



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

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**AUTHORITY BOARD  
REGULAR MEETING**

Thursday, November 8, 2018 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 July 12, 2018 regular Authority Board meeting
- V. Administrative Report**
- VI. Audits**
- VII. New Business**
  - a. Resolution 2018-C Schedule of Regular Meetings for Calendar Year 2019
- VIII. Public Comment**
- IX. Other Business**
- X. 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.

**AUTHORITY BOARD**

Thursday, July 12, 2018 at 1:30 p.m.

Livonia City Hall  
33000 Civic Center Drive  
Livonia, MI 48933

**MINUTES**

Proposed Minutes       Approved Minutes

MEETING TYPE:     Regular     Special

**I. Call to Order**

The meeting was called to order at 1:33 p.m. by the Chairperson.

**II. Roll Call**

Authority Board Member Attendance:

Stacie Behler, Chairperson	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Doug Wiescinski, Vice-Chairperson	<input type="checkbox"/> Present	<input checked="" 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
Phil Bertolini	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Jeff Dood*	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Peggy Jury	<input type="checkbox"/> Present	<input checked="" type="checkbox"/> Absent
Brian Meakin	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Dominick Pallone	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Kelli Scott*	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent
Doug Smith	<input checked="" type="checkbox"/> Present	<input type="checkbox"/> Absent

\*Participated via teleconference.

Other attendees:

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

**III. Approval of Agenda**

Moved by: DeLong  
Supported by: Pallone  
Yes: X No: \_\_\_

**IV. Approval of Minutes** from March 8, 2018 Regular Meeting of the Authority Board.

Moved by: Bertolini  
Supported by: Pallone  
Yes: X No: \_\_\_

**V. Administrative Report**

CEO Robert Bruner delivered the administrative report.

**VI. Audit Reports**

None.

**VII. New Business**

a. Resolution 2018-B Election of Vice-Chairperson of Authority Board

Motion was made to nominate Pallone to the position of Vice-Chairperson of the Authority Board to replace Wiescinski.

Moved by: Bertolini  
Supported by: Scott  
Yes: X No: \_\_\_

**VIII. Public Comment**

None.

**IX. Other Business**

None.

**X. Adjournment**

Moved by: Bertolini  
Supported by: Pallone  
Yes: X No: \_\_\_

Meeting adjourned at 1:56 PM

**Certification of Minutes**

Approved by the Authority Board on November 8, 2018.

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Authority Secretary

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Date

PROPOSED



Michigan Municipal Services Authority

Administrative Report

Prepared November 2, 2018

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# Financial Report

MMSA Administrative Report

Collaborate • Innovate • Serve

# Financial Report

- To be distributed prior to the meeting

# FMS Program Report

MMSA Administrative Report

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# FMS Program Update

- Grand Rapids and Kent County attended CGI Forum 2018, annual conference for members of the CGI Advantage community, October 21 – 23.
- Data migration from CGI Data Center to Microsoft Azure cloud computing platform was discussed.
- Kent County provided the attached letter on October 24.
- CGI provided the attached reply on October 28.
- The Authority will continue to work with CGI and the participants on these issues.

# Corporate Counsel

*Craig A. Paull, Assistant Corporate Counsel*



Phone: (616) 632-7575 • Fax: (616) 632-7585 • e-mail: [Craig.Paull@kentcountymi.gov](mailto:Craig.Paull@kentcountymi.gov)

October 24, 2018

Jon Jasper  
Vice President - Michigan  
300 S. Washington Square  
Suite 405  
Lansing, MI 48933

Delivery Via Facsimile Transmission to CGI; via email to all other recipients

Re: CGI / MMSA / Kent County FMS Program CGI Advantage360 Service Agreement

Dear Mr. Jasper,

We received notice last week of your intention to populate a non-production environment for Kent County in Microsoft's Azure and turn it over to us next week Thursday to begin the UAT process for what you are now calling Release Update 9. The purpose of this letter is to confirm a common understanding of your decision to move to Azure, which must reflect the contractual relationship between Kent County and the MMSA and CGI.

