



LOCAL COMMUNITY STABILIZATION AUTHORITY

November 18, 2016 Council Meeting

Authority Council

Mary Anne Jones, Chairperson
Scott Erbsch, Vice Chairperson
Megan Crandall, Secretary
Donald Rogers, Treasurer
David Keenan

Administrator

(517)335-5448



LOCAL COMMUNITY STABILIZATION AUTHORITY

November 15, 2016

LCSA Council Members

Steve Liedel
Laura Knapp
Nat Forstner
Brian Camiller

RE: Agenda packet for November 18, 2016 Regular Meeting

Dear LCSA Council Members:

The LCSA Council is scheduled to meet Friday, November 18, 2016, at the MEDC Building, 300 N. Washington, Lansing, Michigan at 1:00 p.m. in the Lake Superior Conference Room.

If you are unable to attend in-person and would still like to participate by telephone, please use the Conference Call-In telephone number by dialing: 1-877-873-8018, enter the Participant Code 9418914, followed by the (#) pound sign. If you are unable to attend the meeting, please let me know.

With this letter, you are receiving the agenda and draft meeting material for the November 18, 2016, regular meeting. If you have questions, please feel free to contact me.

Sincerely,

/S/ Stephani R. Fleming
Acting LARA Administrator

Attachments

Authority Council

Mary Anne Jones, Chairperson
Scott Erbsch, Vice Chairperson
Megan Crandall, Secretary
Donald Rogers, Treasurer
David Keenan

Administrator

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LOCAL COMMUNITY STABILIZATION AUTHORITY

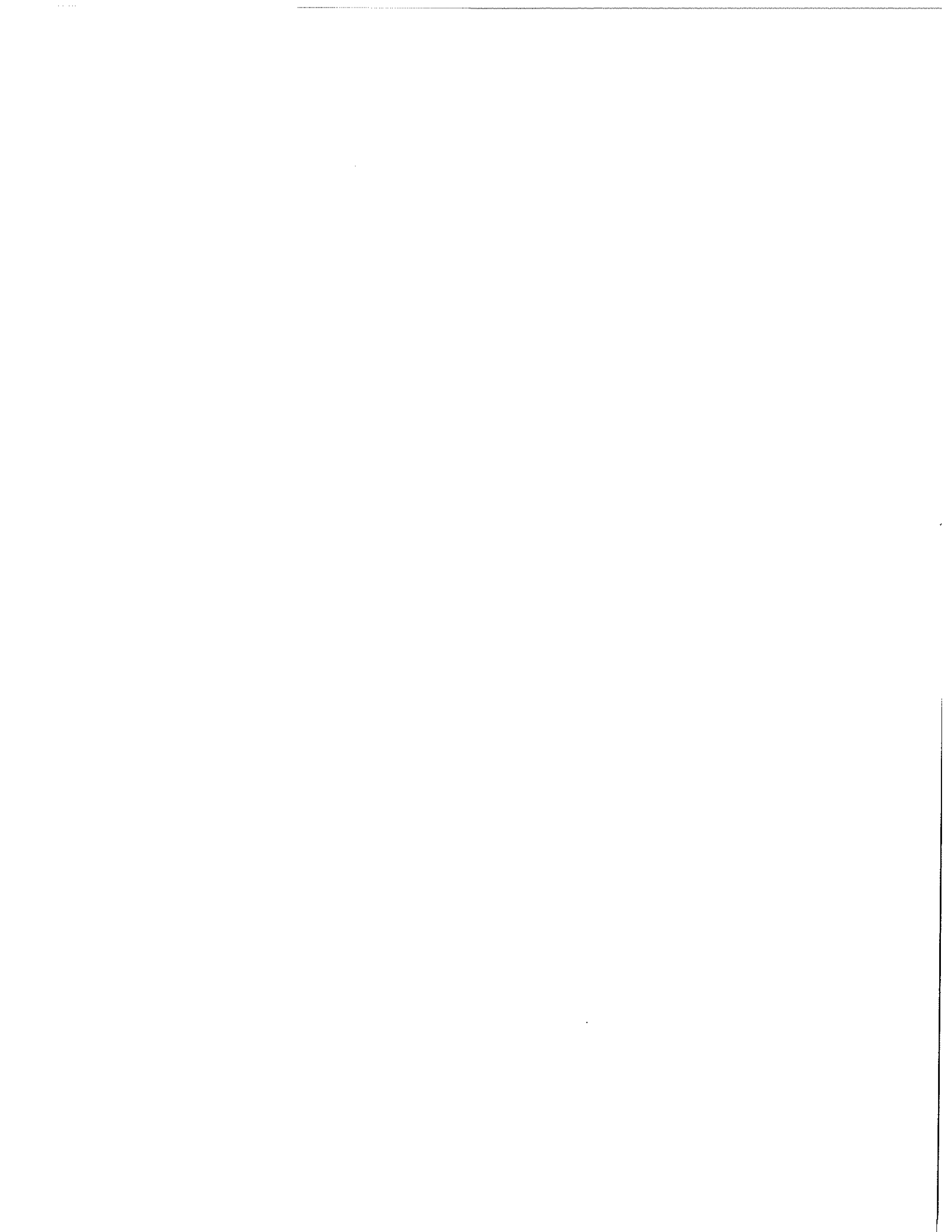
Agenda

Authority Council

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Scott Erbsch, Vice Chairperson
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**LOCAL COMMUNITY STABILIZATION AUTHORITY
AUTHORITY COUNCIL**

REGULAR MEETING

Friday, November 18, 2016

1:00 p.m.

Lake Superior Room
300 N. Washington Square, 1st Floor
Lansing, Michigan 48913

AGENDA

- I. Call to Order**
- II. Roll Call**
- III. Approval of Agenda**
- IV. Public Comment** (if any)
- V. Approval of Minutes**
 - a. Approval of minutes from September 16, 2016 regular meeting
- VI. Administrative Reports**
 - a. Update on administrative activities from LARA
 - b. Update on legal matters from Steve Liedel, Legal Counsel
 - c. Plante Moran available to answer questions regarding the September, 2016 financial report and task management report. Update on Annual Audit proceedings.
- VII. Audits** (none)
- VIII. Committee Reports** (none)
- IX. Old Business** (none)
- X. New Business**
 - a. Resolution 2016 - ___ - Authorize Request for Proposals for Legal Services
 - b. Resolution 2016 - ___ - Approve Tax-Intercept Agreement for School District of the City of Detroit
 - c. Resolution 2016 - ___ - Adopt Amended and Restated Bylaws
 - d. Resolution 2016 - ___ - Authorize November 20, 2016 Payments of Local Community Stabilization Share Revenue to Municipalities under Sections 17(4) and 17(5) of the Local Community Stabilization Authority Act
- XI. Other Business**
- XII. Adjournment**

A copy of the proposed minutes of the meeting will be available for public inspection at the principal office of the Local Community Stabilization 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 Local Community Stabilization Authority within 5 business days after approval by the authority council.



LOCAL COMMUNITY STABILIZATION AUTHORITY

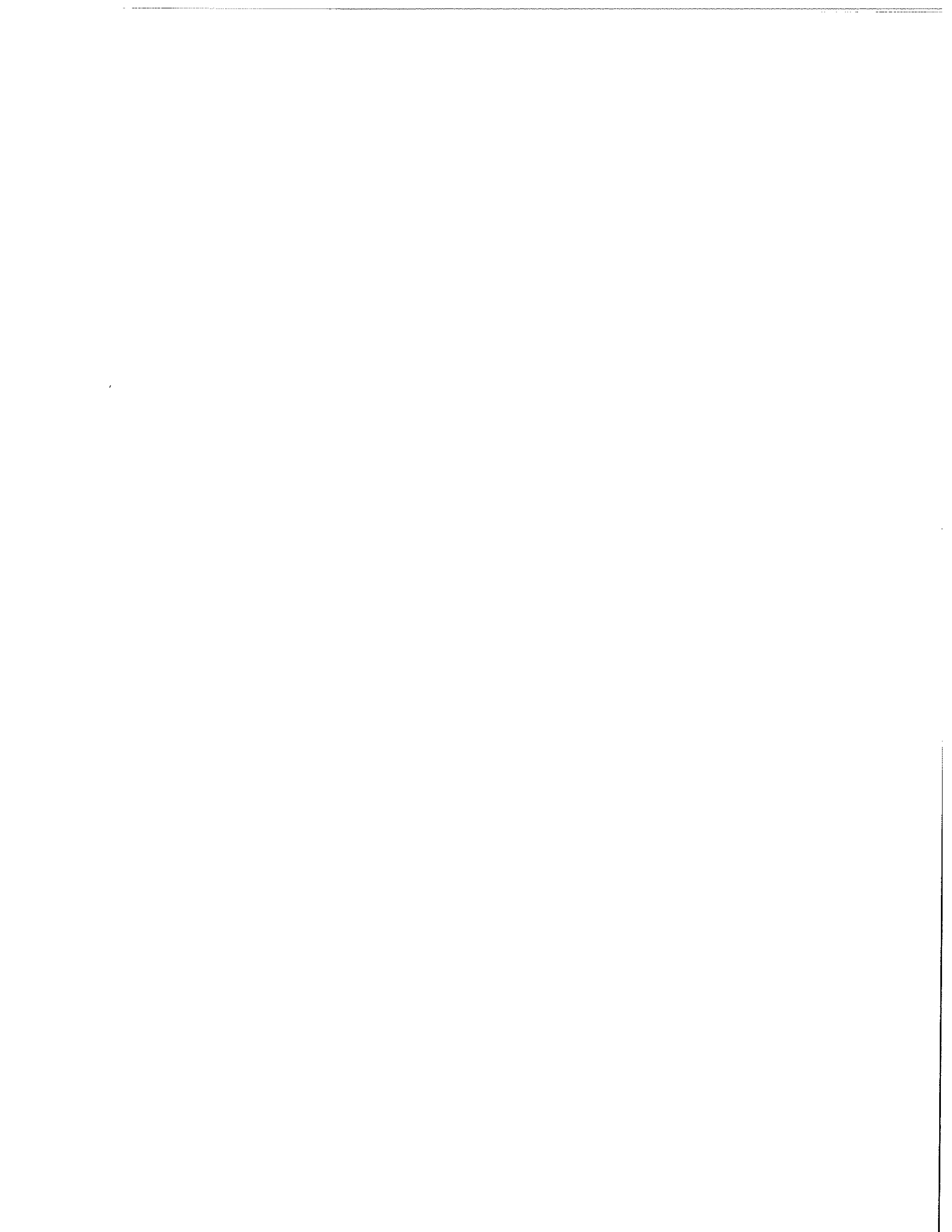
Minutes of September 16, 2016

Authority Council

Mary Anne Jones, Chairperson
Scott Erbsch, Vice Chairperson
Megan Crandall, Secretary
Donald Rogers, Treasurer
David Keenan

Administrator

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**LOCAL COMMUNITY STABILIZATION AUTHORITY
AUTHORITY COUNCIL**

Friday, September 16, 2016
1:00 p.m.

Lake Superior Room
300 N. Washington Square, 1st Floor
Lansing, Michigan 48913

MINUTES

Proposed Minutes Approved Minutes

MEETING TYPE: Regular Special

I. Call to Order

The Vice Chairperson called the meeting to order at 1:00 p.m.

II. Roll Call

Megan Crandall*	<input checked="" type="checkbox"/>	Present	<input type="checkbox"/>	Absent
Scott Erbsich	<input checked="" type="checkbox"/>	Present	<input type="checkbox"/>	Absent
Mary Anne Jones*	<input checked="" type="checkbox"/>	Present	<input type="checkbox"/>	Absent
David Keenan	<input checked="" type="checkbox"/>	Present	<input type="checkbox"/>	Absent
Donald Rogers*	<input checked="" type="checkbox"/>	Present	<input type="checkbox"/>	Absent

The secretary indicated that there were 5 members of the authority council present, and that a quorum was present.

Other attendees: Stephani Fleming, Casandra Fedewa, Erin Londo, Steve Liedel, Laura Knapp*, and Brian Camiller*

***Participated by teleconference**

III. Approval of Agenda

Mr. Keenan moved to approve the agenda, supported by Treasurer Rogers. The amended agenda was approved unanimously.

IV. Public Comment (if any)

There were no public comments

V. Approval of Minutes

Treasurer Rogers moved to approve the minutes from the September 16, 2016 regular meeting. Chairperson Jones supported the motion. The minutes were approved unanimously.

VI. Administrative Report

Ms. Fleming provided an update on the LCSA website and domain name. Ms. Fleming also provided an overview of the itemized distributions made on behalf of the LCSA.

Ms. Liedel provided an update on legal matters. Mr. Liedel is updating the R&D Schedule, working on finalizing the Treasury agreement, and is developing a board book.

Ms. Knapp provided an update on the financial reports for July, 2016, task management report, and an overview of the proposed FY 2016 budget amendment.

VII. Audits

No new audits

VIII. Committee Reports

There were no committee reports.

IX. Old Business

There was no old business.

X. New Business

a. Resolution 2016-12- FY 2016 budget amendment 1

Ms. Knapp provided an overview of the resolution. Treasurer Rogers moved to adopt the resolution. Chairperson Jones supported the motion. The resolution was adopted unanimously.

b. Public Hearing on FY 2016-2017 Budget

Treasurer Rogers moved to open the public hearing for the FY 2016-2017 budget. The motion was supported by Chairperson Jones. The motion was approved and Vice Chairperson Jones called the public hearing to order.

Ms. Knapp provided an overview of the proposed budget. She also responded to questions from authority council members.

There were no public comments.

Mr. Keenan moved to close the public hearing. The motion was supported by Chairperson Jones. The motion was approved and the Vice Chairperson closed the public hearing.

c. Resolution 2016 -13- Adoption of FY 2016-2017 budget and appropriations act.

Treasurer Rogers moved to approve the resolution as presented. Secretary Crandall supported the motion. A record roll call vote was conducted.

The following members voted yes: Keenan, Crandall, Erbisch, Jones, and Rogers.

No members voted no.

The motion was approved unanimously and Resolution 2016-13 adopted.

- d. Resolution 2016-14-Authorize Issuance of Request for Proposals for Legal Services - Amended

Stephani Fleming provided an explanation of the resolution.

Secretary Crandall moved to adopt the resolution. Chairperson Jones supported the motion.

The motion was approved and the resolution was adopted unanimously.

- e. Discussion: How can the LCSA be informing or assisting the local governments better?

- Work with Department of Treasury on notices
- Provide payment templates on LCSA website
- Include payment information on check journals
- Add payment notices and information on LCSA website when made
- Provide payment notices and information to MAC and MML
- Activate a Twitter and Facebook account and update with notices

XI. Other Business

There was no other business.

XII. Adjournment

Moved by: Treasurer Rogers
Supported by: Secretary Crandall

The motion was adopted unanimously and the meeting adjourned.

Certification of Minutes

Minutes respectfully submitted by the secretary and approved by the authority council at a properly noticed open meeting on November 18, 2016.

Megan Crandall,
LCSA Secretary

Date



LOCAL COMMUNITY STABILIZATION AUTHORITY

LARA Administrative Reports

Authority Council

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LOCAL COMMUNITY STABILIZATION AUTHORITY

LARA Administrator Report
November 18, 2016

- **LCSA .GOV DOMAIN:** The .gov domain has been finalized and LARA is now working with Truscott Rossman to move the current .com web content to the .gov domain. There were issues with the LCSAMI.gov domain name and the application for registration expired. LARA is currently working on completing the registration for this domain.
- **SB 1156:** The City of Rochester Hills reduced its general operating mills and increased mills for police and roads. Current law requires use of the lowest rate levied 2012-2015 for each millage, so the city's millage eligible for reimbursement was reduced by about 2 mills. SB 1156 allows Rochester Hills to be reimbursed for the higher police millage, but not the higher roads millage.

DISTRIBUTIONS

- Distributions made since the September 16, 2016 meeting:
 - Dykema – Invoice # 3086163 - \$2,500.00
 - Plante Moran – Invoice # 1376517 - \$6,270.00
 - Plante Moran – Invoice # 1376516 - \$415.00
 - Michigan.com – Invoice # 2114385649 - \$286.60
 - Dykema – Invoice # 3092735 - \$2,500.00
 - UPS – Invoice # 13IRF8126 - \$52.97

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Fleming, Stephani (LARA)

From: Heideman, Howard R. (Treasury)
Sent: Friday, November 11, 2016 3:01 PM
To: Fleming, Stephani (LARA)
Cc: Cole, Evah (Treasury); Ryan, Howard (Treasury)
Subject: RE: Introduced Legislation

The City of Rochester Hills reduced its general operating mills and increased mills for police and roads. Current law requires use of the lowest rate levied 2012-2015 for each millage, so the city's millage eligible for reimbursement was reduced by about 2 mills. SB 1156 allows Rochester Hills to be reimbursed for the higher police millage, but not the higher roads millage.

Howard

From: Fleming, Stephani (LARA)
Sent: Thursday, November 10, 2016 4:31 PM
To: Heideman, Howard R. (Treasury) <HeidemanH@michigan.gov>
Subject: Introduced Legislation

Howard,

I just saw that SB 1156 was introduced yesterday, 11/9/16. Do you know anything about it or what issues the proposed legislation is trying to solve?

