



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

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## **PUBLIC NOTICE OF A REGULAR MEETING**

The **Executive Committee of the Michigan Municipal Services Authority** (Authority) will hold a regular meeting on the following date, at the following time, and at the following location:

<b><u>Date</u></b>	<b><u>Time</u></b>	<b><u>Location</u></b>
Thursday, April 9, 2015	1:30 PM	Capitol View Building 201 Townsend St Suite 900 Lansing, MI 48933

The meeting is open to the public and this notice is provided under the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

The meeting location is barrier-free and accessible to individuals with special needs. Individuals needing special accommodations or assistance to attend or address the meeting should contact the Authority at (248) 925-9295 prior to the meeting to assure compliance with Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, and 42 USC 12131 to 12134.

A copy of the proposed meeting minutes 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

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**EXECUTIVE COMMITTEE  
REGULAR MEETING**

Thursday, April 9, 2015 at 1:30 PM

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 March 12, 2015 regular Executive Committee meeting
  - b. Minutes of the March 26, 2015 special Executive Committee meeting
  - c. Minutes of the March 31, 2015 special Executive Committee meeting
- V. Administrative Report**
- VI. New Business**
  - a. Resolution 2015-05 Approval of FMS Business Plan
- 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

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**EXECUTIVE COMMITTEE  
SPECIAL MEETING**

Thursday, March 26, 2015 at 4:00 PM

Meijer  
2350 3 Mile Rd NW  
Grand Rapids, MI 49544, USA

**MINUTES**

Proposed Minutes       Approved Minutes

MEETING TYPE:     Regular     Special

**I.      Call to Order**

The meeting was called to order by the Chairperson at 4:08 PM.

**II.     Roll Call**

Executive Committee Member Attendance:

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

Other attendees:

- Collen Bevins, Plante Moran
- Robert Bruner, Michigan Municipal Services Authority
- Steve Liedel, Dykema\*
- Mark Warner, Plante Moran

\*Participation by phone

**III. Approval of Agenda**

Moved by: Cambridge  
Supported by: DeLong

Yes: X            No: \_\_\_

**IV. Administrative Report**

CEO Robert Bruner presented an FMS Project Update and reviewed the draft FMS Business Plan with the Executive Committee.

**V. Public Comment**

None.

**VI. Other Business**

None.

**VII. Adjournment**

Moved by: DeLong  
Supported by: Vanderberg

Yes: X    No: \_\_\_

Meeting adjourned at 5:19 PM

**Certification of Minutes**

Approved by the Executive Committee on April 9, 2015.

\_\_\_\_\_  
Authority Secretary

\_\_\_\_\_  
Date



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE  
SPECIAL MEETING**

Tuesday, March 31, 2015 at 4:00 PM

Grand Rapids Area Chamber of Commerce  
111 Pearl St NW  
Grand Rapids, MI 49503

**MINUTES**

Proposed Minutes       Approved Minutes

MEETING TYPE:     Regular     Special

**I.      Call to Order**

The meeting was called to order by the Chairperson at 4:12 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
Al Vanderberg, Member	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Vacant		

Other attendees:

- Robert Bruner, Michigan Municipal Services Authority\*
- Steve Liedel, Dykema\*

\*Participation by phone

**III.    Approval of Agenda**

Moved by: Vanderberg

Supported by: DeLong

Yes: X              No: \_\_\_

**IV. New Business**

Steve Liedel provided an update on FMS contract negotiations.

a. Resolution 2015-04 Approval of FMS Program Agreements

Moved by: DeLong  
Supported by: Vanderberg

Yes: X      No: \_\_\_

**V. Public Comment**

**VI. Other Business**

**VII. Adjournment**

Moved by: Vanderberg  
Supported by: DeLong

Yes: X      No: \_\_\_

Meeting adjourned at 4:45 PM

**Certification of Minutes**

Approved by the Executive Committee on April 9, 2015.

\_\_\_\_\_  
Authority Secretary

\_\_\_\_\_  
Date

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

April 7, 2015

Administrative Report

# Financial Report

MMSA Administrative Report



**Michigan Municipal Services Authority**  
**Balance Sheet**  
**As of March 31, 2015**

**ASSETS**

**CURRENT ASSETS**

Cash in Bank \$ 182,816.07

**Total Current Assets** 182,816.07

**PROPERTY AND EQUIPMENT**

**TOTAL ASSETS** \$ 182,816.07

**CURRENT LIABILITIES**

Accrued State W/H \$ 333.46  
Accrued Federal W/H 1,150.00  
Accrued FICA 1,388.76  
Accrued MESC 369.69  
Accrued FUTA 42.00

**Total Current Liabilities** 3,283.91

**LONG-TERM LIABILITIES**

**Total Liabilities** 3,283.91

**FUND BALANCE**

Fund Balance Retained 163,692.89  
Current Revenue over Expenses 15,839.27

**Total Fund Balance** 179,532.16

**TOTAL LIABILITIES AND  
FUND BALANCE** \$ 182,816.07

**Michigan Municipal Services Authority**  
**Statement of Income**  
**For the 1 Month and 6 Months Ended March 31, 2015**

	<u>1 Month Ended</u> <u>March 31, 2015</u>	<u>6 Months Ended</u> <u>March 31, 2015</u>
<b>Revenues</b>		
Contract Revenue	\$ 137,414.06	\$ 1,241,135.51
<b>Operating Expenses</b>		
Salary & Wages	\$ 9,076.92	\$ 58,999.98
Outside Service Contractors	200,978.96	1,002,552.63
Payroll Taxes	694.38	4,513.47
MESC Taxes	0.00	680.27
FUTA Taxes	0.00	42.00
Office Expense	35.05	643.28
Legal & Accounting	61,763.70	150,080.09
Insurance - General	0.00	1,716.00
Insurance - Worker's Comp	0.00	648.00
Mileage Reimbursement	0.00	730.04
Travel Expenses	485.44	3,814.15
Bank Service Charges	172.98	876.33
<b>Total Operating Expenses</b>	<b>273,207.43</b>	<b>1,225,296.24</b>
<b>Revenues over Expenses</b>	<b>\$ <u>(135,793.37)</u></b>	<b>\$ <u>15,839.27</u></b>

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Summary of Revenues and Expenditures

Date	Check Number	Invoice Number	Description	Check Amount	Deposits/ Other Credits	Account Balance
2/28/15			Beginning Balance			\$ 318,609.45
3/3/15	deposit		Deposit		\$ 46,125.00	\$ 364,734.45
	5149		Benefits Express	\$ 97,425.40		\$ 267,309.05
	5150		Segal Consulting	\$ 15,000.00		\$ 252,309.05
3/12/15	Payroll		Direct Deposits	\$ 3,449.54		\$ 248,859.51
	eft		EFTPS Fed Tax Payment	\$ 2,538.77		\$ 246,320.74
	eft		State of MI Tax Payment	\$ 333.46		\$ 245,987.28
	s/c		Bank Service Charge	\$ 172.98		\$ 245,814.30
3/13/15	5154		Plante Moran	\$ 60,475.00		\$ 185,339.30
	5155		Robert J Bruner	\$ 35.05		\$ 185,304.25
	5156		Robert J Bruner	\$ 485.44		\$ 184,818.81
3/16/15	5157		Dykema Gossett PLLC	\$ 1,088.70		\$ 183,730.11
	5158		Michael A Tawney & Co PC	\$ 200.00		\$ 183,530.11
3/24/15	Wire		Incoming Wire Trans		\$ 91,289.06	\$ 274,819.17
3/26/15	Payroll		Direct Deposits	\$ 3,449.54		\$ 271,369.63
3/31/15	5160		Benefits Express	\$ 79,278.56		\$ 192,091.07
	5161		Segal Consulting	\$ 9,275.00		\$ 182,816.07
<b>TOTAL MI MUN SERV AUTH CASH BALANCE</b>						<b><u>\$ 182,816.07</u></b>

# BANK RECONCILIATION

Name of Client: Michigan Municipal Services Authority  
 Bank: Fifth Third

Month: March, 2015  
 Prepared By: \_\_\_\_\_

General Ledger Acct Balance:		\$ 318,609.45	Balance per bank statement: 3/31/15	\$ 287,076.63
Add Debits:			Add Deposits in Transit:	
Deposits	\$ 137,414.06			
.....				
.....				
.....				
Total Dr \$		\$ 137,414.06		
Total		\$ 456,023.51		
Less Credits:			Total in Transit:	\$ -
5149-5161	\$ 266,135.38			
Payroll	\$ 6,899.08		Total:	\$ 287,076.63
SC	\$ 172.98			
.....			Less Checks Outstanding:	
.....			(see list below)	
Total Cr \$		\$ 273,207.44	Total:	\$ 104,260.56
Bank Balance - Per General Ledger:		\$ 182,816.07		\$ 182,816.07


### Checks Outstanding

Number	Amount	Number	Amount	Number	Amount
5061	\$ 15,000.00				
5091	\$ 507.00				
5158	\$ 200.00				
5160	\$ 79,278.56				
5161	\$ 9,275.00				
	\$ 104,260.56		\$ -		\$ -



Statement Period Date: 3/1/2015 - 3/31/2015  
 Account Type: Comm'l 53 Analyzed  
 Account Number: 7166385711

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


 MICHIGAN MUNICIPAL SERVICES  
 AUTHORITY  
 430 W ALLEGAN ST  
 LANSING MI 48933-1592

0  
6009

**Account Summary - 7166385711**

03/01	Beginning Balance	\$505,913.95	Number of Days in Period	31
13	Checks	\$(346,307.09)		
5	Withdrawals / Debits	\$(9,944.29)		
2	Deposits / Credits	\$137,414.06		
03/31	Ending Balance	\$287,076.63		

**Checks** 13 checks totaling \$346,307.09

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

Number	Date Paid	Amount	Number	Date Paid	Amount	Number	Date Paid	Amount
5139 i	03/03	537.50	5144 i	03/02	8,500.00	5154*i	03/23	60,475.00
5140 i	03/02	55,350.00	5148*i	03/11	2,410.00	5155 i	03/20	35.05
5141 i	03/04	35,000.00	5149 i	03/26	97,425.40	5156 i	03/20	485.44
5142 i	03/03	35,000.00	5150 i	03/25	15,000.00	5157 i	03/27	1,088.70
5143 i	03/03	35,000.00						

**Withdrawals / Debits** 5 items totaling \$9,944.29

Date	Amount	Description
03/11	3,449.54	MICHIGAN MUNICIP CSI PAYROLL PAYROLL MICHIGAN MUNICIPAL SER 031115
03/11	172.98	SERVICE CHARGE
03/16	2,538.77	IRS USATAXPYMT 270547593687370 MICHIGAN MUNICIPAL SER 031615
03/20	333.46	STATE OF MICH TAX-PAY 461628814 MICHIGAN MUNICIPAL SER TXP*461628814*01100*150201*T*33346\ 032015
03/25	3,449.54	MICHIGAN MUNICIP CSI PAYROLL PAYROLL MICHIGAN MUNICIPAL SER 032515

**Deposits / Credits** 2 items totaling \$137,414.06

Date	Amount	Description
03/03	46,125.00	DEPOSIT
03/24	91,289.06	INCOMING WIRE TRANS 032415

**Daily Balance Summary**

Date	Amount	Date	Amount	Date	Amount
03/02	442,063.95	03/16	374,080.16	03/25	385,590.73
03/03	417,651.45	03/20	373,226.21	03/26	288,165.33
03/04	382,651.45	03/23	312,751.21	03/27	287,076.63
03/11	376,618.93	03/24	404,040.27		



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**Michigan Municipal Services Authority**  
**Check Register**

<b>Check Number</b>	<b>Check Date</b>	<b>Payee</b>	<b>Amount</b>
Checks			
5149	03/03/15	Benefit Express Services LLC	97,425.40
5150	03/03/15	Segal Consulting	15,000.00
5151	03/12/15	EFTPS - FICA	2,538.77
5152	03/12/15	State of Michigan - WH	333.46
5153	03/12/15	Robert J. Bruner Jr.	0.00
5154	03/13/15	Plante Moran	60,475.00
5155	03/13/15	Robert J. Bruner Jr.	35.05
5156	03/13/15	Robert J. Bruner Jr.	485.44
5157	03/16/15	Dykema Gossett PLLC	1,088.70
5158	03/16/15	Michael A. Tawney & Co PC	200.00
5159	03/26/15	Robert J. Bruner Jr.	0.00
5160	03/31/15	Benefit Express Services LLC	79,278.56
5161	03/31/15	Segal Consulting	9,275.00
Total checks	13		<u>266,135.38</u>

# FMS Project Update

MMSA Administrative Report



# FMS Project Update

- Project Name: Financial Management System/Enterprise Solutions (FMS/ES) Service
- Participants: Genesee County, City of Grand Rapids, and Kent County
- Schedule
  - Kent County implementation in progress; to be completed June 2016
  - Grand Rapids implementation in progress; to be completed March 2017
  - Genesee County implementation to begin October 1 ; to be completed March 2017

# FMS Project Update

## Recent Activities

- Mon, March 23:
  - Genesee County Finance Budget Sub-Committee
- Tue, March 24:
  - 6-hour Authority + CGI contract discussion
  - Grand Rapids City Commission
- Wed, March 25:
  - FMS Leadership Team contract discussion
  - 2-hour Authority + CGI contract discussion

# FMS Project Update

## Recent Activities

- Thu, March 26:
  - Kent County Board of Commissioners
  - Authority + CGI + SOM Contract Change Request (CCR) meeting
  - FMS Leadership Team meeting
  - Authority Executive Committee meeting
- Fri, March 27:
  - 4-hour Authority + CGI contract discussion
  - Authority + CGI + SOM Contract Change Request (CCR) meeting

# FMS Project Update

## Recent Activities

- Sun, March 29
  - 3.5-hour Authority + CGI contract discussion
- Mon, March 30
  - Authority + Participant contract discussion
- Tue, March 31
  - Grand Rapids + CGI contract discussion
  - Kent County + CGI contract discussion
  - Authority + Participant contract discussion
  - Authority + CGI + Participant contract discussion
  - Executive Committee Special Meeting
  - Authority + CGI + Participant contract discussion
  - CGI + SOM approved Contract Change Request (CCR)

# FMS Project Update

## Recent Activities

- Wed, April 1
  - Authority + CGI + Participant contract discussion
  - Authority + CGI executed FMS Program Agreement
  - Authority + CGI + Grand Rapids executed Participation Agreement
  - Authority + CGI + Grand Rapids executed Implementation and Support Services Agreement (“ISSA”)
- Thu, April 2
  - Two (2) Authority + CGI + Participant contract discussions
  - Authority + CGI executed FMS Program Agreement (again)
  - Authority + CGI + Grand Rapids executed Participation Agreement (again)
  - Authority + CGI + Grand Rapids executed ISSA (again)
  - Authority + CGI + Kent County executed Participation Agreement
  - Authority + CGI + Kent County executed ISSA

# FMS Project Update

## Next Steps

- CGAP FY 2014 (Round 1)
  - Updated total project budget
  - Collaboration Incentive Proposal (proposal)
  - Executive Committee approval
- Final Award - CGAP FY 2014 (Round 1)
  - Issuance of a Final Award letter may take 30 days

# FMS Project Update



## Next Steps

- Genesee County
  - Final Award - CGAP FY 2014 (Round 1)
  - Participation Agreement
  - Implementation and Support Services Agreement
  - Implementation begins October 1

# VHWM Project Update

MMSA Administrative Report



# VHWM Project Update

- Project Name: Virtual Health and Wellness Marketplace (VHWM)
- Participants: City of Detroit
- Schedule: Ongoing

# VHWM Project Update

## Invoices

- February 2015: Detroit paid MMSA on March 24, 2015. MMSA payment to Benefit Express is outstanding as of 04/02/15.
- March 2015: Invoice sent to the City of Detroit for payment on April 1, 2015

## Call Center Update

- Call center staffing continues at two CSRs since February 1, 2015.
- Wait times have gone down each week during the month. Average wait times are down to about 5 minutes for live calls and within 10 minutes for call backs.
- We do expect call times to increase over the next few weeks since the transition of the non-Medicare retirees from stipends to HRAs was effective April 1, 2015.

# VHWM Project Update

## Scope Changes

- Create a drop-down menu to track “special classes” of employees and retirees. The City needs the ability to easily identify and report on groups of people who are subject to benefits arrangements not available to the general employee population. Right now, these classes include surviving spouses/children recently made eligible for active benefits and retirees married to active employees who were removed from the active medical plan.
- Create an option for retirees to “waive” medical coverage without electing an HRA. This option was not necessary for last open enrollment and was not initially programmed.
- Work Order #48 is currently in development to implement both of these changes.

# VHWM Project Update

## Other Issues

- 1099s for retirees receiving a stipend were mailed on 03/25/2015.

# VHWM Project Update

## Retiree Transition Changes

- The transition of the pre -2015 retirees (those who retired before January 1, 2015 and were benefit-eligible) to two stand-alone VEBAs (Police and Fire and General City) began on April 1, 2015. The VEBAs will begin to provide funding for these retirees effective April 1<sup>st</sup>, but the City will continue the benefits administration function through the end of the year.
- Due to IRS regulations, the VEBAs are not able to directly fund stipend payments. Therefore, stipends for non-Medicare retirees will be transitioned to HRAs. A communication outlining these changes was sent to impacted retirees by the City on March 23, 2015. FlexPlan, the HRA administrator, began sending welcome packets and confirmation statements to impacted retirees on March 27, 2015.

# VHWM Project Update

## Retiree Transition Changes (continued)

- The transition from stipends to HRAs may affect non-Medicare retirees who purchased individual plans on the Marketplace and received premium subsidies. They could lose those subsidies since the HRA is considered “other group coverage”. Retirees will be given the opportunity to opt out of the HRA to preserve their subsidy through April 30, 2015. Opt out instructions and an opt out form were provided in both the City’s mailing and in the FlexPlan welcome packet.
- On April 3, 2015, FlexPlan provided notification that retirees appear to be receiving incorrect information regarding eligibility for subsidies from the Marketplace customer service line. The Marketplace is incorrectly advising retirees that the HRA would not cause them to lose their subsidy and advising that they should not opt out. According to both FlexPlan and Segal’s compliance teams, this information is incorrect. This information was sent to the VEBAs attorney for insight on next steps.

# VHWM Project Update

## **Retiree Transition Changes (continued)**

- Arrangements are currently being made with all retiree health care carriers (BCBSM MAPD, BCN MAPD, HAP MAPD, BCBSM dental, Golden Dental, and Heritage Vision) to update group structures where needed and to begin to provide split billing (General City and Police & Fire) to the City for payment by each VEBA.

# VHWM Project Update

## Next Steps

- Continue 2015 transition of retirees to the two VEBA's
- Reimburse retirees who hit the catastrophic cap for prescription drugs as indicated by the retiree settlement agreement





# Multi-Tenant Financial Management and Human Resources Software (FMS) Services



CGAP FY 2014 (Round 1)  
Business Plan & Collaboration Incentive Proposal



April 7, 2015

Collaborate • Innovate • Serve

# Table of Contents

## **Executive Summary 4**

- Organization
- Mission
- Vision
- Services
- Growth Highlights
- Future Plans

## **Organization & Management 6**

### **FMS Services 8**

- Introduction
- Phases I: Business Analysis
- Phase II: Software Specification and RFP Development
- Phase III: Software and Vendor Selection and Procurement
- Implementation Overview
- Phase IV: Implementation Group A
- Phase V: Implementation Group B
- Ongoing Services
- Standardization
- Shared Services
- Future Functionality

## **Market Analysis 16**

- Target Market
- Competitive Analysis

## **Marketing & Sales 18**

- Marketing Strategy
- Sales Strategy

## **Funding Request 20**

- Collaboration Incentive Proposal
- Total Grant Budget Worksheet
- Total Project Budget
- “methodology for the allocation of grant funding” required by November 5, 2014 Amended Notification of Intent to Award
- Implementation Schedule
- Return on Investment

## **Financial Projections 26**

- Historical Financial Data
- Prospective Financial Data

## **Appendix 30**

Board & Management Profiles  
CGI Advantage ERP brochure  
CGI Advantage360 brochure  
FMS User Group Plan  
Michigan Local Government Benchmarking Consortium Letter of Intent  
Munetrix Letter of Intent  
FMS Implementation Schedule  
Return on Investment  
Year Ended September 30, 2013 Financial Statements  
Year Ended September 30, 2014 Financial Statements  
FY 2014-2015 General Appropriations Act  
Shared Services Governance Structure

# Executive Summary

## EXECUTIVE SUMMARY

### **Organization & Mission**

The Michigan Municipal Services Authority (Authority) is a “Michigan public body corporate” created in 2012 through an Interlocal Agreement between the cities of Grand Rapids and Livonia. Our mission is to deliver high quality shared services and functions to participating cities, villages, townships, counties, and districts, providing them with innovative solutions to collaborate, lower costs and enhance services to their citizens. Our mission is to revolutionize the delivery of services and functions by local governments across the state through access to best practices and shared services in order to contain costs, manage resources and enhance the quality of life in their communities.

### **Services**

The Virtual Health and Marketplace (VHWM) offers benefits, compensation and human resources consulting provided by Segal Consulting and benefits administration solutions provided by Benefit Express Services. These benefits administration solutions include online benefits enrollment, Flexible Spending Account (FSA), and COBRA administration systems.

The Multi-Tenant Financial Management and Human Resources Software System (FMS) Program will provide Enterprise Resource Planning (ERP) software “out of the box”, designed for local government organizations. It includes software, support and services, with a range of cloud based delivery options, supplemented by value-added business process services. The FMS Program is open to any local government in Michigan and the Authority is responsible for marketing the system and recruiting other Michigan communities in participation.

### **Growth Highlights**

The Authority and the City of Grand Rapids applied for an Economic Vitality Incentive Program Grant to help fund the FMS Program in July 2012. The Michigan Department of Treasury (Treasury) issued a Notification of Intent to Award \$3,600,000 in October 2012 and the Final Award in December 2012. The Authority began providing local government consulting services to Treasury in June 2013. The contract was amended to include the provision and implementation of a Financial Management System/Enterprise Solutions (FMS/ES) Service in November 2013. The contract is for \$1,250,000 and expires in June 2016.

The Authority began providing benefit enrollment and related services to the City of Detroit in October 2013. The Authority subcontracts service provision to Benefit Express Services, LLC and retains an administrative fee. The contract currently provides the Authority with annual revenue of approximately \$165,000. As a result, the Authority’s net position increased from \$9,435 to \$202,442 in 2014.

### **Future Plans**

The Authority recently began providing software, support and related services to the City of Grand Rapids and Kent County. The Authority subcontracts service provision to CGI Technologies and Solutions Inc. and retains an administrative fee. The contracts currently provide the Authority with annual revenue of approximately \$124,000. Genesee County plans to join the program in October, increasing annual revenue to approximately \$176,000. This could increase to annual revenue of nearly \$300,000 in two years with the addition of three more participants.

# Organization & Management

## ORGANIZATION & MANAGEMENT

The Michigan Municipal Services Authority (Authority) is a “Michigan public body corporate” created in 2012 through an Interlocal Agreement between the cities of Grand Rapids and Livonia. The Authority is a “virtual” city empowered to exercise the common powers, privileges, and authority of the cities. The purpose of the Authority is to engage in cooperative activities with local governments and other public agencies. The activities of the Authority are tax-exempt under Section 115 of the Internal Revenue Code and to the extent provided under State law.

The Authority is advised by the Authority Board and governed by the Executive Committee. Both are composed of business, government, and non-profit leaders dedicated to providing their expertise to the Authority. Members are appointed by the City of Grand Rapids, the City of Livonia, and the Governor and have a fiduciary duty to conduct business in the best interests of the Authority.

