\$ 96,857.14
Wages - Administrative Staff	4,400.00	48,400.00
Outside Service Contractors	51,353.11	3,963,491.50
Payroll Taxes	945.46	10,544.00
MESC Taxes	0.00	489.61
FUTA Taxes	0.00	84.00
Office Expense	1,297.43	13,937.81
Legal & Accounting	300.00	39,828.75
Insurance - Health	1,042.86	8,342.88
Mileage Reimbursement	345.68	4,689.66
Dues	0.00	1,500.00
Bank Service Charges	25.86	791.40
	<hr/>	<hr/>
Total Operating Expenses	68,209.30	4,188,956.75
 Revenues over Expenses	 <u>\$ (12,435.07)</u>	 <u>\$ (102,590.87)</u>



Statement Period Date: 7/1/2017 - 7/31/2017
 Account Type: COMM'L 53 ANALYZED
 Account Number: 7166385711

— MICHIGAN MUNICIPAL SERVICES
 — AUTHORITY
 — PO BOX 12012
 — LANSING MI 48901-2012



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Banking Center: Grand Rapids
 Banking Center Phone: 616-653-5440
 Commercial Client Services: 866-475-0729

4488

Account Summary - 7166385711

07/01	Beginning Balance	\$520,934.37	Number of Days in Period	31
1	Checks	\$(1,500.00)		
11	Withdrawals / Debits	\$(70,063.21)		
1	Deposits / Credits	\$55,774.23		
07/31	Ending Balance	\$505,145.39		

Check

1 check totaling \$1,500.00

* Indicates gap in check sequence i = Electronic Image s = Substitute Check

Number	Date Paid	Amount
7506 i	07/20	1,500.00

Withdrawals / Debits

11 items totaling \$70,063.21

Date	Amount	Description
07/05	345.68	Michigan Municip CREDITS 4616288140 070517 OFFSET TRANSACTION
07/05	1,297.43	Michigan Municip CREDITS 4616288140 070517 OFFSET TRANSACTION
07/05	47,963.11	Michigan Municip PAYMENTS 4616288140 070517 OFFSET TRANSACTION
07/12	5,068.26	Michigan Municip CSI PAYROLL PAYROLL Michigan Municipal Ser 071217
07/13	3,390.00	Michigan Municip PAYMENTS 4616288140 071317 OFFSET TRANSACTION
07/13	25.86	SERVICE CHARGE
07/17	4,852.36	IRS USATAXPYMT 270759861556650 MICHIGAN MUNICIPAL SER 071717
07/18	300.00	Michigan Municip PAYMENTS 4616288140 071817 OFFSET TRANSACTION
07/20	709.41	MI Business Tax Payment SMIBUS001264764 TawneyMichael 072017
07/26	5,068.24	Michigan Municip CSI PAYROLL PAYROLL Michigan Municipal Ser 072617
07/27	1,042.86	BCBS Michigan PREMIUM MS283851 MICHIGAN MUNICIPAL SER 072717

Deposits / Credits

1 item totaling \$55,774.23

Date	Amount	Description
07/28	55,774.23	CITY OF DETROIT 141807 FIN A/P 11 206721 MICHIGAN MUNICIPAL SER 072817

Daily Balance Summary

Date	Amount	Date	Amount	Date	Amount
07/05	471,328.15	07/17	457,991.67	07/26	450,414.02
07/12	466,259.89	07/18	457,691.67	07/27	449,371.16
07/13	462,844.03	07/20	455,482.26	07/28	505,145.39

INTRODUCTORY OFFER FROM OUR NEW CHECK PROVIDER, HARLAND CLARKE: RECEIVE 20 PERCENT OFF ANY BUSINESS CHECK PRODUCT ORDERED THROUGH SEPTEMBER 30, 2017. USE OFFER CODE: JD. CALL 1-800-503-2345 OR VISIT 53.COM/CHECKS. MENTION THE OFFER CODE WHEN ORDERING BY PHONE. THIS OFFER IS NOT VALID WITH ANY OTHER OFFER AND NOT REDEEMABLE FOR CASH.