<http://legislature.mi.gov/doc.aspx?2016-SB-1156>

Any input you can provide will be greatly appreciated.

Thank you,

Stephani Fleming
LARA FOIA Coordinator
Acting LCSA Administrator
Flemings2@michigan.gov
(517)373-7392

SENATE BILL No. 1156

November 9, 2016, Introduced by Senator KNOLLENBERG and referred to the Committee on Local Government.

A bill to amend 2014 PA 86, entitled "Local community stabilization authority act," by amending sections 13 and 16a (MCL 123.1353 and 123.1356a), section 13 as amended by 2015 PA 122.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 13. (1) Not later than June 5, 2014, the assessor for
2 each city and township shall report to the county equalization
3 director all of the following:

4 (a) The 2013 taxable value of commercial personal property and
5 industrial personal property for each municipality in the city or
6 township.

7 (b) The 2014 taxable value of commercial personal property and
8 industrial personal property for each municipality in the city or

1 township.

2 (c) The small taxpayer exemption loss for each municipality in
3 the city or township.

4 (2) Not later than June 20, 2014, the equalization director
5 for each county shall report to the department the information
6 described in subsection (1) for each municipality in the county.
7 For each municipality levying a millage in more than 1 county, the
8 county equalization director responsible for compiling the
9 municipality's taxable value under section 34d of the general
10 property tax act, 1893 PA 206, MCL 211.34d, shall compile the
11 municipality's information described in subsection (1).

12 (3) Not later than June 5, 2015, and each June 5 thereafter,
13 the assessor for each city and township shall report to the county
14 equalization director the current year taxable value of commercial
15 personal property and industrial personal property for each
16 municipality in the city or township. Not later than June 20, 2015,
17 and each June 20 thereafter, the equalization director for each
18 county shall report to the department the current year taxable
19 value of commercial personal property and industrial personal
20 property for each municipality in the county. For each municipality
21 levying a millage in more than 1 county, the county equalization
22 director responsible for compiling the municipality's taxable value
23 under section 34d of the general property tax act, 1893 PA 206, MCL
24 211.34d, shall compile the municipality's information described in
25 this subsection.

26 (4) Not later than August 15, 2014, and each August 15
27 thereafter, each municipality shall report to the department the

1 millage rate levied or to be levied that year for a millage
2 described in section 5(g) or (w) that is used to calculate an
3 appropriation under section 17(1)(a) or a distribution under
4 section 17(4)(a)(i). For 2014 and 2015, the rate of that millage
5 shall be calculated using the sum of the municipality's taxable
6 value and the municipality's small taxpayer exemption loss.
7 Beginning in 2016 and each year thereafter, the rate of that
8 millage shall be calculated using the sum of the municipality's
9 taxable value and the municipality's personal property exemption
10 loss. For 2014 and 2015, the department shall calculate each
11 municipality's debt loss or school debt loss by multiplying the
12 municipality's millage rate reported under this subsection by the
13 municipality's small taxpayer exemption loss. Beginning in 2016 and
14 each year thereafter, the department shall calculate each
15 municipality's school debt loss by multiplying the municipality's
16 millage rate reported under this subsection by the municipality's
17 personal property exemption loss.

18 (5) The department shall calculate and make available to each
19 municipality by May 1 of each year that municipality's sum of the
20 lowest rate of each individual millage levied in the period between
21 2012 and the year immediately preceding the current year. **HOWEVER,**
22 **FOR PURPOSES OF THE CALCULATION UNDER THIS SUBSECTION, IF A**
23 **MUNICIPALITY RESTRUCTURED THE FUNDING OF POLICE SERVICES BY**
24 **INCREASING THE RATE OF MILLAGE LEVIED FOR POLICE SERVICES TO OFFSET**
25 **A CORRESPONDING DECREASE TO NONDEDICATED GENERAL OPERATING MILLAGE**
26 **PREVIOUSLY USED TO FUND POLICE SERVICES IN THE PERIOD BETWEEN 2012**
27 **AND THE YEAR IMMEDIATELY PRECEDING THE CURRENT YEAR, THE LOWEST**

1 RATE OF THAT MUNICIPALITY'S POLICE SERVICES MILLAGE LEVIED IN THE
2 PERIOD BETWEEN 2012 AND THE YEAR IMMEDIATELY PRECEDING THE CURRENT
3 YEAR IS THE LOWEST MILLAGE RATE LEVIED FOR POLICE SERVICES DURING
4 THAT PERIOD THAT REFLECTS THE RESTRUCTURING. For a municipality,
5 other than a municipality described in section 14, the calculation
6 shall exclude debt millage. For an individual millage rate not
7 levied in 1 of the years, the lowest millage rate is zero. A
8 millage used to make the calculations under this act must be levied
9 against both real property and personal property.

10 (6) Not later than June 5, 2016, and each June 5 thereafter,
11 the assessor for each city and township shall report to the county
12 equalization director the increased value from expired tax
13 exemptions for each municipality that is subject to section 14(2)
14 and that levies taxes in the city or township. Not later than June
15 20, 2016, and each June 20 thereafter, the equalization director
16 for each county shall report to the department the increased value
17 from expired tax exemptions for each municipality that is subject
18 to section 14(2) and that levies taxes in the city or township. For
19 each municipality subject to section 14(2) that levies a millage in
20 more than 1 county, the county equalization director responsible
21 for compiling the municipality's taxable value under section 34d of
22 the general property tax act, 1893 PA 206, MCL 211.34d, shall
23 compile the municipality's information described in this
24 subsection.

25 Sec. 16a. (1) Not later than June 15, 2014 and June 15, 2015,
26 each municipality that is a tax increment finance authority shall
27 calculate and report to the department the municipality's tax

1 increment small taxpayer loss for the current calendar year.

2 (2) Not later than June 15, 2016, and each June 15 thereafter,
3 each municipality that is a tax increment finance authority shall
4 do all of the following for each of its tax increment financing
5 plans:

6 (a) Calculate the total captured value of all industrial
7 personal property and commercial personal property in the
8 municipality that is a tax increment finance authority in 2013 and
9 add any increased captured value for the current year.

10 (b) From the amount calculated in subdivision (a), subtract
11 the total captured value of all industrial personal property and
12 commercial personal property in the municipality that is a tax
13 increment finance authority in the current year. If the resulting
14 amount, when added to the taxable value of all property within the
15 tax increment finance authority in the current year, would result
16 in a captured value for all property within the tax increment
17 finance authority that is less than the resulting amount, then this
18 captured value shall be used instead of the resulting amount.

19 (c) Multiply the result of the calculation in subdivision (b)
20 by the sum of the lowest rate of each individual millage levied in
21 the period between 2012 and the year immediately preceding the
22 current year, to the extent the millage is subject to capture by
23 that tax increment finance authority. **FOR PURPOSES OF THE**
24 **CALCULATION UNDER THIS SUBDIVISION, THE LOWEST RATE OF A MILLAGE**
25 **LEVIED FOR POLICE SERVICES IN THE PERIOD BETWEEN 2012 AND THE YEAR**
26 **IMMEDIATELY PRECEDING THE CURRENT YEAR IS SUBJECT TO THE ADJUSTMENT**
27 **FOR RESTRUCTURED FUNDING OF POLICE SERVICES DESCRIBED IN SECTION**

1 13(5). For an individual millage rate not levied in 1 of the years,
2 the lowest millage rate is zero. A millage used to make the
3 calculation under this subdivision must be eligible to be levied
4 against both real property and personal property.

5 (d) Adjust the amount calculated under subdivision (c) by the
6 amount required to reflect the final order of a court or body of
7 competent jurisdiction related to any prior year calculation under
8 this section.

9 (e) For an obligation refinanced after 2012, estimate for the
10 term of the obligation:

11 (i) The cumulative school district operating tax and state
12 education tax that would have been captured to repay the obligation
13 had the obligation not been refinanced.

14 (ii) The cumulative amount calculated under subdivision (c),
15 as adjusted by subdivision (d), for school district operating tax
16 and state education tax for the obligation had it not been
17 refinanced.

18 (f) Once the amount included in subdivision (c), as adjusted
19 by subdivision (d), for the current and prior years for school
20 operating tax and state education tax for the refinanced obligation
21 equals the amount estimated in subdivision (e) (ii), subtract from
22 the amount calculated under subdivision (c), as adjusted by
23 subdivision (d), the amount calculated under subdivision (c), as
24 adjusted by subdivision (d), for school district operating tax and
25 state education tax for the refinanced obligation.

26 (g) Once the amount of school district operating tax and state
27 education tax captured for the current and prior years to pay the

1 refinanced obligation equals the amount estimated under subdivision
2 (e) (i), subtract from the amount calculated in subdivision (c), as
3 adjusted by subdivision (d), the amount of school operating tax and
4 state education tax captured to repay the refinanced obligation.

5 (3) Not later than June 15, 2016, and each June 15 thereafter,
6 each municipality that is a tax increment finance authority shall
7 report to the department the results of the calculations under
8 subsection (2) for each tax increment financing plan.

Monthly Advance Statement of Account

Local Community Stabilization Authority
PO Box 30338
Lansing, MI 48933

Statement Date:	9/30/2016
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Date	Description	Payments/ Advances	Local Community Stabilization Share (LCSS) Revenue	GF-GP Appropriation	Balance
10/19/2015	Local Share revenue - Advance for 2014 and 2015 Small Taxpayer Exemption Loss Reimbursements (Section 17(3) of 2014 Public Act 86)	\$ (19,200,000.00)			\$ (19,200,000.00)
10/30/2015	Local Community Stabilization Share - October 2015 (Section 3 (5)(a) of 2015 Public Act 124)		\$ 8,033,333.00		\$ (11,166,667.00)
11/30/2015	Local Share revenue - Advance for Administration (Section 17(7) of 2014 Public Act 86)	\$ (300,000.00)			\$ (11,466,667.00)
11/30/2015	Local Community Stabilization Share - November 2015 (Section 3 (5)(a) of 2015 Public Act 124)		\$ 8,033,333.00		\$ (3,433,334.00)
12/30/2015	Local Community Stabilization Share - December 2015 (Section 3 (5)(a) of 2015 Public Act 124)	\$ (4,599,999.00)	\$ 8,033,333.00		\$ -
1/20/2016	Local Share revenue - Advance for January 2016 Debt Millage Reimbursements (Section 17 of 2014 Public Act 86)	\$ (7,100,000.00)		\$ 7,100,000.00	\$ -
					\$ -
1/29/2016	Local Community Stabilization Share - January 2016 (Section 3 (5)(a) of 2015 Public Act 124)	\$ (8,033,333.00)	\$ 8,033,333.00		\$ -
2/29/2016	Local Community Stabilization Share - February 2016 (Section 3 (5)(a) of 2015 Public Act 124)	\$ (933,333.00)	\$ 8,033,333.00		\$ 7,100,000.00
3/31/2016	February LCSS Transfer correction - the January \$7.1M transfer was an appropriation transfer, not a transfer of LCSS; therefore, the February LCSS transfer should not have been reduced. This error will be corrected with March LCSS transfer.	\$ (7,100,000.00)			\$ -
3/31/2016	Local Community Stabilization Share - March 2016 & remainder of February 2016 (Section 3(5)(a) of 2015 Public Act 124)	\$ (8,033,333.00)	\$ 8,033,333.00		\$ -
4/29/2016	Local Community Stabilization Share - April 2016 (Section 3 (5)(a) of 2015 Public Act 124)	\$ (8,033,333.00)	\$ 8,033,333.00		\$ -
5/20/2016	Local Share revenue - May 2016 Debt Millage Reimbursements (Section 17 of 2014 Public Act 86), adjusted for the January 2016 Debt Millage Advance.	\$ (1,846,296.35)		\$ 1,846,296.35	\$ -
5/31/2016	Local Community Stabilization Share - May 2016 (Section 3 (5)(a) of 2015 Public Act 124)	\$ (8,033,333.00)	\$ 8,033,333.00		\$ -
6/30/2016	Local Community Stabilization Share - June 2016 (Section 3 (5)(a) of 2015 Public Act 124)	\$ (8,033,333.00)	\$ 8,033,333.00		\$ -
7/29/2016	Local Community Stabilization Share - July 2016 (Section 3 (5)(a) of 2015 Public Act 124)	\$ (8,033,333.00)	\$ 8,033,333.00		\$ -
8/17/2016	Local Share revenue - August 2016 Debt Millage and TIF Reimbursements (Section 17 of 2014 Public Act 86), adjusted for the May 2016 Overpayment.	\$ (217,429.95)		\$ 217,429.95	\$ -
8/31/2016	Local Community Stabilization Share - August 2016 (Section 3 (5)(a) of 2015 Public Act 124)	\$ (8,033,333.00)	\$ 8,033,333.00		\$ -
9/1/2016	Local Share revenue - Wayne County Overpayment	\$ 181.56		\$ (181.56)	\$ -
9/30/2016	Local Community Stabilization Share - September 2016 (Section 3 (5)(a) of 2015 Public Act 124)	\$ (8,033,337.00)	\$ 8,033,337.00		\$ -
Total		\$ (105,563,544.74)	\$ 96,400,000.00	\$ 9,163,544.74	\$ -



LOCAL COMMUNITY STABILIZATION AUTHORITY

Legal Summary

Authority Council

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Administrator

(517)335-5448

DRAFT
ADMINISTRATIVE ~~SERVICES~~ AGREEMENT

This administrative ~~services~~ agreement is between the LOCAL COMMUNITY STABILIZATION AUTHORITY, a Michigan metropolitan authority (the “**Authority**”), and the DEPARTMENT OF TREASURY, a principal department of Michigan state government (the “**Department**”).

The Authority is a metropolitan government for the metropolitan areas of the ~~State~~ state of Michigan (the “State”) established under of the Local Community Stabilization Authority Act, Public Act 86 of 2014-PA-86, as amended, MCL 123.1341 to 123.1362 (the “**LCSA Act**”), and section 27 of article 7 of the Michigan Constitution of 1963.

The Department is a principal department of ~~Michigan state~~ State government created under section 75 of the Executive Organization Act of 1965, Public Act 380 of 1965-PA-380, as amended, MCL 16.175.

The Authority levies a use tax known as the “local community stabilization share” under the Use Tax Act, Public Act 94 of 1937-PA-94, as amended, MCL 205.91 to 205.111 (the “**Use Tax Act**”).

The Department is responsible for the receipt and collection of the “local community stabilization share” as that phrase is defined in section 2c(c) of the Use Tax Act (the “**Local Share**”), on behalf of the Authority and as an agent of the Authority.

Under section 12(2) of the LCSA Act and section 10a of the Use Tax Act, the Authority ~~is authorized to~~ may enter into an agreement with the Department relating to the collection and receipt of the Local Share and the payment of the Authority’s revenue to the Authority.

The ~~LCSA Authority~~ wants to secure and the Department wants to provide the assistance contemplated in the LCSA Act and the Use Tax Act.

The Authority and the Department therefore agree as follows:

1. **Local Share Revenue.** (a) The Authority shall levy the Local Share at the rate provided under section 3(5) of the Use Tax Act.

(b) The Department shall administer the receipt and collection of the Local Share on behalf of the Authority as an agent of the Authority.

~~(b)(c)~~ Beginning with the fiscal year that starts on October 1, 2015-2016 State Fiscal Year, 2015 and ends on September 30, 2016, each fiscal year each State Fiscal Year the Department shall calculate the rate of the Local Share for that State fiscal year under section 3(5) of the Use Tax Act and notify the Authority of the rate calculated. The parties acknowledge that the rate of the Local Share for the 2015-2016 State Fiscal Year was [REDACTED].

~~(c) — The Department shall administer the receipt and collection of the Local Share on behalf of the Authority as an agent of the Authority.~~

(d) The parties acknowledge that money generated by the Local Share is money of the Authority, not money of the Department or the State of Michigan.

(e) Beginning in November 2015, by the last day of each month, the Department shall transmit to an account designated by the Authority under section ~~10-8 of this agreement~~ the previous month's Local Share revenue collected by the Department on behalf of the Authority. If the Department has advanced money to the Authority under section ~~4-8 of this agreement~~ and the Authority has not fully repaid the money advanced, the Department shall apply the Local Share revenue collected on behalf of the Authority during the previous month to the repayment of the money advanced and then transmit any remaining Local Share revenue for the previous month to the account designated by the Authority under section ~~10-8 of this agreement~~. Except ~~as provided in for~~ administrative revenue payable to the Authority under section 1(f)2 of this agreement, if the balance of money advanced to the Authority under section ~~4-8 of this agreement~~ exceeds the amount payable to the Authority for the previous month, the Department shall not transmit any Local Share revenue to the Authority for the previous month and instead shall apply all Local Share revenue for the month to the repayment of money advanced to the Authority. Each month, the Department may adjust the Local Share revenue payable to the Authority for the previous month to account for overpayments, refunds, and other adjustments under the Use Tax Act. The Department shall provide the Authority with a monthly statement detailing all distribution of Local Share revenue, repayment of advances, and adjustments under this section 1(e).

~~(f) — In November 2015 only, even if the balance of money advanced to the Authority exceeds the amount of Local Share revenue for October 2015, the Department shall transmit \$300,000.00 in Local Share revenue to the Authority for use by the Authority as administrative revenue under section 2 before repaying any advances to the Authority made during October 2015.~~

(f) — If pursuant to section 6(4) of the Emergency Municipal Loan Act, Public Act 243 of 1980, as amended, MCL 141.936, the Department withholds from Local Share Revenue distributed to the Authority under section 1(e) of this Agreement money otherwise payable to a Municipality by the Authority under the LCSA Act, the Department shall notify the Authority of the amount withheld and of the Municipality from which the money was withheld.

