
REGULAR MEETING OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN, HELD MONDAY, JANUARY 26, 2009, AT 6:30 P.M. IN THE COUNCIL CHAMBER OF CITY HALL.

PRAYER AND PLEDGE OF ALLEGIANCE

Members of Boy Scout Troop 312 from St. Thomas Aquinas School offered a prayer and led the pledge of allegiance.

ROLL CALL

Mayor Joyce Seals called the meeting to order. The following Councilpersons were present: Gregory Branch, Larry Coulouris, Daniel Fitzpatrick, Amanda Kitterman-Miller, Amos O'Neal, Bill Scharffe, Paul Virciglio, Andrew Wendt and Mayor Joyce Seals-9.

PERSONAL APPEARANCES

Leola Gochett, 316 Youmans, announced that a Neighborhood Watch group was recently organized for the Southeast side. Mentioned a playground in the area and said the equipment was out of date. Questioned whether the Salina School area could be used as a playground. The group wants to work with the City to clean up the area.

REMARKS OF COUNCIL

Councilman Coulouris informed citizens in the Remington and Genesee area that the former Viper Club building would soon be demolished by the Land Bank. Suggested a Land Bank member be invited to a Committee of the Whole to explain how the Land Bank can help the City with demolitions. Complemented City crews for their snow removal efforts. Said the new trucks played a big part. Mentioned the snow on the sidewalks by the Dow Center needed to be cleared for event attendees.

Councilman Scharffe thanked Leola Gochett for the work she is doing in her neighborhood. Said the City's crime statistics given at the Strategic Planning Session were disturbing. Saginaw ranks second in the State behind Wayne County. Told the police officers and firefighters he appreciates their efforts.

Councilman Virciglio said his fellow Council members had already expressed his sentiments.

Councilman Wendt encouraged Mrs. Gochett to keep up the good work. Congratulated Chief Cliff and his staff who were instrumental in acquiring the Shotspotter technology. Requested information of the City Manager delinquent small business loans.

Councilman Branch said Saginaw has come a long way and accomplished a lot, but has a long way to go. What has been accomplished is due to the efforts and commitment of staff, businesses, neighborhood associations, other government agencies and all citizens who contributed in some way.

Councilman O'Neal said the Strategic Planning session made him realize how many assets the City has. Congratulated several organizations and groups for recent awards and accomplishments. Thanked Mrs. Gochett for her commitment. Said he looks forward to a progressive year.

Councilman Fitzpatrick thanked Mrs. Gochett and suggested her Neighborhood Group consider using Hoyt Park or Wickes Park. Said it's hard to tell what this country or

Saginaw will look like in 5 years but there are possibilities. Believes Saginaw has more of a handle on its finances than other cities. . Noted California heavily fining drivers using cell phones. Suggested the City consider such an ordinance.

Councilwoman Kitterman-Miller said other Council members covered everything she had to say.

Mayor Seals mentioned recently attending the FYI mentor graduation. Said a caring adult can make a lot of difference in a child's life. She shared her experience attending the President's inauguration and said it left all with a sense of hope. Praised the students on the trip for their exemplary behavior. Thanked Mrs. Gochett and said the City would not make it without its Neighborhood Associations.

(Several Council members thanked the City Manager and Staff for the informative Strategic Planning Session.)

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES AND
APPOINTMENT OF BOARDS AND COMMISSIONS MEMBERS

From the Boards and Commissions Committee:

Councilman Virciglio moved for consideration of reappointing Jeanne Swank to the STARS Board with a term to expire December 31, 2011, seconded by Councilman Coulouris.

Adopted unanimously.

Councilman O'Neal reported the City/County/School Liaison Committee discussed the Job Fair and Recreation at its January meeting. Said the County would host the next meeting on February 26, 2009. They planned to look at the prior goals of the Committee and see if revisions were in order. The County requested the City collaborate with them in bringing forth a Recreation millage.

Councilman Coulouris announced the Planning Commission meeting scheduled for January 27, 2009 was cancelled. The next meeting would be held February 24, 2009 at 6:00 p.m.

Councilwoman Kitterman-Miller said the Keep Saginaw Beautiful Committee began discussing the Great American Cleanup which would be a weeklong event this year. Said the group would be approaching Neighborhood Associations for projects for the cleanup. The Committee's next meeting is on February 11, 2009.

Mayor Seals noted she had been appointed to the Saginaw County Land Bank Authority. Said she hoped to be able to answer Land Bank questions in the future.

Mayor Seals also noted Saginaw's designation as a Promise Zone. Spoke of a recent conference call she had with the Governor's office and said someone had been appointed to assist the community with the application. Said the Board of Education must partner with the City on the application. Said the Governor has agreed to assist with fundraising. Mentioned the 2010 Census and expressed her concerns on the population dropping below 50,000.

Councilman Wendt inquired as to the status of the City Manager's Evaluation. Councilman Branch reported the Committee had approved the document to be distributed as well as the list of recipients. He planned to give Employee Services the go ahead the following morning.