FMS Program Update

MMSA Administrative Report

FMS Program Update

Amendment Agreements

- CGI proposed amendments to the Program Services Agreement and Participation Agreements in January to accommodate Microsoft Azure Cloud migration
- Last internal conference call was held on July 13
- Nothing new

FMS Program Update

Grant Management

- CGAP Grant FY 2014 (Round 1)
 - Q2 2017 grant report was submitted on July 24
 - Q3 2017 grant report is due October 30

VHWM Program Update

To be distributed later

Municipal Talent Pipeline Update

MMSA Administrative Report

MTP Program Update

Recent Activities

- July 9-12: Michigan Association of Equalization Directors (MAED) Annual Conference. Presented assessing and equalization survey results.
- July 18: Michigan Department of Environmental Quality (MDEQ)
- July 21: City of Saginaw Water Treatment

MTP Program Update

Recent Activities

- July 24: City of Grand Rapids Environmental Services
- July 25-28: Michigan Municipal Executives (MME) Summer Workshop
- July 25-August 2: Michigan Assessors Association (MAA) Annual Summer Conference. Presented assessing and equalization survey results.

Program Development Update

MMSA Administrative Report

Program Development Update

Medicare Coordination Program

- Two proposals received
- Reviewed proposals with Livonia on June 27
- Plan to schedule interviews in August

Program Development Update

Aquasight

- Real-Time intelligence for water and waste water municipalities
- Patent pending digital platform to mine data from sensors, supervisory control and data acquisition (SCADA), process equipment, distribution, collection systems and water meters to provide operational, maintenance, and capital insights.

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Program Development Update

Aquasight

- Real-Time intelligence is provided across the entire life cycle of municipal water from raw water sourcing, transportation, treatment, potable water storage, pumping, distribution, storm water and sewage collection and distribution and waste water treatment.
- Pilots were completed in ten cities and six more are underway.
- Pilots produced up to 25% savings, half of which were no or low cost.

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Program Development Update

Deployment

- No hardware required to be installed
- Equipment agnostic digital platform
- Leverage existing SCADA/ infrastructure investments
- Accommodates various sensor configuration
- Monitor and analyze on any device
- Applicable for large to small water utilities

References

- Great Lakes Water Authority
- Holland Board of Public Works
- City of Mt. Pleasant
- City of Saginaw
- Waterford Township

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SOM / GOVERNMENT

Michigan-based company helping Great Lakes Water Authority identify big potential savings for residents by targeting energy waste reduction

July 5, 2017

LANSING, Mich. – The **Great Lakes Water Authority (GLWA)**, one of the country’s largest regional water authorities, has the potential to save more than 20 percent – or hundreds of thousands of dollars -- in annual chemical costs in just one of the processes used at its Water Resource Recovery Facility in Detroit, with more potential savings on the way.

The savings are the result of an intensive effort underway by Troy-based **Aquasight** at GLWA to reduce energy waste in wastewater treatment. Funding for the project comes from the U.S. Department of Energy’s Wastewater Infrastructure Accelerator (WIA) program, part of its Better Buildings Initiative, and the Michigan Energy Office, part of the Michigan Agency for Energy (MAE).

“There’s great potential with this project,” said Valerie Brader, MAE executive director. “We know that wastewater contains about five times more energy than is needed for its treatment. By targeting energy waste reduction in wastewater treatment, the expected environmental, economic and social benefits will be significant.

“Aquasight is helping the Great Lakes Water Authority be part of the wave of innovative utilities that are focusing on energy waste reduction in equipment, processes and operations, which will ultimately benefit residents.”

Aquasight’s Internet of Things technology mines real-time pre-existing sensors, operations and equipment data to run a wastewater facility more efficiently, saving on operational expenses while meeting regulatory requirements. The effort also helps facilities with predictive maintenance and more efficient capital upgrades and expense planning.

In its initial analysis at southeast Michigan-based GLWA, Aquasight identified a potential chemical savings of 26 percent annually, based on the data it gathered when examining phosphorus removal process at GLWA. Next, the company plans to examine all eight critical unit processes from raw sewage pumping to solids processing, including all energy intensive equipment and operations.

