

**INTERLOCAL AGREEMENT**

BETWEEN THE

**CITY OF GRAND RAPIDS**  
(a Michigan municipal corporation)

AND THE

**CITY OF LIVONIA**  
(a Michigan municipal corporation)

CREATING THE

**MICHIGAN MUNICIPAL SERVICES AUTHORITY**  
(a Michigan public body corporate)

The following recitals are made regarding this interlocal agreement between the City of Grand Rapids (“Grand Rapids”) and the City of Livonia (“Livonia”):

The State of Michigan and its political subdivisions have been authorized by the People of the State of Michigan to enter into agreements for the performance, financing, and execution of governmental functions through Section 5 of Article III of the State Constitution of 1963.

The People of the State of Michigan, through Section 28 of Article VII of the State Constitution of 1963, have required the Michigan Legislature to authorize two or more counties, townships, cities, villages, or districts to, among other things: (1) enter into contracts, including with the State, for the joint administration of functions or powers; (2) share costs and responsibilities; (3) transfer functions or responsibilities; (4) cooperate; and (5) lend their credit in connection with any publicly owned undertaking.

The Michigan Legislature has implemented Section 5 of Article III of the State Constitution of 1963 and Section 28 of Article VII of the State Constitution of 1963 by enacting the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512 (“Act”). Under the Act, a public agency may jointly exercise with any other public agency any power, privilege, or authority that the agencies share in common and that each might exercise separately. An agreement between one or more public agencies under the Act may provide for a separate legal or administrative entity, which must be a public body corporate or politic, to administer or execute the agreement.

Both Grand Rapids and Livonia are a “public agency” as that term is defined under the Act. Grand Rapids and Livonia both possess the power, privilege, and authority under State law to engage in intergovernmental cooperation. Each seeks to cooperate with the other to further coordinate, enhance, and improve the intergovernmental cooperation by entering into this interlocal agreement. Grand Rapids and Livonia intend to achieve their goal by creating a separate legal entity named the Michigan Municipal Services Authority (“Authority”). Under this interlocal agreement, Grand Rapids and Livonia agree that the Authority will administer or execute the joint powers, duties, functions, responsibilities, and authority possessed by Livonia and Grand Rapids as necessary to provide enhance opportunities for intergovernmental cooperation.

Accordingly, Grand Rapids and Livonia agree to the following terms and conditions:

## ARTICLE I

### DEFINITIONS

**Section 1.01. Definitions.** As used in this interlocal agreement:

- (a). "Act" means the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- (b). "Agreement" means this interlocal agreement between Grand Rapids and Livonia.
- (c). "Authority" means the Michigan Municipal Services Authority, a separate legal entity and public body corporate created under Article III.
- (d). "Authority Board" means the board of the Authority created under Article IV.
- (e). "CEO" means a chief executive officer of the Authority selected under Section 4.12.
- (f). "Effective Date" means the later of August 1, 2012 or the date on which all of the following are satisfied:
  - (i). The Agreement is approved and entered into by Grand Rapids.
  - (ii). The Agreement is approved and entered into by Livonia.
  - (iii). The Agreement is approved by the Governor under Section 10 of the Act.
  - (iv). The Agreement is filed with the county clerk of Kent County.
  - (v). The Agreement is filed with the county clerk of Wayne County.
  - (vi). The Agreement is filed with the Secretary of State of the State.
- (g). "Executive Committee" means the executive committee of the Authority created under Article IV.
- (h). "Fiscal Year" means the fiscal year of the Authority, which shall begin on October 1 of each calendar year and end on September 30 of the following calendar year.
- (i). "Founding City" means both Grand Rapids and Livonia, the first two cities that are Parties to this Agreement.
- (j). "Grand Rapids" means the City of Grand Rapids, a Michigan municipal corporation located within Kent County, Michigan and organized under The Home Rule City Act, 1909 PA 279 MCL 117.1 to 117.38.

(k). "Livonia" means the City of Livonia, Michigan, a Michigan municipal corporation located within Wayne County, Michigan and organized under The Home Rule City Act, 1909 PA 279 MCL 117.1 to 117.38.

(l). "OMA" means the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.275.

(m). "Party" means a city that has approved this Agreement and that has not withdrawn from this Agreement.

(n). "Person" means an individual, authority, corporation, limited liability company, partnership, limited partnership, firm, organization, association, joint venture, trust, governmental entity, Public Agency, or other legal entity.

(o). "Protected Person" means a commission, council, board, commission member, council member, board member, officer, employee, contractor, or agent of a Founding City.

(o). "Public Agency" means that term as defined under Section 2(e) of the Act.

(p). "State" means the State of Michigan.

**Section 1.02. Captions and Headings.** The captions, headings, and titles in this Agreement are a convenience and not intended to have any substantive meaning or be interpreted as part of this Agreement.

**Section 1.03. Plural Terms.** A term or phrase in this Agreement importing the singular number may extend to and embrace the plural number and every term or phrase importing the plural number may be applied and limited to the singular number.