In 2017 CGI requested an amendment to the existing contract to allow CGI to move Participating Municipality data and environments (the CGI System) to Microsoft Azure from the CGI Data Center. The terms of the amendment were negotiated and agreed to by all parties earlier this year. The current move to Azure will be governed by and subject to that Amendment (Amendment No. 1 to FMS Program – CGI Advantage360 Service Agreement) as those changes pertain to the Azure migration.

If you disagree that Amendment No. 1 was finalized, then you are hereby put on notice that Kent County disputes and denies you can legally move Kent County's data to Azure without the County's agreement to do so under our current agreement with the Michigan Municipal Services Authority and CGI.

As noted above, this matter dates to late 2017 and early 2018, when we worked with CGI, then through Josh Rex, on an amendment to the FMS Program – CGI Advantage360 Service Agreement (the "Service Agreement"). That amendment was requested by CGI due to CGI's belief that the Service Agreement did not allow CGI to migrate the services CGI delivered via its own data centers to Microsoft's Azure without an amendment to the Service Agreement. Nothing has changed in the interim that would negate CGI's conclusion that triggered the negotiations on an

*County of Kent, 300 Monroe Avenue NW, Suite 303, Grand Rapids, Michigan 49503-2206*  
***"Kent County...Where Diversity & Inclusion Matter"***

Amendment and the ultimate agreement on the terms of the Amendment. Further, we are certainly unhappy with the fact that no one at CGI bothered to inform us of the complete change in position.

In looking at the current Service Agreement, several paragraphs support CGI's 2017 conclusion – which we share – that either the Service Agreement needs to be amended or our consent is required before such migration is possible. Examples of these provisions include:

- 1.D – CGI Data Center. The definition refers to both a primary and a secondary data center, and specifically uses the article “the” in front of each. While Azure does provide redundancy, it uses a different framework than primary and secondary data centers.
- 1.M – Disaster Recovery. While the net effect of recovery from a disaster may remain the same, within the Azure framework it may not work in the manner described in the definition.
- 2.L – Consent to Delegation. CGI provides an exclusive environment in which Kent County operates; no other CGI client operates in this environment as it is exclusively available to Kent County. While there may be aspects of the environment that involve shared services or “multi-tenancy,” the delivered product is exclusive for Kent County. CGI has contractual duties to the County in this regard to ensure that exclusivity and related security. Therefore, CGI is precluded from delegating its duties in this regard without Kent County's written consent.
- 3.B – Use of Nonparty Suppliers. While this paragraph allows the use of nonparty suppliers, nothing in it gives CGI the right to require Kent County to accept any additional terms and conditions required by a nonparty supplier. To the extent that Microsoft may require Kent County to accept additional terms and conditions for use of its Azure service in conjunction with delivery of Advantage360 services, without an amended agreement Kent County will not accept those additional terms and conditions. Any click-around or pop-up is hereby rejected, and Kent County hereby affirmatively states it will not be bound by such terms even if “accepted” in order to access the CGI A360 program that CGI is obligated to provide to the County.
- 5.D – Grant of Limited License to CGI. Kent County, in this paragraph, grants CGI a limited license to its content. The license is not transferable, and therefore Microsoft has no rights to the County's content, including, but not limited to, the rights to access, display, reproduce, process, or otherwise use it.
- 6.F - Connectivity and Access to the CGI System. This paragraph starts out by stating, “Each Participating Municipality acknowledges that the CGI System is **hosted by CGI** . . .” (emphasis added). Migrating to Azure means the CGI System is no longer hosted by CGI, but rather CGI has arranged for hosting with a third party.
- 7.B – CGI Use of Participating Municipality Data. CGI is granted a limited license to use Participating Municipality data. This is not a license to any other entity. Further note that our data cannot be transferred or distributed for the benefit of anyone other than the Participating Municipality without our prior written consent. Microsoft has no license and a transfer of our data to that entity serves CGI's ends, not our ends, as the contract stands without Amendment No. 1. Note as well that the purpose of the license is exclusive, which ties back to 2.L.

