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TO: Felicia Brabec, Chair  
Ways & Means Committee

THROUGH: Verna J. McDaniel  
County Administrator

FROM: Gregory Dill  
Director of Infrastructure Management

DATE: February 6, 2013

SUBJECT: Amendment to Interlocal Agreement for the Southeast  
Michigan Regional Energy Office Community Alliance

**BOARD ACTION REQUESTED:**

It is requested that the Washtenaw County Board of Commissioners authorize the County Administrator to sign an Amendment to the Interlocal Agreement for the Southeast Michigan Regional Energy Office (SEMRO) Community Alliance.

**BACKGROUND:**

The Board of Commissioners approved a resolution of support on August 3, 2011, to enter into an Interlocal Agreement under the Urban Cooperation Act with several Southeast Michigan municipalities to create the Southeast Michigan Regional Energy Office Community Alliance.

As part of the Energy Efficiency and Conservation Block Grant, the County entered into an agreement with the Southeast Michigan Energy Office (SEMRO), a 501(c)(3) organization, to provide technical services to the County in its identification and implementation of EECBG projects, as well as ongoing technical services and grant assistance. SEMRO currently has seventeen local government members in the Southeast Michigan Region.

The County's one time membership commitment of \$76,000 is paid through EECBG funding. This has resulted in substantial technical assistance in developing and implementing the County's EECBG projects, as well as the receipt of \$269,142 in no interest loans for Road and Parks Commission Energy Efficiency Projects (to be paid back through energy savings).

As a 501(c)(3) organization, SEMRO is able to obtain grants and foundation funding that is open to not for profits, but not available to governmental agencies. There are also

numerous funding sources and programs that are available only to governmental entities. The formation of a governmental organization through interlocal agreement will enable the partners to access these additional funding sources.

### **DISCUSSION:**

The amended Interlocal Agreement for SEMRO includes the following changes:

1. The positions of the signatories are included on the signature page.
2. Attached the approving resolution to the agreement.
3. Amended the document to reflect "public body corporate" in all references rather than other references.
4. Amended Section 4.01 to clarify local government appointment and removal powers.
5. Amended the appropriate sections to allow video conferencing for quorum and voting.
6. Amended the appropriate sections to allow teleconferencing for participation, but not voting or quorum.
7. Added the appropriate forms and rules for additional parties to join the Alliance.
8. Amended Sections 4.09 and 5.09 to reference MCL 15.328, Contracts of Public Servants with Public Entities Act.
9. Amended Section 6 to include language that clarifies that the Body may determine how costs and expenses are to be distributed.
10. Amended Section 6 to clarify the purpose of bond issuances in accordance with the UCA.
11. Amended Section 6.08 to reflect MCL 37.2202 (Elliot-Larson Civil Rights Act, ELCRA).
12. Amended Section 8 to recognize a budget appropriations process.
13. Amended the document to remove former Section 10.02.

Examples of additional energy funding include the ability to develop a PACE program and receive additional State revenues sharing through intergovernmental cooperation:

New Michigan legislation recently created the Property Assessed Clean Energy program (PACE). PACE authorizes governments or intergovernmental entities to issue revenue bonds whose proceeds can be used to make commercial properties more energy-efficient. The bonds are repaid by businesses via a lien on the property, so the initial fund is self-perpetuating. This allows governments to offer businesses a source of funding for building improvements that may not be available in other areas. The Community Alliance would be eligible to issue PACE bonds for the benefit of its member cities.

A proposal by the Governor of Michigan, the "Economic Vitality Incentive Program," appropriates nearly \$200 million for communities who meet three criteria. These criteria include:

1. Each community must produce a citizen's guide or "dashboard" by 10/1/2011.

2. Each community must develop a plan to increase cooperation, consolidation and collaboration internally and with neighboring jurisdictions by 1/1/2012.
3. Each community must develop an employee compensation plan which must include various factors by 5/1/2012.

The Interlocal Government Agreement appears to be an excellent candidate for this type of collaborative plan. If it does meet that criterion each member city may receive added State revenue sharing dollars.

Several Southeast Michigan municipalities, including the Cities of Roseville, Lathrup Village, Lincoln Park, Sterling Heights, and Southgate, have agreed to pursue the formation of the Community Alliance and are proceeding through the process. The interlocal agreement includes provisions for other municipalities to join in the future.

**IMPACT ON HUMAN RESOURCES:**

None

**IMPACT ON BUDGET:**

None

**IMPACT ON INDIRECT COSTS:**

None

**IMPACT ON OTHER COUNTY DEPARTMENTS OR OUTSIDE AGENCIES:**

This agreement furthers the county's guiding principle to provide leadership on intragovernmental, intergovernmental, and intersectoral cooperation and collaboration aimed at improving services to County citizens.

**CONFORMITY TO COUNTY POLICIES:**

Conforms to County Policies

**ATTACHMENTS/APPENDICES:**

- Resolution

A RESOLUTION AUTHORIZING THE COUNTY ADMINISTRATOR TO SIGN AN  
AMENDMENT TO THE 2011 INTERLOCAL AGREEMENT FOR SOUTHEAST  
MICHIGAN REGIONAL ENERGY OFFICE COMMUNITY ALLIANCE

WASHTENAW COUNTY BOARD OF COMMISSIONERS

February 20, 2013

WHEREAS, the Washtenaw County Board of Commissioners supports efficiency and conservation efforts; and

WHEREAS, the Washtenaw County Board of Commissioners approved the original Interlocal Governmental Agreement for Southeast Michigan Regional Energy Office Community Alliance on August 3, 2011; and

WHEREAS, the Washtenaw County Board of Commissioners has furthered its goals of energy efficiency and conservation through local initiatives, the Federal Energy Efficiency and Conservation Block Grant program, and through participation in the Southeast Michigan Regional Energy Office; and

WHEREAS, several local municipalities in Southeast Michigan have come together to form a regional governmental agency to increase their options for funding important energy efficiency and conservation efforts; and

WHEREAS, this amendment has been reviewed by the County Administrator's Office, the Finance Department and the Corporation Counsel.

NOW THEREFORE BE IT RESOLVED, that the Washtenaw County Board of Commissioners approves the amendment of the Southeast Michigan Regional Energy Office Community Alliance Interlocal Agreement.