

INTERLOCAL AGREEMENT

BETWEEN THE

DEPARTMENT OF COMMUNITY HEALTH

(a principal department of the Executive Branch of the State of Michigan)

AND THE

TRI-COUNTY AGING CONSORTIUM

(a Michigan public body corporate and politic)

CREATING THE

MICHIGAN QUALITY COMMUNITY CARE COUNCIL

(a Michigan public body corporate and politic)

This Agreement is entered into pursuant to authority granted under Section 28 of Article 7 of the Michigan Constitution of 1963 and the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, between the **DEPARTMENT OF COMMUNITY HEALTH**, a principal department of the State of Michigan, and the **TRI-COUNTY AGING CONSORTIUM**, a Michigan public body corporate and politic, for the purpose of establishing and creating the **MICHIGAN QUALITY COMMUNITY CARE COUNCIL**, a separate legal entity and public body corporate and politic to administer and execute the purposes and objectives of this Agreement.

RECITALS

A. Michigan's Long Term Care Work Group has identified the need for a comprehensive range of initiatives to create and sustain a pool of long-term care paraprofessionals as an estimated additional 24,500 direct care services providers will be needed to meet the needs of elderly people and people with disabilities in Michigan over the next decade. However, there is currently a workforce crisis due to significant problems recruiting and retaining paraprofessionals to serve Michigan seniors and residents with disabilities in their homes and the community. Successful community-care programs for elderly persons and persons with disabilities require long-term continuity, maximum flexibility, and intergovernmental cooperation to recruit and maintain a qualified long-term care paraprofessional workforce.

B. Executive Orders 1996-1, 1997-4, and 1997-5 issued pursuant to Section 2 of Article 5 of the Michigan Constitution of 1963 consolidated long-term community care functions and programs and their accompanying powers in the Department of Community Health. Functions and programs transferred to the Department of Community Health include the Adult Home Help Services Payments program under 1979 AACS, R 400.1101 to 400.1107. As a result, the Department of Community Health has the power, privilege, and authority to perform various community care activities. Similarly, the Tri-County Aging Consortium has the power, privilege, and authority to perform various community care activities including authority to operate or contract for the implementation of programs for the aging, in accordance with regulations promulgated by the State of Michigan and the federal government.

C. Successful community-care programs throughout the State of Michigan can be improved further by enhanced cooperation between the Department of Community Health and the Tri-County Aging Consortium. Section 28 of Article 7 of the Michigan Constitution of 1963 and the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512 encourage cooperation among public agencies and permit a public agency to exercise jointly with any other public agency any power, privilege, or authority that the public agencies share in common and which each might exercise separately. The Department of Community Health and the Tri-County Aging Consortium are "public agencies" as that term is defined in the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The Department of Community Health and the Tri-County Aging Consortium desire to further coordinate, enhance, and improve the delivery of certain community care activities.

D. It is the intent of the Department of Community Health and the Tri-County Aging Consortium to utilize existing constitutional and statutory authority to establish a mechanism for providing more effective and efficient community care and Personal Assistance Services through improved coordination, identification, recruitment, retention, training, and support of Providers and support to Consumers. The Department of Community Health and the Tri-County Aging Consortium intend to achieve their goal by creating an intergovernmental legal entity named the Michigan Quality Community Care Council as a separate legal entity and as a public body corporate and politic under the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The Parties do not intend to transfer a program or function to the Council if prohibited by the Michigan Constitution of 1963 or other applicable law.

Accordingly, the Department of Community Health and the Tri-County Aging Consortium agree to the following terms and conditions:

ARTICLE I

DEFINITIONS

As used in this Agreement:

Section 1.01. "Act 7" means the Urban Cooperation Act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

Section 1.02. "Agreement" means this interlocal agreement between the Department of Community Health, a principal department of Michigan state government, and the Tri-County Aging Consortium, a Michigan public body corporate and politic.

Section 1.03. "Budget Act" means the Uniform Budgeting and Accounting Act, 1968 PA 2, MCL 141.421 to 141.440a.

Section 1.04. "CEO" means the chief executive officer of the Council selected under Section 4.09.

Section 1.05. "Consortium" or "Tri-County Aging Consortium" means the Tri-County Aging Consortium, a Michigan public body corporate and politic created under Act 7 by Interlocal Agreement by and among the County of Clinton, the County of Eaton, the County of Ingham, the City of East Lansing, and the City of Lansing, and filed with the Office of the Great Seal of the Michigan Department of State on June 23, 1988.

Section 1.06. "Consumer" means a person receiving Personal Assistance Services as a beneficiary of the Home Help Program or another program or service that is publicly or privately funded and that is designated by the Board to be consistent with the purposes set forth in Article II.

Section 1.07. "Consumer Representative" means a person designated by the Consumer to act in his or her behalf.

Section 1.08. "Consumer Advocate" means a person recognized by the Department as a representative of consumers and their concerns.

Section 1.09. "Council" means the Michigan Quality Community Care Council, a public body corporate and politic created under this Agreement pursuant to Act 7.