(g) Except as provided in section 2 of this agreement for administrative revenue, the Authority shall credit all Local Share revenue received under this section 1 to the Authority's ~~use tax distribution fund~~ Use Tax Distribution Fund.

(h) — For purposes of this agreement, "State Fiscal Year" means the annual fiscal period of the State beginning on October 1 of each year and ending on September 30 in the immediately succeeding year.

2. **Administrative Revenue.** (a) Beginning ~~with the fiscal year that starts on October 1, 2015 and ends on September 30, 2016, and ending with the fiscal year that starts on October 1, 2018 and ends on September 30, 2019~~ in the 2015-2016 State Fiscal Year and ending in the 2008-2019 State Fiscal Year, each fiscal year the Authority may use up to \$300,000.00 of the Local Share revenue transmitted to the Authority under section 1 of this agreement for purposes consistent with implementing and administering the LCSA Act, as authorized by section 17(7) of the LCSA Act.

(b) Beginning with the ~~fiscal year that starts on October 1, 2015 and ends on September 30, 2016,~~ 2015-2016 State Fiscal Year and ending with the ~~fiscal year that starts on October 1, 2018 and ends on September 30, 2019~~ 2018-2019 State Fiscal Year, each fiscal year the Authority may

credit up to \$300,000.00 of Local Share revenue received under section 1 to the Authority's general ~~operating fund~~ fund.

(c) The parties acknowledge both of the following:

- (1) that on November 30, 2015 the Department advanced \$300,000.00 in Local Share Revenue to the Authority for use by the Authority for purposes consistent with implementing and administering the LCSA Act; and
- (2) that the advance described in section 2(c)(1) of this agreement constitutes the \$300,000.00 in Local Share revenue that the Authority may use in the 2015-2016 State Fiscal Year for purposes consistent with section 17(7) of the LCSA Act.

3. **County Allocated Payments.** (a) By November 7, 2016 and by September 7 of each year after 2016, the Department shall provide the Authority with the following information relating to payments to a "Municipality" (as defined in section 5(r) of the LCSA Act) for a year required under sections 17(4) and 17(5)(a) of the LCSA Act for county allocated millages (each payment a "County Allocated Payment"):

~~3. **FY 2015-2016 Reimbursement Revenue.** (a) By January 19, 2016, from money appropriated to the Department in sections 108(17) and 949a of Article VIII of 2015 PA 84, the Department shall transmit to the Authority money sufficient for the Authority to make the payments described in sections 6(a) and 6(b).~~

~~(b) — By May 19, 2016, from money appropriated to the Department in sections 108(17) and 949a of Article VIII of 2015 PA 84, the Department shall transmit to the Authority money sufficient for the Authority to make the payments described in sections 6(d) and 6(e).~~

~~(c) — The Department shall transmit money under this section 3 to an account designated by the Authority under section 10.~~

~~(d) — The Authority shall credit money received under this section 3 to the Authority's local debt loss reimbursement fund.~~

~~4. **Advances.** (a) By October 19, 2015, the Department shall advance the Authority money sufficient for the Authority to make the payments to cities required under section 5.~~

~~(b) — After October 20, 2015, if the Authority projects that it will not have sufficient money to make a payment on the date required under sections 7, 8, or 9, the Authority shall notify the Department of the projected deficiency amount at least 30 days before the date of the required payment and request an advance of money sufficient to satisfy the projected deficiency.~~

~~(c) — If the Department is notified of a deficiency under section 4(b), the Department shall advance the Authority money in an amount sufficient to satisfy the deficiency at least one day before the date on which the payment is required.~~

~~(d) — The Department shall transmit money advanced to the Authority under this section 4 to an account designated by the Authority under section 10.~~

~~(e) — The Authority shall credit money received under this section 4 to the Authority's use tax reimbursement fund.~~

~~(f) — The Authority shall repay the Department money advanced by the Department to the Authority under this section 4 with Local Share revenue as provided in section 1(e).~~

~~(g) — For each month in which the Department advances money to the Authority or in which money advanced by the Department to the Authority is repaid by the Authority, the Department shall provide the Authority with a written monthly advance statement that details the amount of any money advanced by the Department to the Authority, the amount of Local Share revenue applied by the Department to repay prior advances, and any remaining balance of unpaid advances owed to the Department.~~

~~5. — **2014 and 2015 Small Taxpayer Exemption Loss Reimbursements.** (a) By October 19, 2015, the Department shall provide the Authority with all of the following information relating to the payment of Local Share revenue to cities required under section 17(3) of the LCSA Act:~~

- ~~(1) the name of each city Municipality entitled to receive a payment under section 17(3) of the LCSA Act County Allocated Payment;~~
- ~~(2) the amount of the County Allocated Payment payable to each city under section 17(3) of the LCSA Act Municipality, as determined by the Department under consistent with the LCSA Act; and~~

~~(3) — subject to section 11, the employer identification number of each city entitled to receive a payment under section 17(3) of the LCSA Act.~~

~~(b) — The Authority shall make the payments to cities required under section 17(3) of the LCSA Act from the Authority's use tax distribution fund by October 20, 2015.~~

~~(c) — By October 31, 2015, the Authority shall report all payments made under section 5(b) to the Department.~~

~~6. — **FY 2015-2016 Reimbursements.** (a) By January 11, 2016, the Department shall provide the Authority with the information described in section 6(b) relating to the payments described in section 17(2) of the LCSA Act for all of the following:~~

- ~~(1) — payments for Debt Loss to a Municipality other than a local school district, intermediate school district, or Tax Increment Finance Authority based upon mills levied by the Municipality in June 2015;~~
- ~~(2) — payments for School Debt Loss to a local school district or intermediate school district based upon mills levied by the local school district or intermediate school district in June 2015; and~~
- ~~(3) — payments for reimbursement of Tax Increment Small Taxpayer Loss incurred by a Tax Increment Finance Authority in 2015.~~

~~(b) — The Department shall provide the Authority with the following information relating to the payments described in section 6(a):~~

- ~~(1) — the name of each Municipality entitled to receive a Summer Payment and the name of each Tax Increment Finance Authority entitled to receive a Tax Increment Small Taxpayer Loss reimbursement for 2015;~~
- ~~(2) — the amount of the Summer Payment payable to each Municipality and the amount of the Tax Increment Small Taxpayer Loss reimbursement payable to each Tax Increment Finance Authority for 2015, as determined by the Department under the LCSA Act;~~
- ~~(3) — subject to section 11, the employer identification number of each Municipality entitled to receive a Summer Payment and each Tax Increment Finance Authority entitled to receive a payment for reimbursement for Tax Increment Small Taxpayer Loss for 2015; and~~
- ~~(4)~~ (3) other information, if any, that the Department determines would facilitate timely payments by the Authority, electronic or otherwise, to each Municipality entitled to receive a Summer Payment and to each Tax Increment Finance Authority entitled to receive a payment for reimbursement for Tax Increment Small Taxpayer Loss for 2015 County Allocated Payment.

~~(c) — The Authority shall make the payments described in sections 6(a) and 6(b) from the Authority's local debt loss reimbursement fund by January 20, 2016 and report the payments made to the Department by January 31, 2016.~~

~~(d) — By May 9, 2016, the Department shall provide the Authority with the information described in section 6(e) relating to the payments described in section 17(2) of the LCSA Act for both of the following:~~

- ~~(1) — payments for Debt Loss to a Municipality other than local school district, intermediate school district, or Tax Increment Finance Authority based upon mills levied by the Municipality in December 2015; and~~
- ~~(2) — payments for School Debt Loss to a local school district or intermediate school district based upon mills levied by the local school district or intermediate school district in December 2015.~~

~~(e) — The Department shall provide the Authority with the following information relating to the payments described in section 6(d):~~

- ~~(1) — the name of each Municipality entitled to receive a Winter Payment;~~
- ~~(2) — the amount of the Winter Payment payable to each Municipality, as determined by the Department under the LCSA Act;~~
- ~~(3) — subject to section 11, the employer identification number of each Municipality entitled to receive a Winter Payment; and~~
- ~~(4) — other information, if any, that the Department determines would facilitate timely payments by the Authority, electronic or otherwise, to each Municipality entitled to receive a Winter Payment.~~

~~(f) — The Authority shall make the payments described in sections 6(d) and 6(e) from the Authority's local debt loss reimbursement fund by May 20, 2016 and report the payments made to the Department by May 31, 2016.~~

(g) ~~For purposes of this section 6, the following definitions apply:~~

~~“Debt Loss”, “School Debt Loss”, “Municipality”, “Tax Increment Finance Authority”, and “Tax Increment Small Taxpayer Loss”, mean those terms as defined in section 5 of the LCSA Act.~~

~~“Summer Payment” means a payment described in sections 6(a) and 6(b).~~

~~“Winter Payment” means a payment described in sections 6(d) and 6(e).~~

7. ~~September Payments.~~ (a) By September 13 of each year after 2015, the Department shall provide the Authority with the following information relating to payments to a Municipality required under sections 17(4) and 17(5)(a) of the LCSA Act for county allocated millages (each payment a ~~“September Payment”~~):

- ~~(1) the name of each Municipality entitled to receive a September Payment;~~
- ~~(2) the amount of the September Payment payable to each Municipality, as determined by the Department consistent under the LCSA Act; and~~
- ~~(3) other information, if any, that the Department determines would facilitate timely payments by the Authority, electronic or otherwise, to each Municipality entitled to receive a September Payment.~~

(b) ~~The Authority shall make the annual September Payment.~~ The Authority shall make the annual County Allocated Payments required under sections 17(4) and 17(5)(a) of the LCSA Act ~~for county allocated millages to each Municipality from the Authority’s use tax distribution fund.~~ Use Tax Distribution Fund by November 20, 2016 for 2016, and by September 20 of each year. ~~after 2016.~~

(c) The parties acknowledge all of the following:

- (1) that on November 11, 2016 the Department transmitted to the Authority the information required for 2016 under section 3(a) of this agreement; and
- (2) that on November 11, 2016, the Authority made the required County Allocated Payment to each Municipality required for 2016 under section 3(b) of this agreement.

~~(c) By September 30 of each year after 2015, the Authority shall report to the Department all payments made by the Authority under section 7(b) during that September.~~

8. ~~October Payments.~~ (a) By October 13 of each year after 2015, the Department shall provide the Authority with the following information relating to payments to a Municipality required under sections 17(4) and 17(5)(c) of the LCSA Act for other millages (each payment an ~~“October Payment”~~):

- ~~(1) the name of each Municipality entitled to receive an October Payment;~~
- ~~(2) the amount of the October Payment payable to each Municipality, as determined by the Department under the LCSA Act; and~~

~~(3) — other information, if any, that the Department determines would facilitate timely payments by the Authority, electronic or otherwise, to each Municipality entitled to receive an October Payment.~~

~~(b) — The Authority shall make the annual October Payment required under sections 17(4) and 17(5)(c) of the LCSA Act for other millages to each Municipality from the Authority's use tax distribution fund by October 20 of each year after 2015.~~

~~(c) — By October 31 of each year after 2015, the Authority shall report to the Department all payments made by the Authority under section 8(b) during that October.~~

9.4. **February-Winter Millage Payments.** (a) By February ~~1-7~~ of each year after 2016, the Department shall provide the Authority with the following information relating to payments required under sections 17(4) and 17(5)(b) of the LCSA Act for county extra-voted ~~millages~~millage, township ~~millages~~millage, and other millages levied 100% in December to a Municipality (each payment a "**February-Winter Millage Payment**"):

- (1) the name of each Municipality entitled to receive a ~~February-Winter Millage~~ February-Winter Millage Payment;
- (2) the amount of the ~~February-Winter Millage~~ February-Winter Millage Payment payable to each Municipality, as determined by the Department under the LCSA Act; and
- (3) other information, if any, that the Department determines would facilitate timely payments by the Authority, electronic or otherwise, to each Municipality entitled to receive a ~~February~~ February ~~Winter Millage~~ Winter Millage Payment.

(b) The Authority shall make the annual ~~February Payment~~ February Payment ~~Winter Millage Payments~~ Winter Millage Payments required under sections 17(4) and 17(5)(b) of the LCSA Act ~~for county extra-voted millages, township millages, and other millages levied 100% in December~~ to each Municipality from the Authority's ~~use tax distribution~~ Use Tax Distribution fund by February 20 of each year after 2016.

~~(c) — By February 28 of each year after 2016, the Authority shall report to the Department all payments made by the Authority under section 9(b) during that February.~~

5. **Other Millages Payments.** (a) By November 7, 2016, and by October 7 of each year after 2016, the Department shall provide the Authority with the following information relating to payments to a Municipality required under sections 17(4) and 17(5)(c) of the LCSA Act for other millages (each payment an "**Other Millages Payment**"):

- (1) the name of each Municipality entitled to receive an Other Millages Payment;
- (2) the amount of the Other Millages Payment payable to each Municipality, as determined by the Department consistent with the LCSA Act; and
- (3) other information, if any, that the Department determines would facilitate timely payments by the Authority, electronic or otherwise, to each Municipality entitled to receive an Other Millages Payment.

(b) The Authority shall make the annual Other Millages Payment required under sections 17(4) and 17(5)(c) of the LCSA Act to each Municipality from the Authority's Use Tax Distribution Fund by November 20, 2016 for 2016 and by October 20 of each year after 2016.

(c) The parties acknowledge all of the following:

- (1) that on November 11, 2016 the Department transmitted to the Authority the information required for 2016 under section 5(a) of this agreement; and
- (2) that on November 11, 2016, the Authority made the required Other Millages Payment to each Municipality required for 2016 under section 5(b) of this agreement.

6. **FY 2015-2016 Appropriation Distributions.** (a) The parties acknowledge all of the following regarding payments to Municipalities by the Authority from money appropriated to the Department in sections 108(17) and 949a of Article VIII of Public Act 84 of 2015 and transmitted to the Authority and deposited by the Authority in its Local Debt Loss Reimbursement Fund for 2015-2016 State Fiscal Year Payments to Municipalities under section 17(1)(a) of the LCSA Act for: (i) all Debt Loss for Municipalities that are not a school district, intermediate school district, or Tax Increment Financing Authority; (ii) all School Debt Loss for municipalities that are a local school district or an intermediate school district, and (iii) all Tax Increment Small Taxpayer Loss for Municipalities that are a Tax Increment Finance Authority:

- (1) on January 14, 2016, the Authority paid \$2,282,622.61 to school districts and intermediate school districts for School Debt Loss based upon mills levied in June 2015;
- (2) on January 14, 2016, the Authority paid \$3,800,003.15 to Tax Increment Financing Authorities for Tax Increment Small Taxpayer Loss based upon mills levied in June 2015;
- (3) on January 20, 2016, the Authority paid \$778,268.14 to Municipalities that are not a school district, intermediate school district, or Tax Increment Financing Authority for Debt Loss based upon mills levied in June 2015;
- (4) on May 10, 2016, the Authority paid \$1,697,150.39 to school districts and intermediate school districts for School Debt Loss based upon mills levied in December 2015;
- (5) on May 10, 2016, the Authority paid \$45,817.93 to Municipalities that are not a school district, intermediate school district, or Tax Increment Financing Authority for Debt Loss based upon mills levied in December 2015;
- (6) on May 13, 2016, the Authority paid an additional \$4,350.15 to Municipalities that are not a school district, intermediate school district, or Tax Increment Financing Authority for Debt Loss based upon mills levied in December 2015; and
- (7) on May 19, 2016, the Authority paid \$327,083.90 to Tax Increment Financing Authorities for Tax Increment Small Taxpayer Loss based upon mills levied in December 2015.

(b) The parties acknowledge that the payments described in section 6(a) of this agreement were made by the Authority based upon information provided to the Authority by the

Department to the Authority, including the name of each Municipality entitled to receive a payment under section 17(1)(a) of the LCSA and the amount payable to each Municipality.

(c) For purposes of section 6 of this agreement, “Debt Loss”, “School Debt Loss”, “Municipality”, “Tax Increment Finance Authority”, and “Tax Increment Small Taxpayer Loss”, mean those terms as defined in section 5 of the LCSA Act.

7. 2014 and 2015 Small Taxpayer Exemption Loss Reimbursements. (a) The parties acknowledge all of the following:

(1) that on October 20, 2015, the Authority made \$15,736,006.00 in payments from Local Share revenue to cities required under section 17(3) of the LCSA Act from the Authority’s Use Tax Distribution Fund; and

(2) that on May 25, 2016, the Authority made \$3,726,243.41 in additional payments from Local Share revenue to cities required under section 17(3) of the LCSA Act from the Authority’s Use Tax Distribution Fund.

(b) The parties acknowledge that the payments described in section 7(a) of this agreement were made by the Authority based upon information provided to the Authority by the Department to the Authority, including the name of each city entitled to receive a payment under section 17(3) of the LCSA and the amount payable to each city.

8. Advances. (a) If the Authority projects that it will not have sufficient money to make a payment on the date required under sections 3, 4, or 5 of this agreement, the Authority shall notify the Department of the projected deficiency amount at least 30 days before the date of the required payment and request an advance of money sufficient to satisfy the projected deficiency.

