



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
REGULAR MEETING**

Thursday, March 19, 2020 at 1:30 PM

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

AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Approval of Minutes**
 - a. Minutes of the January 9, 2020 Executive Committee meeting
- V. Administrative Report**
 - a. FMS Project Update
 - b. LCSA Update & Legislation
- VI. New Business**
 - a. CEO Contract Extension
- VII. Public Comment**
- VIII. Other Business**
- IX. Adjournment**

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



Michigan Municipal Services Authority
PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
REGULAR MEETING**

Thursday, January 9, 2020 at 1:30 p.m.

Capital View Building
Constitution Room – 9th Floor
201 Townsend Street
Lansing, MI 48933

MINUTES

Proposed Minutes Approved

MEETING TYPE: Regular Special

I. Call to Order

The meeting was called to order at 1:40 PM.

II. Roll Call

Executive Committee Member Attendance:

	PRESENT	ABSENT
Kelli Scott, Chairperson	X	
James Cambridge, Secretary		X
Eric DeLong, Treasurer*	X	
Dominick Pallone, Member	X	
Doug Smith, Member*	X	

*Participated via teleconference.

Other attendees:

- Steven Liedel, Dykema
- Shea Charles, MMSA
- Kristen Delaney, MMSA

III. Approval of Agenda

Moved by: Pallone
Supported by: DeLong

Yes: X No: ___

IV. Approval of Minutes

a. Minutes of the December 12, 2019 regular Executive Committee meeting

Moved by: DeLong
Supported by: Pallone

Yes: X No: ___

V. Administrative Report

CEO Charles delivered the administrative report.

VI. New Business

a. Special Meeting – Visioning Session

Dates for the upcoming visioning session were discussed.

VII. Public Comment

None.

VIII. Other Business

Scott noted that it was time to review Charles' contract. Liedel will begin the process.

IX. Adjournment

Motion to adjourn the meeting at 2:06 PM.

Moved by: DeLong
Supported by: Smith

Yes: X No: ___

Certification of Minutes

Approved by the Executive Committee on February 13, 2020.

Authority Secretary

Date



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: March 17, 2020
TO: Executive Committee
FROM: Shea Charles, CEO
SUBJECT: CEO Contract Extension

During the March 11th Visioning Session there was consensus to extend my contract for a 12-month period, with a check-in after six months. Given recent the extension is not ready for Executive Committee consideration and my current agreement expires at the end of March. There is a six-month extension option in the agreement and I requesting the Committee approve it at this time. Once things get back to normal, I will bring back a formal twelve-month extension for consideration.

Attached is my current agreement, section 3 speaks to the extension.

EMPLOYMENT AGREEMENT

This agreement is between the MICHIGAN MUNICIPAL SERVICES AUTHORITY, a Michigan public body corporate (the “**Authority**”), and REID S. CHARLES II, an individual (the “**Executive**”).

Under section 4.12 of the interlocal agreement creating the Authority, the executive committee of the Authority may appoint a chief executive officer to administer programs, funds, personnel, facilities, contracts, and all other administrative functions of the Authority, subject to oversight by the executive committee. The chief executive officer may receive compensation as determined by the executive committee. All terms and conditions of the chief executive officer’s employment must be specified in a written contract.

The Executive is free to accept employment by the Authority and has no obligations to anyone that would hinder or interfere with the employment or the exercise of the efforts that a reasonable person in the position of chief executive officer would exercise to comply as promptly as possible with the obligations of the chief executive officer.

The Authority’s executive committee wants the Executive to serve as the Authority’s chief executive officer.

The Executive wants to serve the Authority as its chief executive officer.

The Authority and the Executive therefore agree as follows:

1. **Employment.** The Authority shall employ the Executive as its chief executive officer under this agreement for a period beginning on October 10, 2019 and continuing until the date the employment is terminated under section 3 (the “**Employment Period**”).

