



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

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:

<u>Date</u>	<u>Time</u>	<u>Location</u>
Thursday, December 14, 2017	2:00 PM	Capitol View Building Constitution Room – 9th Floor 201 Townsend Street 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

**EXECUTIVE COMMITTEE
REGULAR MEETING**

Thursday, December 14, 2017 at 2:00 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 October 12, 2017 regular Executive Committee meeting
- V. Administrative Report (see Authority Board agenda)**
- VI. New Business**
 - a. Resolution 2017-18 Bylaws Amendment
 - b. Resolution 2017-19 Disbursement Policy
 - c. Resolution 2017-20 Schedule of Regular Meetings for Calendar Year 2018
- 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, October 12, 2017 at 1:30 p.m.

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

PROPOSED MINUTES

I. Call to Order

The meeting was called to order at 1:30 PM.

II. Roll Call

Executive Committee Member Attendance:

Stacie Behler, Chairperson	Present
James Cambridge, Secretary	Absent
Eric DeLong, Treasurer	Present
Kelli Scott, Member*	Present
Doug Smith, Member	Present

*Participated via teleconference.

Other attendees:

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

III. Approval of Agenda

Moved by: Smith
Supported by: DeLong

Motion carried

IV. Approval of Minutes

- a. Minutes of the September 14, 2017 regular Executive Committee meeting as presented.

Moved by: DeLong
Supported by: Smith

Motion carried

V. Administrative Report

The administrative report was delivered by CEO Robert Bruner.

VI. Old Business

None.

VII. New Business

- a. Resolution 2017-15 Third Amendment to Employment Agreement with CEO

Moved by: Smith
Supported by: DeLong

Motion carried

- b. Resolution 2017-16 Accounting & Payroll Services

Moved by: DeLong
Supported by: Smith

Motion carried

VIII. Public Comment

None

IX. Other Business

None

X. Adjournment

Moved by: Smith

Supported by: DeLong

Motion carried

Meeting adjourn at 2:18 PM.

Certification of Minutes

Approved by the Executive Committee on December 14, 2017.

Authority Secretary

Date



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: December 8, 2017

TO: Executive Committee

FROM: Robert Bruner, CEO

SUBJECT: Disbursement Policy

Background

The Executive Committee adopted the initial Bylaws for the Authority on October 22, 2012. They state in relevant part, "Section 6.3. Checks, Drafts, and Orders. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority, shall be signed by the Treasurer or the Chairperson." The Executive Committee also adopted Resolution 2012-10 on October 22, 2012 authorizing the Chairperson and the Treasurer to designate a financial institution and sign checks for the Authority. The Executive Committee subsequently adopted several similar resolutions (2013-4; 2013-8; and 2014-6). Most recently, the Executive Committee adopted Resolution 2014-33 on August 14, 2014 designating Chairperson Stacie R. Behler, CEO Robert J. Bruner Jr., and Treasurer Eric Delong as "Authorized Signers" on the Authority's account at Fifth Third Bank.

The Executive Committee adopted Resolution 2013-11 on June 13, 2013 approving a Policy for the Payment of Invoices (attached). The policy authorizes the Chief Executive Officer (CEO) and the Chairperson of the Executive Committee to approve the payment of invoices on behalf of the Authority under any one of five conditions. Most accounts payable are authorized by contract or agreement (employment agreements, and contracts with vendors like Benefit Express, CGI, Dykema, Plante Moran, Segal Consulting, and Stevens, Kirinovic & Tucker, P.C.) consistent with the first condition. Most other miscellaneous goods and services necessary for the operation and administration of the Authority are paid for by the CEO and reimbursed monthly. These costs are always in amounts less than \$7,500 consistent with the second condition. Invoices approved for payment are included on the Summary of Revenues and Expenditures in the monthly financial report distributed with the agenda for each regularly scheduled meeting of the Executive Committee or forwarded to the Executive Committee by the date on which a cancelled meeting would have been held consistent with the third and fourth condition.

The fifth condition states, "The CEO shall not approve payment of an invoice payable to the CEO. Invoices payable to the CEO shall be submitted to the Executive Committee for approval." However, the CEO is an employee rather than an independent contractor so payments to the CEO are made via payroll or reimbursement rather than invoice. As such, this condition is unnecessary.

The Executive Committee subsequently adopted Resolution 2014-8 on January 24, 2014 extending the authority to approve the payment of invoices to the Vice Chairperson of the Executive Committee and the Secretary of the Authority in the event of vacancies in the positions of CEO and in the position of Chairperson of the Executive Committee. Fortunately, neither position have been vacant since 2014.

However, the proposed Disbursement Policy includes the same provision in the event one or both positions become vacant in the future.

The Authority has been in the practice of requiring two signatures on each check, draft or other item ("Item") since 2012. This practice was established as an internal control. Nothing in the Authority's policies or the Bank's Commercial Account Rules requires two signatures.

