



Michigan Municipal Services Authority

PO BOX 12012, LANSING MI 48901-2012

**AUTHORITY BOARD
SPECIAL MEETING**

Thursday, March 11, 2020 at 8:15 a.m.

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

AGENDA

- I. Call to Order**
- II. Roll Call**
- III. MMSA Visioning Discussion**
- IV. Public Comment**
- V. 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

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DATE: March 4, 2020
TO: Authority Board
FROM: Shea Charles, CEO
SUBJECT: MMSA Next Steps

Over the last few months, with the Board's permission, I have been evaluating the MMSA's potential future, examining the question should MSMA continue to exist? Some potential adverse changes in MMSA's funding have come to light in the last month, which I will discuss in detail at our March 11th session. This document outlines feedback and opportunities for the MMSA's future.

History and Structure

The Michigan Municipal Services Authority was established in 2012, borne out of the economic crisis that Michigan communities were facing at the time. Formed under Michigan's Urban Cooperation Act, the MMSA act as a virtual municipality through a partnership between the City of Grand Rapids, City of Livonia and the State of Michigan. Authority Board members are appointed by member Cities and the State of Michigan. The Authority also has an executive committee comprised of Authority Board members.

The MMSA has no dedicated funding source, other than the projects and partnerships it brings to fruition. This creates an entrepreneurial environment that should inspire leadership to find new and different opportunities to help Michigan's communities.

MMSA's Mission and Vision

Our Mission

- 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 Vision

- 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.

MMSA's initial projects were focused on a Financial Management System (FMS) and Health Care collaborative, with the idea these would be offered statewide. The FMS Project was successfully implemented in Grand Rapids and Kent County, while the Health Care Collaborative provided needed

solutions for some distressed communities. Since these initial efforts the MSMA has evaluated several different programs and projects to assist communities. A summary of these the activities is attached. Unfortunately, none of these efforts have resulted in program expansion or additional funding.

The MMSA has two active programs, FMS and its contractual relationship with the Local Community Stabilization Authority (LCSA). Under the LCSA contract the MMSA is responsible for distributing periodic State of Michigan disbursements to local communities as well as administering the METRO Act fee assessment and disbursement.

Funding

The MMSA currently has two funding sources, the FMS program which generates approximately \$125,000 per year and LCSA contract which generates \$150,000 per year. Both Kent County and Grand Rapids have extended their service agreements for five years and are in negotiations to migrate from version 3.10 to the new 4x platform. Over the last two months both communities have expressed frustration with this migration and the system in general. There is significant chance that both communities will choose to terminate contracts in the foreseeable future. The loss of this revenue will adversely impact MMSA's revenue stream.

Stakeholder Feedback

Over the last three months assorted stakeholders were interviewed seeking their feedback on MMSA's past and potential moving forward. These stakeholders include:

- All Current Authority Board members
- Michigan Municipal League
- Michigan Township Association
- Michigan Association of Counties
- Various Local Government Managers

Board members held mixed views on the future of MMSA, which was consistent with previous discussions before I began my tenure with MMSA. The viewpoints expressed ranged from "the time has passed for MMSA and it is time to end it" to "MMSA has many opportunities to help Michigan communities and we should continue." What is apparent from the conversations is this: while MMSA's mission is the same, its focus will need to evolve from where it began.

Outside stakeholders' viewpoints were generally positive about MMSA's future and many offered suggestions and ideas for potential programs/partnerships. The consistent message was the MMSA needs to do a better job of communicating and marketing its services and abilities. In many cases, outside stakeholders had not heard of the MMSA, or if they knew about it, they did not know its purpose. After discussing MMSA's capacities with them, each of the stakeholders felt there was an opportunity for MMSA to continue and be a resource for Michigan communities.