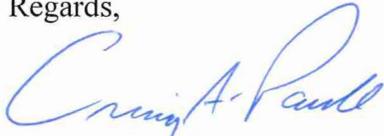
Amendment No. 1 addressed most of the above points. There were also adjustments required to the service level agreements (Schedule 2) and there was an Azure Migration Contingency Plan as well.

Let me be clear – the County is not inherently opposed to the migration to Azure. However, it is also clear that, absent Amendment No. 1, the contract in its current state does not support the migration and potentially imposes additional burdens on the County that are not authorized.

Pursuant to section 14.B, this is your notice that Kent County does dispute CGI's ability to go forward with the migration absent Amendment No. 1, and specifically states that CGI does not have the County's permission to migrate the County's data and content without appropriate contract amendments. If CGI continues with the migration, it will be confirmation that CGI agrees that Amendment No. 1 is in full effect and binding on all parties. I will point out, however, that Amendment No. 1 requires an extended notice and UAT period. Given that we received official notice of the migration just last week, if we presume Amendment No. 1 is in full effect you are in violation of its notice requirement.

We look forward to a constructive conversation with the appropriate parties at CGI to resolve our concerns before any movement of Kent County's data to Azure.

Regards,



Craig A. Paull  
Assistant Corporate Counsel

cc: Stephen Duarte, Fiscal Services Director, Kent County  
Linda Howell, Corporate Counsel, Kent County  
Robert Bruner, Executive Director, Michigan Municipal Services Authority  
Stephen Liedel, Member, Dykema Gossett PLLC  
Jeff Dood, Chief Financial Officer, City of Grand Rapids

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## CGI / MMSA / Kent County FMS Program CGI Advantage 360 Service Agreement

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Jasper, Jon <jon.jasper@cgi.com>

Sun, Oct 28, 2018 at 11:33 AM

To: "Paull,Craig" <craig.paull@kentcountymi.gov>, Robert Bruner <rbruner@michiganmsa.org>, Steve Liedel <SLiedel@dykema.com>, "Dood, Jeff" <jdood@grand-rapids.mi.us>

Cc: "Duarte,Stephen" <stephen.duarte@kentcountymi.gov>, "Howell,Linda" <linda.howell@kentcountymi.gov>, "Dryver, Howard P" <howard.dryver@cgi.com>, "Schone, Lance" <c.lance.schone@cgi.com>, "Aikman, Helen H" <helen.aikman@cgi.com>, "Wade, Trent" <trent.wade@cgi.com>, "Mitchell, Linda M" <linda.mitchell@cgi.com>

Craig,

Thank you for your letter of October 24, 2018. This email is to let you and the other recipients of your letter know that we are actively considering your concerns regarding the Azure migration and will respond formally once we have had a chance to complete our consideration. As we communicated during our meetings with Kent County and Grand Rapids at the Forum, we are planning in-person meetings with the Participating Municipalities in late November or early December, as schedules allow, to discuss the migration and related issues. We hope to finalize meeting dates next week.

Please be assured that we will delay migrating Kent County's Participating Municipality data pending the outcome of those meetings. I'm sure you understand that the delay in data migration will have a cascading effect on the timing of Kent County's FMS go-live in Azure.

Thank you for your patience. We look forward to constructive meetings with you and your team.

**Jon Jasper** | Vice President - Michigan

CGI Technologies and Solutions, Inc.