## ARTICLE II

### PURPOSE

**Section 2.01. Purpose.** The purpose of this Agreement is to create and empower the Authority to exercise the common powers, privileges, and authority of the Parties to engage in cooperative activities with other Public Agencies consistent with this Agreement.

ARTICLE III  
CREATION OF  
MICHIGAN MUNICIPAL SERVICES AUTHORITY

**Section 3.01. Creation and Legal Status of Authority.** The Michigan Municipal Services Authority is established as a separate legal entity for the purpose of administering and executing this Agreement. The Authority shall be a public body corporate and special authority having the powers granted under this Agreement, the Act, and other applicable law.

**Section 3.02. Principal Office.** The principal office of the Authority shall be at a location in the State determined by the Authority.

**Section 3.03. Title to Authority Assets.** All property owned by the Authority is owned by the Authority as a separate legal entity and public body corporate, and no Party has any ownership interest in Authority property. This paragraph does not prevent the Authority from contracting with a Party or other person for the use of the property of the Party or person under the contract, with the ownership of the property addressed as provided under the contract.

**Section 3.04. Tax-Exempt Status.** The Parties intend the activities of the Authority to be tax-exempt as governmental functions carried out by an instrumentality or political subdivision of government under Section 115 of the Internal Revenue Code of 1986, 26 USC 115, or any corresponding provisions of any future federal tax code. The Parties also intend the activities of the Authority to be governmental functions carried out by a political subdivision of the State, exempt to the extent provided under State law from taxation by this State, including, but not limited to, business tax under the Michigan Business Tax Act, 2007 PA 36, MCL 208.1101 to 208.1601, income tax under the Income Tax Act of 1967, 1967 PA 281, MCL 206.1 to 206.713, and property tax under The General Property Tax Act, 1893 PA 206, MCL 211.1 to 211.157, and any successor State tax laws.

**Section 3.05. Compliance with Law.** The Authority shall comply with all federal and State laws, rules, and regulations applicable to the Authority.

**Section 3.06. Relationship of the Parties.** The Parties agree that no Party shall be responsible for the acts of the Authority or of the employees, agents, and servants of any other Party, whether acting separately or in conjunction with the implementation of this Agreement. The Parties shall only be bound and obligated under this Agreement as expressly agreed to by each Party and no Party may otherwise obligate any other Party.

**Section 3.07. No Third-Party Beneficiaries.** Except as expressly provided in this Agreement, the Agreement does not create in any Person, and is not intended to create by implication or otherwise, any direct or indirect obligation, duty, promise, benefit, right to be indemnified (such as contractually, legally, equitably, or by implication), right to be subrogated to any Party's rights in this Agreement, or any other right.

**Section 3.08. Legal Settlements.** The Authority shall not be liable for any settlement of any proceeding made without its consent, and the Authority shall not unreasonably withhold consent.

**Section 3.09. Nonprofit Status.** As a governmental instrumentality within this State, the Authority may not be operated for profit. Except as otherwise expressly provided in a contract approved by the Executive Committee, no part of any earnings of the Authority may inure to the benefit of a Person other than the Parties. It is the intent of the Parties that the Authority maintain its nonprofit status.

## ARTICLE IV

### AUTHORITY BOARD, EXECUTIVE COMMITTEE, AND CEO

**Section 4.01. Authority Board Composition.** The governing body of each Founding City shall appoint 2 members of the Authority Board. Each member of the Authority Board appointed by the governing body of a Founding City shall be selected from a list of 3 or more individuals nominated by the mayor of the Founding City and submitted to the governing body of the Founding City. For each member of the Authority Board appointed by a Founding City, the Governor of the State shall appoint 2 members of the Authority Board. A member of the Authority Board shall serve at the will of the Person appointing the member. In the event of a vacancy on the Authority Board, the vacancy shall be filled in the same manner as the original appointment.

**Section 4.02. Authority Board Power.** The Authority Board shall authorize and approve the annual audit of the Authority, evaluate the performance of the Authority, and shall, if required by law, review acts of the Executive Committee. The Authority Board may advise the Executive Committee on all matters relating to the Authority, including, but not limited to, the Authority's budget, amendments to this Agreement, contracts to provide services to local Public Agencies, other contracts, and capital expenditures.

**Section 4.03. Authority Board Meetings.** The Authority Board may hold an annual meeting and other special meetings at a time, date, and place determined by the Authority Board. Meetings of the Authority Board shall comply with the OMA. Public notice of the time, date, and place of Authority Board meetings shall be given in the manner required by the OMA. Members of the Authority Board may participate in meetings by electronic means of communication to the fullest extent permitted by law.

**Section 4.04. Authority Board Quorum and Voting.** A majority of the members serving on the Authority Board shall constitute a quorum for the transaction of business. The Authority Board shall act by a majority vote of the members serving at the time of the vote. Members of the Authority Board shall not engage in proxy voting.