Feedback Summary

Throughout the State of Michigan there are several examples of intergovernmental cooperation and collaborative efforts. Even with these examples there are still many more opportunities where MMSA can be most effective and helpful. The MMSA can occupy a unique space as it has no specific loyalties to counties, townships, villages or cities. We have the ability to work with any of these governmental groups. Being agnostic we should be able to breach existing barriers between different forms of governments. In order to achieve this the MMSA will need to become that “trusted resource” for any form of government. To accomplish this goal the MMSA will need to build its relationships with existing stakeholder groups.

The MMSA Authority Board should consider expanding to include high level representatives from the statewide associations, specifically:

- Michigan Township Association
- Michigan Municipal League
- Michigan Association of Counties

MMSA has struggled with name recognition and connecting with communities to meet their needs. Adding the representation from these groups will help build trust amongst communities as well as fostering communication between the associations.

Program Opportunities

There are numerous program opportunities for the MMSA, but in order to be successful we must demonstrate what we can provide to local governments. Any program we provide, facilitate or “contract for” needs to be at a competitive price point and a vetted service. Feedback from local communities was “why should we go through the MMSA if I can contract with “X” firm directly?”. Building on the idea of being a trusted resource, the MMSA should be able to provide pre-approved services at a discounted price, much like the MiDeal program, but tailored for local communities.

Cooperative Purchasing

There are three purchasing programs that the MMSA can potentially partner with in the short-term. They are Oakland County’s G2G Marketplace, State of Michigan’s MiDeal, and the Michigan Association of Counties CoPro. All these programs are well established and can build MMSA’s credibility as a resource even though they may not initially generate revenue.

Human Resources - Health Insurance

The MSA has explored different health insurance marketplace opportunities over the years. Establishing successful pooling opportunities is very challenging. Moving forward, the MMSA should not focus its efforts on this unless there is a clear market opportunity. There is a need for smaller communities to understand how plan designs can help them save a significant amount of money. Providing information on plan designs and rates, like a salary survey, could be a useful tool. While each community’s rates will be determined by its demographics and utilization, this base line data can help communities recognize operational savings.

Human Resources – Personnel Bridging

MMSA has correctly identified that the development of new personnel to enter public service is a critical issue facing Michigan communities. There are two opportunities for the MMSA in this area:

- 1) acting as the employer for a retired employee so that they can be hired back by their community.
- 2) Developing a group of employees to be “hired” out to communities in need of specialized skills. Areas of significant need include finance, technology, water and wastewater plant operations.

MMSA acting as the employer for a retired employee is a version of the approach Sterling Heights has taken with its retirees. Some larger communities have been able to develop their own work arounds, such as the retiree creating their own LLC, but many communities do not have that capacity. MMSA being a governmental entity may make this bridging easier for communities.

In the future MMSA may be able to employ staff and provide personnel on a long-term basis. The development of a talent pool that communities can draw upon will take time and additional resources. Some communities already partner to accomplish this, an example is Ottawa County renting out finance staff for smaller jurisdictions. The MSMA may need to partner with consulting firms in the beginning to get the service established.

Specialty Plan Development

Michigan Communities face several State of Michigan mandates for asset management plan (AMP) development. Many communities are finishing this work as part Michigan’s “Stormwater, Asset Management, and Wastewater (SAW) Program”, which started in 2014. Much of this work is completed with assistance of engineering firms due to the technical nature of the work, including full GIS mapping.

Though there are many who have yet to complete their AMPs, MMSA could develop request for proposals to pre-qualify firms and establish set pricing for such work. The advantage for engineering firms is they can avoid bid development costs, enabling them to provide competitive pricing (and answering the question, “why go through MMSA?”). The benefit to communities is that they can select a firm knowing it is already qualified and getting the best price. Ideally the MSMA will work with assorted State agencies as part of the process to assure the plans adhere to necessary regulations.

Distressed Community Assistance

While most Michigan communities are not currently facing extreme economic stress, there are a few each year that require State of Michigan intervention. The MMSA may be able to provide technical assistance for these communities either before or during action by the State of Michigan. This concept will need to be discussed with State of Michigan Administration officials before proceeding.