2. **Duties.** (a) During the Employment Period, the Executive shall administer all programs, funds, personnel, facilities, contracts, and all other administrative functions of the Authority subject to oversight by the executive committee, including:

- (1) performing administrative functions for the Authority under the FMS Program—CGI Advantage360® Service Agreement between the Authority, CGI Technologies and Solutions, Inc., a Delaware corporation, the City of Grand Rapids, Michigan, and Kent County, Michigan;
- (2) performing administrative functions for the Authority under the administrative services agreement between and the Local Community Stabilization Authority and the Authority effective September 28, 2017;
- (3) performing the functions as the chief administrative officer of the Authority under the Freedom of Information Act, 1976 PA 442, as amended, MCL 15.231 to 15.246, and the Uniform Budgeting and Accounting Act, 1968 PA 2, as amended, MCL 141.421 to 141.440a;
- (4) attending meetings of the executive committee and the authority board;
- (5) reporting to the executive committee at meetings of the executive committee and to the chairperson of the executive committee between meetings of the committee;
- (6) supervising any other employees of the Authority; and
- (7) performing other services and duties requested by the executive committee or chairperson consistent with the position of chief executive officer.

(b) The Executive shall devote the efforts to the discharge of the duties of the chief executive officer that a reasonable person in the Executive's position would use to discharge the duties as promptly as possible.

(c) The parties acknowledge that the position of chief executive officer is a full-time position and that the duties of the chief executive officer will require the Executive to devote time outside of normal business hours to Authority business. The Executive may establish a work schedule appropriate to the needs of the Authority and consistent with the standard under section 2(b). The Executive may: (1) serve on industry, trade, civic, or charitable boards or committees; (2) engage in charitable activities and community affairs; (3) manage personal investments; and (4) devote time to personal and family matters, if the activities do not interfere with the Executive's performance of duties consistent with the standard under section 2(b).

(d) The Executive shall comply with applicable laws, including 1968 PA 317, as amended, MCL 15.321 to 15.330 (relating to contracts of public servants with public entities), and applicable bylaws, policies, and practices of the Authority.

(e) The Executive shall not do any of the following:

- (1) accept on the Executive's own behalf, or on behalf of a relative or friend, a gift, loan, or favor having more a value of more than \$50.00 from a person, entity, or governmental body with whom the Authority has a current or potential contractual relationship;
- (2) make any payment, gift, or loan to any representative of a customer, potential customer, vendor, or government official for purposes of inducing them to compromise their responsibilities to their employers; or
- (3) deal with a competitor for the purpose of setting or controlling prices, rates, or trade practices or engage in any other trade practice prohibited by law.

(f) The Executive shall promptly report to the executive committee all business opportunities that may benefit the Authority arising while employed as the chief executive officer. The Executive shall not take personal advantage of any such business opportunities.

(g) As requested by the executive committee, the Executive shall provide the Authority with assistance and perform the lawful acts that the executive committee deems necessary or advisable relating to any litigation involving the Authority or a director, officer, client, or vendor of the Authority. The requirements of this section 2(g) will continue to apply after the Employment Period.

3. **Termination.** (a) Subject to section 3(b), the Employment Period will terminate on March 31, 2020, unless extended by the executive committee until September 30, 2020, or upon the occurrence of any of the following events:

- (1) the death of the Executive;
- (2) the Executive is Permanently Disabled;
- (3) the Executive resigns employment by the Authority; or
- (4) the Authority discharges the Executive under section 3(b).

(b) The Executive shall serve at the pleasure of the executive committee. The executive committee may discharge the Executive by a vote of not less than a majority of the members of the executive committee.

(c) The Executive shall provide notice to the Authority at least 30 days before resigning employment with the Authority under section 3(a)(3). Upon termination under section 3(a)(3), the Authority is released from any obligations under this agreement other than the obligation to pay the Executive salary and reimbursable expenses owed to the Executive through the date of termination.

(d) As used in this section 3, "**Permanently Disabled**" means a physical or mental disability or infirmity restricting the Executive from performing the duties of the chief executive officer for a period of 90 days in the aggregate over a 12-month period. A determination that the Executive is permanently disabled shall be made by a medical board certified physician mutually acceptable to the executive committee and the Executive, or the Executive's legal representative. The Executive shall submit medical evidence regarding a disability or potential disability as reasonably requested by the executive committee.

4. **Compensation.** (a) During the Employment Period, the Authority shall pay the Executive a salary of \$10,250.00 per month, payable in equal bi-weekly installments consistent with the payroll dates used by the state of Michigan for its employees.