**Section 4.05. Authority Board Officers.** The Governor shall designate a member of the Authority Board to serve as its Chairperson at the pleasure of the Governor. The Authority Board shall elect from among the serving members of the Authority Board a Vice-Chairperson of the Authority Board. In the event of the temporary absence or disability of the Chairperson of the Authority Board, the Vice-Chairperson of the Authority Board shall serve as the acting Chairperson of the Authority Board. The Authority Board may elect other officers of the Authority Board as the Authority Board deems appropriate.

**Section 4.06. Executive Committee.** The Authority shall have an Executive Committee consisting of 5 members of the Authority Board. The mayor of each Founding City shall each appoint 1 member of the Authority Board as a member of the Executive Committee. The Governor of the State shall appoint 3 members of the Authority Board as members of the Executive Committee, with not less than 1 of the members appointed by the Governor representing local Public Agencies in the State. Members of the Executive Committee shall not

be employees or officers of the State. Appointments by a mayor under this Agreement require no further approval by another governmental body before taking effect. After the initial terms of office, members of the Executive Committee shall be appointed for a term of 4 years. The initial terms of office of the members of the Executive Committee shall be as follows:

- (a). One member appointed by the Governor representing local Public Agencies for a term of 4 years.
- (b). Each of the 2 members appointed by the mayor of a Founding City for a term of 3 years.
- (c). One member appointed by the Governor for a term of 2 years.
- (d). One member appointed by the Governor for a term of 1 year.

**Section 4.07. Executive Committee Powers.** Except as otherwise provided in this Agreement, the Executive Committee shall exercise the powers of the Authority. The Executive Committee has the responsibility, authority, and right to manage and direct on behalf of the public the functions or services performed or exercised under this Agreement. The Executive Committee may appoint a CEO under Section 4.12. The Executive Committee may make inquiries, conduct studies or investigations, hold hearings, and receive comments from the public. The Executive Committee also may consult with outside experts in order to perform its duties including, but not limited to, experts in the field of education, the private sector, government agencies, nonprofit entities, and experts at institutions of higher education. The Executive Committee may establish subcommittees and work groups, task forces, or advisory bodies, which may include individuals not serving as members of the Executive Committee or the Authority Board, to assist the Executive Committee in performing its responsibilities.

**Section 4.08. Executive Committee Meetings.** The Executive Committee shall meet regularly at the time, date, and place as the Executive Committee determines, but not less than quarterly. Meetings of the Executive Committee shall comply with the OMA. Public notice of the time, date, and place of Executive Committee meetings shall be given in the manner required by the OMA. Members of the Executive Committee may participate in meetings by electronic means of communication to the fullest extent permitted by law.

**Section 4.09. Executive Committee Quorum and Voting.** A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. The Executive Committee shall act by a majority vote of its members serving at the time of the vote. Members of the Executive Committee may not engage in proxy voting.

**Section 4.10. Executive Committee Officers.** The Governor shall designate a member of the Executive Committee to serve as its Chairperson at the pleasure of the Governor. The Executive Committee shall elect from among the serving members of the Executive Committee a Vice-Chairperson of the Executive Committee. In the event of the temporary absence or disability of the Chairperson of the Executive Committee, the Vice-Chairperson of the Executive Committee shall serve as the acting Chairperson of the Executive Committee. The Executive Committee shall elect from among the serving members of the Executive Committee a Secretary of the Authority who shall serve as the official custodian of the records of the Authority. The

Executive Committee may elect other officers of the Authority and assign duties to the officers as the Executive Committee deems appropriate.

**Section 4.11. Ethics and Conflicts of Interest.** The Authority Board shall adopt ethics policies governing the conduct of Authority Board members, the Executive Committee, and the officers and any employees of the Authority. The policies shall be no less stringent than those provided for public officers and employees under 1973 PA 196, MCL 15.341 to 15.348. Members of the Authority Board, the Executive Committee, and the officers and employees of the Authority shall be deemed to be public servants under 1968 PA 317, MCL 15.321 to 15.330, and are subject to any other applicable laws with respect to conflicts of interest. The Executive Committee shall establish policies and procedures requiring disclosure of relationships that may give rise to conflicts of interest.

**Section 4.12. CEO.** The Executive Committee may appoint a CEO of the Authority to administer all programs, funds, personnel, facilities, contracts, and all other administrative and academic functions of the Authority, subject to oversight by the Executive Committee. The CEO may receive compensation as determined by the Executive Committee. All terms and conditions of a CEO's employment, including length of service, shall be specified in a written contract between the CEO and the Executive Committee, provided that the CEO shall serve at the pleasure of the Executive Committee, and the Executive Committee may remove or discharge the CEO by a vote of not less than the majority of the members of the Executive Committee. A CEO shall report to the Executive Committee at meetings of the Executive Committee and to the Chairperson of the Executive Committee between meetings of the Executive Committee.