Next Steps

The MMSA is at a crossroads and the choice to continue or end is one the Board will ultimately need to make. Persuasive arguments can be made for either choice, though continuing without a stable funding source makes it much more of a challenge. The Board should explore the facts for both options.

Option #1 – Dissolve

MMSA was founded when Michigan's communities were facing a severe economic crisis, which has since passed. It could be argued that, absent a crisis, many communities will not seek out the types of initiatives MMSA was created to foster including consolidation, collaboration and cooperation. During the economic crisis many Michigan communities developed their own solutions to survive, with only the most extreme cases needing State of Michigan intervention. The fact that only a few communities required intervention speaks to resiliency of local leadership.

This lack of urgency and possible loss of funding is why MMSA should proceed to dissolving the organization. If this is the choice, plans will be needed to transition the Local Community Stabilization Authority to a new operational solution. Wrapping up the organization may take three to four months, depending upon the LCSA transition.

Option #2 – Continue

Based on stakeholder feedback there is strong interest in continuing and expanding MMSA's mission. There are several opportunities for MMSA to successfully fulfill its original mission, though it will take significant effort and Board engagement moving forward. If the decision is made to continue, then the following step should be considered:

- 1) Reaffirm support for MMSA by its founding members – City of Livonia, City of Grand Rapids and the State of Michigan.
- 2) Upon reaffirmation look to host a facilitated visioning session with the Board, stakeholders and representatives from the State of Michigan. The purpose is to refine MMSA's overall mission and seek commitment from participants. The session may lead to future funding opportunities from the State of Michigan.
- 3) Realignment of the MMSA Board – expanding the Board to include high level representation from Michigan's three local government institutions (Michigan Township Association, Michigan Association of Counties and the Michigan Municipal League).
- 4) Identify Board replacements for Livonia Representatives. Mr. Cambridge and Mr. Meakin have expressed their intent to resign from the Board due to outside commitments. Additionally, the Board has three positions not currently filled. The Board should work to identify replacements that include individuals from the private sector as well as the public.
- 5) Upon replacement of Board members, begin the process of hiring a permanent CEO. The new CEO needs to have a deep understanding of local government management as well as strong credibility with local officials (elected and appointed).
- 6) Initiate formal cooperative agreements with Oakland County's G2G Marketplace and MAC's CoPro.
- 7) Begin comprehensive marketing effort of MMSA to local governments. This includes attendance and presentations at local government association conferences.

Conclusion

Moving forward with the steps outlined in this report I feel the MSMA can be successful in helping Michigan communities. MSMA's strength lies in its ability to work with any local governmental entity and that is what makes this opportunity so unique. I will have a presentation for our March 11th session outlining what is in this memo as well as budgetary options.