“Aquasight is very proud to be associated with GLWA and the Michigan Energy Office as part of the U.S. Department of Energy (DOE) initiative,” said Mahesh Lunani, Aquasight’s founder and chief executive officer. “For example, we have demonstrated that our technology enables water and wastewater utilities to save 12 percent to 53 percent in energy expenses alone. Our platform can help utilities in all three expense categories – operations, maintenance and capital, which make up greater than 85 percent of a utility’s budget. With the success of projects like the one at GLWA, we know it is only a matter of time before all cities adopt such technologies.”

The company’s work with GLWA began in March 2017 and is scheduled to continue through March 2018, when GLWA will begin to implement recommendations that have been identified and continuously use the real-time intelligence platform to sustain the savings. Results of the project will help the DOE establish best practices throughout the U.S. wastewater industry.

The Michigan Department of Environmental Quality is supportive of the concept and will closely monitor the results for phosphorus levels in the wastewater treatment plant discharge.

“The Department of Energy welcomes Michigan’s leadership in energy efficiency in the wastewater sector,” said Kathleen Hogan, deputy assistant secretary for energy efficiency. “As a partner in the Better Buildings Initiative, they are helping demonstrate how to save taxpayers money and improve the country’s critical wastewater infrastructure.”

The aim of the WIA program is to spur the adoption of best practices in data management, technologies, and financing for infrastructure improvement. WIA partners seek to improve the energy efficiency of their participating water resource recovery facilities by at least 30 percent.

The Great Lakes Water Authority began operations on Jan. 1, 2016, and serves 127 customer communities throughout seven southeast Michigan counties, nearly 40 percent of Michigan. For more information, please visit www.glwater.org.

For more information about MAE, please visit www.michigan.gov/energy or sign up for its [listservs](#) to keep up on MAE matters.

###



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Foreign Languages
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POLICIES

Local Community Stabilization Authority (LCSA)



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: August 4, 2017
TO: Executive Committee
FROM: Robert Bruner, CEO
SUBJECT: CGAP Grant FY 2014 (Round 1)

The Authority received final approval for Competitive Grant Assistance Program (CGAP) funding for the Multi-Tenant Financial Management and Human Resources Software System (FMS) from the Department of Treasury on April 27, 2015. The Final Approved Budget Amounts (attached) provided \$1.5 million for Group A (Genesee County, Grand Rapids, and Kent County) and \$3.5 million for Group B (to be determined). The Group B funding will become available for reimbursement in the future as additional local units participate in FMS. With the addition of each new participating local unit, 1/3 of the Group B grant funding will become available for reimbursement to all Group B participants.

Unfortunately, the Authority's efforts to recruit new participants have been unsuccessful to date. The grant period ends on September 30, 2018 so the final reimbursement request will be due on August 30, 2018. Based on our knowledge about the market and the time it takes for an organization to make an enterprise resource planning (ERP) selection, recruiting a new participant seems unlikely to before the grant period ends. Accordingly, I recommend the Executive Committee authorize the CEO to request Treasury amend the conditions and provisions of the grant to provide additional funding for Group A and provide funding for a new 21st century infrastructure shared services program as described below.

Group B

The grant award was based on a Business Plan & Collaboration Incentive Proposal the Authority submitted to Treasury on April 7, 2015. The Proposal provided Group A with a collaboration incentive of 40% of their estimated implementation services and implementation period subscription fees and Group B with a collaboration incentive of 33%. Since then, all three members of Group B have incurred and/or plan to incur additional implementation costs that will reduce their incentives to 30% on average. Based on current estimates, an additional \$1.5 million would increase the collaboration incentive back to 40%. Accordingly, I recommend the Authority request reallocation of \$1.5 million to fund Group A implementation costs not to exceed 40% of each participant's actual implementation costs.

21st Century Infrastructure

Governor Rick Snyder created the 21st Century Infrastructure Commission by executive order on March 10, 2016. The Commission worked diligently to provide a long-term infrastructure strategy that addresses Michigan's needs for the next 30-50 years in the areas of transportation, water, sewer, stormwater, wastewater treatment and drainage, energy, and communications. The Commission presented its recommendations to improve the state's infrastructure systems on December 5, 2016. The Authority has been looking for ways to help implement those recommendations since then.