(b) If the Department is notified of a deficiency under section 8(b) of this agreement, the Department shall advance the Authority money in an amount sufficient to satisfy the deficiency at least one day before the date on which the payment is required.

(c) The Department shall transmit money advanced to the Authority under this section 4 to an account designated by the Authority under section 9 of this agreement.

(d) The Authority shall credit money received under this section 8 to the Authority’s Use Tax Reimbursement Fund.

(e) The Authority shall repay the Department money advanced by the Department to the Authority under this section 4 with Local Share revenue as provided in section 1(e) of this agreement.

(f) For each month in which the Department advances money to the Authority or in which money advanced by the Department to the Authority is repaid by the Authority, the Department shall provide the Authority with a written monthly advance statement that details the amount of any money advanced by the Department to the Authority, the amount of Local Share revenue applied by the Department to repay prior advances, and any remaining balance of unpaid advances owed to the Department.

(g) Amounts advanced by the Department and amounts repaid by the Authority before the effective date of this agreement are detailed in schedule 1 to this agreement.

10.9. **Accounts.** (a) The Authority shall ~~provide~~ update the State's payment system as authorized by the Department with the account and other banking information necessary for the Department to transfer money to the Authority under this agreement. ~~The Authority shall notify the Department of any change in account information by the 15th day of a month in which the Department is required to transfer money to an account under this agreement.~~ Changes to the account and other banking information must be entered in the State's payment system during the first week of a month to assure that the Department transfers money to the account designated by the Authority. The Authority shall not make changes within the State's payment system after the first week of a month unless authorized to do so by the Department.

(b) The Authority shall provide the Department of the internal funds established by the Authority (currently the Local Debt Loss Reimbursement Fund, the Use Tax Distribution Fund and its general fund), including the each fund's corresponding mail code in the State's payment system. If the Authority changes the mail code for a fund, the Authority shall provide the Department with an updated list of its funds. The Authority shall provide the Department an updated list of Authority funds by the 15th day of a month in which the fund list is updated.

(c) Upon request of the Department, the Authority shall provide the Department with the account and other banking information necessary for the Department to transfer money to the Authority under this agreement.

11.10. **Data Sharing Agreement.** If the Department is prohibited from providing the Authority with the employer identification number of a Municipality without a data sharing agreement between the Department and the Authority, the Department shall not provide the Authority with the employer identification number of a Municipality unless a data sharing agreement between the Department and the Authority relating to employer identification numbers of Municipalities is ~~effective~~ in effect. If the Department is prohibited from providing the Authority with the employer identification number of a Municipality without a data sharing agreement between the Department and the Authority, the parties intend to enter into a separate data sharing agreement relating to employer identification numbers of municipalities. ~~As used in this section 11, "Municipality" means that term as defined in section 5 of the LCSA Act~~ Municipalities.

12.11. **Departmental Assistance.** (a) The Department may use the services, information, or records of the Authority in the performance of its duties under the Use Tax Act and the Authority shall furnish those services, information, or records upon the request of the Department.

(b) The Authority shall provide the Department with information requested by the Department to facilitate the Department's timely compliance with the State ~~of Michigan's year-end financial account~~ Fiscal Year end closing process by the date requested by the Department.

13.12. **Term.** (a) ~~This~~ The initial term of this agreement begins on the effective date under section ~~25-24 of this agreement~~ and ends on September 30, ~~2016~~ 2017, except as provided in section ~~14~~ 13 of this agreement. After September 30, ~~2016~~ 2017, each year this agreement will renew for an additional year beginning on October 1 and ending on the following September 30, unless a party terminates this agreement under section ~~13(b)~~ 12(b) of this agreement.

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(b) A party may terminate this agreement, except as provided in section ~~14.13~~ of this agreement, by notifying the other party in writing of the termination. The termination will be effective on September 30 after notice is provided, unless notice of termination is provided in September. If notice of termination is provided in September, the termination will be effective on the second September 30 after notice is provided.

(c) Termination of this agreement does not relieve a party from a duty or obligation required by law.

14.13. Audits. In connection with an audit of the Authority, the Department shall provide the Authority or its authorized representative full and complete access during normal business hours to the Department's records relating to this agreement. Upon receipt of a written request from the Authority, the Department shall use Reasonable Efforts to rectify a discrepancy or deficiency found during an audit but only if the discrepancy or deficiency is the direct result of incorrect information provided by the Department that the Authority relied upon to the ~~to the~~ detriment of the Authority. The obligations of the Department under this section ~~14.13~~ will survive for 18 months after the termination of this agreement. For purposes of this section ~~14.13~~, "Reasonable Efforts" means, with respect to a given obligation, the efforts, consistent with the practice of other governmental entities with respect to resolution of comparable audit discrepancies or deficiencies, that a reasonable person in the Department's position would use to comply with that obligation as promptly as possible.

15.14. Catastrophic Event. (a) If a Catastrophic Event occurs, the party that is prevented by that Catastrophic Event from performing any one or more obligations under this agreement (the "Nonperforming Party") will be excused from performing those obligations, if (1) the Nonperforming Party used Reasonable Efforts to perform those obligations, (2) the Nonperforming Party's inability to perform those obligations is not due to its failure to take reasonable measures to protect itself against the event or circumstance giving rise to the Catastrophic Event, and (3) the Nonperforming Party complies with its obligations under section ~~15(b)~~ 14(b) of this agreement.

(b) Upon occurrence of a Catastrophic Event, the Nonperforming Party shall promptly notify the other party of occurrence of that Catastrophic Event, its effect on performance, and how long that party expects it to last. Thereafter, the Nonperforming Party shall use Reasonable Efforts to update that information. During a Catastrophic Event, the Nonperforming Party shall use Reasonable Efforts to limit damages to the other party and to resume its performance under this agreement.

(c) For purposes of this section ~~15.14~~:

- (1) "Catastrophic Event" means, with respect to a party, any event or circumstance, regardless of whether it was foreseeable, that was not caused by that party and that prevents a party from complying with any of its obligations under this agreement, except that a Catastrophic Event will not include a strike or other labor unrest that affects only one party, an increase in prices, or a change in law; and
- (2) "Reasonable Efforts" means, with respect to a given obligation, the efforts, consistent with the practice of other governmental ~~entity~~ entities, with respect to a Catastrophic Event, that a reasonable person in the party's position would use to comply with that obligation as promptly as possible.

16. ~~15.~~ **Appropriations.** If the ability of the Department to perform under this agreement requires an appropriation by the State of Michigan, the Department's obligation to perform is contingent upon the appropriation. If the ability of the Authority to perform under this agreement requires an appropriation by the authority council of the Authority, the Authority's obligation to perform is contingent upon the appropriation by the authority council of the Authority.

17. ~~16.~~ **Modification; Waiver.** No amendment of this agreement will be effective unless it is in writing and signed by the parties. No waiver of satisfaction of a condition or failure to comply with an obligation under this agreement will be effective unless it is in writing and signed by the party granting the waiver, and no such waiver will constitute a waiver of satisfaction of any other condition or failure to comply with any other obligation. To be valid, any document signed by a party under this section ~~17-16~~ must be signed by an officer of the party authorized to do so by the party.

18. ~~17.~~ **Due Dates.** If a due date under this agreement falls on a Saturday, Sunday, or State holiday ~~of the State of Michigan~~, then the due date will be the next day that is not a Saturday, Sunday, or ~~state~~ State holiday.

19. ~~18.~~ **Notices.** A notice or other communication under this agreement may be delivered by e-mail. A notice or other communication may be delivered to the Authority at ~~metroinfo@michigan.gov~~ LARA-LCSAINFO@michigan.gov and to the Department at TreasORTA@michigan.gov. The email address for a party under this section ~~19-18~~ may be changed by that party by providing the other party with written notice of a change in the email address.

20. ~~19.~~ **Severability.** If any provision of this agreement is held to be unenforceable, then that provision is to be construed either by modifying it to the minimum extent necessary to make it enforceable (if permitted by law) or disregarding it (if not). If an unenforceable provision is modified or disregarded under this section ~~2019~~, the rest of the agreement is to remain in effect as written, and the unenforceable provision is to remain as written in any circumstances other than those in which the provision is held to be unenforceable.

21. ~~20.~~ **Nonparties.** No beneficiary rights for any person or entity other than a party (a "**Nonparty**") are created under this agreement. A Nonparty may not rely on this agreement. Only the Authority and the Department may rely on this agreement.

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

23. ~~22.~~ **Governing law.** The laws of the State of Michigan, without giving effect to its principles of conflicts of law, govern any adversarial proceeding arising out of this agreement.

24. ~~23.~~ **Entire Agreement.** This agreement constitutes the entire understanding between the parties as to the subject matter of this agreement and supersedes all other agreements, whether written or oral, between the parties.

25. ~~24.~~ **Effectiveness; Effective Date.** This agreement will become effective when all the parties have signed it. The date this agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature) will be deemed the date of this agreement. If a party signs but fails to date a signature, the date that the other party receives the signing party's signature will be

deemed to be the date that the signing party signed this agreement, and the other party may inscribe that date as the date associated with the signing party's signature.

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

LOCAL COMMUNITY STABILIZATION AUTHORITY

Date: ~~October~~ November __, ~~2015~~ 2016

By: _____

Mary Anne Jones
Chairperson

DEPARTMENT OF TREASURY

Date: ~~October~~ November __, ~~2015~~ 2016

By: _____

N.A. Khouri
State Treasurer

DRAFT

LAN01\393504.4

SCHEDULE 1
ADVANCES TO AUTHORITY
AND REPAYMENT OF ADVANCES BY AUTHORITY

as of November __, 2016

<u>Date</u>	<u>Description</u>	<u>Advance Amount</u>	<u>Repayment Amount</u>	<u>Balance</u>

4850-0893-5979.5

DRAFT

Comparison Details	
Title	pdfDocs compareDocs Comparison Results
Date & Time	11/14/2016 4:16:16 PM
Comparison Time	2.10 seconds
compareDocs version	v4.2.303.12

Sources	
Original Document	C:\Users\scli\AppData\Local\Temp\DocXComparisonStaging\f8e8e5bb-d261-4a1b-ba55-27a5cc2cd899\Administrative Services Agreement-LCSA-Treasury_4.docx
Modified Document	C:\Users\scli\AppData\Local\Temp\DocXComparisonStaging\31038d8b-b876-469c-8ae3-64356659658e\Administrative Services Agreement-LCSA-Treasury 4850-0893-5979 v.5.docx

Comparison Statistics	
Insertions	126
Deletions	20
Changes	58
Moves	0
TOTAL CHANGES	204

Word Rendering Set Markup Options	
Name	SCLI
<u>Insertions</u>	
Deletions	
<u>Moves</u> / Moves	
Inserted cells	
Deleted cells	
Merged cells	
Formatting	Color only.
Changed lines	Mark left border.
Comments color	By Author.
Balloons	False

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after Saving	General	Always
Report Type	Word	Track Changes
Character Level	Word	False
Include Headers / Footers	Word	True
Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	False
Show Track Changes Toolbar	Word	True
Show Reviewing Pane	Word	True
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	Separate
Document View	Word	Print
Remove Personal Information	Word	False
Flatten Field Codes	Word	True



LOCAL COMMUNITY STABILIZATION AUTHORITY

Plante Moran Update

Authority Council

Mary Anne Jones, Chairperson
Scott Erbsch, Vice Chairperson
Megan Crandall, Secretary
Donald Rogers, Treasurer
David Keenan

Administrator

(517)335-5448

Local Community Stabilization Authority
Task List - FY 2016

Month Activity Was Completed In:

	October	November	December	January	February	March	April	May	June	July	August	September
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Monthly

Bank Reconciliations

Operating (9371)	Sept. 2015	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016	Apr. 2016	May 2016	June 2016	July 2016	Aug. 2016	Sept. 2016
METRO (9249)	Sept. 2015	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016	Apr. 2016	May 2016	June 2016	July 2016	Aug. 2016	Sept. 2016
Use Tax (9611)	Sept. 2015	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016	Apr. 2016	May 2016	June 2016	July 2016	Aug. 2016	Sept. 2016
Debt Loss (9603)	Sept. 2015	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016	Apr. 2016	May 2016	June 2016	July 2016	Aug. 2016	Sept. 2016

Financial Reporting

Operating	[1]	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016	Apr. 2016	May 2016	June 2016	July 2016	Aug. 2016	Sept. 2016
METRO	[1]	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016	Apr. 2016	May 2016	June 2016	July 2016	Aug. 2016	Sept. 2016
Use Tax	[1]	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016	Apr. 2016	May 2016	June 2016	July 2016	Aug. 2016	Sept. 2016
Debt Loss	[1]	Oct. 2015	Nov. 2015	Dec. 2015	Jan. 2016	Feb. 2016	Mar. 2016	Apr. 2016	May 2016	June 2016	July 2016	Aug. 2016	Sept. 2016

Annual

Audit

Coordinate Timing with Board/ LARA/ Auditors	x												
Book year-end adjusting entries	x												
Compile auditor requested information	x												
Finalize TB	x												
Finalize budget reports to present to auditors													
Finalize GL detail													
Reconcile cash receipts													
Reconcile cash disbursements													
Reconcile accounts receivables													
Reconcile accounts payables													
Compile other auditor requested information													
Follow up with audit firm/ respond to additional questions and requests													
Review financial report draft(s)													
Prepare PM audit representation to Chairperson													

Budget

Draft Proposed Budget to Board													
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As Needed

Budget

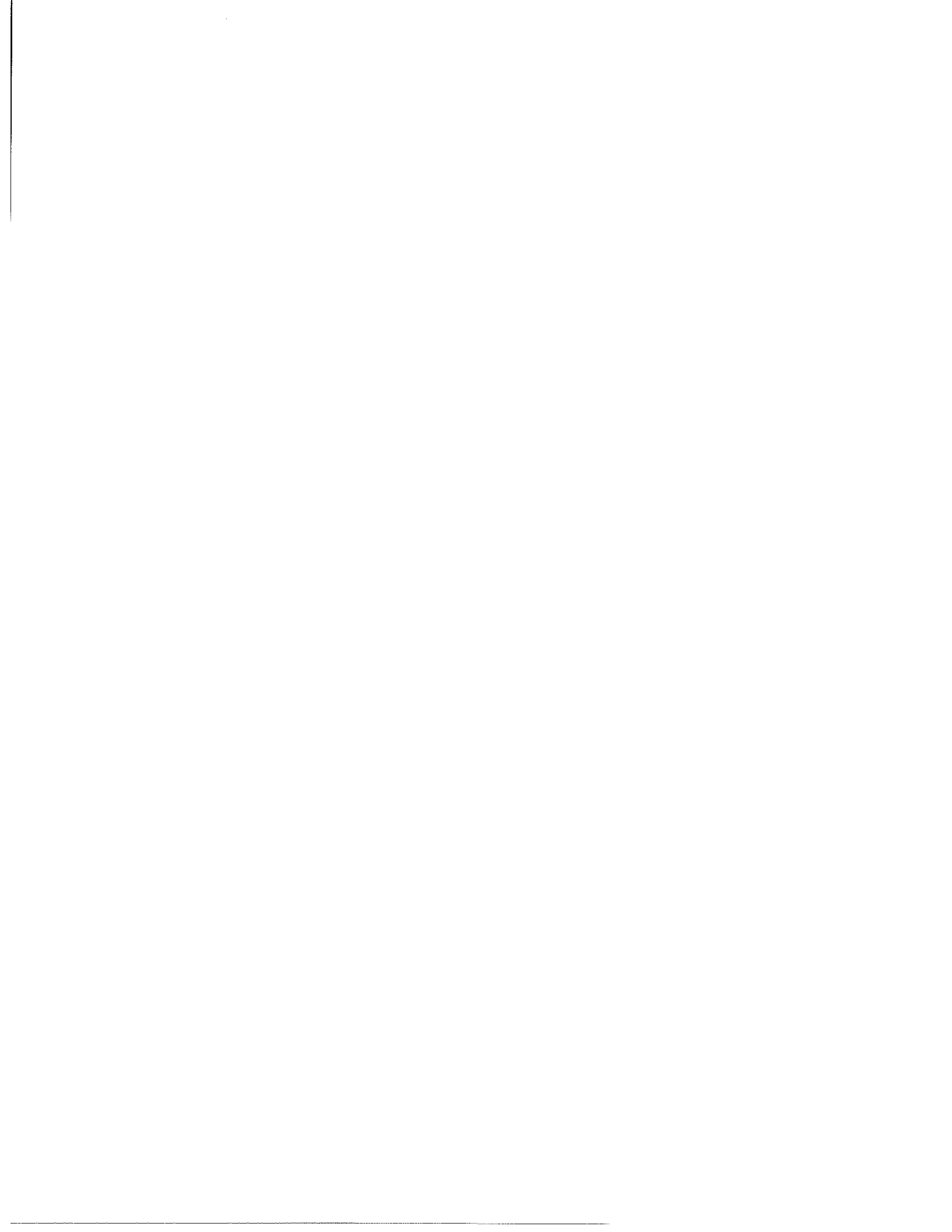
Draft Proposed Budget Amendments to Board													
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Other

Chart of Accounts (provide to LARA as updated)													
Other accounting/ financial analysis, as requested													

Tickmark Legend:

[1] - In year one of operations, monthly reporting was not completed for September because PM was preparing for audit and all statements had not been received. Going forward, expect these to be completed monthly (regardless of audit) as long as statements/ support received.