Much has changed about how the Authority processes items for payment since 2012. In addition to monthly accounting, banking, and legal expenses, the Authority now processes payroll for two full-time employees, routinely pays six or more vendors monthly, and ten or more vendors on an annual or other basis. The Authority now uses Automated Clearing House (ACH) debit transactions whenever possible.

The Authority's internal controls have also increased in complexity. First, the CEO and the Chairperson approve the payment of invoices on behalf of the Authority consistent with Resolution 2013-11. This is done electronically, and the record is retained consistent with retention requirements. Second, the Authority's accountant prepares the item for payment either by preparing an ACH debit online or by preparing a check. Third, the CEO and the Chairperson approve the item for payment either by approving the ACH debit online or by signing the check.

In either case, the duties of *preparing* and *approving* an item for payment are separated so more than one person is required to complete the payment. This internal control is intended to prevent error and/or fraud. None of the Authority's Authorized Persons can both *prepare* and *approve* an item for payment.

The Authority's independent auditor test the Authority's internal controls each year and issue a report. The purpose of that report is to describe the scope and results of the testing, and not to provide an opinion on the effectiveness of the internal controls. The results of these tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Proposal

The proposal does three things:

1. Amends Section 6.3. of the Bylaws for the Authority as described below;
2. Maintains the status quo regarding the designation of the Authority's financial institution and Authorized Persons (Resolutions 2012-10; 2013-4; 2013-8; 2014-6; and 2014-33); and
3. Supersedes Resolutions 2013-11 and 2014-8 regarding the payment of invoices.

The first step is to amend the Bylaws for the Authority by revising Section 6.3. (Checks, Drafts, and Orders) as follows:

"All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority, shall be ~~signed by the Treasurer or the Chairperson~~ approved in accordance with one or more policies adopted by the Executive Committee."

As described above, the Executive Committee adopted Resolution 2012-10 and similar subsequent resolutions (2013-4; 2013-8; and 2014-6) authorizing the Chairperson and the Treasurer to designate the Authority's financial institution and Authorized Persons. Fifth Third Bank is currently Authority's financial

institution and Chairperson Stacie Behler, CEO Robert Bruner, and Treasurer Eric Delong are currently the Authority's Authorized Persons. Nothing in the proposal modifies that or the Executive Committee's prerogative to authorize changes in the future.

Finally, proposed Disbursement Policy supersedes Resolutions 2013-11 and 2014-8 regarding the payment of invoices and replaces it with the following:

Disbursement Policy

The Chief Executive Officer ("CEO") of the Authority and the Chairperson of the Executive Committee are authorized to approve disbursements on behalf of the Authority under any of the following conditions:

1. Payments for goods or services provided pursuant to an agreement or contract where the payment amount is not more than 10% greater than the amount authorized by the agreement or contract; and for which sufficient funds are appropriated by the Executive Committee pursuant to the general appropriations act.
2. Payments for goods or services necessary to administer the programs and functions of the Authority in amounts under \$7,500.00; and for which sufficient funds are appropriated by the Executive Committee pursuant to the general appropriations act.
3. An itemized list of revenues and expenditures shall be distributed with the agenda for each regularly scheduled meeting of the Executive Committee.
4. If a regular meeting of the Executive Committee is cancelled, an itemized list of revenues and expenditures shall be forwarded to the Executive Committee by the date on which the cancelled meeting would have been held.

Periodically recurring disbursements required to fulfil contractual or other legal obligations need be approved only once and not individually. Examples include, but are not limited to, employee benefits, payroll, federal income taxes, state income taxes, and unemployment taxes.

In the event of a vacancy in the position of CEO, the authority of the CEO and the Chairperson to approve disbursements shall be vested in the Chairperson and the Vice-Chairperson of the Executive Committee. In the event of concurrent vacancies in the position of CEO and Chairperson, the authority of the CEO and the Chairperson to approve disbursements shall be vested in the Vice-Chairperson and the Secretary.



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
RESOLUTION 2017-18**

Bylaws Amendment

The Executive Committee of the Michigan Municipal Services Authority ("Authority") resolves that the Bylaws of the Authority are amended as follows:

Section 6.3. Checks, Drafts, and Orders.