Troy-based Aquasight provides real-time intelligence for drinking water and wastewater system operators. Its digital platform mines data from sensors, supervisory control and data acquisition (SCADA), process equipment, distribution, collection systems and water meters to provide operational, maintenance, and capital insights. Pilots were completed in ten cities and six more are underway. Those pilots produced up to 25% savings, half of which were no or low cost. In July, the Michigan Agency for Energy (MAE) announced Aquasight was receiving funding from the U.S. Department of Energy's Wastewater Infrastructure Accelerator (WIA) program to help the Great Lakes Water Authority (GLWA) reduce energy waste in wastewater treatment (see attached).

Aquasight's technologies can help make the 21st Century Infrastructure Commission's recommendations a reality. For example, the Commission's communications recommendations include, "Infrastructure that monitors water quality and water level and alerts government officials to maintenance issues before larger, more costly problems develop." The Commission's energy recommendations include energy waste reduction (5.2) and the Commission's final report devotes an entire chapter (7) to water recommendations. Accordingly, I recommend the Authority request reallocation of \$2 million to help qualified jurisdictions adopt these new technologies.

Next Steps

The Executive Committee authorized the Chief Executive Officer to submit a Competitive Grant Assistance Program (CGAP) Application on behalf of the Authority (January 9, 2014; Resolution 2014-01); accepted the grant (April 17, 2014; Resolution 2014-14); and approved the FMS collaboration incentive proposal and business plan (April 9, 2015; Resolution 2015-05). Accordingly, I recommend the Executive Committee adopt the attached resolution authorizing the Chief Executive Officer to submit an amendment request to Treasury on behalf of the Authority and to execute documents requested by Treasury related to the grant.



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
RESOLUTION 2017-04**

Competitive Grant Assistance Program (CGAP) Amendment Request

The Executive Committee of the Michigan Municipal Services Authority (“Authority”) resolves that the Chief Executive Officer of the Authority (“CEO”) is authorized to submit a request to amend the conditions and provisions of Grant No. 105040-14 on behalf of the Authority and to execute any documents requested by Treasury related to the grant.

Secretary’s Certification:

I certify that this resolution was adopted by the executive committee of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on August 10, 2017.

By: _____
James Cambridge
Authority Secretary



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
RESOLUTION 2017-05**

Calendar Year 2017 Regular Meeting Schedule Amendment

The executive committee of the Michigan Municipal Services Authority (the “**Authority**”) resolves that the calendar year ending December 31, 2017 notice and schedule of regular meetings is amended as follows:

Date	Time	Location
Thursday, September 17, 2017	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, October 12, 2017	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, November 9, 2017	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, December 14, 2017	2:00 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933

Secretary’s Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on August 10, 2017.

By: _____
James Cambridge
Authority Secretary



**EXECUTIVE COMMITTEE
RESOLUTION 2017-06**

FY 2017-2018 Budget Time Schedule

The Executive Committee of the Michigan Municipal Services Authority resolves that the following budget time schedule is approved for the Michigan Municipal Services Authority ("Authority") in compliance with the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.421 to 141.440a, for the fiscal year beginning on October 1, 2017 and ending on September 30, 2018:

On or About
July 13, 2017:

Step

The budgetary centers of the Authority shall provide to the CEO information which the CEO considers necessary and essential to the preparation of a budget for the ensuing fiscal period for presentation to the Authority's Executive Committee.

August 10, 2017:

The CEO shall transmit the recommended budget to the Executive Committee.

September 14, 2017:

The recommended budget transmitted by the CEO shall be considered by the Executive Committee and a public hearing shall be held before final passage of a general appropriations act by the Executive Committee.

Secretary's Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on August 10, 2017.