Section 1.10. "Council Board" means the board of directors of the Council created under Article VI.

Section 1.11. "Department" means the Department of Community Health, a principal department of the executive branch of the State of Michigan created under Executive Order 1996-1, MCL 330.3101, acting by and pursuant to authority granted under the Public Health Code, 1978 PA 368, MCL 333.1101 to 333.25211, and other applicable law. The Department has determined that entering into this Agreement is necessary or appropriate to assist the Department in carrying out its duties and functions, including providing for the development and delivery of home care services.

Section 1.12. "Director" means the Director of the Department of Community Health.

Section 1.13 "Effective Date" means the date upon which all of the following are satisfied, as provided under Section 10 of Act 7:

- a. The Agreement is approved by the Governor.
- b. The Agreement is filed with the County Clerk of each county where a Party is located.
- c. The Agreement is filed with the Secretary of State.

Section 1.14. "Fiscal Year" means the fiscal year of the Council, which shall begin on October 1 of each year and end on the following September 30.

Section 1.15. "FOIA" means the Freedom of Information Act, 1976 PA 442, MCL 154.231 to 15.246.

Section 1.16. "HIPAA" means the federal Health Insurance Portability and Accountability Act of 1996, as amended, and all corresponding regulations promulgated under that act.

Section 1.17. "Home Help Program" means the personal assistance programs under the Medicaid Program, or successor programs, through which payments are made on behalf of eligible persons to individual Providers for Personal Assistance Services, including but not limited to the Adult Home Help Services Payments program under 1979 AACCS, R 400.1101 to 400.1107.

Section 1.18. "Medicaid Program" means the federal program for medical assistance established under Subchapter XIX of the Social Security Act, 42 USC 1396 to 1396r-6, 42 USC 1396r-8 to 1396v, and other applicable federal law.

Section 1.19. "OMA" means the Open Meetings Act, 1976 PA 267, MCL 15.261 to 15.273.

Section 1.20. "Party" or "Parties" means either individually or collectively as applicable, the Consortium or the Department as each is a signatory to this Agreement.

Section 1.21. "Person" means an individual, authority, limited-liability company, partnership, firm, corporation, organization, association, joint venture, trust, governmental entity, Public Agency, or other legal entity.

Section 1.22. "Personal Assistance Services" means assistance with personal and non-personal activities of daily living to a person with functional limitations in meeting basic needs, such as a person with a medical or physical disability or cognitive impairment, and with acquiring, regaining, and maintaining the individual's participation in their home, neighborhood, and community through the provision of direct support services, and other services authorized by

the Home Help Program or another program or service that is publicly or privately funded and that is designated by the Board to be consistent with the purposes set forth in Article II.

Section 1.23 "Provider" means an individual who meets all the following criteria:

- a. The individual is appointed or designated by the Council as eligible to provide Personal Assistance Services to one or more Consumer, and
- b. The individual is selected and employed by a Consumer to provide Personal Assistance Services;
- c. The Personal Assistance Services provided by the individual are purchased through the Council; and
- d. The Council performs the functions outlined in Article VI for the individual.

Section 1.24. "Public Agency" means, as defined in part in Act 7, a political subdivision of this state or of another state of the United States or of Canada, including, but not limited to, a state government, a county, city, village, township, charter township, school district, single or multipurpose special district, or single or multipurpose public authority; a provincial government, metropolitan government, borough, or other political subdivision of Canada; an agency of the United States government; or a similar entity of any other states of the United States and of Canada. "Public Agency" includes the Parties.

Section 1.25. "Revised Municipal Finance Act" or "Act 34" means the Revised Municipal Finance Act, 2001 PA 34, MCL 141.2101 to 141.2821.

Section 1.26. "State" means the State of Michigan.

Section 1.27. "Transfer Agreement" means a written contract entered into under the authority of this Agreement between a Party and the Council establishing the terms and conditions of the Party's transfer of program functions and/or funding to the Council. The Transfer Agreement may include the Council's related performance objectives and remedies for failure to meet such objectives. Transfer of State programs, functions and/or funding to the Council shall comply with all applicable requirements under Michigan law.

ARTICLE II

PURPOSE

Section 2.01. Purpose. The purpose of this Agreement is to create and empower the Council to implement the powers, privileges, and authority of each of the Parties with respect to the subject matter of the Agreement, to facilitate in the provision of certain employer-related functions for home and community care Providers who render Personal Assistance Services to individuals with a medical or physical disability or cognitive impairment, and others, as authorized and financed by responsible payers of home and community care benefits as designated by the Board. The Council shall endeavor to promote and coordinate effective and efficient Personal Assistance Services, including the objective of creating and maintaining one or more registries of Providers in designated Michigan communities. The Council shall:

- a. Be governed by a majority of Consumers and advocates for Consumers as provided in Article IV;
- b. Espouse, support, and work to preserve Consumer selection and self-direction of Providers;
- c. Work to support Providers through a variety of methods aimed at encouraging competence, achieving quality services to Consumers and improving Provider retention through improved job satisfaction.
- d. Notwithstanding any other provisions, the Council shall provide services exclusively to persons who are elderly, until such time as the Consortium Charter is amended to include services to persons who are disabled.