The Executive Committee may appoint a chief executive officer (CEO). The CEO administers all programs, funds, personnel, facilities, contracts, and all other administrative functions of the Authority, subject to oversight by the Executive Committee. Robert J. Bruner, Jr. is the Authority’s CEO and only employee. Mr. Bruner is a former local government chief administrative officer with more than ten years of local government management experience.

Steve Liedel is the Authority’s legal counsel. Mr. Liedel is a Member of Dykema Gossett PLLC. He has more than 20 years of state and local government experience including staff positions with Michigan Governor Jennifer Granholm, the Michigan House of Representatives, Michigan Senate, Illinois Senate, and the City of Knoxville, Tennessee, Law Department.

### **Authority Board Members**

Stacie Behler, Chairperson, Group Vice President Public Affairs and Communications at Meijer  
Doug Wiescinski, Vice Chairperson, Partner in Plante & Moran  
James Cambridge, Secretary, Member of Kerr, Russell and Weber, PLC  
Eric DeLong, Treasurer, Grand Rapids Deputy City Manager  
Scott Buhner, Grand Rapids CFO  
Peggy Jury, CFO at Michigan Association of CPAs  
Brian Meakin, Livonia City Council Vice President  
Doug Smith, Senior Vice President of Government Affairs & Strategic Partnerships at MEDC  
Donald Snider, Entrepreneur  
Al Vanderberg, Ottawa County Administrator

### **Executive Committee Members**

Stacie Behler, Chairperson  
James Cambridge, Secretary  
Eric DeLong, Treasurer  
Doug Smith  
Al Vanderberg

# FMS Services



## FMS SERVICES

### **Introduction**

Local governments use a variety of software applications to manage information. Larger local governments typically use a suite of integrated enterprise resource planning (ERP) software applications while smaller local governments may use less complex software applications. Even local governments of similar size may provide vastly different services so their needs may vary. However, all local governments can benefit from a financial management system that implements best practices.

A best practice is a method or technique that has consistently shown results superior to those achieved with other means. It is a standard way of doing things that multiple organizations can use. A best practice can evolve as improvements are discovered. Local governments may be unable to implement best practices for a variety of reasons including, but not limited to, funding constraints, legal constraints, lack of skill, or lack of time. Local governments may be able to implement best practices when funding becomes available, laws change, or other circumstance allow. However, local governments may fall behind if they are unable to continuously improve.

Each local government throughout the state currently procures and manages its own software. This fragmented approach leads to duplication of effort and varied levels of accountability and financial performance. There are no commonly deployed best practices for local government business processes and software applications are often unintegrated. Financially challenged communities find it difficult to deploy the appropriate tools for their business requirements. Some are unable to produce the required financial statements or the business intelligence necessary to operate effectively.

### **Goals & Objectives**

The goal of the FMS Program is to reduce operational costs using a multi-tenant, cloud-based Software as a Service (SaaS) solution that reduces the cost of computing resources. It will attain this goal by reducing implementation time, cost and risk with a proven ERP solution based on best practices designed specifically for local governments. SaaS subscription fees will include regular updates to meet changing needs and ensuring software is always up to date. This will help local governments predict costs and improve service levels by allowing scarce resources to be reallocated to other activities. The solution will be rapidly deployable using standardized, preconfigured data.

### **Phase I: Business Analysis**

The effort to provide a cloud-based suite of integrated software applications to local governments throughout the state began in 2012. The City of Grand Rapids, in cooperation with the Authority, solicited proposals from Financial Management System (FMS) Consultants in July 2012. Consulting services were sought to recommend best practices for accounting and financial management to be applied to multiple units of government throughout the State of Michigan. Consulting services were also sought to evaluate and implement a comprehensive financial management system built on those best practices. The intended outcome was a multi-tenant financial management system capable of supporting standardized local government accountings practices.

The City applied for an Economic Vitality Incentive Program Grant (FY 2012 - Round 2) to help fund the Program in July 2012. The City received Notification of Intent to Award \$3,600,000 from the Michigan Department of Treasury (Treasury) in October. The Grand Rapids City Commission adopted a resolution accepting the grant in November and Treasury issued the Final Award in December.

The consultant (Plante Moran) worked with a Project Executive Steering Committee (including Grand Rapids and Kent County representatives) and Local Jurisdiction Advisory Group (including representatives from the Cities of Lansing, Romulus and Warren) and three financial institutions (Fifth Third Bank, Huntington Bank and JP Morgan Chase Bank) to develop a detailed compilation of best financial practices for local governments. The best practices white paper provided the foundation for the efforts to develop a multi-tenant financial management system which would be available through participation in the FMS Program. Phase I was completed when the Authority published “Best Practices for Michigan Local Government Business Processes” in June 2013.

### **Phase II: Software Specification and RFP Development**

Phase II involved developing nearly 4,000 functional and technical software specifications based on the Best Practices for Michigan Local Government Business Processes. Again, the consultant worked with key finance, human resources, information technology and other local government management executives from around the state to provide input on the specifications and other components of a Request for Proposals (RFP) for a Statewide Municipal Financial Management and Human Resources System. The City of Grand Rapids issued the RFP on behalf of the Authority and other interested local governments in September 2013.

### **Phase III: Software and Vendor Selection and Procurement**

The City received five proposals before the October 30, 2013 closing date. A Selection Committee consisting of multiple stakeholders, including the Authority, the City of Detroit, the City of Grand Rapids, and Kent County evaluated the proposals. All five proposals met the minimum criteria and were considered responsive. Two proposals were selected for further evaluation and the semi-finalists conducted demonstrations in January 2014.

The Authority began providing local government consulting and implementation services to Treasury pursuant to Contract No. 271B3200004 in June 2013. The contract was amended to include the provision and implementation of a Financial Management System/Enterprise Solutions (FMS/ES) Service in November 2013. The Authority applied for a Competitive Grant Assistance Program (FY 2014 - Round 1) grant to help fund implementation in January 2014.

After further evaluation of the two semi-finalist vendors and products, the Selection Committee determined one was cost prohibitive. Additional due diligence and negotiations with the remaining vendor began in continued through March and April 2014. However, there were concerns regarding the proposed solution. Additional questions regarding those concerns were developed and sent to the remaining vendor. Concerns lingered after the vendor provided answers so the Authority held a series of meetings to discuss options in May 2014. The Authority also submitted the first of two CGAP FY 2014 (Round 1) extension requests to Treasury in May and the second in July while vendor and product selection was delayed. Treasury approved both.

The State of Michigan and CGI Technologies and Solutions Inc. entered into Contract No. 071B4300137 in June 2014. The Selection Committee terminated negotiations with the remaining vendor and began performing due diligence on CGI Advantage ERP with assistance from the State’s Department of Technology, Management & Budget (DTMB) and Treasury. CGI conducted demonstrations in August. The City of Detroit, Genesee County, City of Grand Rapids, and Kent County all participated. The participants met following the demonstrations and decided to pursue CGI Advantage further.

Unfortunately, the procurement delay created a timing issue for the City of Detroit. The City needed to proceed with investments in the information technology systems pursuant to the Plan of Adjustment it filed with the U.S. Bankruptcy Court and elected to proceed with another vendor. The City is no longer participating in the FMS Program.

Grand Rapids and Kent County approved resolutions accepting the CGAP FY 2014 (Round 1) grant in September and the Authority submitted two Amendment Requests October. Treasury issued an Amended Notification of Intent to Award in November removing Detroit as a participant and giving the Authority until April 16, 2015 to provide a collaboration incentive proposal (proposal), evidence of approval of the proposal by the Authority's governing body, and an updated total project budget. Genesee County also approved a resolution to become a participant in November.

The Authority and CGI concluded due diligence by conducting site visits with all three participants in November. The Selection Committee then decided to procure CGI Advantage360 using the MiDEAL provisions in Contract No. 071B4300137. The Authority's ability to procure CGI Advantage360 on behalf of local governments statewide reduces the number of costly and time-consuming selection and procurement processes by eliminating the need to repeat the phases described above.

In December, the Authority issued an RFP for project management professional services to assist the Authority and participants with initiation processes necessary to supplement the Authority and Participant's planning for implementation. The Authority approved an agreement with Plante Moran on January 2. The Authority, consultants, and participants then worked with CGI and the State of Michigan to complete the initiation and planning deliverables necessary to begin implementation in April 2015.

CGI Advantage ERP is a powerful combination of modern technology and integrated business applications that are specifically built for local government. The solution complies with GASB and GAAP and includes government-specific functionality such as CAFR and CMIA processing to increase automation and information access. With integrated functionality, workflow and configurable processes, the CGI Advantage ERP suite includes:

- **Financial management** to provide organization-wide accountability through consistent accounting rules across all financial transactions, to track and control internal and external funding sources and fiscal and multi-year budgets.
- **Performance budgeting** to automate the budgeting process for better planning to improve financial and operational performance and critical decision-making for day-to-day efficiency and long term forecasting.
- **Human resource management** to streamline the HR and payroll process from hire to retire, including online recruiting, timekeeping and direct access for employees to manage benefits and leave.
- **Procurement** to automate purchasing via catalog-based ordering and paperless approval processes that link directly to the government accounting system for automated matching and payment processing.
- **Business intelligence** to unlock data quickly for more effective decisions and increased measurement of key performance indicators through sophisticated reporting, ad hoc query and visual, interactive dashboards.

CGI Advantage360 is government ERP “out of the box”, designed for local government organizations. This cloud-based SaaS solution expedites delivery of CGI’s world class government ERP capabilities at a lower total cost of ownership. CGI Advantage360 offers the benefits of CGI Advantage ERP, preconfigured specifically for the needs of mid-sized governments. It includes software, support and services, with a range of cloud based delivery options, supplemented by value-added business process services. This results-based offering balances client needs for price, flexibility and functionality.

### **Implementation Overview**

CGI Advantage360 has embedded features that support rapid implementation. It provides rapid deployment using standardized, preconfigured data, reducing implementation time by at least 50 percent compared to traditional implementations. Implementation of all three modules in the prescribed order (budgeting, finance, and human resources) can be completed in 18 months when implementation of the budgeting module coincides with the beginning of the participant’s fiscal year.

Each streamlined implementation process will be tailored to the participant’s specific business requirements. For example, participants may choose to implement all modules simultaneously or choose to stagger implementation in various ways according to fiscal year start dates, implementation start dates, staffing, and other factors. In any event, the Authority will help coordinate implementation schedules to ensure participants maximize value and minimize costs.

Implementation and training services will be provided by CGI pursuant to an Implementation Services and Support Agreement (ISSA). The Authority is in the process of negotiating a standard ISSA to ensure the most favorable terms and conditions are extended to each participant. Genesee County, Grand Rapids, and Kent County used CGAP FY 2012 (Round 2) grant funding for consulting services to assist with implementation planning and it is the Authority’s intent to make CGAP FY 2014 (Round 1) grant funding available to future implementers for this purpose.

CGI Advantage360 is preconfigured specifically for the needs of local governments. Data can be exported into other software systems and imported from other software systems. However, the code cannot be modified. As such, each participant can configure CGI Advantage360 to meet its needs without modifying the best practices implemented in the software.

CGI’s streamlined implementation process involves configuring documented and supported business processes. These proven best practice business processes designed specifically for local governments reduce time, cost and risk. They include approximately 400 Business Process Designs (BPDs) in 27 categories among the three modules:

Financial Management (FM)	Performance Budgeting (PB)	Human Resource Management (HRM)
<ul style="list-style-type: none"> <li>•General Accounting</li> <li>•Cost Allocation</li> <li>•Cost Accounting</li> <li>•Budget Control</li> <li>•Procurement</li> <li>•Accounts Payable</li> <li>•Accounts Receivable</li> <li>•Grants Lifecycle Management</li> <li>•Fixed Assets</li> </ul>	<ul style="list-style-type: none"> <li>•Budget Forms</li> <li>•Capital Budget Form</li> <li>•Performance Management</li> <li>•Budget Rollover</li> <li>•Users and Security</li> <li>•Reference Data</li> </ul>	<ul style="list-style-type: none"> <li>•Position Management</li> <li>•Recruiting and Staffing</li> <li>•Personnel Management</li> <li>•Time and Leave Management</li> <li>•Learning and Career Development</li> <li>•Employee Relations</li> <li>•Employee Self-Service (ESS)</li> <li>•Manager Self-Service (MSS)</li> <li>•Deduction Management</li> <li>•Benefits Administration</li> <li>•Payroll Accounting Management</li> <li>•Payroll Management</li> </ul>

CGI and the participant's project team will review the BPDs to identify the best matches for existing business process and determine the best way to bridge gaps where no business processes exist. Participants will update their BPDs during implementation to reflect their configuration. BPDs will be used to develop testing scenarios and training material.

#### **Phase IV: Implementation Group A**

Implementation Group A will include Genesee County, Grand Rapids, and Kent County if the collaboration incentive proposal is approved. The implementation schedules for Grand Rapids and Kent County have been modified in order to allow implementation to begin in calendar year 2015. Genesee County's implementation coincides with the beginning of the participant's fiscal year.

CGI has agreed to allow training materials, business process documents, reports, interfaces, tools, methods and other deliverables developed by one implementation team to be shared with others without restriction. This will help reduce duplication of effort and make future implementations easier. This is why the proposed collaboration incentive for Group A participants is greater than Group B participants.

#### **Phase V: Implementation Group B**

The Authority has 9-21 months to recruit and plan implementation for Group B participants while still providing 18 months for the streamlined implementation. This will allow Group B participants more time to plan and align their implementation schedules with their fiscal years. As a result, the Authority is confident it can recruit Group B participants and complete implementation before the CGAP FY 2014 (Round 1) grant period ends in September 2018.

## Ongoing Services

Ongoing services will include regular updates and continuous access to new application functionality to ensure software is always up to date. In addition, the Authority will provide participants with a variety of additional services to help ensure they get the most out of CGI Advantage360 and to support the standardization of local government business processes. The Authority will manage the contract with CGI on behalf of the participants. This will include ensuring contract compliance, issue escalation and resolution. The Authority will also facilitate CGI Advantage360 User Groups to help maximize the value of FMS participation in accordance with the attached FMS User Group Plan.

## Standardization

CGI Advantage360 complies with Governmental Accounting Standards Board (GASB) standards and generally accepted accounting principles (GAAP) and includes government-specific functionality such as Cash Management Improvement Act (CMIA) processing to increase automation and information access. It has comprehensive reporting capabilities for transparency and compliance. CGI Advantage360 also provides for the measurement of key performance indicators. Its performance budgeting module automates the budgeting process for better planning that will improve financial and operational performance. It also provides business intelligence to quickly unlock data for more effective decisions and increased measurement of key performance indicators through sophisticated reporting, ad hoc query and visual, interactive dashboards.

The Authority is developing partnerships with other organizations to maximize the value of the Program and ensure it becomes the standard for financial reporting and performance management. The Authority will sponsor a Level 2 Munetrix subscription for each participant. This will make each participant's data available to the public on the Munetrix website. Participants may use this sponsorship as a credit towards a Level 3 subscription to access the full power of Munetrix's business analytics and management tools. The Authority will also sponsor each participant's membership in the Michigan Local Government Benchmarking Consortium (MLGBC) at Michigan State University Extension (MSUE).

The Authority will also work with Munetrix and MLGBC to ensure the FMS Program enhances transparency by automating data collection for the annual MLGBC service area surveys, F-65 Annual Local Unit Fiscal Report, and the successor fiscal data portal. Public Act 252 of 2014 requires Treasury to issue an RFP for a publicly accessible statewide online citizen's guide and dashboard web service and transparency solution with a fiscal stress warning system. Partnerships like these will help ensure the FMS Program becomes the standard for financial reporting and performance management in Michigan.

## Shared Services

The FMS Program provides an opportunity to share a variety of services:

- Both ad-hoc and standard report development services
- Provision of database management services
  - (Each local government may want to establish their own data administration function to define data, data usage, classifications, data governance, etc. However, this service could be centralized or managed by a core team too)
- Standard testing services for upgrades, enhancements and special customizations
- Provide testing and coordination for patches and releases
- Configuration services team

- Pool of personnel to supplement local government team during peak periods (e.g., financial year end, human resource year end, and audits) and when key local government personnel are out of the office
- Serve as central point of contact for annual audit services (general it controls) or security assessments involving the FMS Program
- Develop and deliver user training, reference guides, etc.
- Provide support for application questions, work with the vendor to resolve
- Serve as liaisons to GCI to present requests for enhancements and fix problems
- Participate in the CGI Advantage client community (steering committee, user groups, annual forum) to advocate for enhancements

### **Future Functionality**

The FMS Program may eventually procure additional best-of-breed applications to provide functionality such as:

- City Income Taxes
- Document Imaging
- Fleet Management
- Property Assessment
- Real Estate/Facilities Management
- Recruitment
- Training and Events
- Water & Sewer

# Market Analysis



## MARKET ANALYSIS

**Target Market**

<b>Local Government</b>	<b>Total Primary Government Expenses</b>	<b>Prospect</b>	<b>Current Software</b>
Oakland County	\$732,700,000	Medium	Legacy system
Macomb County	\$576,272,873	Medium	Legacy system
Kent County	\$317,160,000	N/A	Group A Participant
Grand Rapids	\$288,475,169	N/A	Group A Participant
Genesee County	\$235,851,051	N/A	Group A Participant
Muskegon County	\$209,020,052	Low	Recently implemented new financial system
Washtenaw County	\$202,668,269	Medium	Legacy system
Lansing	\$200,950,280	High	Legacy system; Local Jurisdiction Advisory Group
Ingham County	\$194,452,049	Low	Long-term Tyler Munis customer
Dearborn	\$176,531,712	N/A	Unknown; Additional research required
Ann Arbor	\$175,240,049	Low	Recently implemented New World Systems Logos .NET
Warren	\$165,573,553	High	Legacy system; Local Jurisdiction Advisory Group; Group B Participant Statement of Intent
Flint	\$163,536,270	Low	Recently implemented BS&A
Southfield	\$139,423,403	N/A	Unknown; Additional research required
Ottawa County	\$133,303,312	High	Recently implemented Tyler Munis
Sterling Heights	\$133,196,042	Low	Long-term Tyler Munis customer
Livonia	\$119,534,328	Low	Recently implemented New World Systems Logos .NET
Saginaw County	\$119,104,976	N/A	Unknown; Additional research required
Troy	\$116,991,900	Low	Recently implemented New World Systems Logos .NET
Kalamazoo County	\$114,127,365	N/A	Unknown; Additional research required
Jackson County	\$111,105,614	N/A	Unknown; Additional research required
Kalamazoo	\$110,413,969	Low	Recently implemented BS&A
Taylor	\$110,413,969	N/A	Unknown; Additional research required
Westland	\$106,085,008	N/A	Unknown; Additional research required

**Competitive Analysis**

Approximately 500 of Michigan's 2,875 local governments are BS&A Software General Ledger & Budgeting clients. A smaller number are New World Systems Logos Financial Management clients. Both companies are located in Michigan. Tyler Technologies, headquartered in Plano, TX, also has many Financial Management clients in Michigan.

The Authority's unique ability to procure services on behalf of local governments and manage relationships with service providers benefits local governments and service providers alike. It reduces both the number of costly and time-consuming procurement processes and the number of relationships each must manage. As such, there are no direct competitors or barriers to market entry.

# Marketing and Sales

## MARKETING AND SALES

### **Market Analysis**

The FMS Program's potential participants include all of Michigan's 2,875 local governments. These include 83 county governments, 1,773 subcounty general purpose governments (276 city, 257 village, and 1,240 township governments), 576 public school systems, and 443 special districts and authorities. According to the 2012 Census of Governments, Michigan ranked twelfth among the states in number of local governments as of June 30, 2012.

While the Program's potential participants include all local governments, those with sufficient complexity (gross revenue, number of employees, etc.) to benefit from CGI Advantage360 are most likely to become early adopters. These include the 24 city and county governments with total primary government expenses greater than \$100 million and less than \$1 billion annually.

Of the 24 city and county governments in the target market, three (Genesee County, Grand Rapids, and Kent County) are already participating, and two (Lansing and Warren) participated in the Local Jurisdiction Advisory Group. In addition, Washtenaw County is currently seeking ERP software. The market intelligence collected to date is included in the chart below.

### **Sales Strategy**

The Authority's sales force will consist of the CEO, Authority Board, and FMS participants. All have an economic incentive to increase market share. Authority funding relies on administrative fees charged for services. FMS participants will receive subscription fee discounts whenever a new participant joins.

The Authority's sales strategy relies on developing and/or maintain relationships with existing and potential participants. Sales activities will include marking periodic contact with existing participants to continuously identify and prioritize prospects and potential participants to discuss interest in the Program. The Authority CEO will develop new relationships by participating in relevant industry and professional associations. He is a member of the Michigan Government Finance Officers Association (MGFOA), Michigan Government Management Information Sciences (Mi-GMIS), and Michigan Local Government Management Association (MLGMA). He will participate in the Michigan Association of Counties (MAC), Michigan Local Government Benchmarking Consortium (MLGBC), and Michigan Municipal League (MML). Participation will include attending conferences and making presentations wherever possible.

# Funding Request

## FUNDING REQUEST

The Authority's pending CGAP FY 2014 (Round 1) award is intended to provide participants with an incentive to collaborate by reducing the cost of becoming an early adopter of the FMS program. Collaboration is difficult. Maintenance of the status quo is always the easiest option. When maintenance of the status quo is not an option, it is easier for a local government to select and procure its own solution than it is to collaborate. Organizational change and implementation projects like these are difficult too. The success of the FMS Program relies on demonstrating success and creating enthusiastic early adopters to help recruit future participants.

The "FMS Project Budget" and "Total Grant Budget Worksheet" below provide the "updated total project budget" and "methodology for the allocation of grant funding" required by the November 5, 2014 Amended Notification of Intent to Award. They each include the following proposed expenditures:

- **Initiation & Planning Consulting Services:** Professional services provided by a management and technology consultant initiate and plan the implementation process.
- **Training & Implementation Services:** Professional services provided by CGI during the implementation process pursuant to an Implementation Services and Support Agreement (ISSA).
- **Implementation Consulting Services:** Professional services provided by a management and technology consultant to help manage the implementation process.
- **Staff Augmentation:** Staff augmentation is an outsourcing strategy used to staff a project and respond to business objectives. Participants will evaluate existing staff and determine which additional skills are required during the implementation process.
- **Capital Costs:** One-time expenses incurred during the implementation process including, but not limited to, facilities and hardware.
- **Contingency:** The contingency allowance is intended to cover costs unknown when implementation begins but which will probably occur during the implementation process.
- **Subscription Services:** Services provided by CGI to host and operate CGI Advantage360 pursuant to a Participation Agreement.
- **Software Upgrade Consulting Services:** Professional services provided by a management and technology consultant to simplify software upgrade processes after implementation.
- **Software Upgrade Training Services:** Professional services provided by CGI and/or others to prepare staff for software upgrades after implementation.