By: _____
James Cambridge
Authority Secretary



**EXECUTIVE COMMITTEE
RESOLUTION 2017-07**

FY 2017-2018 Budget Notice

The Executive Committee of the Michigan Municipal Services Authority (“Authority”) resolves that the law firm of Dykema Gossett PLLC is authorized to assist the Authority’s Secretary in securing the publication of notice of a public hearing of the FY 2017-2018 budget for the Authority in compliance with 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415. The notice shall be in a form substantially similar to the following:

NOTICE OF PUBLIC HEARING

A public hearing is scheduled for 1:30 p.m. on Thursday, September 14, 2017 at a regular meeting of the Executive Committee of the Michigan Municipal Services Authority (“Authority”) held at 201 Townsend St., # 900, Lansing, MI 48909 for discussing adoption of the budget for the Authority for the 2017-2018 fiscal year. The meeting will be held in compliance with the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275. A copy of the proposed budget is available for public inspection at 201 Townsend St., # 900, Lansing, MI 48909 and <http://www.michiganmsa.org>.

**THE PROPERTY TAX MILLAGE RATE PROPOSED TO BE LEVIED TO SUPPORT
THE PROPOSED BUDGET WILL BE A SUBJECT OF THIS HEARING.***

*Note: This notice is printed in compliance with 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415. The Authority is not authorized to levy taxes.

James Cambridge
Authority Secretary

Secretary’s Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on August 10, 2017.

By: _____
James Cambridge
Authority Secretary



FY 2017 – 2018 BUDGET RECOMMENDATION

General Fund Revenues

The General Fund's primary revenue sources are the general tax levy, local income taxes, certain state and federal aid, and fees and charges of the general fund departments. As the Authority has no general tax levy, local income taxes, certain state or federal aid, the General Fund's only revenue source is charges of the general fund departments to the enterprise funds. Each enterprise fund is charged an equal share (50%) of General Fund expenditures.

General Fund Expenditures

The legislative and administrative activities of the Authority are accounted for through the General Fund.

Governing Body: Liability insurance; Publishing expenses for Open Meetings Act compliance and other expenses directly related to Authority Board and Executive Committee meetings

Chief Executive

- Personal Services: Salary and payroll taxes for CEO and Assistant to the CEO
- Other Services and Charges
 - Conferences & Workshops: Registration, travel, hotel, and per diem for thirteen conferences
 - Memberships: Professional association and organizational memberships
- Transportation: Mileage, parking, and other transportation expenses necessary for Authority staff to attend meetings

Accounting: Michael A. Tawney & Company, P.C. (accountant); and Stevens, Kirinovic & Tucker, P.C. (external auditor)

Information Technology: Google Apps and website expenses

Attorney: Dykema

General Fund Transfers In

Each enterprise fund transfers an equal share (50%) of General Fund expenditures to the General Fund.

Enterprise Funds

Enterprise funds are used to report any activity for which a fee is charged to external users for goods or services. Activities must be reported as enterprise funds if the pricing policies of the activity establish fees and charges designed to recover its costs. Such is the case for the Authority's programs so an enterprise fund is used to report each.

Fund 501: Virtual Health and Wellness Marketplace (VHWM)

Revenue

Charges for Services: Charges for services rendered to the City of Detroit pursuant to Services Contract No. 2888656.

Expenditures

Attorney: Dykema

Program Management: Segal Consulting

Contractual Services: Charges from Benefit Express Services for services rendered to the City of Detroit pursuant to Services Contract No. 2888656.

Transfers Out

Each enterprise fund transfers an equal share (50%) of General Fund expenditures to the General Fund.

Fund 502: Financial Management System (FMS)

Revenue

Charges for Services: Charges for services rendered to the City of Grand Rapids, Genesee County, and Kent County pursuant to each Participation Agreement.

Expenditures

Attorney: Dykema

Program Management: Plante Moran

Contractual Services: Charges from CGI and Munetrix for services rendered to the City of Grand Rapids, Genesee County, and Kent County pursuant to each Participation Agreement.

Transfers Out

Each enterprise fund transfers an equal share (50%) of General Fund expenditures to the General Fund.



**EXECUTIVE COMMITTEE
RESOLUTION 2017-XX**

FY 2017-2018 General Appropriations Act

The Executive Committee of the Michigan Municipal Services Authority resolves:

Section 1. Title. This resolution shall be known and may be cited as the Michigan Municipal Services Authority FY 2017-2018 General Appropriations Act.