**Local Community Stabilization Authority
Trial Balance Worksheet
As of September 30, 2016**

Fiscal Year Ending September 30, 2016 balances are still in draft form and subject to change in conjunction with audit.

Account Description	09/30/15 Adjusted Balance	09/30/16 Original Budget	09/30/16 Amended Budget	Adjusted Balance Through 9/30/2016	Variance Pos/ (Neg)	TM
General Fund						
Assets						
101-000-001.000 Cash	50,383.53	-	-	121,922.95		
101-000-040.000 Accounts Receivable	-	-	-	-		
Total Assets	50,383.53	-	-	121,922.95		
Liabilities and Fund Balance						
101-000-202.000 Accounts Payable	(3,955.00)	-	-	(701.60)		
101-000-390.000 Fund Balance	-	-	-	(46,428.53)		
Total Liabilities and Fund Balance	(3,955.00)	-	-	(47,130.13)		
Revenues						
101-000-401.000 Taxes	-	(300,000.00)	(300,000.00)	(300,000.00)		
101-000-671.000 Other Revenues	(250,000.00)	-	-	-		
Total Revenues	(250,000.00)	(300,000.00)	(300,000.00)	(300,000.00)		
Expenditures						
101-000-726.000 Operating Supplies	-	1,200.00	1,200.00	-	1,200.00	
101-000-800.000 Professional and Contractual Services	157,000.00	150,000.00	150,000.00	150,000.00	-	
101-000-801.000 Accounting Services	9,260.00	35,000.00	35,000.00	16,620.00	18,380.00	
101-000-802.000 Auditing Services	-	10,000.00	10,000.00	13,292.00	(3,292.00)	[1]
101-000-803.000 Legal Services	30,000.00	34,500.00	34,500.00	30,977.02	3,522.98	
101-000-804.000 Information Technology Services	-	15,000.00	15,000.00	-	15,000.00	
101-000-901.000 Insurance	-	10,000.00	10,000.00	2,540.00	7,460.00	
101-000-956.000 Miscellaneous Fees	7,311.47	25,000.00	25,000.00	11,778.16	13,221.84	
Total Expenditures	203,571.47	280,700.00	280,700.00	225,207.18	55,492.82	
Revenues in Excess of Expenditures	46,428.53	19,300.00	19,300.00	74,792.82	55,492.82	

Tickmark Legend:

[1] - Note budget was approved on department level basis. Although auditing services are greater than budget, full net department expenditures are under budget.

**Local Community Stabilization Authority
Trial Balance Worksheet
As of September 30, 2016**

Fiscal Year Ending September 30, 2016 balances are still in draft form and subject to change in conjunction with audit.

Account Description	09/30/15 Adjusted Balance	09/30/16 Original Budget	09/30/16 Amended Budget	Adjusted Balance Through 9/30/2016	Variance Pos/ (Neg)	TM
Metro Act Fund						
Assets						
280-000-001.000 Cash	530,770.32	-	-	787,571.80		
280-000-040.000 Accounts Receivable	2,380,801.28	-	-	78,972.72		
Total Assets	<u>2,911,571.60</u>	-	-	<u>866,544.52</u>		
Liabilities and Fund Balance						
280-000-202.000 Accounts Payable	(127,275.69)	-	-	-		
280-000-203.000 Outstanding Checks	(75,161.33)	-	-	(655,633.99)		
280-000-339.000 Deferred Inflow	-	-	-	(75,161.33)		
280-000-390.000 Fund Balance	-	-	-	(2,709,134.58)		
Total Liabilities and Fund Balance	<u>(202,437.02)</u>	-	-	<u>(3,439,929.90)</u>		
Revenues						
280-000-607.000 Telecom Fees	(21,448,965.16)	(17,840,200.00)	(22,665,000.00)	(22,661,480.33)	(3,519.67)	
280-000-664.000 Interest Earned	(311.22)	-	-	-	-	
280-000-671.000 Other Revenues	(6,790.14)	-	-	-	-	
Total Revenues	<u>(21,456,066.52)</u>	<u>(17,840,200.00)</u>	<u>(22,665,000.00)</u>	<u>(22,661,480.33)</u>	<u>(3,519.67)</u>	
Expenditures						
280-000-955.000 Local Unit Disbursement	18,729,155.62	17,840,200.00	25,374,135.00	25,234,865.71	139,269.29	
280-000-956.000 Miscellaneous Fees	83.37	-	-	-	-	
280-000-964.000 Refunds	17,692.95	-	-	-	-	
Total Expenditures	<u>18,746,931.94</u>	<u>17,840,200.00</u>	<u>25,374,135.00</u>	<u>25,234,865.71</u>	<u>139,269.29</u>	
Revenues in Excess of Expenditures	<u>2,709,134.58</u>	-	<u>(2,709,135.00)</u>	<u>(2,573,385.38)</u>	<u>135,749.62</u>	

Tickmark Legend:

**Local Community Stabilization Authority
Trial Balance Worksheet
As of September 30, 2016**

Fiscal Year Ending September 30, 2016 balances are still in draft form and subject to change in conjunction with audit.

Account Description	09/30/15 Adjusted Balance	09/30/16 Original Budget	09/30/16 Amended Budget	Adjusted Balance Through 9/30/2016	Variance Pos./ (Neg)	TM
Use Tax Distribution Fund						
Assets						
281-000-001.000 Cash	-	-	-	76,870,377.68		
281-000-040.000 Accounts Receivable	-	-	-	90,201.08		
Total Assets	-	-	-	<u>76,960,578.76</u>		
Liabilities and Fund Balance						
281-000-202.000 Accounts Payable	-	-	-	(5,000.00)		
281-000-203.000 Outstanding Checks	-	-	-	(55,578.76)		
281-000-390.000 Fund Balance	-	-	-	-		
Total Liabilities and Fund Balance	-	-	-	<u>(60,578.76)</u>		
Revenues						
281-000-401.000 Taxes	-	(96,100,000.00)	(96,100,000.00)	(96,100,000.00)	-	
Total Revenues	-	(96,100,000.00)	(96,100,000.00)	(96,100,000.00)	-	
Expenditures						
281-000-955.000 Local Unit Disbursement	-	96,100,000.00	96,100,000.00	19,200,000.00	76,900,000.00	[1]
Total Expenditures	-	96,100,000.00	96,100,000.00	19,200,000.00	76,900,000.00	
Revenues in Excess of Expenditures	-	-	-	<u>76,900,000.00</u>	<u>76,900,000.00</u>	

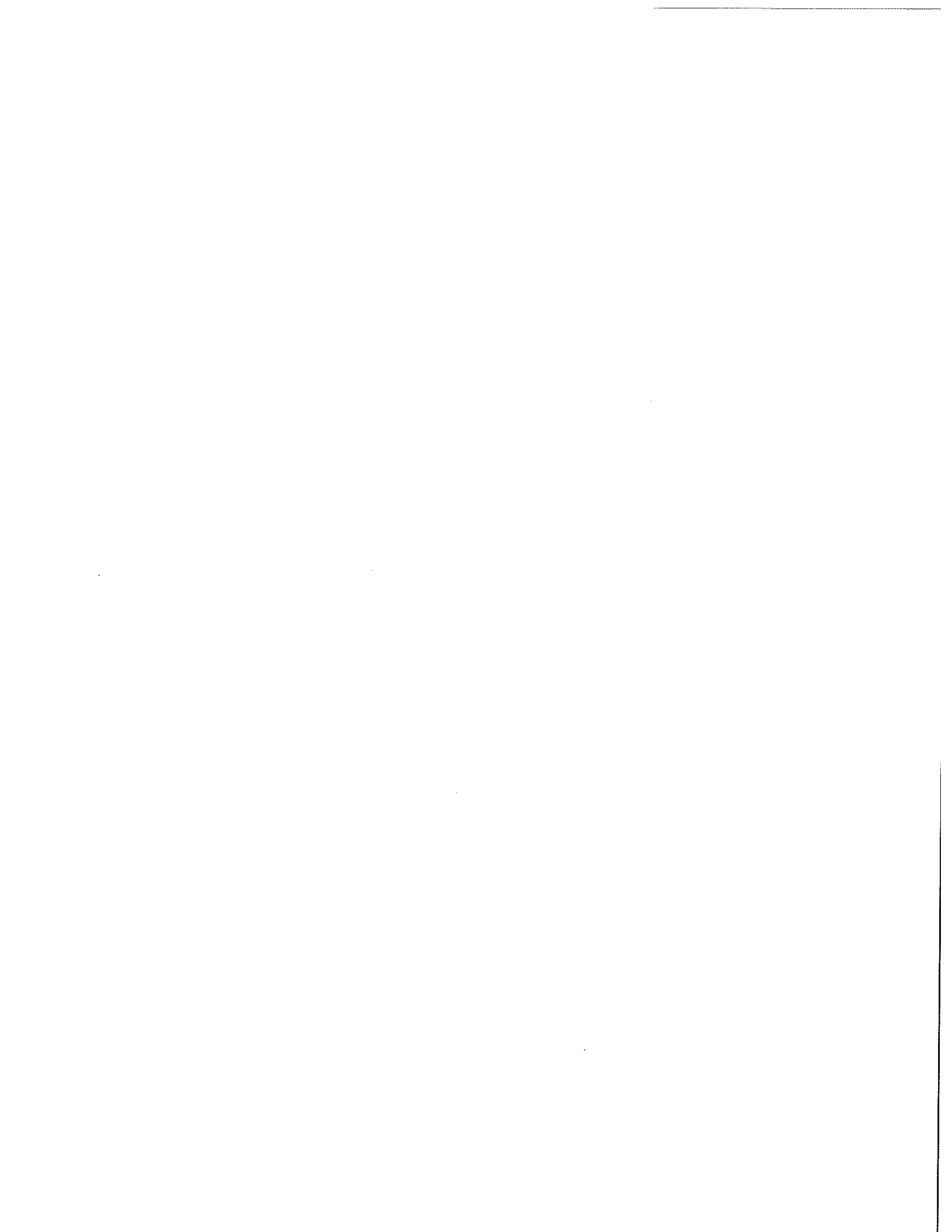
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[1] - Significant disbursement is expected in FY 2017. Legislative changes limited the FY 2016 payment to \$16.2 Million.

**Local Community Stabilization Authority
Trial Balance Worksheet
As of September 30, 2016**

Fiscal Year Ending September 30, 2016 balances are still in draft form and subject to change in conjunction with audit.

Account Description	09/30/15 Adjusted Balance	09/30/16 Original Budget	09/30/16 Amended Budget	Adjusted Balance Through 9/30/2016	Variance Pos/ (Neg)	TM
Local Debt Loss Reimbursement Fund						
Assets						
282-000-001.000 Cash	-	-	-	326,924.93		
Total Assets	-	-	-	<u>326,924.93</u>		
Liabilities and Fund Balance						
282-000-202.000 Accounts Payable	-	-	-	(181.56)		
282-000-203.000 Outstanding Checks	-	-	-	(99,312.35)		
282-000-390.000 Fund Balance	-	-	-	-		
Total Liabilities and Fund Balance	-	-	-	<u>(99,493.91)</u>		
Revenues						
282-000-539.000 State Grants	-	(10,000,000.00)	(10,000,000.00)	(9,163,726.30)	(836,273.70)	
Total Revenues	-	(10,000,000.00)	(10,000,000.00)	<u>(9,163,726.30)</u>	<u>(836,273.70)</u>	
Expenditures						
282-000-955.000 Local Unit Disbursement	-	10,000,000.00	10,000,000.00	8,936,295.28	1,063,704.72	
Total Expenditures	-	10,000,000.00	10,000,000.00	<u>8,936,295.28</u>	<u>1,063,704.72</u>	
Revenues in Excess of Expenditures	-	-	-	<u>227,431.02</u>	<u>227,431.02</u>	





LOCAL COMMUNITY STABILIZATION AUTHORITY

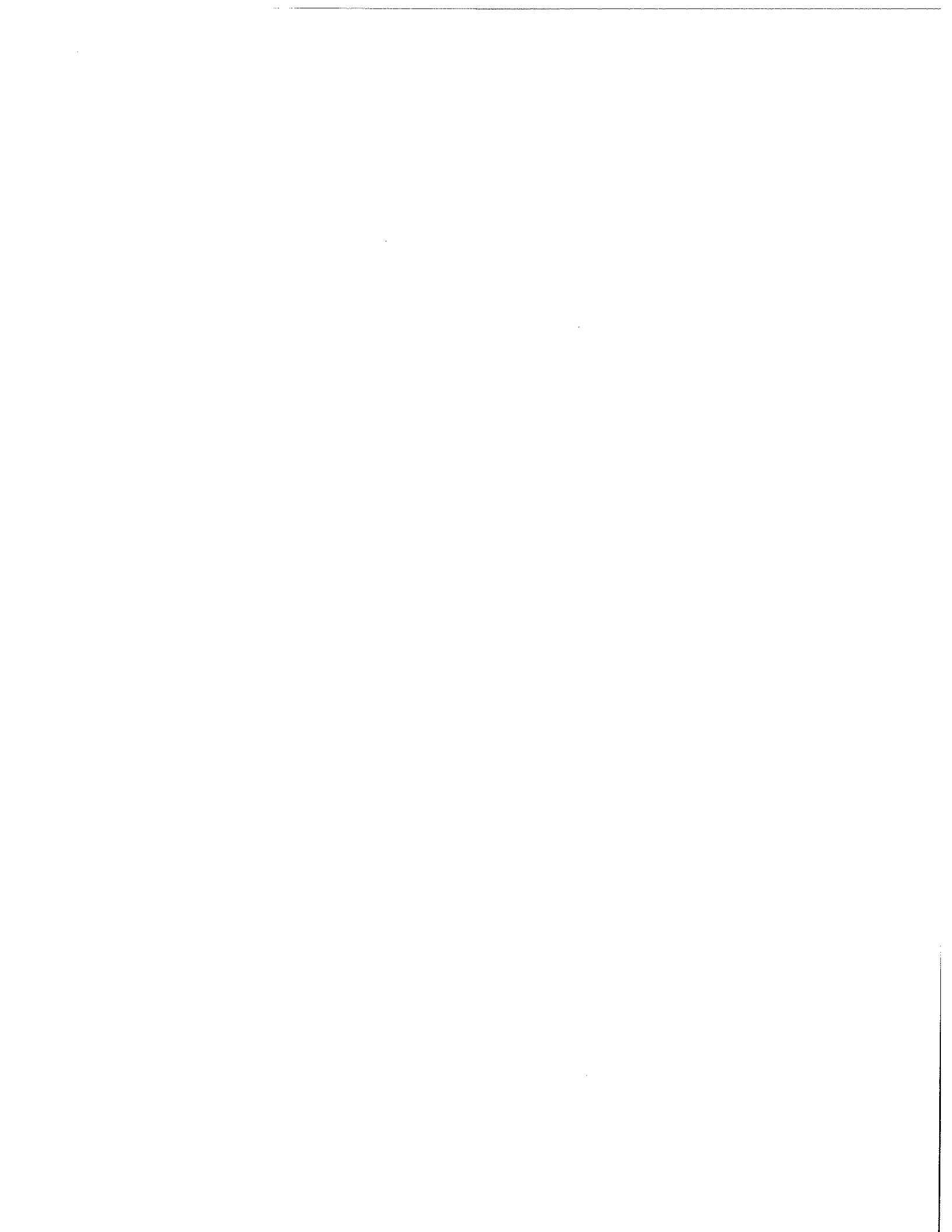
New Business

Authority Council

Mary Anne Jones, Chairperson
Scott Erbsch, Vice Chairperson
Megan Crandall, Secretary
Donald Rogers, Treasurer
David Keenan

Administrator

(517)335-5448





LOCAL COMMUNITY STABILIZATION AUTHORITY

Authority Council

RESOLUTION 2016-__

Authorize Request for Proposals for Legal Services

The authority council of the Local Community Stabilization Authority (the “**Council**”) hereby resolves as follows:

- that as the provider of administrative services to the Local Community Stabilization Authority (the “**Authority**”), the Michigan Department of Licensing and Regulatory Affairs (the “**Department**”) is authorized to issue on behalf of the Authority a request for proposals to provide legal services to the Authority (and “**RFP**”);
- that an RFP issued by the Department on behalf of the Authority must be approved as to form by the chairperson of the Council before the RFP is issued;
- that the Council intends for the RFP to be issued in November of 2016;
- that the Council intends for RFP responses received to be distributed to Council members upon receipt;
- that the Council intends for the Council to select a provider of legal services based upon responses to the RFP received by the Authority and to select a vendor and authorize a contract with the vendor before January 1, 2017; and
- that the Council requests the Department to assist the Council and its chairperson in scheduling any special meeting relating to consideration of the RFP, approval of a vendor, and approval of a contract with a vendor in response to the RFP.

Secretary’s Certification:

I certify that this resolution was duly adopted by the authority council of the Local Community Stabilization Authority at a properly-noticed open meeting held with a quorum present on November 18, 2016.