Section 2.02. Programs and Functions. The Council shall endeavor to carry out the common powers, privileges, and authorities of the Department and the Consortium to provide Personal Assistance Services, including, but not limited to, all of the following:

- a. Providing certain employer-related services, such as those specified in Article VI and functioning as an employer of record.
- b. Seeking to facilitate the consistent provision of Personal Assistance Services for Consumers who elect to employ individual Providers including Consumers who are beneficiaries of the Home Help Program or other programs offering personal care and assistance, or for other individuals who seek to obtain similar services for a medical or physical disability, cognitive impairment, or other reasons.
- c. Supporting the direct employment by Consumers of Providers selected by Consumers.
- d. Assisting Consumers in making their decision on whom to employ to provide Personal Assistance Services, how the Personal Assistance Services will be provided, and how long the employed Provider will render the Personal Assistance Services, as long as the Provider selected by the Consumer meets the minimum requirements of the payer of the services.

- e. Facilitating and coordinating orientation processes to assist Providers in the performance of authorized services, with the consent of and direction from Consumers or their representatives.
- f. Working to protect the confidential status of information relating to Consumers, subject to waiver by the Consumers or their representatives and to assure that the activities of the Council comply with requirements under HIPAA and other statutory rights to privacy that may accrue to the Consumer.
- g. Developing recruitment and retention programs to expand the pool of Providers that may provide Personal Assistance Services to Consumers.
- h. Establishing and maintaining one or more registries of Providers that Consumers requiring services may use to locate potential Providers who meet a set of qualification criteria.
- i. Developing and applying a methodology and protocols for qualifying Providers who seek placement on a registry maintained by the Council and removal of Providers from the registry.
- j. Developing a review process for those denied a listing or removed from a registry. Criteria for and application of the review process and final determination of Registry membership shall be at the sole discretion of the Council.
- k. Informing the Consumers, or their representatives of the background and qualifications of potential Providers and that the Consumers or their representatives may freely select or reject any referrals made through the Council.
- l. Developing a system that may facilitate the provision of routine, emergency, and respite referrals for the provision of Personal Assistance Services, in accordance with authorizations of payers of services, through a pool of back-up Providers, with the ability to allow on-call service available 24 hours a day, 7 days a week.
- m. Encouraging and soliciting private and public sector involvement, support, and financing for the Council.
- n. Developing methods of ongoing communication and information sharing with Providers and Consumers that supports and facilitates a positive relationship between Providers and Consumers and their representatives.
- o. Assisting Providers with addressing barriers to employment by supplying Providers with information, referrals, or assisting with access to services supportive to Providers such as childcare, transportation, and indigent health care benefits.
- p. Facilitating compliance with applicable Medicaid regulations and policies, or those of private sector payers.
- q. Facilitating and coordinating advanced training for Providers.

r. Facilitating and coordinating mentoring for Consumers and Providers with the goal of supporting successful Consumer-Provider relationships, including a strong Consumer-employer role.

ARTICLE III

CREATION OF THE COUNCIL

Section 3.01. Creation of and Legal Status of Council. The Council is established as a separate legal entity to be known as the "Michigan Quality Community Care Council" for the purpose of administering and executing this Agreement. The Council shall be a public body corporate and politic having the powers granted to the Council under this Agreement.

Section 3.02. Principal Office. The principal office of the Council is at the location or locations within the City of Lansing, as determined by the Council Board.

Section 3.03. Title to Council Assets. Except as otherwise provided in this Agreement, the Council shall have exclusive title to all of its property and no Party shall have an ownership interest in Council property.

Section 3.04. Tax-exempt Status. The Parties intend the activities of the Council to be governmental functions carried out by an instrumentality or political subdivision of government as described in Section 115 of Internal Revenue Code of 1986, 26 USC 115, or any corresponding provisions of any future tax code. The Parties also intend the activities of the Council to be governmental functions carried out by a political subdivision of this State, exempt to the extent provided under Michigan law from taxation by this State, including, but not limited to, the single business tax under the Single Business Tax Act, 1975 PA 227, MCL 208.1 to 208.145, and property taxes under the General Property Tax Act, 1893 PA 206, MCL 211.1 to 211.157 or corresponding provisions of future State tax laws.

Section 3.05. Compliance with Law. The Council shall comply with all federal and state laws, rules, regulations, and orders applicable to this Agreement, as well as with any duties or obligations that may from time to time be transferred to the Council from either of the Parties.

Section 3.06. Relationship of Parties. The Parties agree that no Party shall be responsible, in whole or in part, for the acts of the employees, agents, and servants of any other Party, whether acting separately or in conjunction with the implementation of this Agreement. The Parties shall only be bound and obligated under this Agreement as expressly agreed to by each Party. No Party may obligate any other Party. No employee, agent, or servant of the Council or the Consortium shall be or shall be deemed to be an employee, agent, or servant of the State for any reason.