Section 2. Public Hearing. In compliance with 1963 (2nd Ex Sess) PA 43, MCL 141.411 to 141.415, notice of a public hearing on the proposed budget was published in a newspaper of general circulation on _____ and a public hearing on the proposed budget was held by the Executive Committee of the Michigan Municipal Services Authority (“Authority”) on September 14, 2017.

Section 3. Millage Levy. The Authority is not authorized to levy taxes.

Section 4. Adoption of Budget by Activity. The Executive Committee of the Authority adopts the budget for the Authority for the fiscal year beginning on October 1, 2017 and ending on September 30, 2018 by activity. Authority officials responsible for the expenditures authorized in the budget may expend Authority funds up to, but not to exceed, the total appropriation authorized for each activity.

Section 5. Payment of Bills. All claims or bills against the Authority shall be approved by the Executive Committee of the Authority before payment by the Authority. However, the Treasurer of the Authority may pay certain claims or bills before payment is approved by the Executive Committee of the Authority to avoid late penalties, service charges, or interest. Any claims or bills paid before approval by the Executive Committee shall be reported by the Treasurer to the Executive Committee for approval at the next meeting of the Executive Committee.

Section 6. Estimated Revenues and Expenditures. Estimated total revenues and expenditures for the Authority for FY 2017-2018 are:

<u>Fund</u>	<u>Revenue</u>	<u>Expenditures</u>
General Fund	\$251,000	\$251,000
VHWM Fund	\$855,000	\$827,000
FMS Fund	\$2,863,430	\$2,733,000

**Michigan Municipal Services Authority
FY 2017-2018 General Appropriations Act
General Fund**

	FYE 2016 Audited	FYE 2017 Adopted	FYE 2017 Year to Date	FYE 2017 Estimated	FYE 2018 Recommended
OPERATING REVENUES					
Intergovernmental	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES					
Governing body	\$2,062	\$2,000	\$0	\$2,000	\$2,000
Chief executive (staff)	\$217,146	\$224,812	\$168,315	\$225,000	\$225,000
Accounting	\$15,471	\$15,600	\$15,242	\$16,000	\$16,000
Information technology	\$2,547	\$4,000	\$0	\$2,000	\$2,000
Attorney	\$6,994	\$9,000	\$0	\$6,000	\$6,000
Program management	\$0	\$0	\$0	\$0	\$0
Contractual services	\$0	\$0	\$0	\$0	\$0
TOTAL OPERATING EXPENSES	\$244,220	\$255,412	\$183,557	\$251,000	\$251,000
OPERATING INCOME (LOSS)	(\$244,220)	(\$255,412)	(\$183,557)	(\$251,000)	(\$251,000)
TRANSFERS					
Transfers in	\$247,088	\$255,412	\$183,557	\$251,000	\$251,000
Transfers out	\$0	\$0	\$0	\$0	\$0
CHANGE IN NET POSITION	\$2,868	\$0	\$0	\$0	\$0

7/31/2017

Draft - Preliminary to final determination

**Michigan Municipal Services Authority
FY 2017-2018 General Appropriations Act
VHWM**

	FYE 2016 Audited	FYE 2017 Adopted	FYE 2017 Year to Date	FYE 2017 Estimated	FYE 2018 Recommended
OPERATING REVENUES					
Intergovernmental	\$969,363	\$600,000	\$640,972	\$855,000	\$855,000
OPERATING EXPENSES					
Governing body	\$0	\$0	\$0	\$0	\$0
Chief executive (staff)	\$0	\$0	\$0	\$0	\$0
Accounting	\$0	\$0	\$0	\$0	\$0
Information technology	\$0	\$0	\$0	\$0	\$0
Attorney	\$7,465	\$6,000	\$24,839	\$6,000	\$6,000
Program management	\$45,000	\$60,000	\$0	\$6,000	\$6,000
Contractual services	\$815,742	\$540,000	\$610,887	\$815,000	\$815,000
TOTAL OPERATING EXPENSES	\$868,207	\$606,000	\$635,726	\$827,000	\$827,000
OPERATING INCOME (LOSS)	\$101,156	(\$6,000)	\$5,246	\$28,000	\$28,000
TRANSFERS					
Transfers in	\$0	\$0	\$0	\$0	\$0
Transfers out	(\$123,544)	(\$127,706)	(\$91,779)	(\$125,500)	(\$125,500)
CHANGE IN NET POSITION	(\$22,388)	(\$133,706)	(\$86,533)	(\$97,500)	(\$97,500)