M: 248 496 4336

[jon.jasper@cgi.com](mailto:jon.jasper@cgi.com) | <http://www.cgi.com>

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**From:** Jasper, Jon

**Sent:** Wednesday, October 24, 2018 3:40 PM

**To:** 'Paull,Craig' <craig.paull@kentcountymi.gov>; Robert Bruner <rbruner@michiganmsa.org>; Steve Liedel <SLiedel@dykema.com>; Dood, Jeff <jdood@grand-rapids.mi.us>

**Cc:** Duarte,Stephen <stephen.duarte@kentcountymi.gov>; Howell,Linda <linda.howell@kentcountymi.gov>; Dryver, Howard P <howard.dryver@cgi.com>; Schone, Lance <c.lance.schone@cgi.com>; Aikman, Helen H

<[helen.aikman@cgi.com](mailto:helen.aikman@cgi.com)>; Wade, Trent <[trent.wade@cgi.com](mailto:trent.wade@cgi.com)>

**Subject:** RE: CGI / MMSA / Kent County FMS Program CGI Advantage 360 Service Agreement

Craig, thanks for emailing this letter. I'll check into the status of the fax number in Fairfax that's referenced in the agreement.

I'll work with the CGI team (copied) to confirm our thoughts on the next steps on this subject.

**Jon Jasper** | Vice President - Michigan

CGI Technologies and Solutions, Inc.

M: 248 496 4336

[jon.jasper@cgi.com](mailto:jon.jasper@cgi.com) | <http://www.cgi.com>

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**From:** Paull, Craig <[craig.paull@kentcountymi.gov](mailto:craig.paull@kentcountymi.gov)>

**Sent:** Wednesday, October 24, 2018 3:31 PM

**To:** Jasper, Jon <[jon.jasper@cgi.com](mailto:jon.jasper@cgi.com)>; Robert Bruner <[rbruner@michiganmsa.org](mailto:rbruner@michiganmsa.org)>; Steve Liedel <[SLiedel@dykema.com](mailto:SLiedel@dykema.com)>; Dood, Jeff <[jdood@grand-rapids.mi.us](mailto:jdood@grand-rapids.mi.us)>

**Cc:** Duarte, Stephen <[stephen.duarte@kentcountymi.gov](mailto:stephen.duarte@kentcountymi.gov)>; Howell, Linda <[linda.howell@kentcountymi.gov](mailto:linda.howell@kentcountymi.gov)>

**Subject:** CGI / MMSA / Kent County FMS Program CGI Advantage 360 Service Agreement

I am sending you a copy of a letter that Kent County sent out earlier via facsimile to CGI, pursuant to the notice requirement in the FMS Service Agreement.

[Quoted text hidden]

# LCSA Administrative Services

MMSA Administrative Report

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# LCSA Administrative Services

## **Michigan CLASS Local Government Investment Pool**

- Interest to Date  
(10/31/18):  
\$192,335.11

## **METRO Database Project**

- Complete requirements
- Prepare RFP
- Evaluate options
- Plan to use Microsoft Excel again in 2019 and implement a new system in 2020

# LCSA Administrative Services

## **October 2018**

- \$244 million

## **November 2018 - Municipalities with State Facilities**

- \$13.6 million

# LCSA Administrative Services

## **February – March**

### **METRO Act True-up**

- Collect linear footage information from 120+ telecommunication providers

## **February 2019**

### **Winter Millage Payments**

- 1,475 Municipalities
- 201 School Districts and Intermediate School Districts

# LCSA Administrative Services

## March 2019

### **METRO Act Annual Report**

- “The authority shall file an annual report of its activities for the preceding year with the governor and the members of the legislative committees dealing with energy, technology, and telecommunications issues on or before March 1 of each year.” (MCL 484.3103)

### **METRO Act Maintenance Fee**

- Calculate maintenance fees
- Invoice telecommunication providers
- April 29 is the statutory date due for payment

# LCSA Administrative Services

**May 2019**

## **METRO Act Allocation**

- Allocate the funding provided for fee sharing
- Perform city and village calculations
- Perform township calculations