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

ARTICLE IV
COUNCIL BOARD AND CEO

Section 4.01. Council Board Composition. The Council shall be governed by the Council Board, a board of directors that shall be appointed within thirty (30) calendar days of the Effective Date. The Council Board shall consist of eleven (11) members, appointed as follows:

a. One (1) member appointed by the Consortium representing Consumers or advocates of Consumers. A member appointed under this paragraph must be a resident of the County of Clinton, the County of Eaton, or the County of Ingham, shall serve at the pleasure of the Consortium, and may be removed by the Consortium from the Council Board at any time;

b. The Director of the Department or his or her designated representative from within the Department;

c. The Director of the Family Independence Agency or his or her designated representative from within the Family Independence Agency, and

d. Eight (8) members appointed by the Governor of this State. Of these members, not less than Seven (7) members shall be Consumers, Consumer Representatives, or Consumer Advocates. These members shall serve at the pleasure of the Governor and may be removed at his or her will.

Section 4.02. Term of Office. Except as otherwise provided under this paragraph, the members of the Council Board appointed by the Consortium under Section 4.01(a) and by the Governor under Section 4.01(d) shall serve for a term of four (4) years. To provide for staggered terms, of the members initially appointed by the Governor under Section 4.01(d), two (2) members shall be appointed for a term of four (4) years, two (2) members shall be appointed for a term of three (3) years, two (2) members shall be appointed for a term of two (2) years, and two (2) members shall be appointed for a term of one (1) year. After the expiration of the initial terms, members shall be appointed for terms of four (4) years.

Section 4.03. Vacancies. A vacancy among the members of the Council Board appointed by the Governor under Section 4.01(d), caused by the death, resignation, or removal of a Council Board member shall be filled by the Governor in the same manner as the original appointment for the balance of the unexpired term. The Consortium in whatever manner the Consortium chooses shall fill a vacancy of the member of the Council Board appointed by the Consortium.

Section 4.04. Meetings. The Council Board shall conduct its first meeting no earlier than ten (10) and no later than forty-five (45) days calendar days after the appointment of the Council Board, provided that a quorum of the Council Board has been appointed. The Council Board shall meet at least annually and hold such other meetings as it may determine at the place, date, and time as the Council Board shall determine. All meetings of the Council Board shall comply with the OMA. Public notice of the time, date, and place of the meetings shall be given in the manner required by the OMA.

Section 4.05. Quorum and Voting. A majority of the Council Board members appointed and serving shall be required to constitute a quorum for the transaction of business. The Council Board shall act by a majority vote at a meeting at which a quorum is present. A quorum shall be necessary for the transaction of business by the Council Board. Presence in person for both quorum and voting may include electronic communication by which such member of the Council Board is both seen and heard.

Section 4.06. Council Board Responsibilities. The Council Board shall do all of the following by a majority vote of its members appointed and serving:

- (a). Adopt bylaws, rules, and procedures governing the Council Board and its actions and meetings. Initial bylaws shall be adopted within six (6) months of the first meeting of the Council Board.
- (b). Elect officers. Initial officers shall be appointed within thirty (30) days of the first meeting of the Council Board.
- (c). Select and retain a CEO as provided under Section 4.09.
- (d). Approve policies to implement day-to-day operation of the Council, including policies governing any staff of the Council.
- (e). Provide for a system of accounts to conform to a uniform system required by law, and review and approve the Council's budget to assure that the budgets are approved and administered in accordance with the Budget Act.
- (f). Provide for an annual audit in accordance with the Budget Act.
- (g). Adopt personnel policies and procedures.
- (h). Adopt policies and procedures for contracting and procurement.
- (i). Adopt an investment policy in accordance with 1943 PA 20, MCL 129.91 to 129.96, and establish banking arrangements for the Council.
- (j). Take such other actions and steps as shall be necessary or advisable to accomplish the purposes of this Agreement.
- (k). Make a written Annual Report to the Parties and otherwise assure that the Parties are kept up to date with the activities of the Council.

Section 4.07. Fiduciary Duty. The members of the Council Board are under a fiduciary duty to conduct the activities and affairs of the Council in the best interests of the Council, including the safekeeping and use of all Council monies and assets. The members of the Council Board shall discharge their duties in good faith; with the care an ordinarily prudent individual in a like position would exercise under similar circumstances.

Section 4.08. Compensation. The members of the Council Board shall receive no compensation for the performance of their duties. A Council Board member may engage in private or public employment, or in a profession or business, except to the extent prohibited by law. The Council may reimburse members of the Council Board for actual and necessary expenses incurred (for example, travel and meals) in the discharge of their official duties as provided by the Council Board.

Section 4.09. CEO. Not later than six (6) months after the first meeting of the Council Board, the Council Board shall select and retain a CEO. The CEO shall administer the Council in accordance with the operating budget adopted by the Council Board, general policy guidelines established by the Council Board, other applicable governmental procedures and policies, and this Agreement. The CEO shall be responsible for the day-to-day operations of the Council; the control, management, and oversight of the Council's functions; and supervision of all Council employees. All terms and conditions of the CEO's employment shall be specified in a written contract between the CEO and the Council Board, provided that the CEO shall serve at the pleasure of the Council Board.