All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Authority, shall be ~~signed by the Treasurer or the Chairperson~~ *approved in accordance with one or more policies adopted by the Executive Committee.*

Secretary's Certification:

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

By: _____
James Cambridge
Authority Secretary



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

EXECUTIVE COMMITTEE RESOLUTION 2017-19

Disbursement Policy

The Executive Committee of the Michigan Municipal Services Authority ("Authority") resolves that the following policy is adopted:

The Chief Executive Officer ("CEO") of the Authority and the Chairperson of the Executive Committee are authorized to approve disbursements on behalf of the Authority under any of the following conditions:

1. Payments for goods or services provided pursuant to an agreement or contract where the payment amount is not more than 10% greater than the amount authorized by the agreement or contract; and for which sufficient funds are appropriated by the Executive Committee pursuant to the general appropriations act.
2. Payments for goods or services necessary to administer the programs and functions of the Authority in amounts under \$7,500.00; and for which sufficient funds are appropriated by the Executive Committee pursuant to the general appropriations act.
3. An itemized list of revenues and expenditures shall be distributed with the agenda for each regularly scheduled meeting of the Executive Committee.
4. If a regular meeting of the Executive Committee is cancelled, an itemized summary of revenues and expenditures shall be forwarded to the Executive Committee by the date on which the cancelled meeting would have been held.

Periodically recurring disbursements required to fulfil contractual or other legal obligations need be approved only once and not individually. Examples include, but are not limited to, employee benefits, payroll, federal income taxes, state income taxes, and unemployment taxes.

In the event of a vacancy in the position of CEO, the authority of the CEO and the Chairperson to approve disbursements shall be vested in the Chairperson and the Vice-Chairperson of the Executive Committee. In the event of concurrent vacancies in the position of CEO and Chairperson, the authority of the CEO and

the Chairperson to approve disbursements shall be vested in the Vice-Chairperson and the Secretary.

Secretary's Certification:

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

By: _____
James Cambridge
Authority Secretary



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

DATE: December 8, 2017

TO: Executive Committee

FROM: Robert Bruner, CEO

SUBJECT: Schedule of Regular Meetings for Calendar Year 2018

According to the Interlocal Agreement, the Authority Board need only meet annually (Section 4.03) and the Executive Committee must meet not less than quarterly (Section 4.08). However, the Authority Board has been in practice of scheduling quarterly meetings and the Executive Committee has been in practice of scheduling monthly meetings. This year the Executive Committee scheduled eleven regular meetings, cancelled three of those for lack of new business, and scheduled another. The Authority is now also responsible for staffing Local Community Stabilization Authority (LCSA) Council meetings. The LCSA Council meets four times annually (February, May, September, and October). Given the lack of new business and the new responsibilities, a new meeting schedule is proposed for Calendar Year 2018:

Date	Meeting
January 11, 2018	MMSA Executive Committee
February 16, 2018	LCSA Council
March 8, 2018	MMSA Authority Board MMSA Executive Committee
May 10, 2018	MMSA Executive Committee
May 25, 2018	LCSA Council
July 12, 2018	MMSA Authority Board MMSA Executive Committee
September 14, 2018	LCSA Council
October 11, 2018	MMSA Executive Committee
October 12, 2018	LCSA Council
November 8, 2018	MMSA Authority Board MMSA Executive Committee

MMSA Authority Board

Date	New Business
Thursday, March 8, 2018	<ul style="list-style-type: none"> • Receive audit
Thursday, July 12, 2018	<ul style="list-style-type: none"> • As needed
Thursday, November 8, 2018	<ul style="list-style-type: none"> • Adopt schedule of regular meetings

MMSA Executive Committee

Date	New Business
Thursday, January 11, 2018	<ul style="list-style-type: none">• As needed
Thursday, March 8, 2018	<ul style="list-style-type: none">• As needed
Thursday, May 10, 2018	<ul style="list-style-type: none">• Receive budget recommendation• Schedule budget hearing
Thursday, July 12, 2018	<ul style="list-style-type: none">• Hold budget hearing• Adopt budget
Thursday, October 11, 2018	<ul style="list-style-type: none">• As needed
Thursday, November 8, 2018	<ul style="list-style-type: none">• Adopt schedule of regular meetings

If adopted, the attached resolution will approve this schedule.



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**EXECUTIVE COMMITTEE
RESOLUTION 2017-20**

Schedule of Regular Meetings for Calendar Year 2018

The executive committee of the Michigan Municipal Services Authority (the “**Authority**”) resolves that the following notice and schedule of regular meetings is adopted and approved as the schedule of regular meetings for the executive committee of the Authority for the calendar year ending December 31, 2018:

Date	Time	Location
Thursday, January 11, 2018	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, February 8, 2018	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, March 8, 2018	2:00 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, April 12, 2018	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, May 10, 2018	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, June 14, 2018	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, July 12, 2018	2:00 p.m.	Livonia City Hall 33000 Civic Center Drive, 4 th Floor Livonia, MI 48154
Thursday, August 9, 2018	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, September 13, 2018	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, October 11, 2018	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933

Thursday, November 8, 2018	2:00 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933
Thursday, December 13, 2018	1:30 p.m.	Capital View Building 201 Townsend St, Suite 900 Lansing, MI 48933

Secretary's Certification:

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

By: _____
James Cambridge
Authority Secretary