## Total Project Budget Worksheet

Budget Category	Group A				Group B				Grand Total
	Genesee County	Grand Rapids	Kent County	Subtotal	Participant 4	Participant 5	Participant 6	Subtotal	
<b>One-time Costs</b>									
Initiation & Planning Consulting Services	\$53,333	\$53,333	\$53,333	\$160,000	\$50,000	\$50,000	\$50,000	\$150,000	\$310,000
Training & Implementation Services	\$1,870,000	\$2,434,119	\$1,630,002	\$5,934,121	\$1,740,000	\$1,740,000	\$1,740,000	\$5,220,000	\$11,154,121
Implementation Consulting Services	\$200,000	\$750,000	\$200,000	\$1,150,000	\$200,000	\$200,000	\$200,000	\$600,000	\$1,750,000
Staff Augmentation	TBD	TBD	TBD	\$0	TBD	TBD	TBD	\$0	\$0
Capital Costs	\$25,000	\$40,000	\$25,000	\$90,000	\$25,000	\$25,000	\$25,000	\$75,000	\$165,000
Contingency (15%)	\$322,250	\$491,618	\$286,250	\$1,100,118	\$302,250	\$302,250	\$302,250	\$906,750	\$2,006,868
<i>Subtotal:</i>	<i>\$2,470,583</i>	<i>\$3,769,070</i>	<i>\$2,194,586</i>	<i>\$8,434,239</i>	<i>\$2,317,250</i>	<i>\$2,317,250</i>	<i>\$2,317,250</i>	<i>\$6,951,750</i>	<i>\$15,385,989</i>
<b>Operational Costs (5-year total)</b>									
Subscription Services	\$4,724,050	\$4,349,550	\$4,724,050	\$13,797,650	\$4,323,100	\$4,323,100	\$4,323,100	\$12,969,299	\$26,766,949
Software Upgrade Consulting Services	\$150,000	\$200,000	\$250,000	\$600,000	\$200,000	\$200,000	\$200,000	\$600,000	\$1,200,000
Software Upgrade Training Services	\$400,000	\$600,000	\$500,000	\$1,500,000	\$300,000	\$300,000	\$300,000	\$900,000	\$2,400,000
<i>Subtotal:</i>	<i>\$5,274,050</i>	<i>\$5,149,550</i>	<i>\$5,474,050</i>	<i>\$15,897,650</i>	<i>\$4,823,100</i>	<i>\$4,823,100</i>	<i>\$4,823,100</i>	<i>\$14,469,299</i>	<i>\$30,366,949</i>
<b>Grand Total:</b>	<b>\$7,744,633</b>	<b>\$8,918,620</b>	<b>\$7,668,636</b>	<b>\$24,331,889</b>	<b>\$7,140,350</b>	<b>\$7,140,350</b>	<b>\$7,140,350</b>	<b>\$21,421,049</b>	<b>\$45,752,938</b>
<b>Grant Funding</b>									
CGAP FY 2012 Funding				\$3,080,000				\$0	\$3,080,000
CGAP FY 2014 Funding				\$1,500,000				\$3,500,000	\$5,000,000
<b>Total Grant Funding (\$):</b>				<b>\$4,580,000</b>				<b>\$3,500,000</b>	<b>\$8,080,000</b>
<b>Total Grant Funding (%):</b>				19%				16%	18%

### Total Grant Budget Worksheet

Budget Category	Estimated Total Project Cost	Grant Budget Amount Requested
Initiation & Planning Consulting Services		
Group A	\$160,000	\$0
Group B	\$150,000	\$50,000
Training & Implementation Services		
Group A	\$5,934,121	\$790,000
Group B	\$5,220,000	\$1,730,000
Implementation Consulting Services		
Group A	\$1,150,000	\$0
Group B	\$600,000	\$0
Staff Augmentation		
Group A	\$0	\$0
Group B	\$0	\$0
Capital Costs		
Group A	\$90,000	\$0
Group B	\$75,000	\$0
Contingency		
Group A	\$1,100,118	\$0
Group B	\$906,750	\$0
Subscription Services		
Group A	\$13,797,650	\$710,000
Group B	\$12,969,299	\$1,720,000
Software Upgrade Consulting Services		
Group A	\$600,000	\$0
Group B	\$600,000	\$0
Software Upgrade Training Services		
Group A	\$1,500,000	\$0
Group B	\$900,000	\$0
	<b>TOTAL ESTIMATED PROJECT COST</b>	<b>TOTAL GRANT AMOUNT REQUESTED</b>
	<b>\$45,752,938</b>	<b>\$5,000,000</b>
Group A	\$24,331,889	\$1,500,000
Group B	\$21,421,049	\$3,500,000

## Collaboration and Incentive Proposal

The Collaboration Incentive Proposal below provides Implementation Group A with a collaboration incentive of 40% of their Training & Implementation Services (paid by the participant to CGI pursuant to an Implementation Services and Support Agreement (ISSA)) and Implementation Period Subscription Fees (paid by the participant to the Authority pursuant to a Participation Agreement). Their Initiation & Planning Consulting Services were funded at 50% from the remaining "Phase 2-3-Consultant FMS Select & Implement Process" funds in CGAP FY 2012 (Round 2).

### GROUP A

Group A Participants	Initiation & Planning Consulting Services	Training & Implementation Services	Implementation Period Subscription Services	Total
Genesee County	\$53,333	\$1,870,000	\$1,889,620	\$3,812,953
Grand Rapids	\$53,333	\$2,434,119	\$1,515,120	\$4,002,572
Kent County	\$53,333	\$1,630,002	\$1,889,620	\$3,572,955
Subtotal	\$160,000	\$5,934,121	\$5,294,360	\$11,388,481
CGAP FY 2012 Funding	\$80,000	\$1,585,465	\$1,414,535	\$3,080,000
CGAP FY 2014 Funding	\$0	\$792,732	\$707,268	\$1,500,000
Total Grant Funding (\$)	\$80,000	\$2,378,197	\$2,121,803	\$4,580,000
Total Grant Funding (%)	50%	40%	40%	40%

The Collaboration Incentive Proposal below provides Implementation Group B with a collaboration incentive of approximately 33% of their Initiation & Planning Consulting Services, Training & Implementation Services, and Implementation Period Subscription Fees.

### GROUP B

Group B Participants	Initiation & Planning Consulting Services	Training & Implementation Services	Implementation Period Subscription Services	Total
Participant 4	\$50,000	\$1,740,000	\$1,729,240	\$3,519,240
Participant 5	\$50,000	\$1,740,000	\$1,729,240	\$3,519,240
Participant 6	\$50,000	\$1,740,000	\$1,729,240	\$3,519,240
Subtotal	\$150,000	\$5,220,000	\$5,187,720	\$10,557,720
CGAP FY 2012 Funding	\$0	\$0	\$0	\$0
CGAP FY 2014 Funding	\$49,727	\$1,730,487	\$1,719,786	\$3,500,000
Total Grant Funding (\$)	\$49,727	\$1,730,487	\$1,719,786	\$3,500,000
Total Grant Funding (%)	33%	33%	33%	33%

Initiation & Planning Consulting Services are a relatively small part of the total budget but these professional services are essential to perform cost-benefit analysis, prepare the project budget, and the project plan. This includes preparing the implementation Statement of Work (SOW) for each participant's Implementation Services and Support Agreement (ISSA) with CGI.

## Implementation Schedule

The attached "FMS Implementation Schedule" shows how the grant funding will be used within the grant period.



## Return on Investment

The attached “Return on Investment” spreadsheet shows how the cost of implementing the FMS solution compares to the estimated cost of implementing traditional on-premises software in six communities (provided by Plante Moran). On-premises software is installed and run on computers on the premises (in the building) of the organization using the software, rather than at a remote facility, such as a server farm. The on-premises software licensing and delivery approach was the most common approach until the Software-as-a-Service (SaaS) approach became more widely available in recent years.

While both approaches require similar Implementation Consulting Services, Software Upgrade Consulting Services, and Software Upgrade Training Services, a SaaS solution typically costs less than on-premises software. Initiation & Planning Consulting Services, Training & Implementation Services, Staff Augmentation, Capital Costs, and Contingency during a SaaS implementation are all typically less than an on-premises software implementation because a SaaS solution is hosted by the software vendor rather than the organization using the software. The principal difference is in the licensing approach. On-premises software, sometimes referred to as “shrink-wrap” software, typically requires a large one-time licensing fee followed by several annual software maintenance and support fees before the organization using the software stops paying the vendor. By that time, upgrades are usually available at an additional cost so the organization using the software must decide whether or not to reinvest in the system. A is licensed on a subscription basis and software upgrades are included so the software is always up to date.

The State has already invested more than \$500,000 from CGAP FY 2012 (Round 2) to develop the FMS solution (Phases I – III of the project). The State has also invested \$80,000 in implementation planning consulting services for Implementation Group A and \$3 million remains to implement the FMS solution in Grand Rapids and Kent County. As such, CGAP FY 2012 (Round 2) has resulted in a regional collaboration.

With additional State investment, Genesee County will join the program and the Authority can begin to expand this regional collaboration statewide. The Authority’s ability to market the Program and recruit additional participants depends on this additional funding. Investing an additional \$5 million from CGAP FY 2012 (Round 2) will ensure Michigan taxpayers enjoy both the short- and long-term savings the FMS Program can provide.

# Financial Projections

## FINANCIAL PROJECTIONS

**Historical Financial Data**

The Year Ended September 30, 2013 was the first year of the Authority's operations. The Authority began providing local government consulting and implementation services to Treasury pursuant to Contract No. 271B3200004 in June 2013. Under this agreement the State provided funding in the amount of \$1,250,000 for initial startup costs to cover the first two years of operations. As of September 30, 2013, the Authority had recognized \$95,913 under this agreement with \$40,912 due from the State of Michigan.

The Authority continued to provide services to the State in Year Ended September 30, 2014. In addition, the Authority began providing health benefits enrollment, administration, and related services to the City of Detroit in October 2013. The Authority subcontracts service provision to Benefit Express Services, LLC and retains an administrative fee. As a result, revenues grew to \$ 2,196,995 and expenses grew to \$2,003,988 and the Authority's net position increased from \$9,435 to \$202,442 in 2014.

**Prospective Financial Data**

## FMS PROGRAM BUDGET

<b>Revenue</b>	<b>FYE 2015</b>	<b>FYE 2016</b>	<b>FYE 2017</b>
State Contract Revenue (FMS)	\$190,500	\$190,500	\$0
FMS Administrative Fees	\$123,620	\$259,830	\$290,812
<b>Total Revenue</b>	<b>\$314,120</b>	<b>\$450,330</b>	<b>\$290,812</b>
<b>Expenditures</b>	<b>FYE 2015</b>	<b>FYE 2016</b>	<b>FYE 2017</b>
Authority Overhead (50% of FYE 2015 Appropriation)	\$128,414	\$141,255	\$155,381
FMS Program Management	\$50,000	\$100,000	\$110,000
FMS User Groups	\$6,000	\$9,000	\$9,900
<b>Total Expenditures</b>	<b>\$184,414</b>	<b>\$250,255</b>	<b>\$275,281</b>
Net Revenues	\$129,706	\$200,074	\$15,531
Net position, end of year	\$332,148	\$532,223	\$547,754

## REVENUE

**State Contract Revenue (FMS)**

The Authority's FY 2014-2015 General Appropriations Act (attached) includes revenue of \$ 1,457,541 and expenditures of \$1,427,288. The budgeted revenue is derived from the Authority's VHWM contract with the City of Detroit (\$794,100) and the Authority's contract with Treasury (\$663,441). The Treasury contract revenue is divided between VHWM (\$317,676) and FMS (\$345,765).

As of March 31, 2015 (mid-year), the Authority had collected \$ 271,634 (41%) of the \$663,441 Treasury contract revenue budgeted in FY 2014-2015. \$202,035 remained available for VHWM and \$298,646 remained available for FMS. Based on current projections, the Authority is likely to collect approximately \$190,500 of the FMS contract revenue in the current fiscal year and another \$190,500 in FY 2015-2016.

**FMS Administrative Fees****FYE 2015**

Subscriber	Tier	Annual Subscription Fee	Discount (%)	Discount (\$)	Discounted Subscription Fee	MMSA Fee (%)	MMSA Fee (\$)
Grand Rapids	Mid-Low	\$1,010,070	12.58%	\$127,067	\$883,003	7.00%	\$61,810
Kent County	Mid-Low	\$1,010,070	12.58%	\$127,067	\$883,003	7.00%	\$61,810

**\$123,620****FYE 2016**

Subscriber	Tier	Annual Subscription Fee	Discount (%)	Discount (\$)	Discounted Subscription Fee	MMSA Fee (%)	MMSA Fee (\$)
Grand Rapids	Mid-Low	\$1,010,070	17%	\$171,712	\$838,358	7.00%	\$58,685
Kent County	Mid-Low	\$1,010,070	17%	\$171,712	\$838,358	7.00%	\$58,685
Genesee County	Mid-Low	\$1,010,070	17%	\$171,712	\$838,358	7.00%	\$58,685
4	Low	\$720,952	17%	\$122,562	\$598,390	7.00%	\$41,887
5	Low	\$720,952	17%	\$122,562	\$598,390	7.00%	\$41,887

**\$259,830****FYE 2017**

Subscriber	Tier	Annual Subscription Fee	Discount (%)	Discount (\$)	Discounted Subscription Fee	MMSA Fee (%)	MMSA Fee (\$)
Grand Rapids	Mid-Low	\$1,010,070	20%	\$202,014	\$808,056	7.00%	\$56,564
Kent County	Mid-Low	\$1,010,070	20%	\$202,014	\$808,056	7.00%	\$56,564
Genesee County	Mid-Low	\$1,010,070	20%	\$202,014	\$808,056	7.00%	\$56,564
4	Low	\$720,952	20%	\$144,190	\$576,762	7.00%	\$40,373
5	Low	\$720,952	20%	\$144,190	\$576,762	7.00%	\$40,373
6	Low	\$720,952	20%	\$144,190	\$576,762	7.00%	\$40,373

**\$290,812****EXPENDITURES****Authority Overhead**

The Authority's FY 2014-2015 General Appropriations Act (attached) includes overhead of \$256,828 (Personal Services \$208,128; Supplies \$11,400; Other Services and Charges \$17,300; and Contingency \$20,000). 50% is allocated to FMS and the other is allocated to VHWM for the purpose of the FMS Program Budget below.

**FMS Program Management**

Program level management services to be provided by an Authority employee or contractor pursuant to the attached Shared Services Governance Structure.

**FMS User Groups**

Services to be provided by an Authority employee or contractor pursuant to the attached FMS User Group Plan.

# Appendix

# Stacie Behler

Group Vice President, Public Affairs and Communication

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## Experience

### **Group Vice President Public Affairs and Communications at Meijer**

August 2013 - Present (1 year 8 months)

In this role, I oversee the public relations, corporate philanthropy, government affairs and internal communications, partnerships and promotions for Meijer.

*2 recommendations available upon request*

### **Senior Legal Counsel at Meijer**

2001 - 2006 (5 years)

In this role, I handled litigation matters involving labor and employment, vendor issues, construction and real estate for the company.

### **Attorney at Smith Haughey Rice & Roegge**

1995 - 2001 (6 years)

My practice included litigation matters for businesses, governmental agencies and individuals.

### **Law Clerk at The Fishman Group**

1990 - 1992 (2 years)

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## Organizations

### **Grand Rapids Area Chamber of Commerce**

Board Member

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## Skills & Expertise

### **Arbitration**

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## Education

### **University of Illinois at Urbana-Champaign**

JD, Law, 1992 - 1995

### **Oakland University**

BA, Political Science, English, 1989 - 1992

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## Honors and Awards

Inforum's Inner Circle

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# Stacie Behler

Group Vice President, Public Affairs and Communication

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## 2 people have recommended Stacie

"I had the pleasure of working with the American Red Cross team that was blessed to receive a large gift from the Meijer corporation. During this time, our communications and work with Stacie and her team were top notch. She is true profesional and leader in her field."

— **Todd Price**, *Executive Director, American Red Cross*, was with another company when working with Stacie at Meijer

"Talented, straight forward and insightful, Ms. Behler's experience in all facets of public policy and the law give her a unique perspective on corporate activities. Her applied energy and intelligence make a dynamic impact on the issues that cross her desk each day. She gets things done, acts decisively and succeeds in what she sets out to do."

— **Dennis Muchmore**, *Executive Director, Michigan United Conservation Clubs*, was with another company when working with Stacie at Meijer

[Contact Stacie on LinkedIn](#)



# Robert Bruner

Chief Executive Officer at Michigan Municipal Services Authority

rbruner@michiganmsa.org

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## Summary

My municipal government management career began when I became the Assistant to the City Manager of Oak Park, Michigan. Among other duties, I coordinated city-wide employee recognition and training programs. I earned a Master of Public Administration (MPA) degree and a Graduate Certificate in Economic Development from Wayne State University in 2004. As Assistant City Manager of Ypsilanti, Michigan, I managed City departments including Human Resources and Recreation. I also established an information technology partnership with Washtenaw County that won Government Technology's 2006 Michigan Excellence Award for best IT collaboration. I earned a Graduate Certificate in Local Government Management from Eastern Michigan University in 2005. I advanced my career by becoming City Manager of Ferndale, Michigan. There I served as Chief Administrative Officer of the City government and was responsible to the City Council for the administration of all departments and intergovernmental relations. I worked with City staff, community members, and consultants to update the City's comprehensive plan and zoning ordinance. I also worked on downtown and neighborhood revitalization. As City Manager of Birmingham, Michigan, I was responsible for a \$40 million six-year Capital Improvement Program (CIP) including streets and other public infrastructure. I lead the effort to provide 9-1-1 emergency dispatch services a neighboring community's public safety department, saving both communities between 30% and 40% annually. I also reorganized golf course staff and returned the City's courses to profitability. In addition, I began teaching graduate courses in public administration at Oakland University in 2012 and Wayne State University in 2013. As Interim City Manager of Mount Clemens, Michigan, I prepared the City's first Long-Term Financial Plan (LTFP), reorganized the Human Resources Department, settled two grievances, and successfully negotiated a collective bargaining agreement.

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## Experience

### **Chief Executive Officer at Michigan Municipal Services Authority**

August 2014 - Present (8 months)

The Michigan Municipal Services Authority (MMSA) was created by an interlocal agreement between the cities of Grand Rapids and Livonia in 2012. Its mission is to deliver high quality shared services and functions to participating cities, villages, townships, counties, and districts by providing innovative solutions to collaborate, lower costs, and enhance services to their citizens. Its vision is to revolutionize the delivery of services and functions by local governments across the state through access to best practices and shared services in order to contain costs, manage resources, and enhance the quality of life in their communities.

### **Interim City Manager at City of Mount Clemens, Michigan**

April 2014 - August 2014 (5 months)

Chief administrative officer of the City government and responsible to the City Commission for the administration of all departments including Assessing, City Clerk, Community Development, Dial-a-Ride, Finance, Fire, Human Resource, Public Services, Purchasing, Treasury, and Utilities (water and wastewater).

**City Manager at City of Birmingham, Michigan**

February 2011 - February 2014 (3 years 1 month)

Duties & Responsibilities • Chief administrative officer of a full-service government of more than 168 Full-Time Equivalent employees. • Responsible for preparing and managing a \$66 million annual budget including a \$28 million General Fund (FYE 2014) and \$40 million six-year Capital Improvement Program (CIP). • Responsible to the City Commission for the administration of all departments including Building, City Attorney, City Clerk, Engineering, Finance, Fire, Historical Museum, Human Resources, Information Technology, Planning, Police, and Public Services. Key Contributions • Consolidated a neighboring community's Public Safety Answering Point (PSAP) with the City's, saving both communities between 30% and 40% annually. • Worked with the Birmingham Principal Shopping District to increase downtown parking demand and retail occupancy to all-time highs. • Received both a Certificate of Achievement for Excellence in Financial Reporting and a Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) each year.

**Part-Time Faculty at Wayne State University**

August 2013 - December 2013 (5 months)

• Taught Political Science 7250: Seminar in Urban Administration in the Master of Public Administration (MPA) program.

**Lecturer at Oakland University**

September 2012 - December 2012 (4 months)

• Team-taught Local Government Management (PA 630) in the Master of Public Administration (MPA) program.

**City Manager at City of Ferndale, Michigan**

February 2007 - February 2011 (4 years 1 month)

Duties & Responsibilities • Chief administrative officer of a full-service government of more than 156 Full-Time Equivalent employees. • Responsible for preparing and managing a \$45 million annual budget including an \$18 million General Fund. • Responsible to the City Council for the efficient administration of all departments including supervision of the Assessor/Treasurer, City Attorney, City Clerk, Community Development Director, Finance Director (Assistant City Manager), Fire Chief, Police Chief, Public Works Director, and Recreation Director. Key Contributions • Led the City to complete the Redevelopment Ready Communities® (RRC) program, a certification program supporting community revitalization and the attraction and retention of businesses, entrepreneurs and workers. • Supported Downtown Ferndale in its successful application for the Great American Main Street Award. • Used a citizen satisfaction survey

and priority-based budgeting to link strategic planning and budgeting with specific, measurable, attainable, relevant and timely (SMART) goals during the recession. • Improved transparency by implementing software to index City Council meeting agendas and videos online.

*6 recommendations available upon request*

### **Assistant City Manager at City of Ypsilanti, Michigan**

August 2004 - February 2007 (2 years 7 months)

Duties & Responsibilities • Assistant chief administrative officer and human resources director of a full-service government with more than 100 Full-Time Equivalent employees; Performed the duties of the Manager in his absence. • Worked with the City Manager and Finance Director to prepare and manage the annual budget. • Responsible to the City Manager for the administration of the Human Resources and Recreation departments. Key Contributions • Coordinating the annual strategic planning process by working with the City Manager and the facilitator before, during, and after the strategic planning retreat to develop and implement the plan. • Established an information technology partnership with Washtenaw County government that won Government Technology's 2006 Michigan Excellence Award for best IT collaboration. • Successfully negotiated a collective bargaining agreement with the firefighters union including concessions sufficient to avoid layoffs. This is particularly challenging in Michigan because Act 312 of 1969 provides for compulsory arbitration of labor disputes in municipal police and fire departments.

*4 recommendations available upon request*

### **Assistant to the City Manager at City of Oak Park, Michigan**

2001 - 2004 (3 years)

Duties & Responsibilities • Worked under the direction of the City Manager and served as a member of the City's Executive Team. • Responded to and resolved citizen complaints and City Council concerns as the City's Ombudsman. Activities & Achievements • Implemented a web-based citizen relationship management (CRM) system that helped reduce response time while the number of service requests increased. • Conducted research and analysis regarding a complex and controversial annexation proposal and presented the pros and cons of the proposal in a neutral manner through both written materials and oral presentations.

*1 recommendation available upon request*

### **Consultant at Accenture**

1999 - 2001 (2 years)

- Developed business, technical and functional knowledge and worked on teams to meet client needs.
- Helped clients increase performance by reducing complexity and implementing process innovations.
- Worked closely with clients to design, build and deliver innovative business and technology solutions.

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## Projects

### **Long-Term Financial Plan**

April 2014 to August 2014

Members: Robert Bruner

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## Organizations

### **National Eagle Scout Association (NESA)**

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## Honors and Awards

### **Crain's 40 Under 40**

Crain's Detroit Business

2011

Since 1991, Crain's has gathered 40 of the community's overachievers for a special salute. The winners have started companies, found success at a young age at established businesses and made nonprofits stronger.

### **Community Partnership Program Excellence Award (Populations 10,000 to 49,999)**

International City/County Management Association (ICMA)

2008

Community Partnership Awards recognize the programs or processes that demonstrate innovation, excellence, and success in multi-participant involvement between or among a local government and other governmental entities, private sector businesses, individuals, or nonprofit agencies to improve the quality of life for residents or provide more efficient and effective services.

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## Certifications

### **ICMA Credentialed Manager**

ICMA 2008

### **Emerging Leaders Development Program**

ICMA 2008

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## Volunteer Experience

### **Trustee at Michigan Municipal League**

September 2013 - February 2014 (6 months)

The Michigan Municipal League is the one clear voice for Michigan communities. Our goals are to aid them in creating desirable and unique places through legislative and judicial advocacy; to provide educational opportunities for elected and appointed officials; and to assist municipal leaders in administering community services. Our mission is that of a non-profit, but we act with the fervor of entrepreneurs to passionately push change for better communities and a better Michigan.