(b) The Executive may use up to one week of paid vacation every 3 months, unless additional paid vacation time is authorized in writing by the chairperson of the executive committee. The Executive may observe and shall receive pay for each day observed as a holiday by the state of Michigan.

(c) After the end of the Employment Period, the Authority shall pay the salary and expense reimbursements owed to the Executive (or to the Executive's estate in the event of the Executive's death) at the end of the Employment Period. The Executive's estate is not entitled to any other compensation.

(d) Compensation under this agreement is subject to any withholdings or deductions required by law and regulations. If the Authority fails to withhold or deduct required amounts, the Executive shall remit to the Authority sufficient money to satisfy applicable withholding or deduction requirements when requested by the Authority.

(e) The Executive's compensation is subject to a periodic review by the executive committee. The Executive may participate in the Authority's deferred compensation plan offered pursuant to section 457(b) of the Internal Revenue Code.

5. **Expense Reimbursement.** In addition to compensation under section 4, upon submission of statements to the executive committee consistent with Authority policies and procedures, the Authority shall reimburse the Executive for expenses, including travel, incurred by the Executive during the Employment Period if the expenses relate to the Executive's duties and are the expenses, consistent with the practices of other local governmental entities in the state of Michigan, that a reasonable person in the Executive's position would incur.

6. **Protected Information.** (a) During the Employment Period, the Executive may come into possession of confidential or other proprietary information of the Authority, including prospective clients

of the Authority, information regarding the needs of clients or prospective clients, product designs or specifications, and pricing, cost, margin, or other financial information (“**Protected Information**”). The Executive shall use Protected Information only for the purpose of carrying out the duties of chief executive officer and shall not otherwise disclose the information, unless disclosure is required by law or authorized by the executive committee.

(b) The Executive shall comply with any agreement between the Authority and another person, entity, or governmental body relating to compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended, and associated federal regulations.

(c) The requirements of this section 6 do not apply to information known to the Executive before the Executive’s employment by the Authority or to information that is generally known or available to the public and will continue to apply after the Employment Period.

7. **Records.** During the Employment Period, the Executive shall maintain the records of the Authority in a manner that complies with applicable law, Authority policy, and any record retention schedule applicable to the records. At the end of the Employment Period, the Executive shall promptly return all records of the Authority to the Authority.

8. **Noncompetition.** (a) The Executive acknowledges that the position of chief executive officer of the Authority is special, unique, and intellectual in character and that the Executive’s employment as chief executive officer will place the Executive in a position of confidence and trust with officers and clients of the Authority.

(b) Except as provided in section 9(c), during the Employment Period and for one year after the Employment Period, the Executive shall not do any of the following:

- (1) engage in activities in Michigan competitive with the activities of the Authority individually or as a principal, agent, trustee, employee, independent contractor, or through another entity or governmental body;
- (2) provide assistance to a competitor of the Authority operating in Michigan or for any person, entity, or governmental body with a principal place of business in Michigan engaged in providing benefits enrollment services, financial management services, or other services provided by the Authority;
- (3) call upon, solicit, or sell or attempt to sell any products or services similar to or in competition with those offered by the Authority to any person, entity, or governmental body in Michigan that was a customer of the Authority at any time during the Employment Period or that was solicited by the Authority or otherwise had contact with the Authority during the six months before the end of the Employment Period;
- (4) induce or encourage a customer of the Authority, to utilize the services in Michigan of a person, entity, or governmental body similar to the Authority or to reduce its purchases from the Authority;
- (5) request or advise a customer of the Authority to curtail or cancel any of its business with the Authority or its successors; and
- (6) disparage the Authority or its officers or activities.

(c) Section 9(b) does not prohibit the Executive from serving as an employee of another governmental entity in Michigan after the end of the Employment Term.

(d) The Executive shall not encourage, solicit, or otherwise attempt to persuade any other employee of the Authority to terminate employment by the Authority during or after the Employment Period.

(e) The Executive acknowledges that the obligations of the Executive under this section 8 are fair and reasonable, including the length of time the obligations are effective, and that the Authority's employment of the Executive during the Employment Period is sufficient consideration for the Executive's obligations under this section 8.