**Section 4.13. Fiduciary Duty.** The members of the Authority Board and the Executive Committee are under a fiduciary duty to conduct business in the best interests of the Authority, including the safekeeping and use of all Authority monies and assets for the benefit of the Authority.

**Section 4.14. Litigation Costs.** In the event of a legal proceeding challenging the validity of this Agreement or action or activity under this Agreement where a Founding City or a Protected Person of a Founding City is named as a defendant, to the extent permitted by law, including, but not limited to, Section 28 of Article VII of the State Constitution of 1963 and Section 5 of the Act, and from funds lawfully available to the Authority, the cost of legal representation of the Founding City or the Protected Person shall be the responsibility of the Authority, not the Parties. To the extent permitted by law, and from funds lawfully available to the Authority, the Authority shall defend, hold harmless, and reimburse the Founding City or a Protected Person of the Founding City from and against any and all costs, losses, claims, liabilities, actions, suits, proceedings, fines, expenses, payments, penalties, damages, and injuries, of whatever kind or nature, including attorneys' fees and settlement costs, arising out of, resulting from, caused by, or associated with, or alleged to have arisen out of, resulted from, been caused by, or associated with, in whole or in part, directly or indirectly, the execution or performance of this Agreement, or any acts or omissions of any Party or any Person taken in connection with this Agreement or its performance. The Parties intend that a Founding City and Protected Persons of a Founding City shall have no liabilities or costs of any nature in connection with this Agreement other than those specifically agreed to or assumed in writing by a Founding City. To the extent permitted by law and from funds lawfully available to the Authority, if any

suit, action, or proceeding is brought against a Founding City or any Protected Person of the Founding City, that suit, action, or proceeding shall be defended by counsel as each Party shall determine. If the defense is by counsel to a Founding City, the Authority shall pay all reasonable and necessary costs of the defense, including reasonable counsel fees, to the extent permitted by law and from funds lawfully available to the Authority. If a Founding City determines that the Authority shall defend the Founding City or Protected Person of the Founding City, the Authority shall immediately assume the defense at its own reasonable and necessary cost, to the extent permitted by law and from funds lawfully available to the Authority. Notwithstanding another provision of this section, if the Authority refuses to defend a Party or a Protected Person under this section, or a conflict under applicable law or rules prohibits the Authority from defending a Party or a Protected Person, the Party or Protected Person may retain counsel and the Authority shall be responsible for the reasonable and necessary costs and expenses of the Party or Protected Person, to the extent permitted by law and from funds lawfully available to the Authority.

**Section 4.15. Compensation.** The members of the Authority Board and the Executive Committee shall receive no compensation for the performance of their duties. A member of the Authority Board or the Executive Committee may engage in private or public employment, or in any profession or business. Members of the Authority Board and the Executive Committee may be reimbursed by the Authority for actual and necessary expenses incurred in the discharge of their official duties consistent with policies adopted by the Executive Committee.

**Section 4.16. Oath of Office.** Members of the Authority Board and the CEO, prior to entering upon the duties of office, shall take and subscribe to the constitutional oath of office under Section 1 of Article XI of the State Constitution of 1963. The oath of office shall be filed with the Secretary of State.

## ARTICLE V

### POWERS OF THE AUTHORITY

**Section 5.01. Common and Shared Powers.** The enumeration of a power, privilege, or authority in this Agreement shall not be construed as limiting the powers, privileges, or authorities of the Authority. In carrying out its purposes, the Authority may perform, or perform with any Person, as applicable, any power, privilege, or authority relating to intergovernmental cooperation that the Parties share in common and that each might exercise separately to the fullest extent permitted by the Act, including, but not limited to, all of the following:

- (a). Collecting data regarding intergovernmental cooperation and shared municipal services activities.
- (b). Studying the feasibility of intergovernmental cooperation activities.
- (c). Establishing standards, criteria, or model practices for intergovernmental cooperation.
- (d). Developing or enhancing intergovernmental cooperation with 1 or more Public Agencies.
- (e). Entering into mutual aid or reciprocal aid agreements or compacts.
- (f). Entering into joint endeavors with 1 or more Public Agencies.
- (g). Entering into joint undertakings with 1 or more Public Agencies.
- (h). Entering into cooperative agreements with 1 or more Public Agencies.
- (i). Promoting joint endeavors, joint undertakings, cooperative agreements, or other forms of intergovernmental cooperation among Public Agencies.

**Section 5.02. Powers Under the Act.** In addition to other powers of the Authority, the Authority shall, consistent with Section 7 of the Act, have the power to do all of the following:

- (a). Make or enter into contracts.
- (b). Employ agencies or employees.
- (c). Acquire, construct, manage, maintain, or operate buildings, works, or improvements.
- (d). Acquire, hold, or dispose of property.
- (e). Incur debts, liabilities, or obligations that, except as expressly authorized by the Parties, do not constitute the debts, liabilities, or obligations of any of the Parties.