By: _____

Megan Crandall
Secretary



LOCAL COMMUNITY STABILIZATION AUTHORITY

NOTICE OF REQUEST FOR PROPOSALS

Legal Services
RFP 2016-1

1. **Purpose.** (a) The Local Community Stabilization Authority (the “**Authority**”), a Michigan metropolitan authority under the Local Community Stabilization Act, 2014 PA 86, as amended, MCL 125.990 to 125.990n (the “**LCSA Act**”), seeks proposals from qualified lawyers or qualified law firms to provide the Authority with the legal services described in section 2, consistent with the standards described in section 3.

(b) The Authority wants to engage a qualified contractor to provide the legal services described in section 2 for the initial calendar year beginning on January 1, 2017 and ending on December 31, 2017. The Authority may extend the engagement period for up to two additional calendar years.

(c) This request for proposals (“**RFP**”) was authorized by the authority council of the Authority (the “**Council**”) and is issued by the Authority.

2. **Scope of Services.** (a) The Authority seeks a qualified contractor capable of providing the Authority with the following legal services:

- (1) acting as legal advisor to the Authority, including providing legal advice to the Authority on the Authority’s compliance with the Open Meetings Act, the Freedom of Information Act, and the Uniform Budgeting and Accounting Act;
- (2) attending all meetings of the Council (quarterly regular meetings plus special meetings);
- (3) preparing or reviewing, as requested or directed by the Council, all resolutions, contracts, and other legal instruments of the Authority for legal compliance;
- (4) preparing written legal opinions as requested by the Council;
- (5) being available by phone, email, or both, for consultation with the Council, Council members, or designees of the Council by phone, cell phone, and email.
- (5) monitoring legislation and litigation affecting the Council and reporting to the Council on both;
- (6) assisting the Council and Authority officers and contractors in maintaining awareness of ethical standards and to avoid potential conflicts of interest, prohibited transactions, and the appearance of prohibited transactions;
- (7) providing the Council with guidance on Robert’s Rules of Orders and related procedural matters relating to Council meetings;
- (8) representing the Authority and advising the Council in litigation or regarding potential litigation involving the Authority or its officers;

- (9) working cooperatively with any special legal counsel retained by the Authority; and
- (10) performing other duties as requested by the Council.

(b) While the Authority's staff will provide the Council with materials for Council meetings, Council meeting materials will be reviewed by the contractor for legal compliance.

(c) Authority staff, as directed by the Council, will assist the contractor as reasonably necessary for the contractor to provide the services described in this section.

3. **Standards.** (a) The contractor shall provide services under this contract in compliance with the Michigan Rules of Professional Conduct.

(b) A lawyer providing services to the Authority must be licensed by, and a member in good standing of, the State Bar of Michigan.

(c) The contractor shall manage the delivery of legal services to the Authority in a competent, professional, and cost-effective manner.

(d) The contractor shall designate a single lawyer as the sole point of contact with the Authority for the provision of services to the Authority and that lawyer shall be responsible for the direction and supervision of services provided to the Authority. Other lawyers performing services under the direction and supervision of the sole point of contact must be qualified to handle the work assigned. The contractor may not change the single point of contact without approval by the Authority.

(e) The contractor may not subcontract duties under its contract with the Authority without the approval of the Council.

(f) The contractor shall keep the Council informed as to the progress and status of all pending matters as requested by the Council.

(g) At least two weeks before each regular Council meeting, and as otherwise requested by the Council, the contractor shall provide the Council with a written report on activities on behalf of the Authority since the prior meeting of the Council, in the manner directed by the Council.

(h) The contractor shall invoice the Authority for legal services provided to the Authority on a monthly basis. If the contractor provides services on an hourly-basis, for work provided on an hourly basis, the invoice must indicate the nature of the work performed; time devoted (rounded to the nearest 10th of an hour); the individual performing the work, and the billing amount. Invoices also must include an itemized statement of all other charges, including payments to third parties for expenses incurred related to the provision of legal services such as publication costs or delivery fees.

(i) The Council may terminate the provision of legal services to the Authority by the contractor at any time.

4. **Response Content.** (a) A response to this RFP should include:

- (1) an indication that the response is a proposal to provide legal services to the Authority;

- (2) a general description of responder qualifications and experience;
- (3) a description of how the responder proposes to perform the services detailed in section 2 in compliance with the standards detailed in section 3;
- (4) other information required under sections 4(b), 4(c), and 4(d);
- (5) a draft proposed engagement letter consistent with the requirements of this RFP with pricing omitted; and
- (6) a price quote for the initial calendar year and the subsequent two option years, which may include a proposal for provision of services based upon a flat monthly rate, an hourly rate or rates, or both.

(b) *Mandatory Qualifications.* The responder must demonstrate its capability to perform the services proposed in accordance with the Michigan Rules of Professional Conduct. Each response to this RFP must indicate that the responder (or its personnel) is licensed to practice law in the State of Michigan and a member in good standing of the State Bar of Michigan.

(c) *Administrative Component.* A response should clearly describe the responder's understanding of the work required and also should explain the responder's approach to performing the services described in section 2 in compliance with the standards in section 3 and detail any expenditure that the responder expects will be absorbed by the Authority with the applicable fee or rate for any such expenditure.

(d) *Technical Component.* A response should include satisfactory evidence of the responder's capability to provide the services detailed in section 2 in compliance with standards under section 3 in a professional and timely manner, including:

- (1) the license number of the responder or proposed responder personnel;
- (2) a description of the responder's sole point of contact for responder's provision of legal services to the Authority and other personnel that would provide services to the Authority, including the educational background, certifications, and professional licenses held;
- (3) a description of the adequacy of personnel to handle communications with the Authority and provision of legal services to the Authority;
- (4) a description of the level of assistance that will be expected from Authority staff;
- (5) a proposed work plan and schedule;
- (6) a description of legal services previously performed for the Authority or to other similar governmental entities, or both, including a contact name and phone number for each governmental entity other than the Authority;
- (7) a description of the manner in which the respondent will retain and dispose of documents related to its representation of the Authority;
- (8) a statement that the responder maintains comprehensive liability insurance and workers' compensation insurance for its employees;
- (9) a description of any strategic relationships, or both, the responder currently has or has used that could bring significant value to the Authority.

(e) The price quote must include a statement signed by an officer of the responder or other individual authorized to bind the responder to the price quote for a period of not less than 60 days.

(f) A contractor must disclose in its proposal any legal or regulatory actions pending against the responder.

5. **Proposal Submission.** (a) Proposals must be received by the Authority by __:__ *p.m.* on _____, _____, _____. Late proposals will not be considered.

(b) Proposals must be submitted by email to the Authority’s solicitation manager, Stephani Fleming, at LARA-LCSAInfo@michigan.gov with “LCSA RFP 2016-1” included in the subject line.

6. **Selection.** (a) The selection of a contractor will be made by Council, consistent with the Authority’s procurement policy, and based upon the following criteria:

- (1) qualifications and experience, including quality of proposed personnel and experience with similar governmental entities;
- (2) proposed approach, including technical strength and comprehensiveness;
- (3) demonstrated knowledge of legal issues relating to the Authority;
- (4) overall work plan and schedule;
- (5) simplicity, straight-forwardness, and efficiency of RFP response with an emphasis on clarity and responsive content;
- (6) cost; and
- (7) best value to the Authority.

(b) The Authority may issue one or more addenda to this RFP. Any addendum will be issued electronically in the same manner in which the RFP was originally issued. All final proposals submitted must respond to any addenda issued by the Authority.

(c) The Authority may reject any or all proposals, or parts of proposals. The Authority may request additional information from a responder. The Authority may accept a bid other than the lowest bid. The Authority may negotiate contract terms with a selected contractor.

(d) A response submitted to the Authority is a public document subject to disclosure under the Freedom of Information Act.

7. **Schedule.** The proposed schedule for this procurement, which is subject to change, is:

- (1) RFP issued _____, 2016;
- (2) questions regarding RFP due _____, 2016;
- (3) responses to questions issued _____, 2016;
- (4) RFP responses due to Authority by __:00p.m. _____, 2016;
- (5) contractor selected _____, 2016; and
- (6) contract executed, contractor engaged _____, 2016.

8. **Questions.** Questions regarding the RFP should be directed to the Authority’s solicitation manager, Stephani Fleming, at LARA-LCSAInfo@michigan.gov with “LCSA RFP 2016-1” included in the subject line. Questions submitted by potential contractors and responses will be sent to all potential responders that submitted a question and be posted on the website of the Authority.

9. **Contract Payment Schedule.** Under any contract entered into after the receipt of responses to this RFP, invoices detailing services provided will be paid within 30 days of receipt. The total amount invoiced may not exceed the price quote included in the contractor’s response to this RFP unless the contractor and the Authority have agreed to another arrangement.

10. **Response Costs.** Costs incurred in the submission of responses to this RFP or in making studies, designs, estimates, or other preparation of responses are the responsibility of the responder, not the Authority.

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LOCAL COMMUNITY STABILIZATION AUTHORITY
Authority Council

RESOLUTION 2016-__

Approve Tax-Intercept Agreement for School District of the City of Detroit

On September 29, 2016, in connection with the refinancing of certain financial obligations of the School District of the City of Detroit (the "**School District**"), the School District, the Michigan Finance Authority (the "**MFA**"), the Bank of New York Mellon Trust Company, N.A. (the "**Master Trustee**"), and the Treasurer of the State of Michigan (the "**State Treasurer**"), and the trustee of the MFA (the "**MFA trustee**") have entered into master debt retirement indenture dated September 1, 2016 (the "**Master Indenture**").

Under the Master Indenture, the School District has authorized the direct deposit by third parties of certain tax revenue payable to the School District, including any portion of the local community stabilization share tax levied by the Local Community Stabilization Authority (the "**LCSA**") under the Use Tax Act, Public Act 94 of 1937, as amended, MCL 205.91 to 205.111, and payable by the LCSA to the School District under the Local Community Stabilization Authority Act, Public Act 86 of 2014, as amended, MCL 123.1341 to 123.1362 (the "**LCSA Act**").

The School District, the Master Trustee, and the Authority want to enter into this agreement with the LCSA to provide for the payment by the LCSA directly to the Master Trustee of 100% of any local community stabilization share tax revenue payable to the School District so that any such revenue that the School District is entitled to receive from the LCSA will be applied and disbursed as required under the Master Indenture.

Under the LCSA Act, the School District is a municipality entitled to receive certain local community stabilization share revenue from the LCSA.

Among its other functions and responsibilities under the LCSA Act, the LCSA is authorized to contract for goods and services and to enter into agreements with other governmental entities.

The authority council of the Local Community Stabilization Authority therefore resolves as follows:

- that the following tax intercept agreement among the School District, the LCSA, the Master Trustee, and the MFA Trustee (the "**Intercept Agreement**") is hereby approved by the authority council on behalf of the Local Community Stabilization Authority:

"TAX INTERCEPT AGREEMENT

This Tax Intercept Agreement (the "**Agreement**") dated as of September 1, 2016, is made by and among the SCHOOL DISTRICT OF THE CITY OF DETROIT, County of Wayne, State of Michigan (the "**School District**"), the LOCAL COMMUNITY STABILIZATION AUTHORITY (the "**LCSA**"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as (i) trustee (the "**Master Trustee**") under that certain Master Debt Retirement Trust Indenture dated as of September 1, 2016 (the "**Master Indenture**") by and among the Michigan Finance Authority (the "**Authority**"), the State Treasurer of the State of Michigan, the School District and the Master Trustee, and (ii) trustee (the "**MFA Trustee**") under that certain

Sixteenth Supplemental Indenture dated as of September 1, 2016 (the “**Sixteenth Supplemental Indenture**”) by and among the Authority and the MFA Trustee.

WHEREAS, pursuant to an order dated July 22, 2016 (the “**Emergency Loan Order**”), the Emergency Manager of the School District authorized the issuance of the School District’s Emergency Loan Note (General Obligation Limited Tax) 2016-17 Series I, dated as of July 22, 2016, in the aggregate principal amount of One Hundred Fifty Million and No/100 Dollars (\$150,000,000) (the “**Emergency Loan Note**”), issued to the State of Michigan (the “**State**”);

WHEREAS, pursuant to an order dated September 29, 2016, the Emergency Manager of the School District authorized the issuance of the School District’s School Financing Stability Bonds (Limited Tax General Obligation)(Taxable), Series 2016-A and School Financing Stability Bonds (Limited Tax General Obligation), Series 2016-B (collectively, the “**Municipal Obligations**”);

WHEREAS, the 2016 School District Bonds are being purchased by the Authority and financed by the Authority by its issuance of the Michigan Finance Authority Local Government Loan Program Revenue Bonds, Series 2016D-1 (School District of the City of Detroit Refunding Local Project Bonds) (Federally Taxable) and the Michigan Finance Authority Local Government Loan Program Revenue Bonds, Series 2016D-2 (School District of the City of Detroit Refunding Local Project Bonds) pursuant to the Sixteenth Supplemental Indenture;

WHEREAS, the School District, the Authority, the Master Trustee and the State Treasurer of the State of Michigan have entered into the Master Indenture which pledges certain funds, and establishes the priority for the disbursements of such funds, with respect to the payment of the 2016 School District Bonds, the Emergency Loan Note, the ORS Obligations (as defined in the Master Indenture) and the payments to certain vendors of the School District (as described in the Master Indenture);

WHEREAS, in connection with the Master Indenture, the School District has authorized the direct deposit by third-parties of the proceeds of 100% of the operating taxes levied by the School District pursuant to Section 1211 of Act 451, Michigan Public Acts of 1976, as amended, (the “**Operating Tax Revenues**”) and any money generated under Act 86, Michigan Public Acts of 2014, as amended (the “**Community Stabilization Share Revenues**”) and collectively with the Operating Tax Revenues, the “**Pledged Operating Tax Revenues**”) with the Master Trustee;

WHEREAS, it is necessary for the School District, the Master Trustee and the MFA Trustee to enter into this Agreement with the Authority to provide for the payment by the Authority directly to the Master Trustee of 100% of the Community Stabilization Share Revenues that the School District is entitled to receive from time to time from the Authority in order that the Community Stabilization Share Revenues may be applied and disbursed as set forth in the Master Indenture;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth below, the parties hereto agree as follows:

Section 1. School District's Directions to Authority. The School District hereby irrevocably authorizes and directs the Authority to transfer the collected Community Stabilization Share Revenues directly to the Master Trustee at the times and in the manner set forth in Section 2 below.

Section 2. Authority's Intercept and Transfer of Collected Revenues. The Authority agrees that, pursuant to the irrevocable directions of the School District in Section 1 above, the Authority shall intercept all of the Community Stabilization Share Revenues and shall, beginning not later than November 1, 2017 and at regular intervals thereafter as required by law, wire the entire amount of Community Stabilization Share Revenues not previously transferred under this Agreement to the Revenue Fund established by the Master Indenture (in accordance with the wire instructions provided by the Master Trustee and attached as Exhibit A), notwithstanding any notice or other communication of any kind to the contrary that the Authority or any of its officials, employees or agents might receive from the School District.

Section 3. Disposition of Transferred Tax Receipts. The Master Trustee agrees to deposit all Community Stabilization Share Revenues that it receives from the Authority pursuant to this Agreement on behalf of the School District immediately upon receipt into the Revenue Fund established by the Master Indenture and to apply and disburse such funds as required by the Master Indenture.

Section 4. Agreement Not Indebtedness of the Authority. This Agreement shall not require the Authority to make an appropriation to the School District and shall not be construed as creating an indebtedness of the Authority.

Section 5. State Treasurer. When used in the Agreement, "**State Treasurer**" means the State Treasurer of the State or, under his authorization, a Deputy State Treasurer, a Bureau Director within the Michigan Department of Treasury or other appropriate official of the Department of Treasury as the State Treasurer may direct in writing.

Section 6. School District's Representations and Warranties. The School District hereby represents and warrants that this Agreement has been duly authorized, executed and delivered by the School District and is the valid and legally binding agreement and obligation of the School District enforceable against the School District in accordance with its terms. The School District hereby further warrants and represents that it has not pledged its current or future Pledged Operating Tax Revenues for the payment of any obligation other than as set forth in the Master Indenture.

Section 7. Authority's Representations and Warranties. The Authority hereby represents and warrants that this Agreement has been duly authorized, executed and delivered by the Authority and is the valid and legally binding agreement and obligation of the Authority enforceable against the Authority in accordance with its terms.

Section 8. School District's Acknowledgements. The School District expressly acknowledges that all moneys which are paid directly by the Authority to the Master Trustee pursuant to this Agreement shall be deemed to have been received by the School District in full satisfaction of the Authority's obligation to remit those taxes, and that the Authority's agreement herein to transfer all Pledged Operating Tax Revenues to the Master Trustee is being done as an accommodation to, and pursuant to the irrevocable directions of, the School District.

Section 9. Termination. The Master Trustee shall, with the prior written consent of the State Treasurer, notify the Authority in writing when the full principal of and all interest due on the 2016 MFA Bonds (as defined in the Master Indenture), the Emergency Loan Note and the ORS Obligations have been paid in full. This Agreement shall terminate upon the Authority and the School District's receipt of that written notice from the Master Trustee.

Section 10. The Master Trustee. The Master Trustee shall be entitled to the same protections, immunities and indemnities in so acting under this Agreement as it has in acting as Master Trustee under the Master Indenture. Subject to Section 16 below, the Master Trustee shall assign this Agreement to any successor trustee appointed pursuant to the terms of the Master Indenture.

