

COUNCIL COMMUNICATION

From: The City Manager

Subject: State of Michigan Public Assistance Grant Agreement

Manager's Recommendation:

I recommend that the Grant Agreement ("Agreement") with the State of Michigan Department of Police, Emergency Management and Homeland Security Division be approved. The City Manager has approved the Agreement as to substance and the City Attorney as to form. It is further recommended that the City Manager and/or his designee be authorized to sign the Agreement and any other documents on behalf of the City.

Justification:

In June 2008, there was a storm that caused significant damage in the City of Saginaw. As a result, President Bush declared the City of Saginaw a disaster area on August 27, 2008, pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Afterwards, City personnel submitted a grant application to the state requesting supplementary financial assistance for clean up activities. The total cost of the City's clean up activities is \$1,053,413.04.

The City was awarded funds in the amount of \$921,736.43. Federal funds will be provided under the Act at 75% for reimbursement of eligible costs in the amount of \$790,059.80, except for projects that are eligible for 80% reimbursement. Furthermore, the State of Michigan will provide reimbursement of 12.5% in the amount of \$131,676.63 and the City is responsible for providing the remaining matching funds equal to 12.5% of the total cost.

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According to the terms of the Agreement, all Freedom of Information Act (“FOIA”) requests regarding information submitted in the course for applying for funding, must be submitted to the Michigan State Police (“MSP”). Under normal circumstances, the City would handle its own FOIA requests. Staff had a concern that if the MSP denies a request and the requestor files an appeal with a court and is granted fines and penalties that the City would have to pay for its possible error. Staff discussed the matter with the MSP and it would not amend or delete that language from the Agreement.

As a result, City personnel determined the risk was minimal and it was in the best interest of the City to accept the terms of the Agreement and that City Council should be advised of the risk. However, if the MSP is sued and a court grants the requestor fines and costs, the City’s SIR would be impacted. Currently, the City’s SIR is \$250,000.00.

Council Action:

Council _____ moved that the recommendation of the City Manager be approved.