9. **Inventions and Patent Rights.** (a) The Executive shall promptly disclose to the executive committee all ideas, devices, inventions, improvements, technical information and know-how relating to services provided by the Authority or other activities of the Authority during the Employment Period, whether patentable or not, that the Executive may conceive or make solely or jointly with others during the Employment Period or within two years of the end of the Employment Period, if the ideas, devices, inventions, improvements, technical information, or know-how arise out of any work done or concepts developed during the Employment Period. A patent application filed by the Executive within one year after the end of the Employment Period is presumed to relate to an invention made during the Employment Period unless the Executive produces contrary evidence.

(b) Any right, title, and interest in an idea, device, invention, improvement, technical information, or know-how described in section 9(a) is held by the Executive in a fiduciary capacity for the benefit of the Authority, is the sole and exclusive property of the Authority, and is subject to requirements under section 6 as Protected Information of the Authority.

(c) The Executive shall do any of the following when requested by the executive committee during or after the Employment Period relating to the ideas, devices, inventions, improvements, technical information, and know-how described in section 9(a):

- (1) assign and convey to the Authority in writing the Executive's right, title, and interest;
- (2) assist the Authority and its agents in preparing patent applications;
- (3) sign and deliver applications described in section 9(c)(2) and assignments of the applications to the Authority; and
- (4) provide information and testimony, sign documents, and do other things needed or requested by the Authority to facilitate the Authority obtaining, extending, reissuing, maintaining or enforcing patents.

(d) The Executive hereby irrevocably nominates and appoints the Authority as the Executive's attorney-in-fact to sign and deliver documents and perform acts described in section 9(c) in the event of the Executive's absence, unavailability, refusal, or death, with the nomination and appointment granted with full authority in the premises and the authorization coupled with an interest vested in the Authority.

(e) The Authority shall bear all expenses incurred in obtaining, extending, reissuing, maintaining, and enforcing patents as described in section 9(c) and in investing and perfecting title to the patents in the Authority. The Authority shall pay the Executive for any time the Authority may require of the Executive or for any services that may be required of the Executive under section 9(c) after the Employment Period at an hourly rate equivalent to the salary paid the Executive at the end of the Employment Period.

(f) The Executive states that no ideas, inventions, expressions, or works that the Executive made or conceived before the Employment Period that the Executive may or may not have yet published, patented, or covered by a pending application are excluded from this section 9.

10. **Copyrights.** Any copyright and any other intellectual property rights in a design, software, firmware, and related documentation and works of authorship created by the Executive during the Employment Period relating to the activities of the Authority ("**Protected Property**") belong to the Authority. The Executive acknowledges that neither the Authority nor its licensees have an obligation to designate the Executive as an author of Protected Property. The Executive hereby waives and releases all of the Executive's rights to Protected Property.

11. **Remedies.** (a) The Executive acknowledges that the Authority would be irreparably injured and would not have an adequate remedy at law if the Executive breaches section 6, 7, 8, 9, or 10. If the Executive breaches section 6, 7, 8, 9, or 10 the Authority is entitled to an injunction that does one or more of the following:

- (1) restrains the Executive from disclosing or using Protected Information or other records of the Authority, or engaging in competitive activities prohibited under section 8;
- (2) requires the Executive to return to the Authority Protected Information or other records of the Authority; or
- (3) safeguards the Authority's interests in rights described in section 8 or Protected Property, or both.

(b) The Authority's remedies under section 11(a) are cumulative and the Authority may seek damages and other equitable relief in addition to injunctive relief. When pursuing a remedy under this section 11, the Authority may recover from the Executive attorney fees and other costs of litigation incurred by the Authority.

12. **Oath of Office.** Before exercising official duties, the Executive shall take and subscribe to the following oath of office: "I do solemnly swear (or affirm) that I will support the Constitution of the United States and the constitution of this State, and that I will faithfully discharge the duties of the office of chief executive officer of the Michigan Municipal Services Authority according to the best of my ability."

13. **Non-Assignment.** This agreement is personal to the Executive. The Executive shall not transfer to any other person, other than by will or intestate succession, (1) any discretion granted under this agreement (2) any right to satisfy a condition under this agreement, (3) any remedy under this agreement, or (4) any obligation imposed under this agreement.