7/31/2017

Draft - Preliminary to final determination

Michigan Municipal Services Authority
FY 2017-2018 General Appropriations Act
FMS

	FYE 2016	FYE 2017	FYE 2017	FYE 2017	FYE 2018
	Audited	Adopted	Year to Date	Estimated	Recommended
OPERATING REVENUES					
Intergovernmental	\$3,934,069	\$4,363,430	\$3,389,620	\$4,363,000	\$2,863,430
OPERATING EXPENSES					
Governing body	\$0	\$0	\$0	\$0	\$0
Chief executive (staff)	\$0	\$0	\$0	\$0	\$0
Accounting	\$0	\$0	\$0	\$0	\$0
Information technology	\$0	\$0	\$0	\$0	\$0
Attorney	\$0	\$6,000	\$0	\$20,000	\$10,000
Program management	\$28,552	\$50,000	\$0	\$45,000	\$45,000
Contractual services	\$3,601,440	\$4,179,047	\$3,301,466	\$4,178,000	\$2,678,000
TOTAL OPERATING EXPENSES	\$3,629,992	\$4,235,047	\$3,301,466	\$4,243,000	\$2,733,000
OPERATING INCOME (LOSS)	\$304,077	\$128,383	\$88,154	\$120,000	\$130,430
TRANSFERS					
Transfers in	\$0	\$0	\$0	\$0	\$0
Transfers out	(\$123,544)	(\$127,706)	(\$91,779)	(\$125,500)	(\$125,500)
CHANGE IN NET POSITION	\$180,533	\$677	(\$3,625)	(\$5,500)	\$4,930

7/31/2017

Draft - Preliminary to final determination

**Michigan Municipal Services Authority
FY 2017-2018 General Appropriations Act
All Funds**

	FYE 2016 Audited	FYE 2017 Adopted	FYE 2017 Year to Date	FYE 2017 Estimated	FYE 2018 Recommended
OPERATING REVENUES					
Intergovernmental	\$4,903,432	\$4,963,430	\$4,030,592	\$5,218,000	\$3,718,430
OPERATING EXPENSES					
Governing body	\$2,062	\$2,000	\$0	\$2,000	\$2,000
Chief executive (staff)	\$217,146	\$224,812	\$168,315	\$225,000	\$225,000
Accounting	\$15,471	\$15,600	\$15,242	\$16,000	\$16,000
Information technology	\$2,547	\$4,000	\$0	\$2,000	\$2,000
Attorney	\$14,459	\$21,000	\$24,839	\$32,000	\$22,000
Program management	\$73,552	\$110,000	\$0	\$51,000	\$51,000
Contractual services	\$4,417,182	\$4,719,047	\$3,912,353	\$4,993,000	\$3,493,000
TOTAL OPERATING EXPENSES	\$4,742,419	\$5,096,459	\$4,120,749	\$5,321,000	\$3,811,000
OPERATING INCOME (LOSS)	\$161,013	(\$133,029)	(\$90,157)	(\$103,000)	(\$92,570)
TRANSFERS					
Transfers in	\$247,088	\$255,412	\$183,557	\$251,000	\$251,000
Transfers out	(\$247,088)	(\$255,412)	(\$183,557)	(\$251,000)	(\$251,000)
CHANGE IN NET POSITION	\$161,013	(\$133,029)	(\$90,157)	(\$103,000)	(\$92,570)
Beginning net position	\$439,429	\$600,442	\$600,442	\$600,442	\$497,442
Ending net position	\$600,442	\$467,413	\$510,285	\$497,442	\$404,872

7/31/2017

Draft - Preliminary to final determination

Section 7. Periodic Financial Reports. The Chief Administrative Officer shall provide the Executive Committee of the Authority at the meeting of the Executive Committee immediately following the end of each fiscal quarter, and at the final meeting of the Executive Committee of the fiscal year, a report of fiscal year to date revenues and expenditures compared to the budgeted amounts for the fiscal year.