### **Vice Chair at Woodward Avenue Action Association**

February 2007 - February 2014 (7 years 1 month)

The Woodward Avenue Action Association (WA3) is an economic and community development organization working to enhance and improve the visual, economic, functional and historic character of Woodward Avenue through a local and regional effort. Woodward Avenue's 27 miles traverse eleven communities and

two counties in metro-Detroit, and include some of Michigan's best assets – from thriving business districts to some of the world's most historic sites.

### **Board of Directors at Michigan Municipal League Foundation**

March 2009 - September 2013 (4 years 7 months)

Our mission is to enhance and develop leadership in local government through research, education, and by providing opportunities for training. Our efforts are directed toward local officials, educators, students, media professionals, community organizations and the general public.

### **Detroit Metro Chapter Board of Directors at American Society for Public Administration**

July 2003 - December 2008 (5 years 6 months)

The American Society for Public Administration is the largest and most prominent professional association for public administration. It is dedicated to advancing the art, science, teaching and practice of public and non-profit administration. ASPA's four core values are Accountability and Performance, Professionalism, Ethics and Social Equity.

### **Knowledge Network Advisory Board at ICMA**

2009 - 2012 (3 years)

As the premier platform for professional networking and knowledge sharing in local government, the Knowledge Network is a major ICMA member benefit and a valuable resource for the profession. The Knowledge Network Advisory Board influences the growth of the network by identifying the knowledge-sharing needs of local government professionals and providing feedback on the current member experience. Advisory Board members also serve as leaders in the Knowledge Network community by making active contributions in their areas of expertise and encouraging colleagues to do the same.

### **Task Force to Update the Job Hunting Handbook at ICMA**

2004 - 2005 (1 year)

Because job hunting is so universal, the ICMA Executive Board in 2004 appointed a Task Force on Job Hunting Resources to review and update the organization's Job Hunting Handbook. The task Force recognized the need to expand the scope of the prior handbook beyond its focus on those seeking manager positions. This handbook is designed for public administration students, recent graduates, and young professionals in their first or second jobs as well as experienced managers who are seeking positions later in their careers. It is also based on the recognition that there are many career paths in local government—that local government professionals may pursue careers as department staff, department heads, assistants, or chief administrators, and that they may come into local government from other fields.

### **Conference Evaluation Committee at ICMA**

2003 - 2004 (1 year)

The Conference Evaluation Committee evaluates the ICMA Annual Conference.

## Courses

### **Graduate Certificate, Local Government Management**

Eastern Michigan University	
Local Government Management	PLSC 625
Intergovernmental Relations	PLSC 645

### **Graduate Certificate, Economic Development**

Wayne State University	
Real Estate Development	UP 6310

### **MPA, Urban Studies/Affairs**

Wayne State University	
Urban Public Policy	PS 7240
Organization Theory and Behavior	PS 7320
Professional Development Seminar	PS 7375
Policy Analysis for Administration	PS 7480
Regional, State and Urban Economic Development	PS 6440
Public Administration and its Environment	PS 7300
Public Budgeting and Finance	PS 7330
Public Personnel Management	PS 7340
Introductory Statistics and Econometrics	ECO 5100
Managing Public Organizations and Programs	PS 7350
Policy Formation and Implementation	PS 7410
Urban Administration	PS 7250
Research Methods in Policy and Politics	PS 7660

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### **Independent Coursework**

Statistics and Data Analysis in Political Science II	PS 6640
Program Evaluation	PS 7460
Approaches to the Study of Urban Politics	PS 7210
Administrative Ethics	PS 7375

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## Skills & Expertise

**Economic Development**

**Government**

**Local Government**

**Nonprofits**

**Community Outreach**

**Community Development**

**Public Administration**

**Policy**

**Policy Analysis**

**Public Relations**

**Strategy**

**Public Policy**

**Legislative Relations**

**Budgets**

**Leadership**

**Program Management**

**Historic Preservation**

**Strategic Planning**

**Urban Planning**

**Zoning**

**Training**

**Land Use**

**Employee Relations**

**Redevelopment**

**Public Speaking**

**Human Resources**

**Community Engagement**

**Grant Writing**

**Land Use Planning**

**Leadership Development**

**Municipalities**

**Budgeting**

**Management**

**Finance**

**Public Information**

**Public Affairs**

**Media Relations**

**Building Relationships**

**Labor Relations**

**Project Management**

**Cross-functional Teams**

**Performance Management**

**Organizational Development**

**Recruiting**

**Team Building**  
**Governmental Affairs**  
**Analysis**  
**Customer Service**  
**Negotiation**  
**Business Development**

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## Education

### **Eastern Michigan University**

Graduate Certificate, Local Government Management, 2005 - 2005

### **Wayne State University**

Graduate Certificate, Economic Development, 2004 - 2004

Activities and Societies: Pi Alpha Alpha Honor Society, the Global Honor Society for Public Affairs & Administration.

### **Wayne State University**

MPA, Urban Studies/Affairs, 2002 - 2004

Activities and Societies: Pi Alpha Alpha Honor Society, the Global Honor Society for Public Affairs & Administration.

### **Albion College**

BA, Political Science and Government, 1995 - 1999

Activities and Societies: Alpha Phi Omega, national service fraternity. Delta Sigma Phi, national social fraternity. Mortar Board National College Senior Honor Society.

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## Languages

**English**

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# Robert Bruner

Chief Executive Officer at Michigan Municipal Services Authority

rbruner@michiganmsa.org

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## 11 people have recommended Robert

"I've known Robert since his Assistant City Manager days in Oak Park and through his time in Ferndale and Birmingham. Robert is a very gifted city manager who both gets the x's and o's of budgeting and financial management, as well as the vision element to help a local government grow and achieve its long term objectives."

— **Andy Meisner**, *State Representative, Michigan House of Representatives*, worked with Robert at City of Ferndale, Michigan

"Bob served as one of our committee chairpersons at the Ferndale DDA, and showed a great deal of commitment to the downtown and community in general. In his new position as City Manager, he has proven that his leadership and management skills have helped provide positive change in our community. Bob's a great, easy going guy to work with and I'm happy to have the opportunity to work with him on a day-to-day basis here in Ferndale."

— **Cristina Sheppard-Decius**, *Executive Director, Ferndale Downtown Development Authority*, was with another company when working with Robert at City of Ferndale, MI

"Mr. Bruner is an energetic young man who is professional, talented, and full of promise. He is becoming an important and integral part of the City of Ferndale and will be successful wherever he goes...But we want to keep him here for a few years first."

— **Craig Covey**, *Mayor, City of Ferndale*, managed Robert at City of Ferndale, MI

"Bob is a great and easy guy to work with. He sees the big picture yet understands the needed detail to get the end results. He advances collaborative efforts while protecting the interests of his city. He empowers and trusts people to be responsible for their own efforts. . Bob is upfront and honest about his position so you always know where you stand when you work with him."

— **Deborah Schutt**, *Owner, Schutt & Company*, was with another company when working with Robert at City of Ferndale, MI

"Bob exemplifies what I have always seen Ferndale as...a progressive city full of vital, creative, cooperative, friendly people. Bob's vision for the City is to enhance its wonderful qualities, grow its already prosperous

business community, improve its infrastructure and make Ferndale an even better community in which to live. Through innovative ideas and an unbridled enthusiasm for his hometown, Bob has strengthened communication and cooperation between city leaders and the business community and has put many programs in place to ensure that those not as familiar with Ferndale quickly learn what a treasure the Ferndale community is."

— **Jennifer Roosenberg**, *Marketing Communications Manager, GVA Detroit*, was with another company when working with Robert at City of Ferndale, MI

"Bob is well versed in every aspect of his job and up to any challenge. He knows what is going on in the city and is always ready to add his perspective to situations and problems."

— **Roger Schmidt**, *Fire Chief, Ferndale Fire Department*, worked directly with Robert at City of Ferndale, MI

"Bob served as Assistant City Manager during a time when the City had to significantly reduce services and eliminate positions. He is creative and was able to work well with everyone ranging from City Council and Department Directors to the employee unions and residents. His skills in public relations, writing and finance contributed to the development of solutions to many challenges we faced."

— **Edward Koryzno**, *City Manager, City of Ypsilanti*, managed Robert at City of Ypsilanti

"Robert is a progressive Manager who accomplished a great deal working with limited resources during my tenure in Ypsilanti. He exhibited impressive motivational skills in assisting subordinates, and was eager to provide training and experience that would further his employees. His desire to apply modern technologies to improve the efficiency and responsiveness of government proved a tremendous asset to the community. Robert was a pleasure to work with, and his skill set would be a welcome addition to any organization."

— **Jason Wicha**, *Management Intern, City of Ypsilanti, MI*, reported to Robert at City of Ypsilanti

"Robert was an excellent city servant, working with an optimistic attitude amidst incredibly harsh and restrictive conditions in the cash-strapped City of Ypsilanti. As a community partner, and a member of the City's Parks & Recreation Commission, Robert was a breath of fresh air. I especially appreciated his openness to new or creative ideas of ways to accomplish community goals with few resources."

— **Amanda Edmonds**, *Executive Director, Growing Hope*, was with another company when working with Robert at City of Ypsilanti

"Bob was a great manager and always was there to answer my questions. He is a hard worker, intelligent and I enjoyed coming to work each day and working under his direction."

— **Davia Cox Downey**, *Intern, City of Ypsilanti, Michigan*, reported to Robert at City of Ypsilanti

"It was a a pleasure getting to know Bob and see him develop into the city manager position. It will always be my pleasure to recommend him as a professional and a person of quality."

— **Daniel W. Fitzpatrick, ICMA-CM**, *City Manager, City of Oak Park, MI*, managed Robert at City of Oak Park, MI

[Contact Robert on LinkedIn](#)

# Jim Cambridge

Business Attorney and Member at Kerr Russell

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## Summary

Jim Cambridge is a Member of Kerr, Russell and Weber, PLC and specializes in the areas of business law, finance and real estate. His clients have included private and public companies in the manufacturing, finance, real estate, retail, service, technology and transportation industries. Jim's clients also include professional athletes, CEO's and other high net worth individuals. Jim serves as counsel for a number of businesses and handles a variety of matters such as business formations, contracts, employment, lending relationships, restructurings, real estate, buying and selling businesses and resolving troubled business situations. Jim has considerable experience in advising closely-held family businesses. Jim also has experience in advising foreign and US companies in establishing operations in the US and abroad. Jim is co-chairperson of the firm's Corporate Practice Group and also leads the firm's US-China practice. Jim is a past Chairperson of the Business Law Section of the State Bar of Michigan. He also served as the Chairman of the Legislative Drafting Committee of business and tax lawyers that wrote the Michigan Limited Liability Company Act.

## Specialties

Business and Corporate Law; Real Estate; Finance; US-China Business

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## Experience

### **Attorney and Member at Kerr Russell**

July 1988 - Present (26 years 9 months)

Kerr Russell is a full service business law firm representing US and international businesses of all sizes, in a variety of industries. Founded in 1874, Kerr Russell is one of Michigan's oldest and most respected law firms. Kerr Russell is also listed as one of the best law firms in the country by US News & World Report and Martindale-Hubbell.

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## Publications

### **Michigan Limited Liability Companies**

Institute of Continuing Legal Education at the University of Michigan

Authors: Jim Cambridge, George Christopolous

### **Advising Closely Held Businesses in Michigan**

Institute of Continuing Legal Education at the University of Michigan

Authors: Jim Cambridge, (Contributor)

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## Education

**Central Michigan University**

Bachelor of Science (BS), Business Administration and Management, General

**The Cooley Law School**

J.D.

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## Honors and Awards

Listed in Best Lawyers in America; Chambers USA - America's Leading Lawyers for Business; Michigan's Super Lawyers; Detroit's Best Lawyers; Who's Who in American Law. Recipient, Outstanding Business Lawyer Award, State Bar of Michigan Business Law Section. Recipient, Outstanding Eagle Scout Award, Boy Scouts of America.

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# Jim Cambridge

Business Attorney and Member at Kerr Russell

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[Contact Jim on LinkedIn](#)

# Peggy Jury

Independent Accounting Professional

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## Experience

### **CFO at Michigan Association of CPAs**

November 2012 - Present (2 years 5 months)

### **Retired PARTner at Plante & Moran**

2005 - 2010 (5 years)

### **Retired Assuranc Partner at Plante & Moran, PLLC**

2004 - 2010 (6 years)

### **Principal at Dupuis & Ryden**

1980 - 1995 (15 years)

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## Skills & Expertise

### **Tax Preparation**

**Tax**

**Corporate Tax**

**Tax Returns**

**Income Tax**

**Partnership Taxation**

**Tax Accounting**

**Tax Research**

**CPA**

**GAAP**

**Accounting**

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## Education

**WMU**

BBA, 1970 - 1973

Activities and Societies: Accounting major, Math minor

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# Peggy Jury

Independent Accounting Professional

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[Contact Peggy on LinkedIn](#)



# Steven Liedel

Attorney - Public Policy Counsel

steven@foggliedel.com

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## Specialties

Legislative drafting, statutory construction, government reorganization, administrative law, regulatory affairs, government relations, policy counsel, tax policy, municipal law, public finance, gaming law, economic development.

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## Experience

### **Senior Counsel at Dykema Gossett PLLC**

February 2011 - Present (4 years 2 months)

Steve Liedel focuses his practice on government organization and restructuring, economic development, and tax policy. He also provides counsel on legislative drafting, strategy, and interpretation; government policy; election law and campaign finance; government contracts and procurement; administrative law; and casino gaming. Mr. Liedel has been extensively involved in drafting legislation, regulations, executive orders, executive directives, intergovernmental agreements, and government contracts. He also has been involved in lobbying legislative and executive branch officials and litigating public policy and constitutional issues.

### **Legal Counsel to Governor at State of Michigan**

November 2008 - January 2011 (2 years 3 months)

### **Deputy Legal Counsel to Governor at State of Michigan**

January 2003 - November 2008 (5 years 11 months)

*1 recommendation available upon request*

### **Attorney at Dykema Gossett PLLC**

August 1998 - January 2003 (4 years 6 months)

Government Policy and Practice Group

### **Law Clerk at City of Knoxville**

August 1997 - May 1998 (10 months)

### **State Legislative Specialist at Dykema Gossett PLLC**

January 1994 - July 1995 (1 year 7 months)

Government Policy and Practice Group

### **Legislative Analyst at Illinois State Senate**

August 1992 - July 1993 (1 year)

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## Skills & Expertise

**Government Relations**

**Administrative Law**

**Tax Policy**

**Legislative**

**Public Policy**

**Municipal Law**

**Election Law**

**Legislation**

**Regulatory Affairs**

**Economic Development**

**Gaming Law**

**Public Finance**

**Compliance**

**Government**

**Policy**

**Procurement**

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## Education

**University of Pittsburgh School of Law**

J.D., Law, 1995 - 1998

**Michigan State University**

B.A., American Public Affairs: Metropolitan Studies and History, 1988 - 1992

**Monroe Catholic Central High School**

High School, 1984 - 1988

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## Interests

state government, state politics, administrative law, constitutional law, public policy

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# Steven Liedel

Attorney - Public Policy Counsel

steven@foggliedel.com

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## 1 person has recommended Steven

"I initially worked with Steve while I was employed at House Republican Policy Office. He always brought expertise and insight to every project on which we collaborated. He also was great team member and fun to work with. He is a consummate professional."

— **RICHARD A. BARCLAY**, *Policy Advisor, Michigan House of Representatives*, worked with Steven at State of Michigan

[Contact Steven on LinkedIn](#)

# Brian Meakin

City Council Vice President

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## Experience

### **City Council Vice President at City of Livonia**

January 2014 - Present (1 year 3 months)

### **President at Meakin and Associates**

2000 - Present (15 years)

Administrator and producer for our family owned insurance agency.

### **City Council at City of Livonia**

January 2004 - December 2011 (8 years)

*7 recommendations available upon request*

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## Skills & Expertise

**Strategic Planning**

**Non-profits**

**Leadership**

**Public Speaking**

**Government**

**Program Management**

**Public Relations**

**Customer Service**

**Event Planning**

**Budgets**

**Policy**

**Nonprofits**

**Management**

**Public Policy**

**Community Development**

**Analysis**

**Project Planning**

**Team Building**

**Project Management**

**Contract Negotiation**

**Training**

**Coaching**

**Event Management**

**Team Leadership**

**Social Media**

**Research**

**Data Analysis**

**Marketing**

**Access**

**Microsoft Word**

**Microsoft Office**

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## Organizations

### **Livonia Community Foundation**

President

January 2009 to Present

Leader of permanent endowment to promote and develop community resources, properties and civic treasures

### **Livonia Employee Retirement System**

Chairman

September 2014 to Present

It is an honor to be elected by my peers to be Chairman of the Livonia Employee Retirement System.

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## Education

### **Lawrence Technological University**

BSBA, Management, 1986 - 1989

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## Honors and Awards

Certificate of Service Recognition for ten years of service to the City of Livonia in April of 2008 Michigan

Jaycee-Outstanding Young Michigander

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# Brian Meakin

City Council Vice President

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## 7 people have recommended Brian

"Having worked with Brian for several years in my role as one of the City's auditors, I have always found Brian to be very thoughtful and astute on matters involving the City's finances and public policies. His leadership has been of a tremendous value to the residents of Livonia."

— **Brian Camiller**, *CPA, Senior Manager, Plante & Moran*, was with another company when working with Brian at City of Livonia

"Having known Brian for over 15 years, I can vouch that he is a first class professional. I have interacted with him in a non-profit organization, with his insurance business, and in his role as a Livonia City Councilman. Brian is well organized and well spoken, and operates with the highest ethics. I have no hesitation giving him my highest recommendation for anything that he chooses as he takes responsibility very seriously in everything he engages in."

— **Scott Greenlee**, *Consultant, Self - Employed (Special Projects)*, was with another company when working with Brian at City of Livonia

"Whether as a City Councilman or supporter of the Livonia Community Foundation, Brian has been dedicated in his efforts to make the City of Livonia a stronger and more vibrant community."

— **Jon Peterson**, *External Affairs Director, AT&T*, was with another company when working with Brian at City of Livonia

"I have known Brian through his efforts over an 8 year period on the Livonia City Council. He is diligent in efforts to make Livonia a great place to live and operate a business. I have found him to be responsive and practical when addressing issues that arise."

— **Dan Fredendall**, *Vice President, Orchard, Hiltz & McCliment, Inc. (OHM)*, was with another company when working with Brian at City of Livonia

"Brian is an intelligent person who has the ability to understand complex issues and see the big picture. When working with him on issues affecting my company, he has been easy to work with and offers up compromise solutions to help solve conflicts. Brian is well-respected in the community and would be a great asset to any organization."

— **Lori Doughty**, *Director External Affairs, AT&T*, was with another company when working with Brian at City of Livonia

"Brian is an asset to any group as an individual who studies issues, understands intricate details and works collaboratively to achieve mutually beneficial results. In his professional life he assures that his clients' interests are protected at a reasonable rate and works to assure his insureds get all discounts that they are entitled to receive."

— **Robert Biga**, *Human Resources Director, City of Livonia*, worked with Brian at City of Livonia

"I have know Brian to be a very thorough in his review and analysis of any given matter. He has been fair minded and practical in his approach to problem solving."

— **John Hiltz**, *President, Orchard, Hiltz & McCliment, Inc. (OHM)*, was with another company when working with Brian at City of Livonia

[Contact Brian on LinkedIn](#)

# Al Vanderberg

County Administrator at County of Ottawa

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## Experience

### **County Administrator at County of Ottawa**

December 2003 - Present (11 years 4 months)

### **Adjunct Professor at Grand Valley State University**

August 2013 - May 2014 (10 months)

I work as an adjunct professor in order to share the knowledge that I have gained from 30 years of ongoing public administration experience with students who are considering or have decided to pursue a career in public or non-profit administration.

### **Deputy County Administrator at County of Kent, MI**

July 1999 - December 2003 (4 years 6 months)

### **City Manager at City of South Haven, MI**

January 1991 - July 1999 (8 years 7 months)

### **Assistant City Manager at City of Greenville, MI**

January 1988 - January 1990 (2 years 1 month)

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## Skills & Expertise

**Public Administration**

**Economic Development**

**Government**

**Community Outreach**

**Community Development**

**Policy Analysis**

**Policy**

**Grant Writing**

**Program Development**

**Public Budgeting**

**Grants**

**Public Policy**

**Budgets**

**Fundraising**

**Nonprofits**

**Strategic Planning**

**Public Speaking**

**Local Government**



**Leadership**  
**Intergovernmental Affairs**  
**Politics**  
**Public Finance**  
**Zoning**  
**Non-profits**  
**Leadership Development**  
**Team Building**  
**Process Improvement**  
**Collective Bargaining**  
**Land Use**  
**Federal Government**  
**Program Management**  
**Employee Relations**  
**General Public**  
**E-government**  
**Public Relations**  
**Grant Preparation**  
**Media Relations**  
**Event Planning**

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## Education

### **Michigan State University**

Master of Public Administration, Urban Administration, 1984 - 1986

Activities and Societies: Secretary of Pi Alpha Alpha

### **University of Michigan**

Bachelor of Arts, Political Science, 1982 - 1984

### **Muskegon Community College**

Associate in Arts, Social Science, Music, 1980 - 1982

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# Al Vanderberg

County Administrator at County of Ottawa

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[Contact Al on LinkedIn](#)

# Doug Wiescinski-CSP

Technology Consulting | IT Contracts | IT Governance | Outsourcing |

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## Summary

Mr. Douglas R. Wiescinski, a Partner in Plante & Moran and the Technology Consulting & Solutions practice, has more than thirty years experience in information technology. Mr. Wiescinski's background includes systems design and development, technology planning, technology selection and contract negotiations. He serves a diversity of clientele in providing strategic technical assistance in initiatives such as business process redesign, outsourcing analysis, client/server migration, network planning and integration. He has assisted several clients in the assessment and tactical planning for emerging technologies and the formation of the most appropriate governance structure. Mr. Wiescinski is a Board member of the Michigan Municipal Services Authority (MSA), the Society For Information Management (SIM) and a former Board member of Automation Alley. Prior to joining Plante & Moran, Mr. Wiescinski was in charge of the business systems consulting services for Ernst & Whinney (now Ernst & Young) in western Michigan. Mr. Wiescinski holds a B.S. degree in Management Information Systems from Ferris State University. In addition, he is a Certified Systems Professional (CSP). Specialties: Technology Planning | IT Governance | IT Contracts | Outsourcing |

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## Experience

### **Plante & Moran | Partner | Technology Consulting & Solutions | Management Consulting at Plante & Moran**

December 1984 - Present (30 years 4 months)

Technology Planning – Assists public and private sector clients in preparing comprehensive long-range technology plans. Addresses both long- and short-term planning in the following areas: application software, integration, hardware acquisition, implementation of new technologies, integration of information systems planning with overall business planning, organizational issues, communications/networking, cost/benefit analysis, and development of an effective recurring planning process. Solution Delivery – Conducts needs assessment and selection assignments for school districts, municipalities, manufacturing companies, and other clients. Typical projects consist of feasibility analysis, requirements definition, gap analysis, vendor selection, facility planning, contract negotiation and implementation management. Information Systems Operation and Security Reviews – Reviews encompass evaluation of internal control procedures, adequacy of security, information processing requirements, determination of the adequacy of existing application systems, appropriateness of organizational structure, and staffing and feasibility of upgrades.