Program Development Report

Service	Description	Potential Service Provider(s)	Contact	Status
Analytics, Benchmarking, and Transparency (ABT) Program	A cloud-based business intelligence and transparency solution Delivers an automated platform for local government benchmarking Reduces the cost of complying with legislative transparency requirements	OPENGOV	Brad Snider bsnider@opengov.com • Work (650) 265-6003 • Work (734) 649-3512 • Mobile	No RFP issued Seeking interested agencies
Benefits Administration System	See attached	Segal Consulting	Kim Wixson kwixson@segalco.com • Work (248) 606-1435 • Mobile	Not started
CISO (Chief Information Security Officer) as a Service	The program will provide a shared chief information security office (CISO) to provide consulting and advisory services to multiple local governments.	Counter-Measure Inc.	Matthew LoCricchio matthew.locricchio@counter-measure.com • Work (586) 996-9935 • Mobile	RFP issued Thursday, August 9, 2018 Counter-Measure Inc. selected No contract awarded pending state funding
Compensation Benchmarking	See attached	Segal Consulting	Kim Wixson kwixson@segalco.com • Work (248) 606-1435 • Mobile	Not started
Dental and Vision Purchasing Coalition	See attached	Segal Consulting	Kim Wixson kwixson@segalco.com • Work (248) 606-1435 • Mobile	Not started
Equipment and Service Sharing	This program will provide an online marketplace that makes it easy for public agencies to share heavy equipment (backhoes, bulldozers, excavators, etc.) internally and with other agencies.	MuniRent	Alan Mond, CEO alan@munirent.co • Work (248) 953-3496 • Mobile	No RFP issued Seeking interested agencies
Fleet Management	This program will provide a range of functions, such as vehicle selection, financing, maintenance, fuel management, telematics (tracking and diagnostics), risk and safety management, and disposal.	Enterprise Fleet Management	Adam Beattie adam.s.beattie@efleets.com • Work (248) 426-1634 • Work (734) 845-1564 • Mobile	RFP issued Monday, January 9, 2017 Enterprise Fleet Management selected No contract awarded pending interested agencies
Friend of the Court (FOC) Independent Security Audits	This program will provide shared services agreements for implementation of the Independent Security Audit Requirement Contained in Section 4.33(b) of the Current (Fiscal Year [FY] 2017) Cooperative Reimbursement Program (CRP) Agreement	TBD	TBD	No RFP issued Seeking interested agencies
Health Care Benchmarking	See attached	Segal Consulting	Kim Wixson kwixson@segalco.com • Work (248) 606-1435 • Mobile	Not started
Life and Disability Insurance Pool	See attached	Segal Consulting	Kim Wixson kwixson@segalco.com • Work (248) 606-1435 • Mobile	Not started
Medicare Coordination	This program saves participants health care dollars by maximizing the utilization and coordination of Social Security Disability Insurance and Medicare benefits within the pre-65, inactive, health care covered segment.	SSDC Services	Jodi Maxwell Jodi.Maxwell@ssdcservices.com • Work (248) 277-9243 • Work	RFP issued Monday, May 22, 2017 Agreement approved October 12, 2017 City of Livonia agreement approved March 26, 2018 Seeking interested agencies
Medicare Retiree Carve-Out Pool	See attached	Segal Consulting	Kim Wixson kwixson@segalco.com • Work (248) 606-1435 • Mobile	Not started

Program Development Report

Service	Description	Potential Service Provider(s)	Contact	Status
Municipal Talent Pipeline	A one-stop shop allowing public employers to share talent acquisition, development, and retention services Provides strategic human resource planning services to help organizations anticipate their human capital needs and deliver the services required to meet those needs	Orion Solutions Group	Dave Flynn, President and Co-Founder dflynn@orionsolutionsgroup.net • Work (248) 763-9637 • Mobile	No RFP issued Seeking interested agencies
Real-Time Performance and Advisory Platforms for Water & Wastewater Utilities	Patent pending digital platform to mine real-time data from sensors, scada, process equipment, distribution, collection systems and water meters. Real-time intelligence provided across the entire life cycle of municipal water from raw water sourcing, treatment, pumping, storage, consumption, storm water, collection, wastewater treatment and recycling.	Aquasight	Mahesh Lunani, CEO mahesh@aquasight.io • Work (248) 219-6538 • Mobile (248) 590-2190 • Work	No RFP issued Seeking interested agencies
Transparent Solutions for Pension & OPEB Information	This program will provide actuarial software, actuarial valuations, and benefit consulting	GovInvest	Jason Huk, Director of Sales jason@govinvest.com • Work (925) 989-6598 • Mobile	No RFP issued Seeking interested agencies
Treasury Asset Management Collaboration (TAMC)	TAMC is a shared service provide by the Center for Local Government (CLG) to member governments in Ohio The goal is to offer a collaborative approach to professional portfolio management for local governments The Authority is researching the business case for a similar collaboration in Michigan	TBD	TBD	No RFP issued Seeking interested agencies