(f). Cooperate with a Public Agency, an agency or instrumentality of the Public Agency, or another legal or administrative entity created by the Public Agency under the Act.

(g). Make loans from the proceeds of gifts, grants, assistance funds, or bequests in order to further the purposes of the Authority.

(h). Form other entities necessary to further the purposes of this Agreement.

(i). Sue and be sued in the name of the Authority.

**Section 5.03. Additional Powers Under the Act.** The Authority also shall have the power, consistent with Section 5 of the Act, to do all of the following:

(a). Fix and collect charges, rates, rents, fees, loan repayments, loan interest rates, or other charges on loans.

(b). Promulgate necessary rules and provide for their enforcement by or with the assistance of the Parties to accomplish the purposes of this Agreement.

(c). Determine the manner in which purchases shall be made and contracts entered into by the Authority.

(d). Acquire, own, hold, operate, maintain, lease, or sell real or personal property.

(e). Accept gifts, grants, assistance funds, or bequests and use the same for the purposes of this Agreement. The Authority may apply for and accept grants, assistance funds, loans, or contributions from any source. Gifts, grants, assistance funds, or bequests accepted by the Authority shall become the property of the Authority upon acceptance, except as otherwise agreed by the Authority and the grantor. The Authority may do anything within its power to secure the grants, loans, or other contributions, including, but not limited to, maintaining separate segregated funds for gifts, grants, assistance funds, or bequests.

(f). Make claims for federal or state aid payable to a Party on account of the execution of this Agreement, with the written consent of the Party.

(g). Determine the manner of responding for any liabilities that might be incurred through performance of the Agreement and insure against any such liability.

(h). Adjudicate disputes or disagreements, the effects of failure of the Parties to pay their shares of the costs and expenses agreed to by the Parties, and the rights of the other Party in such cases.

(i). Engage auditors to perform independent audits of the financial statements of the Authority.

(j). Invest surplus funds or proceeds of grants, gifts, assistance funds, or bequests, consistent with an investment policy adopted by the Executive Committee.

**Section 5.04. Bonds or Notes.** The Authority may borrow money and issue bonds or notes in its name for purposes authorized by law. The Authority may not issue any type of bond in its own name, except as provided in this section, or in any way indebted a Party except as expressly authorized by the Party in writing. Bonds or notes issued by the Authority are the debt of the Authority and not of the Parties. Bonds or notes issued by the Authority are for an essential public and governmental purpose. Pursuant to Section 7(7) of the Act, bonds or notes, together with the interest on the bonds or notes and income from the bonds or notes, are exempt from all taxes. Bonds or notes issued by the Authority are subject to the Revised Municipal Finance Act, 2001 PA 34, MCL 141.2101 to 141.2821 as required by Section 7(8) of the Act.

**Section 5.05. Agreements with Public Agencies.** The Authority may enter into contracts or other agreements with other Public Agencies, including, but not limited to, contracts or agreements under all of the following:

(a). A contract providing for the transfer of functions or responsibilities under 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536. The Authority shall be a special authority and a political subdivision for purposes of 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536.

(b). A contract for the ownership, operation, or performance, jointly, of any property, facility, or service under 1951 PA 35, MCL 124.1 to 124.13, including, but not limited to, a contract establishing a group self-insurance pool.

(c). A contract for a joint endeavor under the Municipal Partnership Act, 2011 PA 258, MCL 124.123.

**Section 5.06. Agreements Other Persons.** The Authority may enter into contracts or other agreements with other Persons, including, but not limited to, nonprofit corporations, as the Authority deems necessary and consistent with the objectives of this Agreement.

**Section 5.07. Employees.** The Authority will function as the employer of any employees of the Authority. The Authority shall have the responsibility, authority, and right to manage and direct the employees of the Authority. Nothing in this Agreement creates an employment relationship between the Authority and an employee of a Party.

**Section 5.08. Tax Limitation.** The Authority shall not levy any type of tax under the Act within the boundaries of any Party. Nothing contained in this Agreement restricts a Party or other Person from levying taxes or assigning the revenue from the taxes to the Authority, as agreed by the Parties or other Person, and to the extent provided by law.

**Section 5.09. Limitation on Binding Parties.** The Authority shall not have the power to bind a Party or to create debts, liabilities, or obligations of a Party, unless otherwise specifically agreed to by the Party. This Agreement does not authorize the Authority to exercise a power, privilege, or authority of a Party other than a common and shared power, privilege, or authority detailed in Section 5.01.

**Section 5.10. No Waiver of Governmental Immunity.** The Parties agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided under the Act or other law.

## ARTICLE VI

### MANNER AND METHOD FOR EXERCISE OF COMMON POWER

**Section 6.01. Joint Exercise of Power.** The joint exercise of power authorized under this Agreement is effective on the Effective Date. No employees of Grand Rapids or Livonia shall be transferred to the Authority on the Effective Date. Nothing in this Agreement restricts the Parties from continuing to individually and independently exercise a power jointly exercised through this agreement. This Agreement does not authorize the Authority to exercise a power, privilege, or authority of a Party other than a common and shared power, privilege, or authority detailed in Section 5.01.