Section 4.10. Ethics and Conflicts of Interest. The Council Board shall adopt ethics policies governing the conduct of Council Board members, officers, appointees, and employees. The policies shall be no less stringent than those provided for public officers and employees under 1973 PA 196, MCL 15.341 to 15.348. Members of the Council Board and officers, appointees, and employees of the Council shall be deemed to be public servants for the purposes of 1968 PA 317, MCL 15.321 to 15.330, and are subject to any other applicable law with respect to conflicts of interest. The Council Board shall establish policies and procedures requiring periodic disclosure of relationships that may give rise to conflicts of interest.

ARTICLE V
GENERAL POWERS OF COUNCIL

Section 5.01. Powers Granted Under Act 7. In carrying out its purposes, the Council may perform, or perform with any Person, as applicable, any power, privilege or authority that the Parties share in common and that each might exercise separately to the fullest extent permitted under by Act 7 and in accordance with applicable law. The Council shall not have the power to bind a Party, unless otherwise agreed to by the Party. The enumeration of a power in this Agreement shall not be construed as a limitation upon the powers of the Council or a Party, and is in addition to any powers authorized by law. Among other things, the Council shall

- (a) Make or enter into contracts, including, but not limited to, contracts for the provision of legal or accounting services.
- (b) Employ agencies or employees.
- (c) Acquire; construct; manage; maintain; or operate buildings, works, or improvements.
- (d) Acquire, own, hold, operate, maintain, lease, or sell real or personal property and dispose of, divide, or distribute any property, including, but not limited to, equipment and office space.
- (e) Incur debts, liabilities, or obligations that, except as expressly authorized by the Parties, do not constitute the debts, liabilities, or obligations of any of the Parties to the extent authorized under Act 7 or other applicable law.
- (f) Cooperate with a Public Agency, an agency or instrumentality of the Public Agency, or another legal or administrative entity created by the Public Agency under Act 7.
- (g) Make loans from the proceeds of gifts, grants, assistance funds, or bequests.
- (h) Form other entities necessary to further the purposes of the Agreement.
- (i) Sue and be sued in the name of the Council.

Section 5.02. Additional Powers Granted Under Act 7. The Council shall also have the powers to:

- (a). Employ, appoint, engage, compensate, transfer, or discharge necessary personnel, subject to any provisions of applicable civil service and merit systems and Act 7.
- (b). Fix and collect charges, rates, rents, fares, fees, loan repayments, loan interest rates, or other charges on loans.
- (c). Promulgate necessary rules and regulations and provide for their enforcement by or with the assistance of the Parties to accomplish the purposes of this Agreement.

(d). Accept gifts, grants, assistance funds, or bequests and use the same for the purposes of this Agreement. The Council may apply for and accept grants, loans, or contributions from any source authorized by law. The Council may do anything within its power in accordance with applicable law to secure the grants, loans, or other contributions.

(e). Make claims for federal or state aid payable to a Party on account of the execution of this Agreement.

(f). Respond for any liabilities that might be incurred through performance of this Agreement and insure against any such liability.

(g). Adjudicate disputes or disagreements, the effects of the failure of a Party to pay its share of costs and expenses, and the rights of the other Parties in such cases.

(h). Engage auditors to perform independent audits of the financial statements and other activities of the Council.

(i). Invest surplus funds or proceeds of grants, gifts, or bequests and adopt an investment policy in connection with the funds or proceeds.

(j). Employ legal, financial, and technical experts, other officers, agents, or employees, and accept voluntary provision of such services and function from donor individuals and entities.

(k). Study, develop, and prepare the reports or plans the Council considers necessary to further the purposes of this Agreement and monitor and evaluate performance under this Agreement.

(l). Purchase and maintain insurance to protect against losses incurred or realized by the Council in the discharge of its functions.

(m). Purchase and maintain insurance to protect members of the Council Board or officers or employees of the Council from personal loss or accountability from liability asserted by any Person for any acts or omissions of the Council.

(n). Secure surety bonds for officers, employees, or contractors of the Council designated by the Council to directly handle and process state, federal, and other funds received by the Council.

Section 5.03. Bonds or Notes; Limitation. The Council shall not issue any type of bond in its own name except as authorized by Act 7. The Council shall not possess the power to in any way indebted a governmental unit participating in this Agreement. To the extent authorized under Act 7, the Council may borrow money and issue bonds or notes in its name provided that the Council shall not borrow money or issue bonds or notes for a sum that, together with the total outstanding bonded indebtedness of the Council, exceeds 2 mills of the taxable value of the taxable property within the City or County as determined under section 27a of The General Property Tax Act, 1893 PA 206, MCL 211.27a, unless otherwise authorized by Act 7. Bonds or notes issued by the Council are the debt of the Council and not of the Parties. Bonds or notes

issued by the Council are for an essential public and governmental purpose. Pursuant to Section 7(7) of Act 7, bonds or notes, together with the interest on the bonds or notes and income from the bonds or notes, are exempt from all taxes. Bonds or notes issued by the Council are subject to Act 34 as required by Section 7(8) of Act 7.