### **Senior Manager at Ernst & Whinney**

October 1980 - November 1984 (4 years 2 months)

IT Consulting serving the manufacturing, healthcare and financial institution sectors.

### **Project Manager at Genesee Bank**

1980 - 1984 (4 years)

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## Skills & Expertise

**Business Planning**

**Integration**

**Sarbanes-Oxley Act**

**Business Process**

**Disaster Recovery**

**Requirements Analysis**

**Information Technology**

**Management Consulting**

**IT Audit**

**SAS70**

**Process Improvement**

**Management**

**Information Security**

**Consulting**

**Leadership**

**IT Strategy**

**Internal Controls**

**Business Analysis**

**Business Process Re-engineering**

**SharePoint**

**Change Management**

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## Education

**Ferris State University**

BS, Management Information Systems, 1972 - 1976

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# Doug Wiscinski-CSP

Technology Consulting | IT Contracts | IT Governance | Outsourcing |

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[Contact Doug on LinkedIn](#)

# CGI Advantage® ERP Built-for-government

**F**or state and local governments, enterprise resource planning means more than technology. It means transformation that increases efficiency, transparency, accountability and information access.

Many public sector organizations struggle with ERP solutions that do not meet their needs, support their business or match their processes. As a result, they face extensive customizations, process modifications and unpredictable costs.

## CGI solves the challenge

CGI Advantage ERP is a powerful combination of modern technology and integrated business applications that are specifically built for government use. The solution complies with GASB and GAAP and includes government-specific functionality such as CAFR and CMIA processing to increase automation and information access. Because CGI Advantage ERP is highly configurable, it reduces customization to lower total cost of ownership.

## Proven approach

CGI has built deep domain expertise, process knowledge and best practices through more than 38 years of delivering ERP software and services for state and local government. In fact, we are the only leading independent IT and business process services firm that develops, implements, supports and hosts integrated ERP software exclusively for government.

Our approach reflects:

- 100 percent product investment focused on public sector needs
- Public sector clients who have a significant voice in product direction
- Product professionals who are 100 percent dedicated to government

## Clear benefits

We combine these attributes to deliver superior functionality and control scope while also reducing risk and creating rapid value. Our clients benefit from lower risk due to single-provider efficiency, ease of communication, greater transparency and better reliability and availability. As a testament, the states of Alabama, Alaska, Arizona, Colorado, Michigan and West Virginia recently engaged CGI to modernize and manage their ERP solutions.

*“With (CGI Advantage), the Commonwealth of Massachusetts has improved efficiency, reduced costs and increased revenue using built-for-government functionality that leverages modern Web-based technology.”*

*- Martin Benison, Comptroller Commonwealth of Massachusetts*



## SUPPORTS UNIQUE GOVERNMENT NEEDS

CGI Advantage ERP accelerates benefits with built-for-government functionality and best practices— all out of the box:

- Large, multi-stakeholder environments
- Multiple budget sources
- Multi-year budgeting and funding control
- Variable funding control structures
- Encumbrance and pre-encumbrance accounting
- Dedicated Comprehensive Annual Financial Report (CAFR) Module
- Assignment of government chart of accounts attributes
- Comprehensive reporting for transparency and compliance
- Complex acquisition requirements
- Configurable to address government regulations and union mandates
- Increased measurement of key performance indicators

## CGI Advantage ERP at a glance

With integrated functionality, workflow and configurable processes, the CGI Advantage ERP suite contains built-for-government software for:

- **Financial management** to provide organization-wide accountability through consistent accounting rules across all financial transactions, to track and control internal and external funding sources and fiscal and multi-year budgets.
- **Performance budgeting** to automate the budgeting process for better planning that will improve financial and operational performance and critical decision making for day-to-day efficiency and long term forecasting.
- **Human resource management** to streamline the HR and payroll process from hire to retire including online recruiting, timekeeping and direct access for employees to manage benefits and leave.
- **Procurement** to automate purchasing via catalog-based ordering and paperless approval processes that link directly to the government accounting system for automated matching and payment processing.
- **Business intelligence** to quickly unlock data for more effective decisions and increased measurement of key performance indicators through sophisticated reporting, ad hoc query and visual, interactive dashboards.

We also have state-of-the-art collections, case management and permitting solutions specifically for the public sector.

## Why CGI?

- Built-for-government solution
- Single provider accountability
- Proven results

## Benefits:

- Operational efficiency
- Decreased cycle time
- Greater collaboration
- Increased transparency and insight
- Minimized customizations
- Modern technology



*“After a rigorous evaluation of more than 40 vendors, it was clear that CGI Advantage ERP remains the best fit for the County of Ventura with the most built-for-government functionality. The success of our long-term partnership with CGI, access to their specialized expertise and their single accountability for both the product and implementation also were compelling factors.”*

– **Christine L. Cohen, Auditor-Controller, County of Ventura, California**

## ABOUT CGI

For more than 38 years, CGI has operated upon the principles of sharing in our clients' challenges and delivering quality services to address them. CGI has more than 68,000 professionals operating in 400 offices worldwide.

We deliver built-for-government IT solutions that maximize revenue while minimizing costs. As a full-service systems integrator and managed services provider, CGI has the industry know-how, tools and technologies to address business challenges across the public sector spectrum.

CGI's leading ERP solution, CGI Advantage, helps state and local governments improve their back-office operations and better serve their citizens with a full suite of built-for-government tools, including financial management, payroll, budgeting, human resources management, procurement and grants management.

Whether your goals are to increase efficiency, transparency and accountability or to improve usability and citizen service, CGI has the solution to deliver results.

For more information, visit [www.cgi.com/cgiadvantage](http://www.cgi.com/cgiadvantage) or email us at [cgiaadvantage@cgi.com](mailto:cgiaadvantage@cgi.com).



# CGI Advantage360<sup>®</sup>

Government ERP “out of the box”

Local governments are seeking to improve efficiency and citizen services while reducing the capital investment and organizational angst required to modernize and maintain their enterprise resource planning (ERP) systems.

## CGI solves the challenge

As the provider of CGI Advantage<sup>®</sup> ERP, the leading built-for-government solution, we have helped states, counties and cities of various sizes to improve their operational efficiency, service quality and transparency. As part of our continued focus to help the public sector, CGI introduces CGI Advantage360<sup>™</sup>, government ERP “out of the box”, designed for local government organizations. This cloud-based Software as a Service (SaaS) solution expedites delivery of CGI’s world class government ERP capabilities at a lower total cost of ownership.

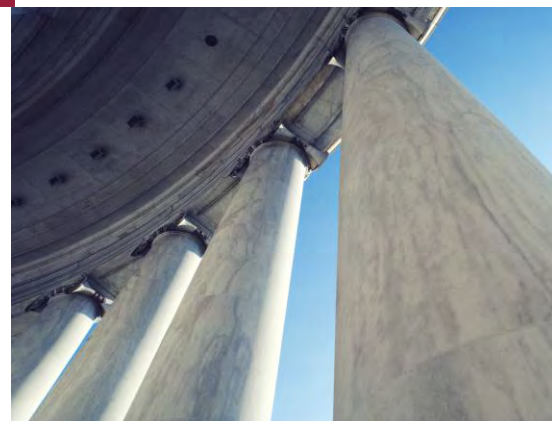
CGI Advantage360 offers the benefits of CGI Advantage ERP, preconfigured specifically for the needs of mid-sized governments. It encompasses software, support and services, with a range of cloud based delivery options, supplemented by value-added business process services. This results-based offering balances client needs for price, flexibility and functionality.

## CGI Advantage360 benefits

- Reduce operational costs using a multi-tenant, cloud-based solution that reduces the cost of computing resources
- Reduce implementation time, cost and risk with a proven ERP solution that is based on best practice business processes designed specifically for local governments
- Include regular updates to meet changing regulatory and business needs
- Achieve long-term predictable spend and improved service levels facilitating a redirection of scarce resources to other activities
- Provide rapid deployment using standardized, preconfigured data, reducing implementation time by at least 50 percent compared to traditional implementations

## Deep domain expertise

CGI has built deep domain expertise, process knowledge and best practices through more than 38 years of delivering ERP software and services for state and local governments. In fact, we are the only leading independent IT and business process services firm that develops, implements, supports and hosts integrated ERP software exclusively for government.



## CGI ADVANTAGE360 AT A GLANCE

- The power of the leading built-for-government ERP solution for
  - Financial Management
  - Human Resource Management / Payroll
  - Procurement
  - Performance Budgeting
  - Business Intelligence
- Software as a Service, multi-tenant solution
- Rapid deployment options
- Continuous access to new application functionality
- Active user community with a key role in product direction
- Pre-configured, out of the box solution that provides market leading functionality at greatly reduced costs
- Documented and supported business processes
- Well-embedded feature set that supports a rapid implementation



### Dedication to public sector needs

CGI's approach reflects product investment that is 100 percent focused on public sector needs; an active client user community that plays a significant role in product direction; and product professionals who are dedicated to improving the business of government.

## CGI Advantage360



### Achieve predictable spend, improve service and redirect scarce resources—while reducing total cost of ownership

When organizations want to advance their ERP capabilities without the cost and difficulty of attracting and retaining ERP skilled resources, CGI has the resources, expertise and commitment to absorb the risks and deliver the benefits. CGI Advantage360 clients benefit from greater cost predictability, access to talent and next-generation capabilities, lower total cost of ownership and single-provider accountability for software and services.

### ABOUT CGI

For more than 38 years, CGI has operated upon the principles of sharing in our clients' challenges and delivering quality services to address them. CGI has more than 68,000 professionals operating in 400 offices worldwide.

We deliver built-for-government IT solutions that maximize revenue while minimizing costs. As a full-service systems integrator and managed services provider, CGI has the industry know-how, tools and technologies to address business challenges across the public sector spectrum.

CGI's leading ERP solution, CGI Advantage, helps state and local governments improve their back-office operations and better serve their citizens with a full suite of built-for-government tools, including financial management, payroll, budgeting, human resources management, procurement and grants management.

Whether your goals are to increase efficiency, transparency and accountability, or improve usability and citizen service, CGI has the solution to deliver results.

For more information, visit [www.cgi.com/cgiadvantage](http://www.cgi.com/cgiadvantage) or email us at [cgiaadvantage@cgi.com](mailto:cgiaadvantage@cgi.com).

# FMS CGI Advantage360 User Group Plan

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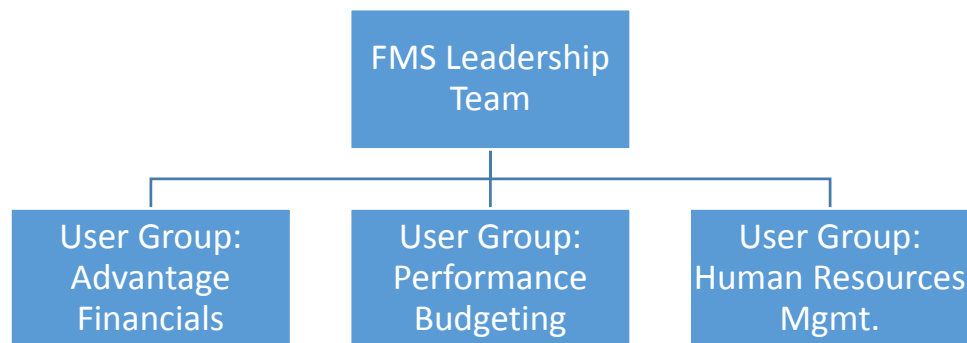
## Overview

The purpose of the FMS CGI Advantage360 User Groups are to:

- a. Enable its members to maximize the value of their investment in Advantage360.
- b. Develop / foster relationships between FMS subject matter experts (SME's)
- c. Share experiences, tools, templates, methods and lessons learned.
- d. Provide a venue for discussing opportunities to standardize process amongst the members.
- e. Assist members with staying current with evolving Advantage360 offerings.
- f. Provide a venue for developing and prioritizing requests.
- g. Develop tools, templates, sample work products and methods which will be available to current/future FMS participants to enhance the value of their implementations and expedite the deployment of best practices.
- h. Participate in the CGI national user group community to draw on the expertise and experience of other CGI Advantage clients and bring back lessons learned, templates, reports, etc. to the FMS community.

## Structure

As coordinated by the FMS Leadership Team, there will be multiple User Groups, each centered around the CGI Advantage360 offerings available through the FMS Program, as follows:



## User Group Support:

The following attributes of the FMS Program and each participant's implementation plan will help support the User Groups:

- a. **Project Repository.** A CGI SharePoint site "Ensemble" is provided as a project resource to each Participant as a tool/method embedded in the Participant's Implementation Statement of Work with CGI. It will enable the sharing of tools, templates and work products within that community to support the implementation effort. Additionally, through the CGI due diligence effort, the Authority has developed and plans to continue to use a "shared" project repository, "the

# FMS CGI Advantage360 User Group Plan

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SharePoint site”, available to all FMS Participants, which is being used, amongst other purposes to track, archive and manage the tools, templates and sample work products generated by the FMS Advantage360 User Groups.

- b. **“The Share Clause”** documented as an assumption in FMS Participant SOW’s (*language agreed to – contract pending*): “Unless otherwise specified, Project Team Training materials, Business Process Documents, reports, interfaces, change management deliverables, sample communications, tools, methods and other products, outcomes or results developed by the Integrated Project Team produced as a result of the implementation effort can be shared by the Client with other FMS participants, without restriction. Similarly, unless specifically excluded in other agreements, the Client is not precluded from obtaining and re-purposing Client deliverables from CGI’s other FMS clients.”
- c. **User Group Coordination:** Authority facilitation and consulting support for the Phase 1 participants is planned, including: a) User group meeting scheduling, coordination and facilitation assistance; b) Archival of tools, templates and sample work products, and c) Tracking of lessons learned, etc.

## Key User Group Activities/Responsibilities:

- 1) Develop relationships between subject matter experts (SME’s) across organizations and the Advantage user community at large.
- 2) Discuss and share best practices for use of the key offerings in the Advantage360 system to maximize its value.
- 3) Identify and discuss ways to streamline business processes and make them more efficient.
- 4) Determine where the software system can enable automation of different processes and document Standard Operating Procedures (SOP’s) for sharing with other CGI Advantage communities.
- 5) Discuss possible opportunities to increase the return on investment (ROI) of the software.
- 6) Work to develop and share user security role templates to reduce set-up time for the system.
- 7) Share useful reports and workflows that have been developed and work to further develop additional reports as a group.
- 8) Develop communications to share best practices, changes, updates, and other information with module users (e.g. podcasts, newsletters, videos, etc.).
- 9) Compare results from each community to benchmark the effectiveness of the software.
- 10) Pinpoint common knowledge gaps and create or purchase training to close these gaps.
- 11) Collect, exchange, prioritize, and propose CGI software improvement requests.
- 12) Conduct surveys of module users to learn more about issues, gaps, ideas for improvement and satisfaction.

# FMS CGI Advantage360 User Group Plan

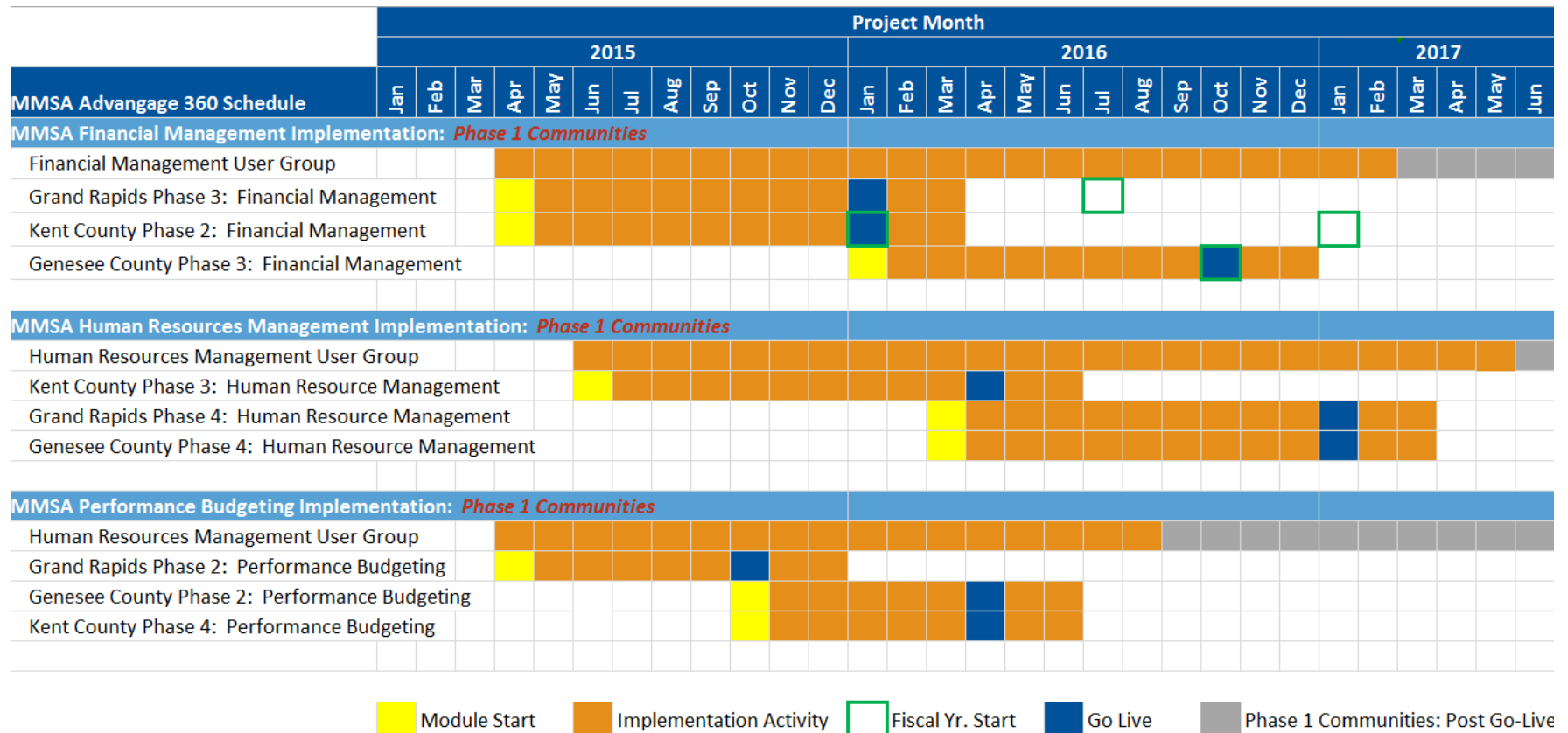
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- 13) Facilitate site visits/other communications with external organizations to learn more about how they have developed their processes in the software.
- 14) Provide a venue for reviewing release notes and upgrade plans and communicating potential impacts.
- 15) Look to develop shared training resources, methodologies, and support tools which will facilitate current and new users to efficiently acclimate to the CGI Advantage systems and processes.

# FMS CGI Advantage360 User Group Plan

## FMS User Group Deployment Schedule – Group A Participants:

The following schedule highlights the timing and rollout of the FMS User Groups for Implementation Group A, including the City of Grand Rapids, Kent County and Genesee County:





Robert Bruner  
Chief Executive Officer  
Michigan Municipal Services Authority  
PO Box 12012  
Lansing MI 48901-2012

Dear Robert Bruner:

The Michigan Local Government Benchmarking Consortium (MLGBC) at Michigan State University Extension (MSUE) offers this letter of intent (“Letter”), outlining the mutual intent of both institutions to collaborate and enter into a proposed business arrangement between MLGBC and Michigan Municipal Services Authority (MMSA) in regard to supporting the work of each entity with mutually shared clients as well as actively working to identify and develop value-added services and products for our mutual clients.

This letter sets forth the terms and conditions that the MLGBC at MSUE seeks to use as material terms for the proposed agreement. This letter supersedes in its entirety any and all communications which previously occurred between the parties.

The Terms and Conditions proposed are as follows:

1. Overall Structure:

The mutual goal of the Parties is to support and enhance the work of the MLGBC at MSUE and the MMSU with mutually shared Michigan local government clients.

1.1. MLGBC at MSUE:

Michigan local governments have had to adjust to worsening budgetary conditions and are operating with reduced staffing levels. At the same time they are working to cut costs and increase the efficiency and effectiveness of the delivery of services to their citizens. There are few Michigan local governments that participate in any benchmarking project. Since 2008, the Michigan Local Government Benchmarking Consortium (MLGBC) brings together cities, townships, villages and counties from across Michigan and produce meaningful and relevant performance measures for the purpose of benchmarking and multijurisdictional performance comparisons. The MLGBC is administered and operated by Michigan State University

Extension. An Executive Board consisting of local government participants from cities, townships, villages, counties, and road commissions serves as the steering committee and advisory board for the consortium to ensure that the consortium meets the needs of the participants. The Executive Board convenes approximately four times a year for this purpose.

Performance measures cover a variety of services provided by local governments. The MLGBC benchmarks performance in the 14 service areas listed below.

1. Assessing and Equalization
2. Clerk and Elections, and Register of Deeds
3. Code Enforcement and Building Inspection
4. Emergency Dispatch
5. Fire/EMS Services
6. Fleet Maintenance
7. Human Resources
8. Information Technology
9. Library Services
10. Parks Maintenance
11. Police and Sheriff
12. Refuse/Recycling/Yard Waste Collections
13. Road Maintenance
14. Water and Sewer Treatment and Distribution

Consortium member communities pay \$550 to participate in a variety of detailed performance measures (benchmarks) for the benefit of paying members to use in their daily operational analysis, decision-making and citizen communication.

#### 1.2. Michigan Municipal Services Authority

The Michigan Municipal Services Authority is spearheading the project to assemble and deploy a suite of multi-tenant software tools; a virtual city hall back-office of financial management and human resources software services existing within a hosted cloud and/or software as a service environment. The organizational redesign, through the combining of government operations (finance and HR software services) in one central system (FMS), will result in overall cost reductions (i.e., costs of software services and human capital needs) across participating local units of government. The suite of multi-tenant tools will form the basis of a statewide solutions platform, a replicable model designed for deployment by the Michigan Municipal Services Authority (MMSA) to other local units of government throughout the state. As each new local of unit of government joins the FMS, the overall costs will go down and be shared across all users.

The general purpose and structure of this supportive arrangement is set forth as follows:  
The MMSA will pay the annual membership fee for membership and participation in the MLGBC for its FMS subscribers. The MLGBC and MMSA will actively work to identify and develop value-added services and products for our mutual clients. For example, a barrier to local government participation in the MLGBC is the time commitment for staff to collect and submit the annual fiscal and operational data in each of the service areas the MLGBC studies. Identifying a more efficient method for transferring these data to the MLGBC would benefit local government unit members.

## 2. Confidentiality:

In the case that any confidential information should be exchanged between the Parties, resulting from negotiations under the terms and conditions of this Letter, both Parties shall agree to make any necessary efforts to keep all information confidential.

## 3. Financial Contribution of Each Party:

The financial contribution of each party with respect to this collaboration shall be as follows:

3.1. The MMSA agrees to pay the annual MLGBC membership fee of \$550 for each of its FMS subscribers to the MLGBC to participate in the MLGBC.

3.2. Any additional financial contributions for any products or services to be rendered by both Parties that is not covered under 3.1 above will be negotiated as needed.

If the Michigan Municipal Services Authority finds the terms and conditions of this Letter to be acceptable and a reflection of the intentions of both Parties, please demonstrate this intent by signing and returning this letter at the principal place of business of the Michigan Local Government Benchmarking Consortium at Michigan State University Extension (MSUE) as indicated below, on or before April 1, 2015.