**Section 6.02. Transfer of Functions or Services.** The Parties may enter into 1 or more subsequent agreements or amendments to this agreement necessary to transfer to the Authority the assets, liabilities, employees, money, or revenue of a Party to support this Agreement. A Party may advance money to the Authority to pay for costs associated with implementation of this Agreement. A Party or the Authority may execute documents as necessary to implement this Agreement or a subsequent agreement or amendment under this paragraph.

**Section 6.03. Regional Activities.** The Executive Committee may organize the activities of the Authority on a regional basis or within service areas with a focus on 1 or more specified geographic region within the State.

**Section 6.04. Assumption of Liabilities.** Except as otherwise explicitly provided in this Agreement, the Authority does not assume any liabilities or obligations of a Party relating to the joint exercise of power under this Agreement. After the Effective Date, the Authority may assume a liability or obligation of a Party relating to the joint exercise of powers under this Agreement only with the consent of all of the Parties.

**Section 6.05. Acts and Omissions.** Except as provided in Section 4.14, it is the intent of the Parties that liability for acts or omissions of a Party prior to the Effective Date shall remain with a Party and not be transferred, assigned, or assumed by the Authority. The Authority only shall be liable for its own acts or omissions that occur after the Effective Date and the Parties shall not be liable for any acts or omissions of the Authority.

## ARTICLE VII

### BOOKS, RECORDS, AND FINANCES

**Section 7.01. Authority Records.** The Authority shall keep and maintain at the principal office of the Authority all documents and records of the Authority. The records of the Authority, which shall be available to the Parties, shall include a copy of this Agreement, any amendments to the Agreement, and any agreements under Article VI. The records and documents shall be maintained until termination of this Agreement and shall be returned to any successor entity or, if none, to the State Treasurer.

**Section 7.02. Financial Statements and Reports.** The Authority shall prepare, or cause to be prepared, at its own expense, audited financial statements (balance sheet, statement of revenue and expense, statement of cash flows, and changes in fund balance) on an annual basis. The financial statements shall be prepared in accordance with generally accepted accounting principles and shall be accompanied by a written opinion of an independent certified public accounting firm. A copy of the annual financial statement and report shall be filed with the State Department of Treasury, made available to each of the Parties, and posted on a publicly accessible internet website.

**Section 7.03. Audits.** The Executive Committee shall obtain an annual audit of the financial statements of the Authority. Upon completion of the annual financial audit, the CEO shall transmit the audit to the Authority Board for approval.

**Section 7.04. Freedom of Information Act.** The Authority shall be subject to and comply with the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246.

**Section 7.05. Uniform Budgeting and Accounting Act.** The Authority shall be subject to and comply with the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.421 to 141.440a. Unless otherwise designated by the Executive Committee, a CEO of the Authority shall serve as the Chief Administrative Officer of the Authority. If the Executive Committee appoints a CEO, the CEO shall prepare all budgets and budget amendments and the Executive Committee shall approve all budgets and budget amendments for the Authority for each Fiscal Year.

**Section 7.07. Deposits and Investments.** The Authority shall deposit and invest money of the Authority, not otherwise employed in carrying out the purposes of the Authority, in accordance with an investment policy established by the Executive Committee consistent with laws and regulations regarding investment of public funds.

**Section 7.08. Disbursements.** Disbursements of money by the Authority shall be in accordance with the annual budget adopted by the Executive Committee, consistent with any guidelines recommended approved by the Executive Committee, and also shall be in accordance with applicable law.

**Section 7.09. Adoption of Rules and Procedures.** Before promulgating a rule or adopting a procedure, policy, or statement of policy, the Authority shall provide advance notice

in a manner intended to inform the public and afford the public an opportunity to comment on the proposed rule, procedure, policy, or statement of policy.

## ARTICLE VIII

### TERM AND TERMINATION

**Section 8.01. Term.** This Agreement and the Authority shall commence on the Effective Date and continue for an initial term of 15 years. After the initial term, the Agreement is extended in 10-year increments unless not extended by joint action of all of the Parties.

**Section 8.02. Withdrawal.** Subject to any contractual obligations to the Authority, a Party may withdraw from this Agreement prior to the expiration of the term of the Agreement at any time if there more than 2 Parties, or if there are less than 3 Parties, with the consent of the Executive Committee or 6 months after notice of withdrawal to the Executive Committee.

**Section 8.04. Effect of Withdrawal.** The withdrawal of a Party, shall neither terminate nor have any effect upon the provisions of the Agreement as long as not less than 2 Parties remain as Parties to the Agreement.