Section 8. Budget Monitoring. Whenever it appears to the Chief Administrative Officer of the Authority that the actual and probable revenues in any fund of the Authority will be less than the estimated revenues upon which appropriations from the fund were based, and when it appears that expenditures will exceed an appropriation, the Chief Administrative Officer shall present recommendations to the Executive Committee to prevent expenditures from exceeding available revenues or appropriations for the fiscal year. The recommendations shall include proposals for reducing appropriations, increasing revenues, or both.

Section 9. Adoption. Motion made by _____ . Seconded by _____ to adopt this resolution as the general appropriations act for the Authority for the fiscal year ending September 30, 2018. Upon a roll call vote, the following members of the Executive Committee voted yes: _____. The following noted no: _____.

Secretary's Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on September 14, 2017.

By: _____
James Cambridge
Authority Secretary

Principals

Dale J. Abraham, CPA
Steven R. Kirinovic, CPA
Aaron M. Stevens, CPA
Eric J. Glashouwer, CPA
Alan D. Panter, CPA
William I. Tucker IV, CPA



ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

3511 Coolidge Road
Suite 100
East Lansing, MI 48823
(517) 351-6836
FAX: (517) 351-6837

August 1, 2017

Michigan Municipal Services Authority
P.O. Box 12012
Lansing, MI 48901-2012

Dear Robert:

On July 31, 2017 Abraham & Gaffney, P.C. will complete the transition of the governmental and nonprofit clients to Stevens, Kirinovic & Tucker, P.C., subsequent to this date Abraham & Gaffney, P.C. will no longer have the qualifications and/or experience to provide quality services to these industries. Please allow this letter to serve as your release from your contract from Abraham & Gaffney, P.C. and allow you to smoothly transition to Stevens, Kirinovic & Tucker, P.C.

Sincerely,

STEVEN R. KIRINOVIC, CPA
President and Managing Partner
ABRAHAM & GAFFNEY, P.C.



August 1, 2017

Michigan Municipal Services Authority
P.O. Box 12012
Lansing, MI 48901-2012

Dear Robert:

We are excited to announce the creation of Stevens, Kirinovic & Tucker, P.C. (SKT). On July 31, 2017, the partners of SKT will complete the acquisition of the governmental and nonprofit clients from Abraham & Gaffney, P.C. (A&G).

At SKT, our focus will be to provide quality service to our governmental and nonprofit clients. The guiding principles of our firm will continue to be integrity and to provide *total client service*. To us, this means creatively advising and serving the needs of our clients on a timely basis. The vision of the SKT is "to be a leading contributor to the public and nonprofit sectors, providing top quality audit, financial, and operational services."

Our governmental and nonprofit industry growth since 1991 has been predominantly internal, stemming from the referrals of our client base and those of other professionals. The growth and development of our professional staff has evolved in a similar manner. We have attracted high-quality, committed professionals and invested in their training, development, and growth. As a result, we have experienced tremendous growth over the past several years. This has been in no small way also directly related to the success our clients.

There are several things we want to guarantee:

- You will continue to work with similar people in our firm you have in the past. All of our people are being retained in their current roles.
- Our fee structure will not change.
- The high quality services we have provided to you in the past will continue.

As we work through this transition, we will be providing you with a letter from A&G releasing clients to SKT. Accompanying this letter of release will be a new engagement letter with SKT, with the same fee structure as your previous engagement letter with A&G. In addition, any invoices from A&G dated prior to July 31, 2017, should continue to be paid to A&G. Subsequent invoices dated August 1, 2017 and after will be paid to SKT.

We are grateful to you not only for giving us the opportunity to provide you with accounting and auditing services, but for your loyalty and friendship. We look forward to our continued relationship. If at any time you have questions about our transition, please do not hesitate to contact any of us. We look forward to welcoming this new change and including you in our new company's vision.

The Partners and Associates of

Stevens Kirinovic & Tucker, P.C.

STEVENS, KIRINOVIC & TUCKER, P.C.