Section 5.04. Tax Limitation. Pursuant to Section 7(3) of Act 7, the Council shall not levy any type of tax within the boundaries of any Party.

Section 5.05. Limitation on Political Activities. The Council shall not spend any public funds on political activities. This section is not intended to prohibit the Council from engaging in activities authorized under the Michigan Campaign Finance Act, 1976 PA 388, MCL 169.201 to 169.282.

Section 5.06. No Waiver of Governmental Immunity. The Parties agree that no provision of the Agreement is intended, nor shall it be construed, as a waiver by any Party of any governmental immunity provided under Act 7 or other law.

Section 5.07. Non-Discrimination. The Council shall comply with all applicable law prohibiting discrimination. The Council shall not fail or refuse to hire recruit, or promote; promote; discharge; or otherwise discriminate against a person with respect to employment, compensation, or a term, condition, or privilege of employment because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. The Council shall not limit, segregate, or classify an employee or applicant for employment in a way that deprives or tends to deprive the employee or applicant of an employment opportunity or otherwise adversely affects the status of an employee or applicant because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. The Council shall not provide services in a manner that discriminates against a person with respect to employment, compensation, or a term, condition, or privilege of employment because of religion, race, color, national origin, age, sex, sexual orientation, height, weight, marital status, partisan considerations, or a disability or genetic information that is unrelated to the person's ability to receive services from the Council.

ARTICLE VI
SPECIFIC POWERS OF THE COUNCIL

Section 6.01. Provision of Personal Assistance Services. The Council may continually and diligently endeavor to encourage the provision of quality Personal Assistance Services through organized programs and the development of mechanisms to provide for the delivery of Personal Assistance Services.

Section 6.02. Participation in Medicaid and other state funded programs. The Council shall assure that it is authorized to be reimbursed by the Department for services rendered by Providers under the Medicaid program, including the Home Help Program, and other publicly funded programs consistent with the purposes set forth in Article II.

Section 6.03. Council-Designated Providers. The relationship between the Council and its Providers shall be consistent with the principles of Consumer self-direction, preserving the Consumers' exclusive right to select, direct, and remove the Provider who renders Personal Assistance Services to that Consumer. The Council shall be responsible for development and maintenance of one or more registries and may assist Consumers in recruiting Providers. The Council shall be responsible for payroll, determining and negotiating of wages and benefits, unemployment insurance, Social Security (FICA), worker's compensation insurance for its employees, to the extent required by law, and for adjusting the grievances of Providers with regard to matters within the control of the Council. The Council may assist Consumers by designating Providers as meeting minimum qualification criteria specified by payers that authorize services and may facilitate provider training and otherwise assist Providers through the dissemination of information that assists them to be successful in rendering Personal Assistance Services to Consumers who are authorized to obtain such services by responsible payers of services.

Section 6.04 Registry of Providers. The Council shall establish one or more statewide, regional, or local registries of individual Providers who meet requirements of the Council established under Section 6.05.

Section 6.05. Provider-Related Services. The Council may perform the following functions for Providers:

REGISTRIES:

1. Developing proposed job descriptions;
2. Advertising positions or otherwise identifying potential registry candidates;
3. Interviewing and screening potential registry candidates;
4. Screening and evaluating registry candidates' qualifications, including reference and criminal background checks;
5. Developing registry candidate selection criteria;

6. Preparing lists of Provider candidates for Consumers;
7. Providing for the removal of Providers from a registry, when necessary including development of a review process for Providers who are removed from or rejected for membership on a registry;

EMERGENCY/BACK-UP SERVICES:

8. Establishing and arranging emergency and/or back-up Providers;
9. Developing a system whereby the emergency and/or back-up Providers may be accessed;

TRAINING/RECRUITMENT/SUPPORTIVE SERVICES:

10. Facilitating the development of advanced training programs for Providers and facilitating compliance with any state-required training;
11. Facilitating the development of mentoring programs for Providers and Consumers;
12. Developing methods of on-going communication and information sharing with Providers and Consumers that is accessible to the majority of Providers and Consumers;
13. Developing recruitment and retention programs to expand the pool of Providers;
14. Providing assistance in addressing barriers to employment for Providers and Consumers;

FINANCING:

15. Encouraging and soliciting private and public sector involvement, support, and financing for the Council;
16. Facilitating compliance with applicable Medicaid regulations and policies, or those of private sector payers;

PAYROLL MANAGEMENT AND DISBURSEMENT SERVICES:

17. Obtaining an employer identification number (EIN);
18. Authorizing Provider timesheets and/or vouchers;
19. Supervising the completion and submittal of employment forms, including verification of alien status (INS Form I-9), IRS Form W-4 and state employer tax withholding forms;
20. Withholding and depositing state and federal income taxes, if requested;

21. Complying with Social Security (FICA) requirements;
22. Completing and submitting claims for reimbursement of authorized services rendered by Providers as verified by Consumers;
23. When applicable, purchasing benefits for Providers and managing any withholding of premium payments;
24. Ensuring compliance with all federal and state labor laws related to minimum wage, overtime and night work;
25. Generating and issuing paychecks;
26. Issuing IRS Form W-2's annually;
27. Informing Providers about the Earned Income Credit (EIC) provisions of federal tax law and manage advanced EIC payments when appropriate;
28. Issuing bonuses and/or annual pay increases, when appropriate and possible.