Michigan Local Government Benchmarking Consortium  
Attn: Mary Schulz, Program Director  
Michigan State University  
446 W. Circle Dr., Rm 86  
Justin S. Morrill Hall of Agriculture  
East Lansing, MI 48824-1039  
Email: schulzm2@msu.edu

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary Schulz', with a large, stylized flourish at the end.

Mary Schulz  
Program Director, MLGBC

---

Robert Bruner  
Chief Executive Officer, MMSA

March 16, 2015

Mr. Robert Bruner  
Executive Director  
Michigan Municipal Services Authority  
430 W. Allegan Street  
Lansing, MI 48918

Dear Mr. Bruner:

Munetrix is pleased to propose engagement services for the Michigan Municipal Services Advisory (MMSA) relative to our local government SaaS Transparency, Analytics and Collaboration platform.

Taking baby steps first, we recommend "Sponsorship" of the Counties of Genesee, Kent and Grand Rapids, for a fee of \$349 each or \$1,049 collectively.

For this fee, the MMSA will be recognized as the entity who has opened up the data for these counties to our 2<sup>nd</sup> Tier of access, which as you know means that no limitations will be put on the public's ability to view the data in our system for them, which is the latest state available information based off F65 reporting and other state-wide entities (like MSP crime and MDOT Traffic Safety data).

The access will be read only, and the counties will have the ability to receive a credit of the sponsorship amount towards a full use/access license if they so desire. The benefit to the counties if they chose a full access license would be:

- Use the system for CIP compliance for statutory revenue sharing dollars
- Use of the database for forecasting, benchmarking, customization of dashboards, debt management, collaborations and the new Emergency Preparedness Manager™ - a database solution to manage, track and report on school district Fire, Tornado and Lock Down drills as per PA-12 of 2014

We also recommend the MMSA license a Provider Page in Munetrix as part of our Service Provider Portal. For \$200 per month the MMSA gets the ability to set up their own functional site in Munetrix and collaborate directly with local governments while "tagging" them as a provider of services or involvement with collaborations that impact them. The system is similar to popular social media sites, and gives the Authority the ability to gain recognition for the services it is rendering.

Mr. Robert Bruner  
Page 2.

March 16, 2015

There are other features that can be chosen from a menu of items as well, which we can review with you depending on your interest and or as part of any implementation.

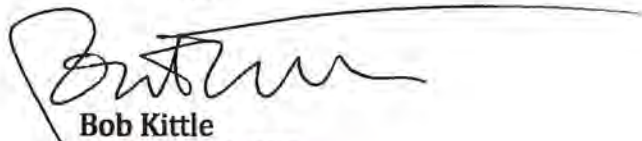
The potential for added and future benefits with a relationship between the MMSA and Munetrix, are bountiful as well. For example, MMSA members could eventually have the ability to:

- Use the system for easy uploading of financials from your ERP solution once it is in production (current)
- Possibly eliminate the F65 reporting process by using our dynamic "Eliminator" solution which streamlines state level financial reporting (prototype at 80%)
- Provide a vehicle for local government data collection and management in lieu of the MLGMA Benchmarking Consortium (prototype complete)
- And more forthcoming...

Munetrix has a vast array of technical capability and solutions far beyond Transparency. We designed the system to be useful, time saving and offer alternatives to common administrative headaches - as identified by our hundreds of premium local government users - starting with making Transparency easy!

We look forward to the possibility and hope to hear from you soon.

Sincerely,



**Bob Kittle**  
President & CEO  
[bob@munetrix.com](mailto:bob@munetrix.com)



## Return on Investment

### Option 1: FMS Program CGI Advantage360 SaaS Solution

Budget Category	Group A				Group B				Grand Total
	Genesee County	Grand Rapids	Kent County	Subtotal	Participant 4	Participant 5	Participant 6	Subtotal	
One-time Costs	\$2,470,583	\$3,769,070	\$2,194,586	\$8,434,239	\$2,317,250	\$2,317,250	\$2,317,250	\$6,951,750	\$15,385,989
Operational Costs (5-year total)	\$5,274,050	\$5,149,550	\$5,474,050	\$15,897,650	\$4,823,100	\$4,823,100	\$4,823,100	\$14,469,299	\$30,366,949
<b>Grand Total:</b>	<b>\$7,744,633</b>	<b>\$8,918,620</b>	<b>\$7,668,636</b>	<b>\$24,331,889</b>	<b>\$7,140,350</b>	<b>\$7,140,350</b>	<b>\$7,140,350</b>	<b>\$21,421,049</b>	<b>\$45,752,938</b>

### Option 2: Individual On-Premise Solutions

Budget Category	Group A				Group B				Grand Total
	Genesee County	Grand Rapids	Kent County	Subtotal	Participant 4	Participant 5	Participant 6	Subtotal	
<b>One-time Costs</b>									
Initiation & Planning Consulting Services	\$100,000	\$100,000	\$100,000	\$300,000	\$100,000	\$100,000	\$100,000	\$300,000	\$600,000
Software License	\$1,500,000	\$1,500,000	\$1,500,000	\$4,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000	\$7,500,000
Training & Implementation Services	\$3,000,000	\$3,000,000	\$3,000,000	\$9,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$6,000,000	\$15,000,000
Implementation Consulting Services	\$200,000	\$750,000	\$200,000	\$1,150,000	\$200,000	\$200,000	\$200,000	\$600,000	\$1,750,000
Staff Augmentation	\$400,000	\$400,000	\$400,000	\$1,200,000	\$340,000	\$340,000	\$340,000	\$1,020,000	\$2,220,000
Capital Costs	\$325,000	\$340,000	\$325,000	\$990,000	\$225,000	\$225,000	\$225,000	\$675,000	\$1,665,000
Contingency (20%)	\$1,105,000	\$1,218,000	\$1,105,000	\$3,428,000	\$773,000	\$773,000	\$773,000	\$2,319,000	\$5,747,000
<i>Subtotal:</i>	<i>\$6,630,000</i>	<i>\$7,308,000</i>	<i>\$6,630,000</i>	<i>\$20,568,000</i>	<i>\$4,638,000</i>	<i>\$4,638,000</i>	<i>\$4,638,000</i>	<i>\$13,914,000</i>	<i>\$34,482,000</i>
<b>Operational Costs (5-year total)</b>									
Software Maintenance and Support	\$1,500,000	\$1,500,000	\$1,500,000	\$4,500,000	\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000	\$7,500,000
Hardware Upgrade Allocation	\$375,000	\$375,000	\$375,000	\$1,125,000	\$250,000	\$250,000	\$250,000	\$750,000	\$1,875,000
Infrastructure Maintenance	\$200,000	\$200,000	\$200,000	\$600,000	\$175,000	\$175,000	\$175,000	\$525,000	\$1,125,000
Software Upgrade Consulting Services	\$200,000	\$200,000	\$200,000	\$600,000	\$180,000	\$180,000	\$180,000	\$540,000	\$1,140,000
Software Upgrade Training Services	\$500,000	\$750,000	\$625,000	\$1,875,000	\$375,000	\$375,000	\$375,000	\$1,125,000	\$3,000,000
Staff Augmentation	\$2,000,000	\$2,000,000	\$2,000,000	\$6,000,000	\$1,700,000	\$1,700,000	\$1,700,000	\$5,100,000	\$11,100,000
<i>Subtotal:</i>	<i>\$4,775,000</i>	<i>\$5,025,000</i>	<i>\$4,900,000</i>	<i>\$14,700,000</i>	<i>\$3,680,000</i>	<i>\$3,680,000</i>	<i>\$3,680,000</i>	<i>\$11,040,000</i>	<i>\$25,740,000</i>
<b>Grand Total:</b>	<b>\$11,405,000</b>	<b>\$12,333,000</b>	<b>\$11,530,000</b>	<b>\$35,268,000</b>	<b>\$8,318,000</b>	<b>\$8,318,000</b>	<b>\$8,318,000</b>	<b>\$24,954,000</b>	<b>\$60,222,000</b>

**Gross Savings (\$): \$14,469,062**  
 Gross Savings (%): 24%  
 State Investment (\$): \$8,080,000  
 Net Savings (\$): \$6,389,062

# Michigan Municipal Services Authority

Year Ended  
September 30,  
2013

Financial  
Statements

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## ■ Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
<b>Financial Statements</b>	
Statement of Net Position and General Fund Balance Sheet	7
Statement of Activities and General Fund Statement of Revenues, Expenditures and Changes in Fund Balance	8
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	9
Notes to Financial Statements	11





**INDEPENDENT AUDITORS' REPORT**

March 13, 2014

To the Board of the  
Michigan Municipal Services Authority  
Lansing, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the *Michigan Municipal Services Authority* (the "Authority"), a component unit of the State of Michigan, as of and for the year ended September 30, 2013, which collectively comprise the basic financial statements, as listed in the table of contents, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Independent Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

*Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Michigan Municipal Services Authority as of September 30, 2013, and the respective changes in its financial position thereof, and the budgetary comparison for the general fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Other Matters*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Rehmann Lobson LLC". The signature is written in a cursive, flowing style.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Management's Discussion and Analysis

The Michigan Municipal Services Authority (the "Authority"), a component unit of the State of Michigan, provides this overview of the Authority's financial activities for the fiscal year ended September 30, 2013. Please read it in conjunction with the Authority's financial statements.

As fiscal 2013 was the first year of the Authority's operations, no prior year amounts are available for comparison.

### Using this Annual Report

Management's discussion and analysis is intended to serve as an introduction to the Michigan Municipal Services Authority's financial statements. The Authority's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

- The *statement of net position* presents information on all of the Authority's assets and liabilities, with the net of these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.
- The *statement of activities* presents information showing how the Authority's net position changed during the most recent fiscal year.
- The *fund financial statements* show how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Authority's operations in more detail than the government-wide statements by providing information about the Authority's significant funds.
- The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the financial statements.

### Financial Analysis

The net position of the Michigan Municipal Services Authority is summarized for the purpose of determining the overall fiscal position. As shown below, the Authority's assets exceeded liabilities by \$9,435 at the end of the fiscal year.

	Net Position 2013
<b>Assets</b>	
Cash and cash equivalents	\$ 9,535
Due from State of Michigan	40,192
	<hr/>
<b>Total assets</b>	49,727
<b>Liabilities</b>	
Accounts payable	40,292
	<hr/>
<b>Net position - unrestricted</b>	<u>\$ 9,435</u>

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Management's Discussion and Analysis

	Change in Net Position 2013
Total revenues	\$ 95,193
Total expenses	<u>85,758</u>
<b>Change in net position</b>	9,435
Net position, beginning of year	<u>-</u>
<b>Net position, end of year</b>	<u><u>\$ 9,435</u></u>

### Budgetary Highlights

The original budget was not amended during the current fiscal year due to the shortened first year of the Authority. Revenues were budget for \$849,000 based on contracts applied for by the Authority. The Authority provided services to the State of \$95,193.

### Economic Factors and Next Year's Budget

The Authority's budget for the fiscal year ending September, 30, 2014 includes projected increases in revenues from State of Michigan contracts and from the Authority's Virtual Health and Wellness Marketplace with the City of Detroit.

### Contacting the Michigan Municipal Services Authority

This financial report is designed to provide a general overview of the Michigan Municipal Services Authority finances and to show accountability for the money it receives and expends. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Michigan Municipal Services Authority, 430 W. Allegan Street, Lansing, MI 48198.

## FINANCIAL STATEMENTS

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Statement of Net Position and

General Fund Balance Sheet

September 30, 2013

	General Fund	Adjustments	Governmental Activities
<b>Assets</b>			
Cash and cash equivalents	\$ 9,535	\$ -	\$ 9,535
Due from State of Michigan	40,192	-	40,192
<b>Total assets</b>	<u>\$ 49,727</u>	<u>\$ -</u>	<u>49,727</u>
<b>Liabilities</b>			
Accounts payable	\$ 40,292	-	40,292
<b>Fund balance</b>			
Unassigned	9,435	(9,435)	-
<b>Total liabilities and fund balance</b>	<u>\$ 49,727</u>		
<b>Net position</b>			
Unrestricted			<u>\$ 9,435</u>

The accompanying notes are an integral part of these financial statements.

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Statement of Activities and

General Fund Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended September 30, 2013

	General Fund	Adjustments	Governmental Activities
<b>Revenues</b>			
Intergovernmental	\$ 95,193	\$ -	\$ 95,193
<b>Expenditures</b>			
General government	85,758	-	85,758
<b>Net change in fund balance / net position</b>	9,435	-	9,435
Fund balance / net position, beginning of year	-	-	-
<b>Fund balance / net position, end of year</b>	<u>\$ 9,435</u>	<u>\$ -</u>	<u>\$ 9,435</u>

The accompanying notes are an integral part of these financial statements.

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended September 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>				
Contract revenue	\$ 849,000	\$ 849,000	\$ 95,193	\$ (753,807)
<b>Expenditures</b>				
Health and wellness	250,000	250,000	85,758	(164,242)
<b>Net change in fund balance</b>	599,000	599,000	9,435	(589,565)
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	<u>\$ 599,000</u>	<u>\$ 599,000</u>	<u>\$ 9,435</u>	<u>\$ (589,565)</u>

The accompanying notes are an integral part of these financial statements.



## NOTES TO FINANCIAL STATEMENTS

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Notes To Financial Statements

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The Michigan Municipal Services Authority (the "Authority") was established on August 1, 2012 pursuant to the Urban Cooperation Act of 1967, as part of an interlocal agreement between the City of Grand Rapids and the City of Livonia. The purpose of the Authority is to engage in cooperative activities with other public agencies on behalf of the two governmental entities. Although the Authority was formed prior to October 1, 2012, operations did not begin until June 2013.

These financial statements represent the financial position and results of the operations of a component unit of the State of Michigan.

#### Government-wide and Fund Financial Statements

As permitted by GASB Statement No. 34, the Authority uses an alternative approach reserved for single program governments to present combined government-wide and fund financial statements by using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column. Accordingly, this is presented in the Statement of Net Position and Governmental Funds Balance Sheet and the Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances. The major individual governmental fund is reported as separate column in the aforementioned financial statements.

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial information is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial information is reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Authority reports the following major governmental fund -

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government.

#### Cash and Cash Equivalents

The Authority's cash and cash equivalents are considered to be all demand deposits. State statutes authorize local governments to deposit in the accounts of federally insured banks, credit unions, and savings and loan associations.

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Notes To Financial Statements

### Fund Balance

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually require to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Directors. A formal resolution of the Board of Directors is required to establish, modify or rescind a fund balance commitment. Assigned fund balance is reported for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance is the residual classification used for a general fund.

When the Authority incurs an expenditure for purposes for which various fund balance classifications can be used, it is the Authority's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance, if any.

## 2. BUDGETARY INFORMATION

Budgets are adopted annually. The general fund is under formal budgetary control. Budgets shown in the financial statements are adopted on a basis consistent with generally accepted accounting principles (GAAP), and are not significantly different from the modified accrual basis used to reflect actual results, and consist only of those amounts contained in the formal budget as originally adopted and as amended by the Authority Board. The budget for the general fund is adopted at the activity level; expenditures at this level in excess of final budgeted amounts are a violation of Michigan law. A comparison of actual results of operations to the final amended budget is included in the Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual for the General Fund.

## 3. DUE FROM OTHER GOVERNMENTS / CONTRACT REVENUE

The Authority has entered into an agreement with the State of Michigan for specific shared services consolidation consulting and implementation services to provide a Virtual Health and Wellness Marketplace. Under this agreement the State provides funding in the amount of \$1,250,000 for initial startup costs to cover the first two years of operations. The Authority receives monies on a reimbursement basis under this agreement. As of September 30, 2013, the Authority had recognized \$95,913 under this agreement with \$40,912 due from the State of Michigan.



**INDEPENDENT AUDITORS' COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE**

March 13, 2014

To the Board of the  
Michigan Municipal Services Authority  
Lansing, Michigan

We have audited the financial statements of the governmental activities and the major fund of the *Michigan Municipal Services Authority* (the "Authority") for the year ended September 30, 2013, and have issued our report thereon dated March 13, 2014. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under Auditing Standards Generally Accepted in the United States of America**

As stated in our engagement letter dated January 29, 2014, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement. As part of our audit, we considered the internal control of the Authority. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control. We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter and in our meeting about planning matters on February 21, 2014.

**Significant Results of the Audit***Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No such misstatements were noted.

*Upcoming Changes in Accounting Standards*

Generally accepted accounting principles (GAAP) are continually changing in order to promote the usability and enhance the applicability of information included in external financial reporting. While it would not be practical to include an in-depth discussion of every upcoming change in professional standards, Attachment A to this letter contains a brief overview of recent pronouncements of the Governmental Accounting Standards Board (GASB) and their related effective dates. Management is responsible for reviewing these standards, determining their applicability, and implementing them in future accounting periods.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the attached management representation letter dated March 13, 2014.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the governing body and management of the *Michigan Municipal Services Authority* and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Lehmann Lobson LLC". The signature is written in a cursive, flowing style.

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Attachment A - Upcoming Changes in Accounting Standards

For the September 30, 2013 Audit

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Authority in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Authority. For the complete text of these and other GASB standards, visit [www.gasb.org](http://www.gasb.org) and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

### **GASB 66 ■ 2012 Technical Corrections (an Amendment to GASB 10 and GASB 62)**

*Effective 12/15/2013 (your FY 2014)*

This standard was issued to eliminate conflicting guidance that resulted from the issuance of GASB 54 and GASB 62, which are both already effective. GASB 10 was amended to allow for risk financing activities to be accounted for in whichever fund type is most applicable (no longer limited to the general fund or an internal service fund). GASB 62 was amended to modify specific guidance related to (1) operating leases with scheduled rent increases, (2) purchase of loans at an amount other than the principal amount, and (3) service fees related to mortgages that are sold when the service rate varies significantly from the current (normal) service fees.

We do not expect GASB 66 to have any significant impact on the Authority at this time.

### **GASB 67 ■ Financial Reporting for Pension Plans**

*Effective 06/15/2014 (your FY 2014)*

This standard establishes the requirements for pension plans administered by trusts to report on their operations, including setting new uniform requirements for actuarial valuations of the total pension liability, and reporting various 10-year trend data as required supplementary information. The financial statements of pension plans will not change substantially as a result of GASB 67, though the additional note disclosures and required supplementary information will be significant. Additionally, actuarial valuations conducted in accordance with GASB 67 will have to match the government's fiscal year, or be rolled forward to that date by the actuary.

Because the Authority does not maintain its own pension trust fund (or provide pension benefits), we do not expect GASB 67 to have any impact on the Authority at this time.

### **GASB 68 ■ Accounting and Financial Reporting for Pensions**

*Effective 06/15/2015 (your FY 2015)*

This standard establishes new requirements for governments to report a "net pension liability" for the unfunded portion of its pension plan. Governments that maintain their own pension plans (either single employer or agent multiple-employer) will report a liability for the difference between the total pension liability calculated in accordance with GASB 67 and the amount held in the pension trust fund. Governments that participate in a cost sharing plan will report a liability for their "proportionate share" of the net pension liability of the entire system.

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Attachment A - Upcoming Changes in Accounting Standards

For the September 30, 2013 Audit

Historically, governments have only been required to report a net pension obligation to the extent that they have not met the annual required contribution (ARC) in any given year. Upon implementation of this standard, governments will be required to report a net pension liability based on the current funded status of their pension plans. This liability would be limited to the government-wide financial statements. Changes in this liability from year to year will largely be reflected on the income statement, though certain amounts will be deferred and amortized over varying periods.

GASB 68 also requires more extensive note disclosures and required supplementary information, including 10 years of historical information. The methods used to determine the discount rate (the assumed rate of return on plan assets held in trust) are mandated and must be disclosed, along with what the impact would be on the net pension liability if that rate changed by 1% in either direction. Other new disclosure requirements include details of the changes in the components of the net pension liability, comparisons of actual employer contributions to actuarially determined contributions, and ratios to put the net pension liability in context. For single-employer and agent multiple-employer plans, the information for these statements will come from the annual actuarial valuation. For cost sharing plans, this information will be derived from the financial reports of the plan itself, multiplied by the government's proportionate share of plan.

Again, because the Authority does not provide pension benefits, this standard will have no impact.

### **GASB 69 ■ Government Combinations and Disposals of Government Operations**

*Effective 12/15/2014 (your FY 2015)*

This standard provides detailed requirements for the accounting and disclosure of various types of government combinations, such as mergers, acquisitions, and transfers of operations. The guidance available previously was limited to nongovernmental entities, and therefore did not provide practical examples for situations common in government-specific combinations and disposals. The accounting and disclosure requirements for these events vary based on whether a significant payment is made, the continuation or termination of services, and the legal structure of the new or continuing entity.

Given the infrequent nature of these types of events, we do not expect this standard to have any impact on the Authority at this time.

### **GASB 70 ■ Nonexchange Financial Guarantees**

*Effective 06/15/2014 (your FY 2014)*

This standard addresses the accounting and disclosure of situations in which one government offers a financial guarantee on behalf of another government, not-for-profit organization, private entity, or individual without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). A government that extends a nonexchange financial guarantee will be required to recognize a liability when qualitative factors and/or historical data indicate that it is "more likely than not" that the government will be required to make a payment on the guarantee. It further requires governments to disclose any outstanding financial guarantees in the notes to the financial statements.

We do not expect GASB 70 to have any significant impact on the Authority at this time.



# MICHIGAN MUNICIPAL SERVICES AUTHORITY

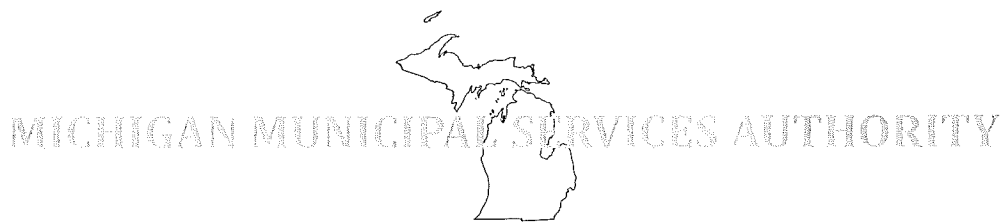
## ■ Attachment A - Upcoming Changes in Accounting Standards

For the September 30, 2013 Audit

### GASB 71 ■ Pension Transition for Contributions Made Subsequent to the Measurement Date *Effective with the Implementation of GASB 68*

This standard is an amendment to GASB 68, and seeks to clarify certain implementation issues related to amounts that are deferred and amortized at the time GASB 68 is first adopted. It applies to situations in which the measurement date of an actuarial valuation differs from the government's fiscal year.





March 13, 2014

Rehmann Robson  
675 Robinson Rd.  
Jackson, MI 49203

This representation letter is provided in connection with your audit of the financial statements of the governmental activities and the major fund of the Michigan Municipal Services Authority (the "Authority") as of and for the year ended September 30, 2013, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements present fairly, in all material respects, the financial position, results of operations, and the budgetary comparison for the general fund of the Authority in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 13, 2014, that:

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 29, 2014, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates are reasonable.
5. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. For the purposes of this letter, related parties mean members of the governing body; board members; administrative officials; immediate families of administrative officials, board members, and members of the governing body; and any companies affiliated with or owned by such individuals.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. All funds and activities are properly classified.
9. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented



as such and all other funds that are presented as major are considered important to financial statement users.

10. All components of net position and fund balance classifications have been properly reported.
11. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contract revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
12. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
13. Deposit and investment risks have been properly and fully disclosed.
14. All required supplementary information is measured and presented within the prescribed guidelines.