Section 11. Notices. Any notice to be given in connection with any of the terms or provisions of this Agreement shall be in writing and be given in person, by delivery service, by facsimile transmission, or by mail, and shall become effective (a) on delivery if given in person, (b) on the date of delivery if sent by delivery service, (c) on the date of delivery if sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, or (d) four business days after being deposited in the mail, with proper postage for first class registered or certified mail, prepaid.

Until notified in writing by the appropriate party of a change to a different address, notices shall be addressed as follows:

- (i) if to the School District:

School District of the City of Detroit
Fisher Building, 14th Floor
3011 West Grand Boulevard
Detroit, Michigan 48202
Attention: Emergency Manager
Fax Number: (313) 870-3726

With a copy to
School District of the City of Detroit
Fisher Building, 14th Floor
3011 West Grand Boulevard
Detroit, Michigan 48202
Attention: General Counsel
Fax Number: (313) 873-4564

(ii) if to the Authority:

Michigan Finance Authority
Austin Building, 1st Floor
430 W. Allegan
Lansing, MI 48922
Attention: John Barton
Fax Number: 517-241-9509

(iii) if to the LCSA:

Department of Licensing and Regulatory Affairs
611 W. Ottawa
P.O. Box 30004
Lansing, MI 48909
Attention: LARA Administrator

(iv) if to the Master Trustee or the MFA Trustee:

The Bank of New York Mellon Trust Company, N.A.
719 Griswold Street, Suite 930
Detroit, Michigan 48226
Attention: Corporate Trust Division
Fax Number: (313) 967-5190

With a copy to:

Michigan Department of Treasury
430 W. Allegan Street
Lansing, MI 48922
Attention: Bureau of State and Authority Finance
Fax Number: (517) 241-9509

Section 12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

Section 13. Amendments. This Agreement may be amended or revised only by a written agreement signed by the School District, the LCSA, the Authority and the Master Trustee, and with the prior written consent of the State Treasurer on behalf of the State, and the Purchaser's Representative.

Section 14. Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be deemed to be one and the same document. When all parties hereto have executed at least one counterpart, this Agreement shall be binding on all the parties hereto.

Section 15. Binding Effect; Assignment. This Agreement shall be binding upon the parties to this Agreement and upon their respective successors. No party to this Agreement may assign this Agreement without the prior written consent of the other parties to this Agreement.

Section 16. Entire Agreement; Supersedes. This Agreement, including the exhibits hereto (which are incorporated herein by reference), embodies the

entire Agreement and understanding between the parties as to the matters addressed in this Agreement and supersedes all prior agreements and understandings relating to the subject matter hereof, including the Original Tax Intercept Agreement which has been amended and restated by this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Amended and Restated Tax Intercept Agreement in the spaces set forth below.

DETROIT

SCHOOL DISTRICT OF THE CITY OF

By: _____
Alycia Meriweather
Interim Superintendent, Detroit
Public Schools Community District, as
agent of the School District of the City
of Detroit

**LOCAL COMMUNITY STABILIZATION
AUTHORITY**

By: _____
Mary Anne Jones
Authority Council Chairperson

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Master Trustee and as
MFA Trustee**

By: _____
Tammy L. Davis
Vice President

Acknowledged and Agreed To:

STATE TREASURER OF THE STATE OF MICHIGAN

By: _____
Nick A. Khouri
State Treasurer

EXHIBIT A

WIRE INSTRUCTIONS

The Bank of New York Mellon
ABA 021 000 018
Credit Account #1722408400
Account Name: MFA DPS 2016 Revenue FD
Attn: Allen Golson, Ph. 313-967-4345"; and

- that the chairperson of the authority council is authorized to sign the Intercept Agreement on behalf of the Authority.

Secretary's Certification:

I certify that this resolution was duly adopted by the authority council of the Local Community Stabilization Authority at a properly-noticed open meeting held with a quorum present on November 18, 2016.

By: _____
Megan Crandall
Secretary

4836-3934-4954.1

LOCAL COMMUNITY STABILIZATION AUTHORITY

Authority Council

RESOLUTION 2016-__

Amendment and Restatement of Bylaws

The authority council of the Local Community Stabilization Authority hereby resolves that the bylaws of the Authority are amended and restated in their entirety to read as follows:

**“Amended and Restated Bylaws
of the
Local Community Stabilization Authority
(as of November 18, 2016)**

ARTICLE 1

PURPOSE AND DEFINITIONS

1.1. **Purpose.** The Local Community Stabilization Authority (the “**Authority**”) was created as a metropolitan authority under the Local Community Stabilization Authority Act, Public Act 86 of 2014, as amended, MCL 123.1341 to 123.1362 (“**Act**”). The purpose of the Authority is described in the Act.

1.2. **Definitions.** Unless otherwise stated, a term used in these bylaws has the meaning defined in the Act.

ARTICLE 2

OFFICES

2.1. **Principal Office.** The initial principal office of the Authority is 300 N. Washington Square, Lansing, Michigan 48913. The principal office shall be the registered office of the Authority and the registered agent of the Authority shall be its secretary, unless another individual is designated as the resident agent of the Authority by the authority council.

2.2. **Other Offices.** The Authority may establish and maintain offices authorized by the authority council at such other places as the authority council may designate or as the business of the Authority may require.

ARTICLE 3

AUTHORITY COUNCIL

3.1. **Functions and Responsibilities.** The authority council shall exercise the functions and responsibilities of the authority council under the Act and other applicable law. A member of the authority council shall discharge the duties of his or her position in a nonpartisan manner, in good faith, and with the degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. In discharging his or her duties, a member of the council, when acting in good faith, may rely upon any of the following:

- (a) the opinion of legal counsel for the authority;
- (b) the report of an independent appraiser selected by the council; or

(c) financial statements of the authority represented to the member of the council to be correct by the officer of the authority having charge of its books of account or stated in a written report by an auditor or a certified public accountant, or a firm of certified accountants, to reflect the financial condition of the authority.

3.2. **Open Meetings.** The authority council shall comply with the Open Meetings Act, Public Act 267 of 1976, as amended, MCL 15.261 to 15.273. Public notice of the time, date, and place of authority council meetings shall be given in the manner required by the Open Meetings Act. The authority council shall not act upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure requiring a vote of the authority council or engage in deliberations toward or rendering a decision on a public policy except at a meeting convened and open to the public in compliance with the requirements of the Open Meetings Act. A member of the authority council shall not engage in deliberations by email or text message.

3.3. **Regular Meetings.** The authority council shall hold regular meetings at the times, dates, and places within the state of Michigan determined by the authority council unless cancelled by the authority council or its chairperson.

3.4. **Special Meetings.** A special meeting of the authority council may be called by the chairperson or any three members of the authority council. The chairperson or members of the authority council calling the special meeting shall fix the time, date, and place within the state of Michigan of the special meeting. A special meeting called by the chairperson may be cancelled by the chairperson. A special meeting called by three or more members of the authority council may be cancelled by those three members.

3.5. **Quorum.** A majority of the members of the authority council serving on the authority council constitutes a quorum for the transaction of the business of the authority council.

3.6. **Voting.** The authority council shall act by a majority vote of each of the members of the authority council serving at the time of the vote. Members of the authority council may not engage in proxy or weighted voting.

3.7. **Participation by Electronic Communication.** Members of the authority council may participate in meetings by electronic communication to the fullest extent permitted by law. Subject to any guidelines and procedures adopted by the authority council, members of the authority council not physically present at a meeting of the authority council may participate in the meeting by simultaneous electronic communication, be considered present in person for all relevant purposes, and may vote at the meeting. If a member of the authority council participates in a meeting by electronic communications the authority council member must be able to hear other members of the authority council participating in the meeting and members of the public attending the meeting and the members of the public attending the meeting must be able to hear each authority council member participating by electronic communication.

3.8. **Public Comment Policy.** (a) All members of the public will be afforded the opportunity to address the authority council at a meeting of the authority council on matters related to the business of the Authority during the public comment time on the agenda for the meeting or at other times when recognized by the chairperson.

(b) Members of the public wanting to address the authority council must first complete and submit a comment card that includes their name, address, telephone number, and a brief description of the matter on which the individual wants to address the board. The chairperson will use submitted comment cards to recognize members of the public.

(c) The comment time for each member of the public is limited to three minutes, unless extended by the authority council.

3.9. **Rules of Order.** Unless inconsistent with these bylaws, the rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the authority council in all applicable matters.

3.10. **Contact Information.** Each member of the authority council shall register the member's mailing address, e-mail address, and telephone number with the secretary.

3.11. **Notice to Members.** In addition to notice requirements under the Open Meetings Act, notice of any meeting of the authority council stating the time, date, place, and purpose of the meeting or notice of cancellation of a meeting shall be given to each member of the authority council by: (1) mailing a written notice of the meeting to the address designated by a member of the authority council at least three days before the meeting; (2) personally delivering written notice of the meeting to a member of the authority council at least two days before the meeting; (3) verbally notifying a member of the authority council of meeting at least two days before the meeting in person, by telephone, or by electronic means of verbal communication; or (4) electronically transmitting notice of the meeting to a member at least two days before the meeting by electronic mail or other form of electronic communication directed to the e-mail address designated by the member of the authority council. A member of the authority council may waive notice of any meeting by written or electronically-transmitted statement sent by the member of the authority council and signed before or after the meeting of the authority council. The attendance of a member of the authority council at an authority council meeting constitutes a waiver of notice of the meeting.

3.19. **Expenses.** Members of the authority council may be reimbursed by the Authority for their actual and necessary expenses incurred in the performance of their official duties as members of the authority council pursuant to an expense policy adopted by the authority council.

ARTICLE 4 OFFICERS

4.1. **Officers.** Selected members of the authority council shall serve as officers in the following positions: chairperson, vice-chairperson, secretary, and treasurer. The authority council may elect a member of the authority council as an assistant secretary, assistant treasurer, or other officer of the Authority. An officer elected under this article shall be elected to a one-year term as an officer and is eligible for reelection after the expiration of a term. An officer whose term has expired may continue to serve until a successor is appointed and qualified. A vacancy in an officer position caused other than by the expiration of a term shall be filled for the balance of the term in the same manner as the original appointment.

4.2. **Chairperson.** Under the Act, the chairperson is designated by the governor of the state of Michigan. The chairperson shall preside over meetings of the authority council.

4.3. **Vice-Chairperson.** The authority council shall elect from among the members of the authority council a vice-chairperson. The vice-chairperson shall hold office until the expiration of the vice-chairperson's term, but may resign as vice-chairperson by written notice to the secretary. If the chairperson is absent, the vice-chairperson shall preside over meetings of the authority council. If the office of chairperson is vacant, the vice-chairperson shall be the acting chairperson of the authority council.

4.4. **Secretary.** The authority council shall elect from among the members of the authority council a secretary. The secretary shall hold office until the expiration of the secretary's term, but may resign as secretary by written notice to the chairperson. The secretary shall do all of the following:

- (1) keep the minutes of the meetings of the authority council;
- (2) see that all notices are given under these bylaws and applicable law;
- (3) keep a register of the mailing address, phone number, and e-mail address of each member of the authority council; and
- (4) perform all other duties incident to the office of secretary and other duties assigned by the authority council.

4.5. **Treasurer.** The authority council shall elect from among the members of the authority council a treasurer. The treasurer shall hold office while a member of the authority council and until a successor is appointed and qualified. The treasurer may resign as treasurer by written notice to the secretary. The treasurer shall do all of the following:

- (1) have charge and custody over the funds and any securities of the Authority;
- (2) maintain the financial records of the Authority, including records of receipts and disbursements;
- (3) deposit funds and securities received by the Authority in depositories authorized by the authority council; and
- (4) perform all other duties incident to the office of treasurer and other duties assigned by the authority council.

4.6. **Assistance for Secretary and Treasurer.** Authority personnel shall assist the secretary and the treasurer in the performance of their duties. The authority council may delegate a specific duty or authority of the secretary or the treasurer to another officer of the Authority. The authority council may contract with another person or entity to assist the secretary and treasurer in performing the duties of their offices.

ARTICLE 5 COMMITTEES

5.1. **Establishment.** The authority council may by resolution establish committees composed of members of the authority council, and others.

5.2. **Function.** A committee established by the authority council under section 5.1 shall function in an advisory capacity to the authority council and may consider matters referred by the authority council. While a committee may recommend action by the authority council, the committee shall not determine whether items will or will not be referred for action by the authority council.

5.3. **Meetings.** Except as provided in section 5.5, each committee shall elect from among the members of the committee a committee chairperson and a committee vice-chairperson. The committee chairperson shall preside over meetings of the committee. If the committee chairperson is absent, the

vice-chairperson shall preside over meetings of the committee. A committee shall meet at the time, date, and place within the state of Michigan determined by the committee chairperson. Notice of meetings of a committee shall be provided to members of the committee in the same manner as notice for a meeting of the authority council under section 3.11.

5.4 **Reports.** Each committee established by the authority council shall report on its activities at each meeting of the authority council.

ARTICLE 6 CONTRACTS, FUNDS, AND GIFTS

6.1. **Contracts.** The authority council may authorize any officer or agent to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged on behalf of the Authority, consistent with these bylaws and applicable law. When the authority council authorizes the execution of a contract or of any other instrument on behalf of the Authority without specifying the executing officer or agent, the chairperson may execute the contract or instrument.

6.2. **Loans.** Unless authorized by a resolution of the authority council, a loan cannot be contracted on behalf of the Authority and evidences of indebtedness cannot be issued in the name of the Authority.

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, or both.

6.4. **Deposits.** All funds of the Authority not otherwise employed shall be deposited to the credit of the Authority in a bank, trust company, or other depository as authorized by the authority council and consistent with any investment policy adopted by the authority council, if the bank, trust company, or other depository is eligible to be a depository for public moneys under 1932 (1st Ex Sess) PA 48, MCL 129.11 to 129.15.

6.5. **Investments.** The Authority may deposit or invest any of its money in a manner consistent with the requirements of applicable law and an investment policy adopted by authority council.

6.6. **Gifts.** (a) The chairperson may, on behalf of the Authority, do both of the following:

- (1) accept gifts, grants, assistance funds, or other contributions to the Authority;
- (2) apply for, execute documents on behalf of the Authority, and take other action necessary to obtain grants, assistance funds, or other contributions payable to the Authority;

(b) The chairperson shall report gifts, grants, assistance funds, or contributions accepted on behalf of the Authority to the authority council.

6.7. **Fiscal Year.** The fiscal year of the Authority will begin on October 1 of a calendar year and end on September 30 of the next calendar year.

ARTICLE 7
LEGAL REPRESENTATION AND INSURANCE

7.1. **Legal Representation.** (a) If the validity of the Authority or an action or activity within the scope of the Act is challenged in a legal proceeding where a member of the authority council or another officer of the Authority (each a “**Protected Person**”) is named as a defendant, to the fullest extent permitted by law and from funds lawfully available to the Authority, the cost of legal representation of the Protected Person is the responsibility of the Authority, not the Protected Person.

(b) To the fullest extent permitted by law and from funds lawfully available to the Authority, the Authority, shall reimburse a Protected Person for costs incurred by the Protected Person, including attorney fees and settlement costs, resulting from any legal challenge or proceeding related to the implementation of the Act.

(c) A Protected Person may request that the Authority defend the Protected Person in a proceeding relating to the activities or omissions of the Protected Person under the Act and the Authority shall assume the defense of the Protected Person at the Authority’s own reasonable cost, to the fullest extent permitted by law and from funds lawfully available to the Authority unless a conflict under applicable law or rules prohibits the Authority from defending the Protected Person, in which case the Protected Person may retain counsel and the Authority is responsible for the reasonable costs of representing the Protected Person to the fullest extent permitted by law and from funds lawfully available to the Authority.

(d) If a Protected Person retains counsel and the Authority is responsible for the reasonable costs of representing the Protected Person in connection with a legal proceeding, the Protected Person may be defended by counsel as each Protected Person determines and the Authority shall pay all reasonable and necessary costs of the defense, including reasonable counsel fees, to the fullest extent permitted by law and from funds lawfully available to the Authority.

7.2. **Insurance.** (a) The authority council may authorize the purchase and maintenance of insurance on behalf of any individual who is, or was, a member of the authority council, officers, employee, or agent of the Authority, or is, or was, serving at the request of the Authority as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, authority, intergovernmental entity, or other enterprise against any liability asserted against the individual and incurred by the individual, in any capacity or arising out of the individual’s status.

(b) The authority council may authorize the purchase and maintenance of liability insurance on behalf of the Authority.

ARTICLE 8
AMENDMENTS

8.1. **Amendments.** These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the affirmative vote of a majority of the authority council at any regular meeting of the authority council. These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the affirmative vote of the authority council at any special meeting of the authority council, if a notice setting forth the terms of the bylaws proposal has been given pursuant to the notice requirements for special meetings.”.

Secretary's Certification:

I certify that this resolution was duly adopted by the authority council of the Local Community Stabilization Authority at a properly-noticed open meeting held with a quorum present on November 18, 2016.