Section 6.06. Contracting. The Council may enter into agreements, contracts, or arrangements with a governmental entity or other persons necessary or appropriate to assist the Council in carrying out its duties and functions under this Agreement, including without limitation, designation of persons to provide Personal Assistance Services to Consumers.

Section 6.07. Federal Funding. The Council may participate with this State in enhancing Federal funding for the provision of Personal Assistance Services.

Section 6.08. Funds. The Council may receive local, State, Federal, and private funds to pay for Personal Assistance Services and to accomplish the purposes of this Agreement. Funds to support the operation of the Council may be provided by the Department. The Consortium shall not be obligated under this agreement to provide any support for the operation of the Council.

Section 6.09. Transfer of Programs or Functions. If a Party transfers a program or functions to the Council, the Party shall do so in accordance with the terms of a Transfer Agreement. Any monies transferred to the Council by a Party shall be used for the programs, functions, and responsibilities established in the transfer agreement and in accordance with this Agreement. When a Party has a legal obligation to fund a transferred program, function, obligation, or responsibility, the Party's funding obligation shall be deemed satisfied upon the transfer of the requisite funding to the Council, in accordance with the terms of a transfer agreement.

Section 6.10. Gifts, Grants, Bequests, Donations. The Council may accept gifts, grants, bequests, and other donations for use in performing the Council's functions. Funds or property accepted shall be used as directed by the donor in accordance with applicable law, rules, and procedures.

Section 6.11. Collective Bargaining. The Council shall have the right to bargain collectively and enter into agreements with labor organizations. The Council shall fulfill its responsibilities as a public employer subject to 1947 PA 336, MCL 423.201 to 423.217 with respect to all its employees.

Section 6.12. Municipal Employee Retirement System. To the extent permitted under Michigan law, the Council Board may elect to become a participating municipality on behalf of Council employees but only pursuant to Section 2c(2) of the Municipal Employees Retirement Act of 1984, 1984 PA 427, MCL 38.1501 to 38.1558.

ARTICLE VII
BOOKS, RECORDS, AND FINANCES

Section 7.01. Council Records. The Council shall keep and maintain at the principal office of the Council, all documents and records of the Council. The records of the Council, which shall be available to the Parties, shall include, but not be limited to, a copy of this Agreement along with any amendments to the Agreement. The records and documents shall be maintained until the termination of this Agreement and shall be returned to any successor entity or, if none, to the Department or any successor agency of the Department. Notwithstanding the foregoing, any information obtained by the Council that is subject to HIPAA compliance shall be used and maintained in accordance with HIPAA requirements.

Section 7.02. Financial Statements and Reports. The Council shall cause to be prepared, at Council expense, audited financial statements (balance sheet, statement of revenue and expense, statement of cash flows, and changes in fund balance) prepared on an annual basis. Such financial statements shall be prepared in accordance with generally accepted accounting principles and accompanied by a written opinion of an independent certified public accounting firm. A copy of the annual financial statement and report shall be filed with the Michigan Department of Treasury, or any successor agency, and shall be made available to each of the Parties.

Section 7.03 Audits. The Council shall provide for the conduct of audits in accordance with section 6 to 13 of the Budget Act, which shall be made available at the request of any Party. The Council Board shall establish a dedicated audit committee of the Council Board for the purpose of overseeing the accounting and financial reporting processes of the Council and audits of its financial statements. The Council shall establish specific duties and obligations of the audit committee and standards and qualifications for membership on the audit committee. The Council may require at least one member to be specifically knowledgeable about financial reports. The Audit Committee shall recommend to the Council Board for implementation appropriate provisions of the Sarbanes-Oxley Act, 15 USC 7201 *et seq.*

Section 7.04. Freedom of Information Act. The Council shall be subject to and comply with the FOIA.

Section 7.05. Uniform Budgeting and Accounting Act. The Council shall be subject to and comply with the Budget Act. The CEO annually shall prepare and the Council Board shall approve a budget for the Council for each Fiscal Year. Each budget shall be approved by the September 1st immediately preceding the beginning of the Fiscal Year of the Council.

Section 7.06. Performance Objectives. Each Fiscal Year, the CEO shall prepare objectives for the Council's performance for review and approval by the Council Board.

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

Section 7.08. Disbursements. Disbursements of funds shall be in accordance with guidelines established by the Council Board.

ARTICLE VIII
DURATION OF AGREEMENT

Section 8.01. Duration. This Agreement and the Council shall commence on the Effective Date and shall continue in effect until terminated by joint action of the Parties or withdrawal by a Party under Section 8.02.