**Section 8.05. Disposition upon Termination.** As soon as possible after termination of this Agreement, the Authority shall wind up its affairs as follows:

- (a). All of the Authority's debts, liabilities, and obligations to its creditors and all expenses incurred in connection with the termination of the Authority and distribution of its assets shall be paid first.
- (b). Title to all property owned by the Authority then shall be distributed by the Executive Committee to the Parties to the Agreement at the time of termination.

## ARTICLE IX

### MISCELLANEOUS

**Section 9.01. Due Execution of this Agreement.** Each Party shall duly execute not less than 4 copies of this Agreement, each of which, taken together, is an original but all of which constitute 1 instrument.

**Section 9.02. Public Purpose and Governmental Functions.** The powers, duties, rights, obligations, functions, and responsibilities of the Authority constitute essential public purposes and governmental functions.

**Section 9.03. Non-Impairment.** Nothing in this Agreement authorizes the impairment of a bond, note, security, or uncontested legal obligation of a Party.

**Section 9.04. Notices.** Any and all correspondence or notices required, permitted, or provided for under this Agreement to be delivered to any Party shall be sent to that Party by first-class mail. All such written notices shall be sent to each other Party's signatory to this Agreement or that signatory's successor. All correspondence shall be considered delivered to a Party as of the 2 business days after date that the notice is deposited with sufficient postage with the United States Postal Service. A notice of withdrawal shall be sent via certified mail to the address included with each Party's signature to this Agreement and shall be deemed received on the date noted on the return receipt.

**Section 9.05. Entire Agreement.** This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement. The terms and conditions of this Agreement are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter of this Agreement, except as expressly stated in this Agreement.

**Section 9.06. Severability of Provisions.** If any provision of this Agreement, or its application to any Person, Party, or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other Persons or circumstances and to the remaining Parties is not affected but will be enforced to the extent permitted by law, it being the intent of the remaining Parties to continue to agree to the substantive provisions of this Agreement and to implement the Agreement.

**Section 9.07. Governing Law.** This Agreement is made and entered into in this State and shall in all respects be interpreted, enforced, and governed under State law without regard to the doctrines of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning and not construed strictly for or against any Party.

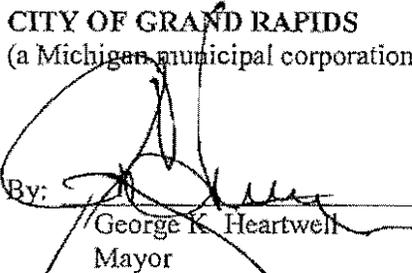
**Section 9.08. Jurisdiction and Venue.** Jurisdiction and venue for any disputes between the Parties over the meaning, interpretation, or implementation of the terms, covenants, or conditions of this Agreement not resolved by the Parties shall be submitted to the courts of the State in the County of Ingham.

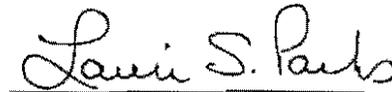
**Section 9.09. Amendment.** This Agreement may be amended or an alternative form of this Agreement adopted only upon written agreement of all Parties. Any contract among the Parties that is inconsistent with this Agreement shall be adopted as an amendment to the Agreement and be approved as provided in the Act by the governing bodies of the Parties and by the Governor prior to becoming effective. Any amendment to allow the participation in the Authority by another Public Agency as a Party will be completed in a manner consistent with the Act.

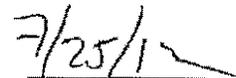
**Section 9.10. Effective Date.** This Agreement is effective on the Effective Date.

This Agreement is executed by the Parties on the dates indicated below.

**CITY OF GRAND RAPIDS**  
(a Michigan municipal corporation)

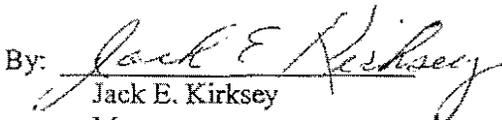
By:   
George K. Heartwell  
Mayor

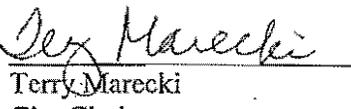
  
Lauri S. Parks  
City Clerk

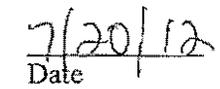
  
Date

Address: 300 Monroe – Room 660  
Grand Rapids, MI 49503

**CITY OF LIVONIA**  
(a Michigan municipal corporation)

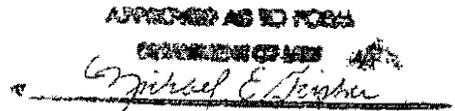
By:   
Jack E. Kirksey  
Mayor

  
Terry Marecki  
City Clerk

  
Date

Address: 33000 Civic Center Drive  
Livonia, MI 48154

**APPROVED**  
  
Director of Finance

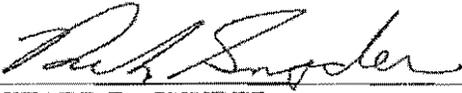
**APPROVED AS TO FORM**  
**DEPARTMENT OF LAW**  
  
7/20/2012

Subject to Resolution # 303-12  
Adopted by City Council on 7/18/12

  
DEPARTMENT OF LAW

Pursuant to Section 10 of the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.510, I find that this agreement meets the conditions set forth in the Urban Cooperation Act of 1967, is in proper form, and is compatible with the laws of the State of Michigan.