By: _____
Megan Crandall
Secretary

4822-0736-1580.3

Amended and Restated Bylaws
of the
Local Community Stabilization Authority
(as of November 18, 2016)

ARTICLE 1
PURPOSE AND DEFINITIONS

1.1. **Purpose.** The Local Community Stabilization Authority (the “Authority”) was created as a metropolitan authority under the Local Community Stabilization Authority Act, Public Act 86 of 2014 PA-86, as amended, MCL 123.1341 to 123.1362 (“**Act**”). The purpose of the Authority is described in the Act.

1.2. **Definitions.** Unless otherwise stated, ~~all of the terms~~ a term used in these bylaws ~~have~~ has the meaning defined in the Act.

ARTICLE 2
OFFICES

2.1. **Principal Office.** The initial principal office of the Authority is 300 N. Washington Square, Lansing, Michigan 48913. The principal office shall be the registered office of the Authority and the registered agent of the Authority shall be its secretary, unless another individual is designated as the resident agent of the Authority by the authority council.

2.2. **Other Offices.** The Authority may establish and maintain offices authorized by the authority council at such other places as the authority council may designate or as the business of the Authority may require.

ARTICLE 3
AUTHORITY COUNCIL

3.1. **Functions and Responsibilities.** The authority council shall exercise the functions and responsibilities of the authority council under the Act and other applicable law. A member of the authority council shall discharge the duties of his or her position in a nonpartisan manner, in good faith, and with the degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. In discharging his or her duties, a member of the council, when acting in good faith, may rely upon any of the following:

(a) the opinion of legal counsel for the authority;

(b) the report of an independent appraiser selected by the council; or

(c) financial statements of the authority represented to the member of the council to be correct by the officer of the authority having charge of its books of account or stated in a written report by an auditor or a certified public accountant, or a firm of certified accountants, to reflect the financial condition of the authority.

3.2. **Open Meetings.** The authority council shall comply with the Open Meetings Act, Public Act 267 of 1976 PA-267, as amended, MCL 15.261 to 15.273. Public notice of the time, date, and place of authority council meetings shall be given in the manner required by the Open Meetings Act. The

authority council shall not act upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure requiring a vote of the authority council or engage in deliberations toward or rendering a decision on a public policy except at a meeting convened and open to the public in compliance with the requirements of the Open Meetings Act. A member of the authority council shall not engage in deliberations by email or text message.

3.3. **Regular Meetings.** The authority council shall hold regular meetings at the times, dates, and places within the state of Michigan determined by the authority council unless cancelled by the authority council or its chairperson.

3.4. **Special Meetings.** A special meeting of the authority council may be called by the chairperson or any three members of the authority council. The ~~Chairperson~~chairperson or members of the authority council calling the special meeting shall fix the time, date, and place within the ~~city of Detroit for~~state of Michigan of the special meeting. A special meeting called by the chairperson may be cancelled by the chairperson. A special meeting called by three or more members of the authority council may be cancelled by those three members.

3.5. **Quorum.** A majority of the members of the authority council serving on the authority council constitutes a quorum for the transaction of the business of the authority council.

3.6. **Voting.** The authority council shall act by a majority vote of each of the members of the authority council serving at the time of the vote. Members of the authority council may not engage in proxy or weighted voting.

3.7. **Participation by Electronic Communication.** Members of the authority council may participate in meetings by electronic ~~means of~~ communication to the fullest extent permitted by law. Subject to any guidelines and procedures adopted by the authority council, members of the authority council not physically present at a meeting of the authority council may participate in the meeting by ~~means of~~ simultaneous electronic communication, be considered present in person for all relevant purposes, and may vote at the meeting. If a member of the authority council participates in a meeting by electronic communications the authority council member must be able to hear other members of the authority council participating in the meeting and members of the public attending the meeting and the members of the public attending the meeting must be able to hear each authority council member participating by electronic communication.

3.8. **Public Comment Policy.** (a) All members of the public will be afforded the opportunity to address the authority council at a meeting of the authority council on matters related to the business of the Authority during the public comment time on the agenda for the meeting or at other times when recognized by the chairperson.

(b) Members of the public wanting to address the authority council must first ~~state~~ complete and submit a comment card that includes their name ~~and address,~~ address, telephone number, and a brief description of the matter on which the individual wants to address the board. The chairperson will use submitted comment cards to recognize members of the public.

(c) The comment time for each member of the public is limited to three minutes. ~~(d) Members of the public submitting written comments to,~~ unless extended by the authority council ~~must provide their name, address, and signature on a submitted document.~~

3.9. **Rules of Order.** Unless inconsistent with these bylaws, the rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the authority council in all applicable matters.

3.10. **Contact Information.** Each member of the authority council shall register the member's mailing address, e-mail address, and telephone number with the secretary.

3.11. **Notice to Members.** In addition to notice requirements under the Open Meetings Act, notice of any meeting of the authority council stating the time, date, place, and purpose of the meeting or notice of cancellation of a meeting shall be given to each member of the authority council by: (1) mailing a written notice of the meeting to the address designated by a member of the authority council at least three days before the meeting; (2) personally delivering written notice of the meeting to a member of the authority council at least two days before the meeting; (3) verbally notifying a member of the authority council of meeting at least two days before the meeting in person, by telephone, or by electronic means of verbal communication; or (4) electronically transmitting notice of the meeting to a member at least two days before the meeting by electronic mail or other form of electronic communication directed to the e-mail address designated by the member of the authority council. A member of the authority council may waive notice of any meeting by written or electronically-transmitted statement sent by the member of the authority council and signed before or after the meeting of the authority council. The attendance of a member of the authority council at ~~a~~an authority council meeting constitutes a waiver of notice of the meeting.

3.19. **Expenses.** Members of the authority council may be reimbursed by the Authority for their actual and necessary expenses incurred in the performance of their official duties as members of the authority council ~~only~~ pursuant to an expense policy adopted by the authority council.

ARTICLE 4 OFFICERS

4.1. **Officers.** Selected members of the authority council shall serve as officers in the following positions: chairperson, vice-chairperson, secretary, and treasurer. The authority council may elect a member of the authority council as an assistant secretary, assistant treasurer, or other officer of the Authority. An officer elected under this article shall be elected to a one-year term as an officer and is eligible for reelection after the expiration of a term. An officer whose term has expired may continue to serve until a successor is appointed and qualified. A vacancy in an officer position caused other than by the expiration of a term shall be filled for the balance of the term in the same manner as the original appointment.

4.2. **Chairperson.** Under the Act, the chairperson is designated by the governor of the state of Michigan. The chairperson shall preside over meetings of the authority council.

4.3. **Vice-Chairperson.** The authority council shall elect from among the members of the authority council a vice-chairperson. The vice-chairperson shall hold office until the expiration of the vice-chairperson's term, but may resign as vice-chairperson by written notice to the secretary. If the chairperson is absent, the vice-chairperson shall preside over meetings of the authority council. If the office of chairperson is vacant, the vice-chairperson shall be the acting chairperson of the authority council.

4.4. **Secretary.** The authority council shall elect from among the members of the authority council a secretary. The ~~chairperson-secretary~~ shall hold office until the expiration of the ~~chairperson's secretary's~~ term, but may resign as ~~chairperson-secretary~~ by written notice to the chairperson. The secretary shall do all of the following:

- (1) keep the minutes of the meetings of the authority council;
- (2) see that all notices are given under these bylaws and applicable law;
- (3) keep a register of the mailing address, phone number, and e-mail address of each member of the authority council; and
- (4) perform all other duties incident to the office of secretary and other duties assigned by the authority council.

4.5. **Treasurer.** The authority council shall elect from among the members of the authority council a treasurer. The treasurer shall hold office while a member of the authority council and until a successor is appointed and qualified. The treasurer may resign as treasurer by written notice to the secretary. The treasurer shall do all of the following:

- (1) have charge and custody over the funds and any securities of the Authority;
- (2) maintain the financial records of the Authority, including records of receipts and disbursements;
- (3) deposit funds and securities received by the Authority in depositories authorized by the authority council; and
- (4) perform all other duties incident to the office of treasurer and other duties assigned by the authority council.

4.6. **Assistance for Secretary and Treasurer.** Authority personnel shall assist the secretary and the treasurer in the performance of their duties. The authority council may delegate a specific duty or authority of the secretary or the treasurer to another officer of the Authority. The authority council may contract with another person or entity to assist the secretary and treasurer in performing the duties of their offices.

ARTICLE 5 COMMITTEES

5.1. **Establishment.** The authority council may by resolution establish committees composed of members of the authority council, and others.

5.2. **Function.** A committee established by the authority council under section 5.1 shall function in an advisory capacity to the authority council and may consider matters referred by the authority council. While a committee may recommend action by the authority council, the committee shall not determine whether items will or will not be referred for action by the authority council.

5.3. **Meetings.** Except as provided in section 5.5, each committee shall elect from among the members of the committee a committee chairperson and a committee vice-chairperson. The committee chairperson shall preside over meetings of the committee. If the committee chairperson is absent, the vice-chairperson shall preside over meetings of the committee. A committee shall meet at the time, date, and place within the state of Michigan determined by the committee chairperson. Notice of meetings of a committee shall be provided to members of the committee in the same manner as notice for a meeting of the authority council under section 3.11.

5.4 **Reports.** Each committee established by the authority council shall report on its activities at each meeting of the authority council.

ARTICLE 6
CONTRACTS, FUNDS, AND GIFTS

6.1. **Contracts.** The authority council may authorize any officer or agent to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged on behalf of the Authority, consistent with these bylaws and applicable law. When the authority council authorizes the execution of a contract or of any other instrument on behalf of the Authority without specifying the executing officer or agent, the chairperson may execute the contract or instrument.

6.2. **Loans.** ~~No loans shall~~ Unless authorized by a resolution of the authority council, a loan cannot be contracted on behalf of the Authority and ~~no evidences of indebtedness shall cannot~~ be issued in the name of the Authority ~~unless authorized by a resolution of the authority council.~~

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, or both.

6.4. **Deposits.** All funds of the Authority not otherwise employed shall be deposited to the credit of the Authority in a bank, trust company, or other depository as authorized by the authority council and consistent with any investment policy adopted by the authority council, if the bank, trust company, or other depository is eligible to be a depository for public moneys under 1932 (1st Ex Sess) PA 48, MCL 129.11 to 129.15.

6.5. **Investments.** The Authority may deposit or invest any of its money in a manner consistent with ~~requirements applicable to a school district under Section 1223 of the Revised School Code, 1976 PA 451, MCL 380.1223~~ the requirements of applicable law and an investment policy adopted by authority council.

6.6. **Gifts.** (a) The chairperson ~~is authorized~~ may, on behalf of the Authority ~~to~~ do both of the following:

- (1) accept gifts, grants, assistance funds, or other contributions to the Authority;
- (2) apply for, execute documents on behalf of the Authority, and take other action necessary to obtain grants, assistance funds, or other contributions payable to the Authority;

(b) The chairperson shall report gifts, grants, assistance funds, or contributions accepted on behalf of the Authority to the authority council.

6.7. **Fiscal Year.** The fiscal year of the Authority will begin on October 1 of a calendar year and end on September 30 of the next calendar year.

ARTICLE 7
LEGAL REPRESENTATION AND INSURANCE

7.1. **Legal Representation.** (a) If the validity of the Authority or an action or activity within the scope of the Act is challenged in a legal proceeding where a member of the authority council or another officer of the Authority (each a “Protected Person”) is named as a defendant, to the fullest extent permitted by law and from funds lawfully available to the Authority, the cost of legal representation of the Protected Person is the responsibility of the Authority, not the Protected Person.

(b) ~~The Authority, to~~ To the fullest extent permitted by law and from funds lawfully available to the Authority, ~~will the Authority, shall~~ reimburse a Protected Person for costs incurred by the Protected Person, including attorney fees and settlement costs, resulting from any legal challenge or proceeding related to the implementation of the Act.

(c) A Protected Person may request that the Authority defend the Protected Person in a proceeding relating to the activities or omissions of the Protected Person under the Act and the Authority ~~will~~ shall assume the defense of the Protected Person at the Authority’s own reasonable cost, to the fullest extent permitted by law and from funds lawfully available to the Authority unless a conflict under applicable law or rules prohibits the Authority from defending the Protected Person, in which case the Protected Person may retain counsel and the Authority is responsible for the reasonable costs of representing the Protected Person to the fullest extent permitted by law and from funds lawfully available to the Authority.

(d) If a Protected Person retains counsel and the Authority is responsible for the reasonable costs of representing the Protected Person in connection with a legal proceeding, the Protected Person ~~will~~ may be defended by counsel as each Protected Person determines and the Authority ~~will~~ shall pay all reasonable and necessary costs of the defense, including reasonable counsel fees, to the fullest extent permitted by law and from funds lawfully available to the Authority.

7.2. **Insurance.** (a) The authority council may authorize the purchase and maintenance of insurance on behalf of any individual who is, or was, a member of the authority council, officers, employee, or agent of the Authority, or is, or was, serving at the request of the Authority as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, authority, intergovernmental entity, or other enterprise against any liability asserted against the individual and incurred by the individual, in any capacity or arising out of the individual’s status.

(b) The authority council may authorize the purchase and maintenance of liability insurance on behalf of the Authority.

ARTICLE 8 AMENDMENTS

8.1. **Amendments.** These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the affirmative vote of a majority of the authority council at any regular meeting of the authority council. These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the affirmative vote of the authority council at any special meeting of the authority council, if a notice setting forth the terms of the bylaws proposal has been given pursuant to the notice requirements for special meetings.

4821-3151-2125.1

4843-2629-2785.1

Comparison Details	
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Date & Time	11/15/2016 11:38:25 AM
Comparison Time	0.25 seconds
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Modified Document	C:\Users\scli\AppData\Local\Temp\DocXComparisonStaging\66d19296-ccec-41d8-8a7f-025e19bf51cb\LCSA_AC-Amended and Restated Bylaws 4843-2629-2785 v.1.docx

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Changes	22
Moves	0
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Deletions	
<u>Moves</u> / Moves	
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Deleted cells	
Merged cells	
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Changed lines	Mark left border.
Comments color	By Author.
Balloons	False

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Report Type	Word	Track Changes
Character Level	Word	False
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Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	False
Show Track Changes Toolbar	Word	True
Show Reviewing Pane	Word	True
Update Automatic Links at Open	Word	False
Summary Report	Word	End
Include Change Detail Report	Word	Separate
Document View	Word	Print
Remove Personal Information	Word	False
Flatten Field Codes	Word	True



LOCAL COMMUNITY STABILIZATION AUTHORITY

Authority Council

RESOLUTION 2016-__

Authorize November 20, 2016 Payments of Local Community Stabilization Share Revenue to Municipalities under Sections 17(4) and 17(5) of the Local Community Stabilization Authority Act

The Local Community Stabilization Authority (the “**Authority**”) is responsible under the Local Community Stabilization Share Act, Public Act 86 of 2014, as amended, MCL 123.1341 to 123.1362 (the “**LCSA Act**”) for the payment of that portion of the use tax levied by the Authority and authorized under the Use Tax Act, 1937 PA 94, MCL 205.91 to 205.111 (the “**Local Community Stabilization Share**”) to a “**Municipality**” (as that term is defined under section 5(r) of the LCSA Act, MCL 124.1345(r)), entitled to receive Local Community Stabilization Share Revenue under the LCSA Act.

Under Section 18 of the LCSA Act, MCL 123.1358, each Municipality is required to submit to the Michigan Department of Treasury (“**Treasury**”) sufficient information for Treasury to make its calculations under the LCSA Act and Treasury determines the amount of distributions made by the LCSA under the LCSA Act.

By November 20, 2016, the Authority is required by section 17(5) of the LCSA Act, MCL 124.1357(5) to make the payments of Local Community Stabilization Share revenue to Municipalities required for 2016 under section 17(4) of the LCSA Act, MCL 124.1357(4), in the amounts determined by Treasury for: (i) county allocated millage; and for (ii) millages other than county allocated millage, county extra-voted millage, township millage, and other millages levied 100% in December of a year.

Therefore, the authority council of the Local Community Stabilization Authority (the “**Council**”) hereby resolves as follows:

- that the Council authorizes the payment of Local Community Stabilization Share revenue by November 20, 2016 in the amount payable for 2016 under sections 17(4) and 17(5) of the Local LCSA Act, MCL 124.1356(4) and 124.1355(5), to each Municipality eligible to receive a payment for: (i) county allocated millage; and for (ii) millages other than county allocated millage, county extra-voted millage, township millage, and other millages levied 100% in December of a year (collectively the “**Payments**”);
- that the amount of each Payment to a Municipality shall be in the amount determined Treasury, as required by section 18 of the Local Community Stabilization Act, MCL 123.1358.
- that as the provider of administrative services to the Local Community Stabilization Authority (the “**Authority**”), the Michigan Department of Licensing and Regulatory Affairs (the “**Department**”) is directed to make the Payments on behalf of the Authority by November 20, 2016;
- that the treasurer of the Authority and the individual designated by the Department as its LCSA administrator, or both, are authorized to take the actions necessary to make the distributions authorized by this resolution; and

- that the Department, on behalf of the Authority, shall notify the Michigan Association of Counties, the Michigan Municipal League, and the Michigan Association of School Administrators of the distributions authorized by and made pursuant to this resolution.

Secretary's Certification:

I certify that this resolution was duly adopted by the authority council of the Local Community Stabilization Authority at a properly-noticed open meeting held with a quorum present on November 18, 2016.

By: _____
Megan Crandall
Secretary