## **METRO Act Payments**

- \$25 million (2018)
- 516 eligible cities and villages
- 1,240 eligible townships

# Stop-loss Insurance Cooperative Program Development Report

MMSA Administrative Report

# Stop-loss Insurance Cooperative Program Development Report

## **Preliminary Results**

- Substantial savings (20-45%) for Livonia and Troy compared to current rates
- Potential savings for all

## **Recent Activities**

- Collected additional data from participants
- Solicited rates for January 1, 2019

# Chief Information Security Officer (CISO) as a Service Program Development Report

MMSA Administrative Report

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# Chief Information Security Officer (CISO) as a Service

## Next Steps

- Approve Participation and Program Service agreements
- Launch program with
- Andy Brush (Washtenaw County) is leading the charge for State funding
- DTMB leadership seems more interested in participant commitment than Authority business plan



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

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DATE: November 1, 2018

TO: Executive Committee

FROM: Robert Bruner, CEO

SUBJECT: Schedule of Regular Meetings for Calendar Year 2019

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**MMSA Authority Board**

<b>Date</b>	<b>New Business</b>
Thursday, March 14, 2019	Receive audit
Thursday, June 13, 2019	As needed
Thursday, November 14, 2019	Adopt schedule of regular meetings

**MMSA Executive Committee**

<b>Date</b>	<b>New Business</b>
Thursday, January 10, 2019	As needed
Thursday, March 14, 2019	As needed
Thursday, April 11, 2019	As needed
Thursday, June 13, 2019	Receive budget recommendation Schedule budget hearing
Thursday, August 8, 2019	Hold budget hearing Adopt budget
Thursday, November 14, 2019	Adopt schedule of regular meetings

**LCSA Council (information only)**

<b>Date</b>	<b>New Business</b>
Friday, February 15, 2019	February 20 LCSA Payments
Friday, May 17, 2019	May 20 LCSA Payments
Friday, May 24, 2019	METRO Act Fee-sharing payments Receive budget recommendation Schedule budget hearing
Friday, September 13, 2019	Hold budget hearing Adopt budget
Friday, October 11, 2019	October 20 LCSA Payments
Friday, November 15, 2019	Fire protection services payments Adopt schedule of regular meetings

## Combined Calendar

<b>Date</b>	<b>Meeting</b>
Thursday, January 10, 2019	MMSA Executive Committee
Friday, February 15, 2019	LCSA Council
Thursday, March 14, 2019	MMSA Authority Board MMSA Executive Committee
Thursday, April 11, 2019	MMSA Executive Committee
Friday, May 17, 2019	LCSA Council
Friday, May 24, 2019	LCSA Council
Thursday, June 13, 2019	MMSA Authority Board MMSA Executive Committee
July 2019	No meetings
Thursday, August 8, 2019	MMSA Executive Committee
Friday, September 13, 2019	LCSA Council
Friday, October 11, 2019	LCSA Council
Thursday, November 14, 2019	MMSA Authority Board MMSA Executive Committee
Friday, November 15, 2019	LCSA Council
December 2019	No meetings



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

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**AUTHORITY BOARD  
RESOLUTION 2018-C**

Schedule of Regular Meetings for Calendar Year 2019

The authority board of the Michigan Municipal Services Authority (the “**Authority**”) resolves that the following schedule of regular meetings is adopted and approved as the schedule of regular meetings for the authority board of the Authority for the calendar year ending December 31, 2019:

<b>Date</b>	<b>Time</b>	<b>Location</b>
Thursday, March 14, 2019	1:30 p.m.	Capital View Building 201 Townsend St Suite 900 Lansing, MI 48933
Thursday, June 13, 2019	1:30 p.m.	Livonia City Hall 33000 Civic Center Drive, 4 <sup>th</sup> Floor Livonia, MI 48154
Thursday, November 14, 2019	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 authority board of the Michigan Municipal Services Authority at a properly-noticed open meeting held with a quorum present on November 8, 2018.

By:

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