Dated: August 24, 2012

  
\_\_\_\_\_  
RICHARD D. SNYDER  
Governor

8 1 6 4 5

19947

**PRESENTED TO  
City Commission**

**JUL 24 2012**

**Laura S. Parks  
City Clerk**

9907 200100  
MAY 27 11 00  
CLERK OF THE SUPERIOR COURT

**INTERLOCAL AGREEMENT**

BETWEEN THE

**CITY OF GRAND RAPIDS**  
(a Michigan municipal corporation)

AND THE

**CITY OF LIVONIA**  
(a Michigan municipal corporation)

CREATING THE

**MICHIGAN MUNICIPAL SERVICES AUTHORITY**  
(a Michigan public body corporate)

1

The following recitals are made regarding this interlocal agreement between the City of Grand Rapids ("Grand Rapids") and the City of Livonia ("Livonia"):

The State of Michigan and its political subdivisions have been authorized by the People of the State of Michigan to enter into agreements for the performance, financing, and execution of governmental functions through Section 5 of Article III of the State Constitution of 1963.

The People of the State of Michigan, through Section 28 of Article VII of the State Constitution of 1963, have required the Michigan Legislature to authorize two or more counties, townships, cities, villages, or districts to, among other things: (1) enter into contracts, including with the State, for the joint administration of functions or powers; (2) share costs and responsibilities; (3) transfer functions or responsibilities; (4) cooperate; and (5) lend their credit in connection with any publicly owned undertaking.

The Michigan Legislature has implemented Section 5 of Article III of the State Constitution of 1963 and Section 28 of Article VII of the State Constitution of 1963 by enacting the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512 ("Act"). Under the Act, a public agency may jointly exercise with any other public agency any power, privilege, or authority that the agencies share in common and that each might exercise separately. An agreement between one or more public agencies under the Act may provide for a separate legal or administrative entity, which must be a public body corporate or politic, to administer or execute the agreement.

Both Grand Rapids and Livonia are a "public agency" as that term is defined under the Act. Grand Rapids and Livonia both possess the power, privilege, and authority under State law to engage in intergovernmental cooperation. Each seeks to cooperate with the other to further coordinate, enhance, and improve the intergovernmental cooperation by entering into this interlocal agreement. Grand Rapids and Livonia intend to achieve their goal by creating a separate legal entity named the Michigan Municipal Services Authority ("Authority"). Under this interlocal agreement, Grand Rapids and Livonia agree that the Authority will administer or execute the joint powers, duties, functions, responsibilities, and authority possessed by Livonia and Grand Rapids as necessary to provide enhance opportunities for intergovernmental cooperation.

Accordingly, Grand Rapids and Livonia agree to the following terms and conditions:

105/49

INTERLOCAL AGREEMENT

BETWEEN THE

**CITY OF GRAND RAPIDS**  
(a Michigan municipal corporation)

AND THE

**CITY OF LIVONIA**  
(a Michigan municipal corporation)

CREATING THE

**MICHIGAN MUNICIPAL SERVICES AUTHORITY**  
(a Michigan public body corporate)



REC'D

AUG 27 2012

KENT COUNTY CLERK

INTERLOCAL AGREEMENT

BETWEEN THE

CITY OF GRAND RAPIDS  
(a Michigan municipal corporation)

AND THE

CITY OF LIVONIA  
(a Michigan municipal corporation)

CREATING THE

MICHIGAN MUNICIPAL SERVICES AUTHORITY  
(a Michigan public body corporate)



STATE OF MICHIGAN  
EXECUTIVE OFFICE  
LANSING

RICK SNYDER  
GOVERNOR

BRIAN CALLEY  
LT. GOVERNOR

August 24, 2012

Mr. Andy Dillon, State Treasurer  
Department of Treasury  
Lansing, Michigan 48933

Re: Intergovernmental Agreement between Grand Rapids and Livonia establishing the Michigan Municipal Services Authority

Dear Mr. Dillon:

I am responding to the request for approval of the proposed Intergovernmental Agreement between the cities of Grand Rapids and Livonia. The agreement was signed on July 25, 2012, and July 30, 2012, between the parties. Based on the review from the Attorney General's Office, I am notifying you that I approve the proposed Intergovernmental Agreement pursuant to the Urban Cooperation Act (UCA), 1967 (Ex Sess) PA 7, MCL 125.501 *et seq.*

Sincerely,

A handwritten signature in cursive script, appearing to read "Rick Snyder".

Rick Snyder  
Governor

c: Attorney General's Office, State Operations Division