Section 8.02. Withdrawal by Either Party. Either Party may withdraw from this Agreement upon the following:

1. The withdrawing Party shall provide in writing a Notice of Intent to Withdraw to the other Party in accordance with Section 9.01.
2. Within thirty (30) calendar days of receipt of the Notice of Intent to Withdraw, the Parties must schedule a meeting to discuss, and attempt to resolve any issue of concern.
3. Notwithstanding item 2, if the Parties cannot resolve the issue(s), or the Parties fail to meet, the withdrawing Party shall provide in writing a Notice to Terminate the Agreement to the other Party in accordance with Section 9.01. The Agreement shall terminate eleven (11) months after the Notice to Terminate is received by the other Party.
4. A withdrawing Party may rescind a Notice of Intent to Withdraw or a Notice to Terminate at any time in accordance with Section 9.01.

Nothing in this section shall be construed to prevent the Parties from meeting and conferring at any time, to discuss issues involving the Council.

Section 8.03. Disposition upon Termination. As soon as possible after termination of this Agreement, the Council shall finish its affairs as follows:

- (a) All of the Council's debts, liabilities, and obligations to its creditors and all expenses incurred in connection with the termination of the Council and distribution of its assets shall be paid first; and
- (b) The remaining assets, if any, shall be distributed to any successor entity, subject to approval by the Parties. In the event that no successor entity exists, the remaining assets shall be distributed to each Party in the same proportion as those assets were provided to the Council.

ARTICLE IX

MISCELLANEOUS

Section 9.01 Notices. Any and all correspondence or notices required, permitted, or provided for under this Agreement to be delivered to any Party shall be sent to that Party by first-class mail. All such written notices, including any notice of withdrawal under Article VIII, shall be sent to each other Party's signatory to this Agreement, or that signatory's successor. All correspondence shall be considered delivered to a Party as of the date that such notice is deposited with sufficient postage with the United States Postal Service. Any notice of withdrawal shall be sent via certified mail.

Section 9.02. Entire Agreement. This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements or understandings between them in any way related to the subject matter of this Agreement. It is further understood and agreed that the terms and conditions of this Agreement are contractual and are not a mere recital and that there are no other agreements, understandings, contracts, or representations between the Parties in any way related to the subject matter of this Agreement, except as expressly stated in this Agreement.

Section 9.03. Severability of Provisions. If any provision of this Agreement, or its application to any Person, Party, or circumstance, is invalid or unenforceable, the remainder of this Agreement and the application of that provision to other Persons, Party, or circumstances is not affected but will be enforced to the extent permitted by law.

Section 9.04. Governing Law. This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced, and governed under the laws of the State of Michigan without regard to the doctrines of conflict of laws. The language of all parts of this Agreement shall in all cases be construed as a whole according to its fair meaning, and not construed strictly for or against any Party.

Section 9.05 Captions and Headings. The captions, headings, and titles in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning and or to be interpreted as part of this Agreement.

Section 9.06. Terminology. All terms and words used in this Agreement, regardless of the number or gender in which they are used, are deemed to include any other number and any other gender as the context may require.

Section 9.07. Cross-References. References in this Agreement to any Article include all sections, subsections, and paragraphs in the Article, unless specifically noted otherwise. References in this Agreement to any Section include all subsections and paragraphs in the Section.

Section 9.08. Jurisdiction and Venue. In the event of any disputes between the Parties over the meaning, interpretation, or implementation of the terms, covenants, or conditions of this Agreement, the matter under dispute, unless resolved between the Parties, shall be submitted to the courts of the State of Michigan. Any and all claims against this State or the Department must

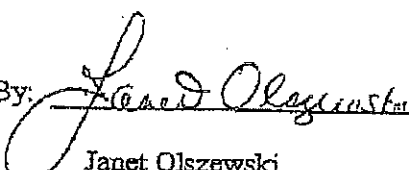
be brought and maintained in the Court of Claims in Ingham County notwithstanding Section 6421 of the Revised Judicature Act of 1961, 1961 PA 236, MCL 600.6421.

Section 9.09. Amendment. This Agreement may be amended or an alternative form of this Agreement adopted only upon written agreement of all Parties.

Section 9.10. Effective Date. This Agreement shall become effective as of the Effective Date.

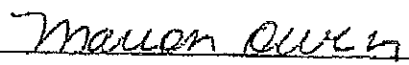
This Agreement is executed by the authorized representatives of the Parties on the date(s) indicated below:

DEPARTMENT OF COMMUNITY HEALTH,
a principal department of the State of Michigan

By: 
Janet Olszewski
Its: Director

Date: 4/24/04

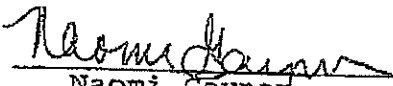
TRI-COUNTY AGING CONSORTIUM,
a Michigan public body corporate and politic

By: 
Marion Owen
Its: Director

Date: 4/23/04

APPROVED AS TO FORM
FOR TRI-COUNTY AGING CONSORTIUM

COHL, STOKER, TOSKEY & McGLINCHEY, P.C.

By: 
Naomi Gaynor