14. **Arbitration.** Except as provided in section 11, as the exclusive means of initiating adversarial proceedings to resolve any dispute arising out this agreement or termination of the Executive's Employment with the Authority, a violation or alleged violation of a state or federal law relating to

employment, or a tort or alleged tort regarding the Executive in relation to the Executive's employment by the Authority, a party may demand that the dispute be resolved by arbitration administered by the American Arbitration Association in accordance with its commercial arbitration rules, and each party hereby consents to any such dispute being so resolved. Judgment on any award rendered in any such arbitration may be entered in any court having jurisdiction.

15. **Modification; Waiver.** No amendment of this agreement will be effective unless it is in writing and signed by the parties. No waiver under this agreement will be effective unless it is in writing and signed by the party granting the waiver (in the case of the Authority, by an individual authorized by the Authority's executive committee to sign the waiver). A waiver granted on one occasion will not operate as a waiver on other occasions.

16. **Notices.** (a) For a notice or other communication under this agreement to be valid, it must be in writing and delivered (1) by hand, (2) by a national transportation company with all fees prepaid, or (3) by registered or certified mail, return receipt requested and postage prepaid.

(b) Subject to section 16(d), a valid notice or other communication under this agreement will be effective when received by the party to which it is addressed. It will be deemed to have been received as follows:

- (1) if it is delivered by hand, delivered by a national transportation company (with all fees prepaid), or delivered by registered or certified mail, return receipt requested and postage prepaid, upon receipt as indicated by the date on the signed receipt; and
- (2) if the party to which it is addressed rejects or otherwise refused to accept it, or if it cannot be delivered because of a change in address for which no notice was given, then upon that rejection, refusal, or inability to deliver.

(c) For a notice or communication to a party under this agreement to be valid, it must be addressed using the information specified below for that party or any other information specified by that party in a notice in accordance with this section 16.

To the Authority:	Executive Committee Chairperson Michigan Municipal Services Authority 200 Townsend St., Ste. 900 Lansing, MI 48933
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To the Executive:	Reid S. Charles II 611 Kimball St. Howell, MI 48855.
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(d) If a notice or other communication addressed to a party is received after 5:00 p.m. on a business day at the location specified in the address for that party, or on a day that is not a business day, then the notice will be deemed received at 9:00 a.m. on the next business day.

17. **Severability.** The parties acknowledge that if a dispute between the parties arises out of this agreement or termination of the Executive's employment with the Authority, they would want the court to interpret the agreement as follows:

- (1) with respect to any provision that it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision;
- (2) if an unenforceable provision is modified or disregarded in accordance with this section 17, by holding that the rest of the agreement will remain in effect as written;
- (3) by holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable;
- (4) if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this agreement, by holding the entire agreement unenforceable.

18. **Counterparts.** If the parties sign this agreement in several counterparts, each will be deemed an original but all counterparts together will constitute one instrument.

19. **Governing Law.** Michigan law governs all adversarial proceedings brought by one party against the other party arising out of this agreement, the disclosure of Protected Information or Protected Property, or the termination of the Executive’s employment with the Authority.

20. **Scope; Entire Agreement.** This agreement does not grant the Executive any rights with respect to continued employment by the Authority. This agreement constitutes the entire understanding between the parties with respect to the subject matter of this agreement and supersedes all other agreements, whether written or oral, between the parties, except that this agreement does not supersede or limit the Executive’s rights under any benefit plan.

21. **Effectiveness; Date.** This agreement will become effective when all parties have signed it. The date of this agreement will be the date this agreement is signed by the last party to sign it (as indicated by the date associated with that party’s signature). If a party signs this agreement but does not date their signature, the date the other party receives the signing party’s signature will be deemed to be the date the signing party signed this agreement.

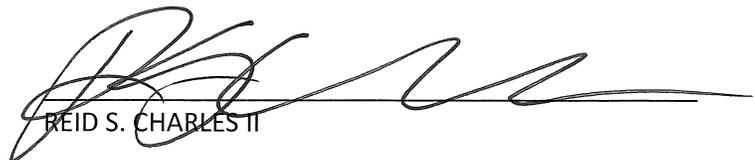
Each party is signing this agreement on the date stated opposite that party’s signature.

MICHIGAN MUNICIPAL SERVICES AUTHORITY

Date: 10/10/, 2019

By: 
 Kelli Scott
 Executive Committee Chairperson

Date: 10/10, 2019


 REID S. CHARLES II