**Information Provided**

15. We have provided you with:
  - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
16. All transactions have been recorded in the accounting records and are reflected in the financial statements.
17. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
18. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
19. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
20. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation or claims.
21. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
22. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
23. The government has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
24. We have disclosed to you all guarantees, whether written or oral, under which the government is contingently liable.
25. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
26. There are no:



MICHIGAN MUNICIPAL SERVICES AUTHORITY

- a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
  - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
27. The government has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
28. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
29. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

**Required Supplementary Information**

30. With respect to the required supplementary information accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
  - b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America.
  - c. The methods of measurement or presentation have not changed from those used in the prior period.
  - d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

*Robert J. Daddow*

3/18/14

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Robert Daddow, Vice Chair  
Michigan Municipal Services Authority

**Michigan Municipal Services Authority  
Lansing, Michigan**

**FINANCIAL STATEMENTS**

**September 30, 2014**

Michigan Municipal Services Authority

TABLE OF CONTENTS

September 30, 2014

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	i-ii
MANAGEMENT'S DISCUSSION AND ANALYSIS	iii-v
BASIC FINANCIAL STATEMENTS	
Statement of Net Position	1
Statement of Revenues, Expenses, and Changes in Net Position	2
Statement of Cash Flows	3
Notes to Financial Statements	4-7
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	8-9

Principals

Dale J. Abraham, CPA  
Michael T. Gaffney, CPA  
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Aaron M. Stevens, CPA  
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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Michigan Municipal Services Authority  
Lansing, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Michigan Municipal Services Authority (the Authority), a component unit of the State of Michigan, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Michigan Municipal Services Authority, a component unit of the State of Michigan, as of September 30, 2014, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2015, on our consideration of the Michigan Municipal Services Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Michigan Municipal Services Authority's internal control over financial reporting and compliance.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

March 3, 2015



Michigan Municipal Services Authority

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

The intent of the management's discussion and analysis is to provide highlights of the Authority's financial activities for the fiscal year ended September 30, 2014. Readers are encouraged to read this section in conjunction with the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- ❖ Net Position: The assets of the Authority exceeded its liabilities by \$202,442 as of September 30, 2014. This unrestricted net position may be used to meet the Authority's ongoing obligations.
- ❖ The total net position increased by \$193,007 as a result of current year activity.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The annual report includes this management's discussion and analysis report, the independent auditor's report and the basic financial statements of the Authority, including notes that explain in more detail some of the information in the financial statements.

**REQUIRED FINANCIAL STATEMENTS**

The financial statements report information of the Authority using accounting methods similar to those used by private-sector companies. These statements offer short and long-term financial information about its activities.

The Statement of Net Position includes all of the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to their creditors (liabilities). It also provides the basis for evaluating the capital structure of the Authority and assessing their liquidity and financial flexibility.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the Authority's operations over the past year.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

**FINANCIAL ANALYSIS OF THE AUTHORITY**

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position provide information to determine how the Authority did financially during 2014. The net position, or the difference between assets and liabilities, and the changes in them can indicate whether financial health is improving or deteriorating over time. However, other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation also need to be considered in determining the Authority's financial health.

Michigan Municipal Services Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
September 30, 2014

**NET POSITION**

The Authority's Condensed Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position are presented in the following comparative tables.

TABLE 1  
CONDENSED STATEMENT OF NET POSITION

	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Current assets	\$ 600,812	\$ 49,727
Current liabilities	<u>398,370</u>	<u>40,292</u>
Unrestricted net position	<u><u>\$ 202,442</u></u>	<u><u>\$ 9,435</u></u>

TABLE 2  
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	<u>2014</u>	<u>2013</u>
Operating revenues	\$ 2,196,995	\$ 95,193
Operating expenses	<u>2,003,988</u>	<u>85,758</u>
Changes in net position	193,007	9,435
Beginning net position	<u>9,435</u>	<u>-</u>
Ending net position	<u><u>\$ 202,442</u></u>	<u><u>\$ 9,435</u></u>

The Authority's operating revenues increased by \$2,101,802 from the prior year because the Authority began providing health benefits enrollment, administration, and related services to the City of Detroit in October 2013.

The Authority's operating expenses increased by \$1,918,230 from the prior year because the Authority subcontracts service provision to Benefit Express Services, LLC and retains an administrative fee.

**BUDGETARY HIGHLIGHTS**

The Authority is an enterprise fund and is not required to adopt an annual budget. However, the Authority Board does adopt an annual operating budget. The operating budget includes proposed expenses and the means of financing them. The Authority's operating budget remains in effect but can be revised with the Authority Board approval prior to the September 30 year-end.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Authority's budget for the fiscal year ending September 30, 2015, includes projected increases in revenues from the State of Michigan contracts and from the Authority's Virtual Health and Wellness Marketplace with the City of Detroit.

Michigan Municipal Services Authority  
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2014

**CONTACT INFORMATION**

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate its accountability for the funds it receives. Questions regarding this report or requests for additional information should be addressed to the Michigan Municipal Services Authority, P.O. Box 12012, Lansing, MI 48901-2012.

## **BASIC FINANCIAL STATEMENTS**

Michigan Municipal Services Authority

STATEMENT OF NET POSITION

September 30, 2014

ASSETS

Current assets

Cash	\$ 166,980
Due from other governmental units	<u>433,832</u>

TOTAL ASSETS	600,812
--------------	---------

LIABILITIES

Current liabilities

Accounts payable	389,220
Accrued wages	5,446
Other accrued liabilities	<u>3,704</u>

TOTAL LIABILITIES	<u>398,370</u>
-------------------	----------------

NET POSITION

Unrestricted	<u><u>\$ 202,442</u></u>
--------------	--------------------------

Michigan Municipal Services Authority

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Year Ended September 30, 2014

OPERATING REVENUES	
Intergovernmental	\$ 2,196,995
OPERATING EXPENSES	
Salaries and wages	49,585
Payroll taxes and benefits	4,592
Insurances	507
Professional services	92,016
Service contracts	1,851,961
Travel	2,636
Training	770
Dues and subscriptions	395
Miscellaneous	1,526
	<hr/>
TOTAL OPERATING EXPENSES	2,003,988
	<hr/>
CHANGE IN NET POSITION	193,007
Net position, beginning of year	9,435
	<hr/>
Net position, end of year	<u>\$ 202,442</u>

Michigan Municipal Services Authority

STATEMENT OF CASH FLOWS

Year Ended September 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers	\$ 1,803,355
Cash paid to suppliers	(1,600,883)
Cash paid to employees	(44,139)
Cash paid for employee benefits	<u>(888)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	157,445
Cash, beginning of year	<u>9,535</u>
Cash, end of year	<u><u>\$ 166,980</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 193,007
Adjustment to reconcile operating income to net cash provided by operating activities	
(Increase) in:	
Due from other governmental units	(393,640)
Increase in:	
Accounts payable	348,928
Accrued wages	5,446
Other accrued liabilities	<u>3,704</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 157,445</u></u>

See accompanying notes to financial statements.

Michigan Municipal Services Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Michigan Municipal Services Authority (the Authority) was established on August 1, 2012 pursuant to the Urban Cooperation Act of 1967, as part of an interlocal agreement between the City of Grand Rapids and the City of Livonia. The purpose of the Authority is to engage in cooperative activities with other public agencies on behalf of the two governmental entities.

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles.

The following is a summary of the significant accounting policies:

1. Reporting Entity

The accompanying financial statements are exclusive presentations of the financial condition and results of operations of the Michigan Municipal Services Authority. The Authority is considered a component unit of the State of Michigan.

The Authority is controlled by a twelve member Board. The Authority elects from its members a Chairperson, Vice-Chairperson, Treasurer, and Secretary.

2. Basis of Presentation

The operations of the Authority are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses. The Authority's resources are allocated to and accounted for in the individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The fund in the basic financial statements in this report is described as follows:

PROPRIETARY FUND

Enterprise Fund - This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

As of September 30, 2013, the Authority was presented as a General Fund in the fund-level financial statements under Governmental Activities at the government-wide level. During the fiscal year 2014 it was determined that the Authority's activities more accurately reflect the purpose of an Enterprise Fund and should be presented as such. As of the fiscal year ended September 30, 2014, the Authority will be presented as an Enterprise Fund. An Enterprise Fund is reported as a business-type activity at the government-wide level and is not required to present a budgetary comparison schedule to supplement the basic financial statements.

3. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the Statement of Net Position. Fund equity (i.e., net position) is segregated into net investment in capital assets, restricted, and unrestricted components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.



Michigan Municipal Services Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE A: DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**- CONTINUED**

4. Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The proprietary fund is accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and the expenses are recognized when they are incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are contract fees to other governmental units for services provided. Operating expenses for the Enterprise Fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. If/when both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

5. Cash

Cash consists of a checking account.

6. Due from Other Governmental Units

Due from other governmental units consist of amounts due from the State of Michigan and participating municipalities related to services provided.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority currently does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority currently does not have any items that qualify for reporting in this category.

8. Comparative Data

Comparative data for the prior year have not been presented in the basic financial statements since their inclusion would make the statements unduly complex and difficult to read.

Michigan Municipal Services Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE B: CASH**

In accordance with Michigan Compiled Laws, the Authority is authorized to invest in the following investment vehicles:

1. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
2. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
3. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures more than 270 days after the date of purchase.
4. The United States government or Federal agency obligations repurchase agreements.
5. Bankers acceptances of United States Banks.
6. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

Deposits

There is a custodial risk as it relates to deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. As of September 30, 2014, the carrying amount of the Authority's deposits was \$166,980 and the bank balance was \$184,606, which was fully covered by federal deposit insurance.

Credit Risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of September 30, 2014, the Authority did not have any investments that would be subject to rating by an NRSRO.

Interest Rate Risk

The Authority's investment policy does not address interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates.

Concentration of Credit Risk

The Authority's investment policy does not address concentration of credit risk, which is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer.

Custodial Credit Risk

The Authority's investment policy does not address custodial credit risk, which is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments that are in possession of an outside party.

Michigan Municipal Services Authority

NOTES TO FINANCIAL STATEMENTS

September 30, 2014

**NOTE C: DUE FROM OTHER GOVERNMENTAL UNITS / CONTRACT REVENUE**

The Authority has entered into an agreement with the State of Michigan for specific shared services consolidation consulting and implementation services to provide a Virtual Health and Wellness Marketplace. Under this agreement the State provides funding in the amount of \$1,250,000 for initial startup costs to cover the first two years of operations. The Authority receives monies on a reimbursement basis under this agreement. As of September 30, 2014, the Authority had recognized \$515,767 under this agreement with \$58,020 due from the State of Michigan.

**NOTE D: RISK MANAGEMENT**

The Authority is exposed to various risks of loss for liability and workers' compensation claims. For workers' compensation claims the Authority carries commercial insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in either of the past two fiscal years.

Principals

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



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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors  
Michigan Municipal Services Authority  
Lansing, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Michigan Municipal Services Authority (the Authority), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 3, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

March 3, 2015

**MICHIGAN MUNICIPAL SERVICES AUTHORITY**  
Executive Committee

---

**RESOLUTION 2014 – 34**  
FY 2014-2015 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 2014-2015 General Appropriations Act.

**Section 2. Public Hearing.** In compliance with 1963 (2<sup>nd</sup> 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 September 4, 2014 and a public hearing on the proposed budget was held by the Executive Committee of the Michigan Municipal Services Authority ("Authority") on September 11, 2014.

**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, 2014 and ending on September 30, 2015 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 2014-2015 are:

<u>Fund</u>	<u>Revenue</u>	<u>Expenditures</u>
General Fund	\$ 1,457,541	\$ 1,427,288

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Executive Committee

### General Fund

<b>REVENUE</b>	
401 Taxes	
450 Licenses and Permits	
501 Federal Grants	
539 State Grants	
580 Contribution From Local Units	
626 Contract Revenue	1,457,541
600 Charges for Services	
655 Fines and Forfeits	
664 Interest and Rents	
671 Other Revenue	0
Total Revenue and Other Sources	1,457,541
<b>EXPENDITURES</b>	
505 Outside Service Contracts	1,170,460
701 Personal Services	208,128
726 Supplies	11,400
800 Other Services and Charges	17,300
970 Capital Outlay	0
990 Debt Service	0
999 Transfers (Out)	0
Contingency	20,000
Total Expenditures and Other Uses	1,427,288
Net Revenues	30,253
<b>Beginning Fund Balance</b>	158,368
<b>Ending Fund Balance</b>	188,621

**Section 7. Periodic Financial Reports.** The Treasurer 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.

# MICHIGAN MUNICIPAL SERVICES AUTHORITY

Executive Committee

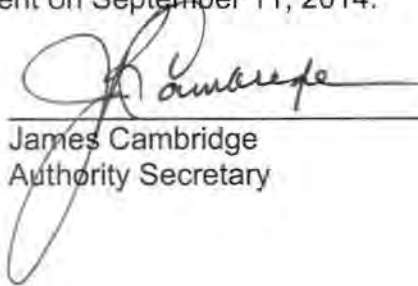
**Section 8. Budget Monitoring.** Whenever it appears to the Chief Administrative Officer of the Authority that the actual and probable revenues in any fund of the Authority will less than the estimated revenues upon which appropriations from the fund were based, and when it appears that expenditures 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, 2015. 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 11, 2014.

By:

  
\_\_\_\_\_  
James Cambridge  
Authority Secretary





# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## *Shared Services Governance Structure*

### **INTRODUCTION:**

The Michigan Municipal Services Authority (MMSA) Shared Services Governance Structure is designed to provide a formal decision making framework to support strategic planning and budgeting, transformational programs and projects, and day to day operational activities. The purpose of this structure is to provide for effective prioritization of objectives, allocation and utilization of resources, proactive management of risks, and mechanisms to address change - ultimately supporting the achievement of MMSA goals and objectives. Governance for MMSA shared services initiatives is broken in to three broad categories:

- **Portfolio Level:** Responsible for the strategic management and direction of all shared services resources and activities ranging from programs / projects to daily operations, enabling the MMSA to meet business goals.
- **Program Level:** Responsible for managing a group of related projects where doing them together provides benefits or efficiencies. Programs are grouped within a portfolio and comprised of subprograms, projects, or other work activities.
- **Project Level:** Responsible for the management of a temporary undertaking to produce a unique product, service or result.

A graphic representation of the MMSA shared services governance structure is presented in appendix A.

### **AUTHORITIES AND RESPONSIBILITIES:**

#### **1. MMSA AUTHORITY BOARD AND EXECUTIVE COMMITTEE**

The overall authorities and responsibilities for the Authority Board and Executive Committee are presented in the *Interlocal Agreement Creating the Michigan Municipal Services Authority* and the *Initial Bylaws of the Michigan Municipal Services Authority*. Membership composition, membership term, quorum, voting and rules of order are detailed in the above documents.

With respect to governance over shared services systems, operations and projects, these bodies are responsible for portfolio level management and direction, including:

- Articulation of the MMSA's values, vision, mission and strategies
- Define, maintain and validate the shared services value proposition
- Executive Committee approval of strategic plans and establishment strategic priorities
- Issuance of a governance structure and policies
- Executive Committee approval of processes and communications relative to the shared services aggregate portfolio
- Executive Committee approval all budgets and budget amendments
- Supervision or delegated supervision of Authority officers, agents and employees
- Monitoring program and project performance against agreed upon key business plan metrics and performance measures



# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## ***Shared Services Governance Structure***

- Executive Committee approval of project related change requests having the potential to impact the project budget, schedule or scope as determined by the MMSA Bylaws, resolutions and / or project charters.
- Ensure, through the CEO and Portfolio Management functions, that all contractual obligations and compliance requirements are addressed
- Establish mechanisms to identify, consider and address significant risks threatening the achievement of portfolio, program and project objectives

### **2. CHIEF EXECUTIVE OFFICER AND PORTFOLIO - PROGRAM STAFF**

The MMSA Executive Committee has delegated the authority for operations and administration of the MMSA Shared Services Governance Structure to the Chief Executive Officer (CEO), who in turn may direct the Portfolio and Program staff in the execution of these duties. The CEO authorities and responsibilities to administer all programs, funds, personnel, facilities, contracts and other administrative functions of the authority, subject to oversight by the Executive Committee, are further detailed in the *Interlocal Agreement Creating the Michigan Municipal Services Authority*, *MMSA Resolutions* and the employment contract.

With respect to governance over shared services systems , operations and projects , the CEO and Portfolio - Program Staff are responsible for the establishment, direction and implementation of portfolio and program level management, including:

- Articulation of the organization’s values, vision, mission and strategies
- Development of strategic (direction) plans and recommendation of strategic priorities
- Maintaining open lines of communication and promulgating through the organization and with external stakeholders the values, vision, mission and strategies
- Coordination with project partners and the administration of the shared services portfolio, all programs, funds, procurement, contracts, and day-to-day operations
- Implement procedures and processes to ensure that all contractual obligations and compliance requirements are addressed, monitor financial performance
- Determination of all key portfolio level and program level decision points
- Promotion and marketing of MMSA to local governments, nonprofits, and other potential customers
- Direction of governance structures and supporting shared services, including processes to support budget submission, approval, amendments and monitoring: resource optimization and allocation: cost allocation and recovery; change management; quality management and risk management.
- Establishment of portfolio, program and project standards and methodologies to ensure consistent, measurable reporting of comparable information to support executive decision making and ultimate achievement of objectives
- Providing transparency though regular reporting to the Authority Board, Executive Committee and other stakeholders



# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## *Shared Services Governance Structure*

- Retains overall responsibility for successful delivery of initiatives and services, including:
  - Strategy and Policy
  - Accountability
  - Public Relations
  - Risk Management
- The Portfolio - Program Management Staff will provide monitoring and controlling services for the programs and projects throughout their life cycles, from inception to retirement.

### **3. LEADERSHIP AND OVERSIGHT TEAM(S)**

The Leadership and Oversight Team will be made up of leadership from the MMSA and local participating organizations. The MMSA CEO or a designee serves as chair of the Leadership and Oversight Team(s). They must have sufficiently high organizational stature to be able to strongly influence application development and direction within their organization, as well as direct the strategy for system adoption. The Leadership and Oversight Team(s) is / are charged with determining and recommending objectives, budget schedules, priorities, service compositions and levels, cost models and resource requirements for respective programs and projects within the authority delegated to it by the MMSA. The teams are responsible for project implementation, system life cycle planning, transition from project mode to daily operations, governance at the FMS program and project levels, resolving escalated issues, and managing change. The Leadership and Oversight Team(s) are also responsible for overseeing the activities of the Implementation Management Work Group, Subject Matter Experts (SMEs) and the Functional Work Groups. Responsibilities include:

- Oversight of the shared services initiative – managing and adhering to timelines, expectations, budget, etc.
- Work with Program Management on issue resolution
- Recommend cost allocations to Executive Board
- Attend all scheduled Team meetings
- Provide support for the project
- Adherence to the Key Tenets for Success established within the Project Charter/Statement of Intent for each project
- Support change management portion of process
- Execute the change management plan (with assistance of Implementation Work Group and Functional Groups)
- Approval of project change requests that have the potential to impact the project budget, scope or schedule per thresholds established by the MMSA bylaws, resolutions and project charters.
- Assist with communicating key project messages throughout the organization
- Make the project a priority within the participating organization/member community
- Provide management support for the project to ensure it is staffed appropriately and that staff have necessary resources
- Monitor project progress including progress towards agreed upon goals and objectives
- Serve as Executive Project Sponsor at that members organization



# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Shared Services Governance Structure

- Make decisions related to impacts on the following:
  - Project Goals
  - System Policies

<b><u>Membership:</u></b>	<b><u>Voting*:</u></b>	<b><u>Term:</u></b>
<ul style="list-style-type: none"> <li>• 1 member and 1 alternate from each participating organization in a given project</li> </ul>	1 vote per organization	The CEO and representative from the Project Management Group will serve on the Leadership and Oversight Team at the pleasure of the MMSA Executive Committee
<ul style="list-style-type: none"> <li>• MMSA CEO or delegate</li> </ul>	1 vote	The CEO and representative from the Project Management Group will serve on the Leadership and Oversight Team at the will and pleasure of the MMSA Executive Committee
<ul style="list-style-type: none"> <li>• 1 member and 1 alternate from the Portfolio - Project Management Group, participating in an advisory capacity</li> </ul>	Non-voting	

\**Quorum*: Half of the members representing participating organizations must be present to constitute a quorum for voting purposes.

### 4. PROGRAM - PROJECT MANAGEMENT TEAM

The Program - Project Management Team will be responsible for providing project management services throughout the project life cycle (initiating, planning, executing and closing), as well as program management assistance, when appropriate. This team is responsible for following industry standard best practices to manage the project budget, scope, schedule and resources as directed by the Leadership and Oversight Team and articulated in the Project Charter. Primary responsibilities include:

- Development and maintenance of project processes, documentation and reporting mechanisms
- Coordinating project communications through all levels of the governance structure
- Implement and maintain mechanisms to record, monitor and report changes, issues and risks
- Facilitate issue resolution and, when necessary, lead issue escalation
- Managing and monitoring project resource allocation and utilization
- When involved in program management, ensure uniform system implementation and coordination with operational systems

<p><b><u>Membership:</u></b></p> <ul style="list-style-type: none"> <li>• Program - Project management team membership will depend on the needs of the MMSA for a given project</li> <li>• Members may be contract staff selected by the MMSA Executive Committee, or MMSA employees selected by the CEO, with the approval of the MMSA Executive Committee</li> </ul>
<p><b><u>Term:</u></b></p> <ul style="list-style-type: none"> <li>• Will vary depending on the needs of each project, as determined by the MMSA CEO and Executive Committee and with recommendations of participating jurisdictions</li> </ul>



# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## *Shared Services Governance Structure*

### **5. IMPLEMENTATION/PROJECT MANAGEMENT WORK GROUP**

This group will make key project implementation level decisions, demonstrate ownership of the success of the project, and monitor progress on project milestones. With the direction and sponsorship of the Leadership and Oversight Team, Implementation/Project Management Work Group members will work to compromise on a daily/tactical level between the specific interest of the organization they represent and the collaborative FMS project as a whole. The local government participation organization members in the Implementation Project Management Work Group may be supplemented by the implementation Vendors project manager, and other project management resources (See Section 4. Program – Project Management Team). Primary responsibilities include:

- Serve as the core project implementation team
- Attend all scheduled Implementation Work Group meetings
- Provide direction for the SME Functional Groups / Teams
- Manage project budgets, monitor spending and provide budget updates
- Identify project level risk, report risks and risk mitigation activities to the Leadership and Oversight Team
- Review and take action on all best practice exception requests, requests for modifications and/or change orders
- Serve as the first level of action to resolve project issues and change management issues
- Provide support for the project
- Assist with communicating key project messages throughout the participating organizations
- Provide management support for the project to ensure it is staffed appropriately and that staff have necessary resources
- Direct communication for respective participating organizations
- Assist with obtaining adoption of new business processes
- Coordinate department readiness for new system in respective participating organization
- Contribute to the development of training materials and provide training oversight
- Manage or coordinate the delivery of training to the participating organization
- Ensure that participating organization end users are receiving appropriate training
- Provide a forum for participating organization employees to voice concerns over the project
- Lead post implementation support planning
- Schedule participating organization resources for his/her respective organization
- Monitor project progress, including progress towards agreed upon goals and objectives
- Acting as supervisor/cheerleader for the new process
- Approve security templates developed by Project Team
- Make all decisions related to impacts on the following:
  - Cost (recommendations only)
  - Schedule and Scope (recommendations only)
  - Project Goals



# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Shared Services Governance Structure

<b>Membership:</b>
<ul style="list-style-type: none"> <li>• Senior level staff from or obtained by the MMSA, as needed</li> <li>• Senior level staff from participating organizations</li> </ul>
<b>Term:</b>
<ul style="list-style-type: none"> <li>• Will vary depending on the needs of each project, as determined by the MMSA CEO and Executive Committee and with recommendations of participating jurisdictions</li> </ul>

### 6. SME / FUNCTIONAL WORK GROUPS

Project Team members will be the core Functional Team Leads from each participating organization for each area in the system. The Project Team members have detailed subject matter expertise and are empowered to make appropriate business process and configuration decisions in their respective areas. The Project Team is tasked with carrying out all project tasks described in the Statement of Work including planning, business process analysis, configuration, documentation, testing, training, and all tasks necessary to implement the system and to uphold the key mission of the project. The group will be involved in the daily implementation of the system, product and services. Additional responsibilities include:

- Advise on each organization’s implementation needs, including process changes or training needs
- Work to reach consensus with the goal of a uniform implementation across all participating organizations, to the extent possible
- Attend all scheduled Functional Work Group meetings; participate in SME / Functional Groups Working Sessions

<b>Membership:</b>
<ul style="list-style-type: none"> <li>• Staff from or obtained by the MMSA, as needed</li> <li>• Staff of the local participating organizations with subject matter expertise</li> <li>• Subject matter experts will be designated for each functional area, including training, financial, personnel, etc.</li> </ul>
<b>Term:</b>
<ul style="list-style-type: none"> <li>• Will vary depending on the needs of each project, as determined by the MMSA CEO and Executive Committee and with recommendations of participating jurisdictions</li> </ul>

### 7. OPERATING PROCEDURES

Unless approved for exception by the MMSA Executive Committee, all MMSA subcommittees, Task Forces, Workgroups, Teams and other Program and Project Entities will abide by the following Operating Procedures:

- **Ethics and Conduct:** Members must follow conflict of interest and disclosure policies of the MMSA.



# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Shared Services Governance Structure

- **Meetings and Working Sessions:** In general, working sessions and meetings involving the project level implementation teams (e.g., FMS Leadership and Oversight Team, Implementation and Project Mgmt. Work Group and SME / Function Work Groups) will not be subject to Open Meetings Act.

### 8. BOARD CULTURE

The Board actively seeks to have an ‘engaged culture’ which is characterized by candor and a willingness to challenge. The following table is used to provide evidence of an engaged culture [taken from *Increasing Director Performance* (Australian Company Director, Vol. 20 No. 8 2004)]:

#### Agendas

- The agendas of the Board limit presentation time and maximize discussion time
- There are lots of opportunities for informal interactions among Board members

#### Norms

- Board members are honest yet constructive
- Members are ready to ask questions and willing to challenge leadership
- Members actively seek out other members’ views and contributions
- Members spend appropriate time on important issues

#### Beliefs

- “If I don’t come prepared, I will be embarrassed”
- “If I don’t actively participate, I won’t be fulfilling my responsibility”
- “I’ll earn the respect of fellow Board members by making valuable contributions and taking responsibility for what I do”
- “If I can’t carry my load, or if I can’t agree with what’s going on, I should resign”

#### Values

- The Board serves the community by actively participating in governance
- The Board is responsible to various stakeholders
- Board members are personally accountable for what goes on at the organization
- The Board is responsible for maintaining the organization’s stature in the sector
- Board members respect each other

### 9. REVIEW OF GOVERNANCE STRUCTURE

The MMSA Executive Committee and CEO will review this structure annually to ensure that the purpose, authority and responsibility, as defined by the structure and supporting charters, continue to support the accomplishment of objectives. The results of the annual assessment will be communicated to the Authority Board and MMSA FMS stakeholders.

### 10. PUBLICATION OF THE GOVERNANCE STRUCTURE

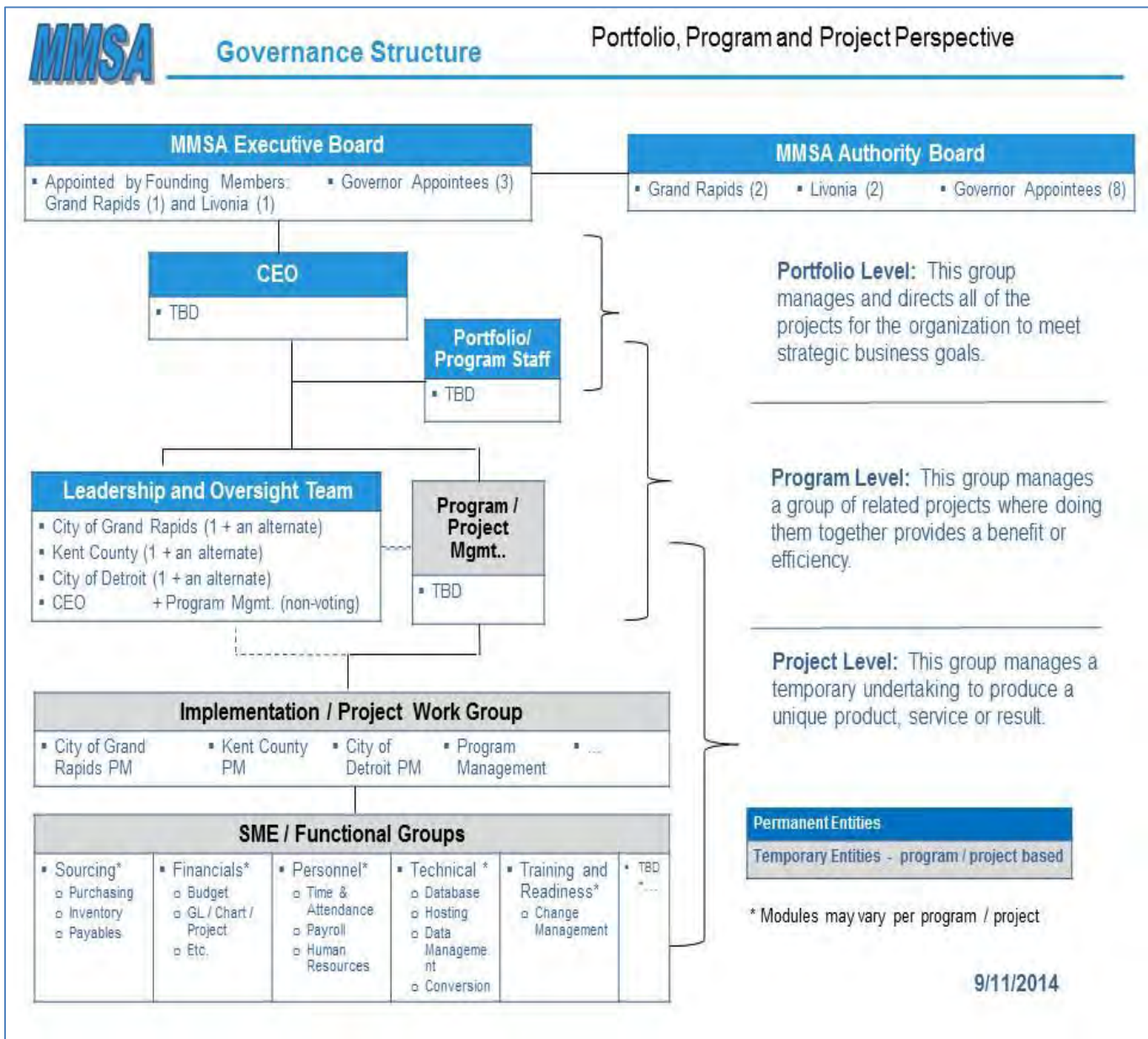
Once approved, the Governance Structure will be made available on the MMSA website:  
<http://www.michiganmsa.org/Pages/default.aspx>





Shared Services Governance Structure

APPENDIX A. Governance Structure Diagrams 1 of 4

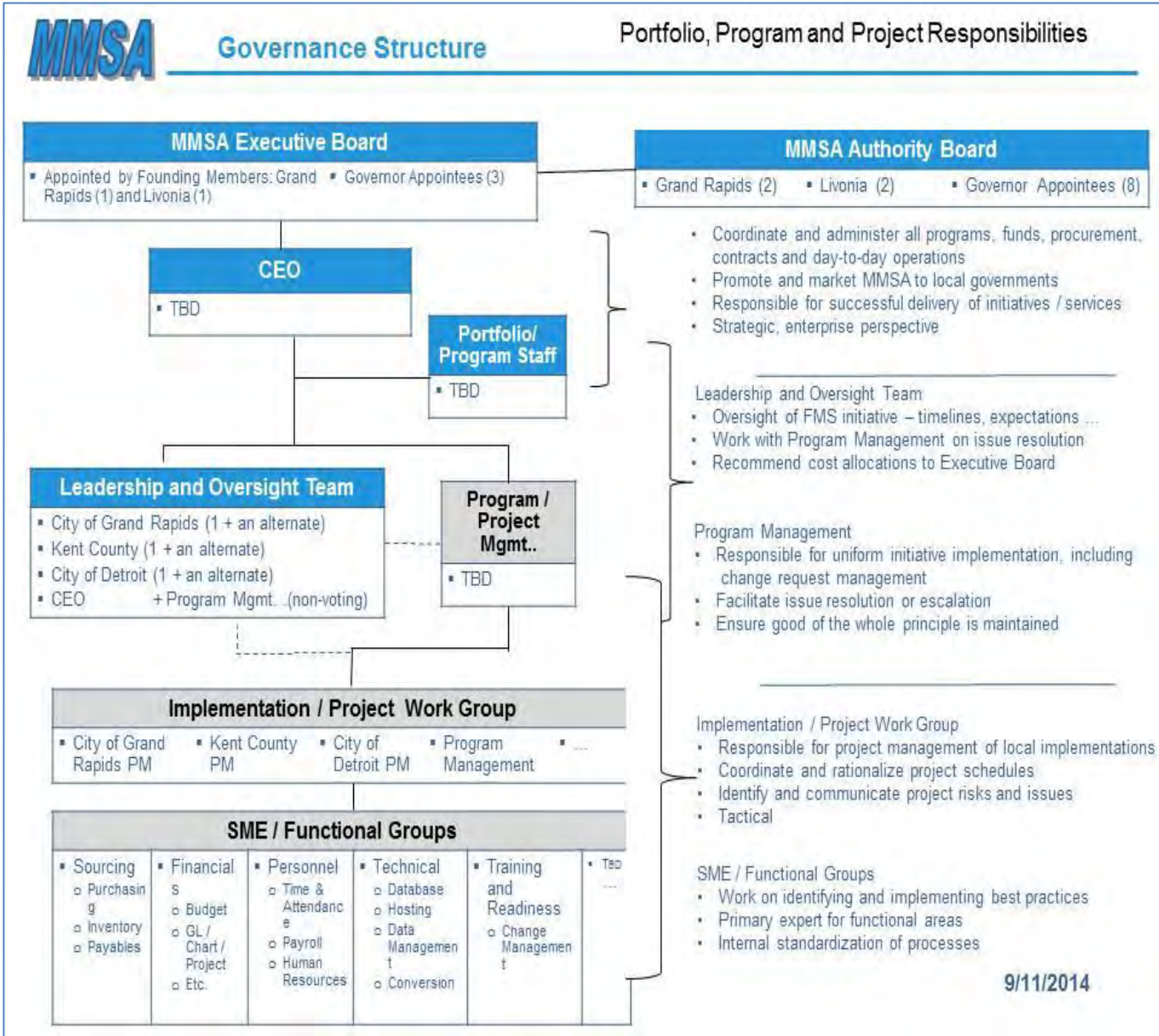






## Governance Structure

## Portfolio, Program and Project Responsibilities

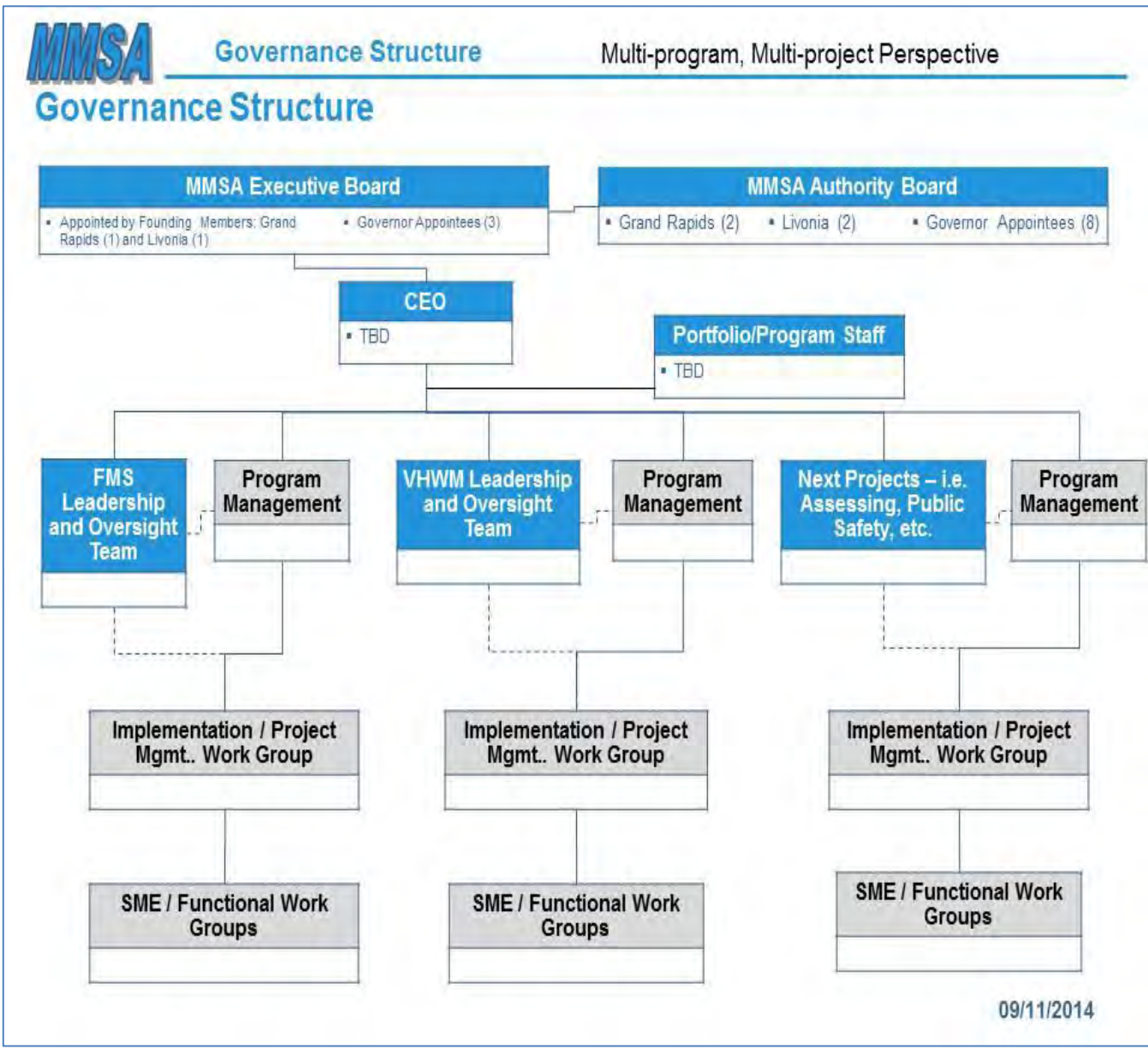


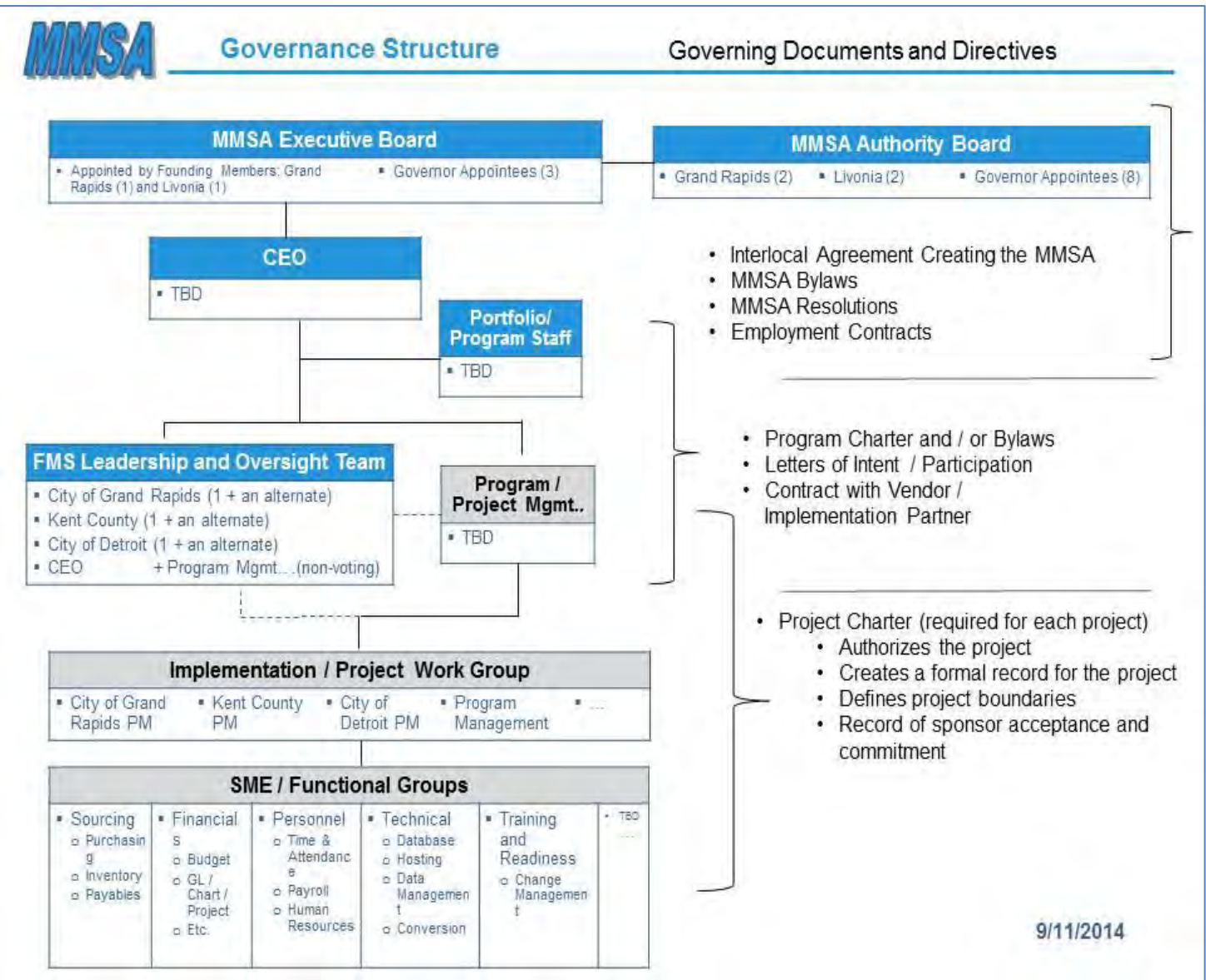
# MICHIGAN MUNICIPAL SERVICES AUTHORITY

## Shared Services Governance Structure

### APPENDIX A. Governance Structure Diagrams 2 of 4











RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

R. KEVIN CLINTON  
STATE TREASURER

November 5, 2014

Scott Buhner  
Michigan Municipal Services Authority  
430 West Allegan Street  
Lansing, MI 48933

Dear Mr. Buhner:

Re: **Amended Notification of Intent to Award - CGAP FY 2014 (Round 1)**

The Michigan Department of Treasury (Treasury) - Office of Revenue and Tax Analysis (ORTA) received a request dated October 14, 2014 from Robert Bruner, Chief Executive Officer, to change the scope and budget of the Competitive Grant Assistance Program (CGAP) funding.

We are pleased to inform you that the following requested revisions your governmental unit submitted for the project entitled **Multi-Tenant Financial Management and Human Resources Software System (FMS)** have been approved, as requested:

1. Treasury has approved the removal of the City of Detroit as a participating local unit.
2. Treasury has approved the removal of the 50% Tier 1 and 50% Tier 2 designation from the FMS Hardware and Implementation and the FMS Software and Implementation budgets.

We are pleased to inform you that the following requested revisions your governmental unit submitted for the project entitled **Multi-Tenant Financial Management and Human Resources Software System (FMS)** have been approved with modifications:

1. The Michigan Municipal Services Authority will submit, by April 16, 2015, a collaboration incentive proposal (proposal), which will function as the business plan for the FMS project. The proposal should, at a minimum, define project goals and objectives, and provide an overall strategy for the FMS implementation and sustainability. The proposal should describe a streamlined implementation process that will be used to allow for rapid and replicable deployment of the FMS solution across multiple communities. The proposal should describe a methodology for the allocation of grant funding to the new communities that join the FMS in the future, and should outline the expected return on investment for the project. It should also contain a timeline for all key steps of the proposal. Prior to the issuance of a Final Award letter, the grant panel shall review the collaboration incentive proposal and determine if it is acceptable.
2. The Michigan Municipal Services Authority shall submit, by April 16, 2015, evidence that the governing board of the Michigan Municipal Services Authority has approved the collaboration incentive proposal.
3. The Michigan Municipal Services Authority shall submit an updated total project budget by April 16, 2015. At that time, Treasury will consider the requested changes for review and possible approval by the CGAP grant panel.

We regret to inform you that the requested revision to the terms and conditions (a reduction of the 50% local match requirement) of the grant award issued to the City of Grand Rapids for the project entitled ***Suite of Multi-Tenant Financial Management Software Tools*** (Grant No. 105011-12) has been denied.

The revised maximum grant award amount is **\$5,000,000.00**. Enclosed is the amended intent to award approved budget for your grant project.

**Next Step**

To receive the Final Award, Treasury must receive the required Board Resolution(s), Board Meeting Minutes, or Inter-local Agreements for all participating local units (as indicated in the Conditions of the grant application packet), the collaboration incentive proposal, and the updated total project budget by Thursday, April 16, 2015. **If the required information has not been received, the project funding will be subject to automatic cancellation.**

Submission of the resolutions, minutes, or agreements will be considered an agreement to all provisions specified in the grant application packet and this amended intent to award letter, and will signify acceptance of the grant award.

Please send the required documents by e-mail to [TreasRevenueSharing@michigan.gov](mailto:TreasRevenueSharing@michigan.gov) or by mail to:

Michigan Department of Treasury  
Office of Revenue and Tax Analysis  
PO Box 3722  
Lansing, MI 48909

As the primary contact for this grant, we ask that you inform all participating local units of this amended intent to award letter. If you have any questions, please let us know. We can be reached at (517) 373-2697.

Sincerely,



Evah Cole, Division Administrator  
Office of Revenue & Tax Analysis

Enclosure

c: Eric DeLong  
Robert Bruner, Chief Executive Officer





Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

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**EXECUTIVE COMMITTEE  
RESOLUTION 2015-05**

Approval of FMS Business Plan

The Chief Executive Officer (“CEO”) of the Michigan Municipal Services Authority (“Authority”) has presented the Executive Committee of the Authority (“Executive Committee”) with a collaboration incentive proposal (proposal) and business plan in accordance with the Amended Notification of Intent to Award - CGAP FY 2014 (Round 1) from Treasury dated November 5, 2014.

The Executive Committee wants to provide evidence that the governing board of the Michigan Municipal Services Authority has approved the collaboration incentive proposal.

The Executive Committee of the Michigan Municipal Services Authority (“Authority”) therefore resolves:

1. That the collaboration incentive proposal (proposal) and business plan is approved; and
2. That the CEO is authorized to submit the approved collaboration incentive proposal (proposal) and business plan and this resolution to Treasury.

***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 April 9, 2015.

By: \_\_\_\_\_  
James Cambridge  
Authority Secretary