REPORTS FROM CITY MANAGER

Management Update

City Manager Darnell Earley said he and staff had managed to level the playing field in terms of their ability to manage and operate the City. Believes the City is on the right track. Commended department heads for their work and for staying steadfast and professional. Thanked the Mayor and Council members for their participation at the Strategic Planning Session.

Kim Zimmer and Kurt Coduti from Michigan Department of Transportation (MDOT), along with City Engineer Phillip Karwat gave an update on MDOT projects within the City limits, which included "Improving Your Drive on I-675, streetscape and reconstruction work along M-13, work near Herig Elementary and the Warren Avenue Interchange.

Peter Ewend, Saginaw Bay Underwriters, reviewed and discussed the insurance renewals for 2009 for the City's Building & Personal Property Coverage, Business Income, Valuable Papers and Records, Computers, Flood, Earthquake, Animals in the Petting Zoo, Crime, Equipment, Bridges, Machinery & Equipment Breakdown and Storage Tanks. He noted the 2009 premium would be less than 2008.

City Manager Darnell Earley invited Council to attend an upcoming Press Conference on the roll out of the Shotspotter. Said Saginaw had received state and national inquiry and exposure on this new technology.

Recommended Actions

Subject: Bridgeport Township Water Service Agreement

Manager's Recommendation: I recommend approval of the Water Service Agreement between the City of Saginaw ("City") and Bridgeport Charter Township for the provision of treated water to the Township and for revenue sharing between the two communities. The Agreement has been approved by me as to substance and the City Attorney as to form.

Justification: The City has water treatment and transmission facilities, which it uses to supply potable water services to various wholesale customers, including Bridgeport Charter Township ("Township"). The Township requires a secure source of water service into the future to assist development in its municipality. The City and Township have negotiated an Agreement to provide water services and share in the revenue produced by the economic development created by those water services.

The additional revenue to be paid to the City for additional water services in economic development projects includes the following:

1. A one-time payment of \$2,000.00, with a cumulative annual increase of 3%, for additional water extensions to residential units requiring a permit.
2. A one-time fee, between \$5,000.00 and \$40,000.00, with a cumulative annual increase of 3%, for additional water extensions to commercial or industrial units that require a permit.

3. Payment of Income Tax by employees and employers for businesses that employ ten or more persons, within the economic development projects, with the revenue shared by the City and the Township on a 90% to 10% basis, respectively.
4. The Agreement is for thirty (30) years.

The Agreement was approved by Bridgeport Charter Township Board of Trustees on December 2, 2008.

Council Action: Councilman Scharffe moved that the recommendation of the City Manager be approved, seconded by Councilman Virciglio.
Adopted unanimously.

Subject: Bridgeport Township Urban Cooperation Agreement

Manager's Recommendation: I recommend approval of the Urban Cooperation Agreement with Bridgeport Charter Township ("Township"). This Agreement is a revenue sharing component of the Water Service Agreement between the two communities, to be executed on the same date. The Agreement has been approved by me as to substance and the City Attorney as to form.

Justification: The Water Service Agreement requires the Township to make payments to the City resulting from new residential, commercial, industrial and manufacturing developments within the Township. These requirements are set forth in the Urban Cooperation Agreement, which will result in payments to the City of \$2,000.00 per new connection for each residential unit and from \$5,000.00 to \$40,000.00 for connections resulting from new non-residential developments, inclusive of a 3% cumulative annual increase for both. It also requires payment of employee and employer income tax to be shared by the City and the Township on a 90% to 10% basis, respectively, for entities employing ten or more persons. The Bridgeport Charter Township Board of Trustees approved the Agreement on December 2, 2008.

Council Action: Councilman Scharffe moved that the recommendation of the City Manager be approved, seconded by Councilman Virciglio.
Adopted unanimously.

Subject: Approving Letter of Understanding with Charter Communications

Manager's Recommendation: I recommend approval of the Letter of Understanding between the City of Saginaw and Charter Communications for the analog to digital transition and authorizing the City Attorney to execute the document. The Letter of Understanding has been approved by me as to content and the City Attorney as to form.

Justification: Charter Communications and other cable providers will be engaged in the transition of television service from analog to digital format in February 2009. In order to make the transition as convenient and efficient as possible, it has entered into uniform Letters of Understanding with the communities it serves. This agreement outlines the protocols and procedures involved in the technical aspects of the transition. This Letter of Understanding guarantees certain minimum standards to customers and will benefit the City and its citizens.

Council Action: Councilman Scharffe moved that the recommendation of the City Manager be approved, seconded by Councilman Virciglio.

Adopted unanimously.

Subject: 2009 Single Lot Special Assessments Tax Roll

Manager's Recommendation: It is recommended that the 2009 Single Lot Special Assessment Tax Roll transmitted herewith be filed in the office of the City Clerk for public examination; that the Council meet and review said roll at a regular meeting to be held Monday, February 23, 2009, and that the Clerk is hereby directed to post a public notice of said hearing.

Justification: The City Engineer filed the 2009 single lot assessment tax roll with the City Clerk on January 16, 2009, for the following assessments:

1. Sewer Connections & Replacements (SEWTR)
2. Nuisances: Trash Removal/Yard Cleanup (TR009), Weed/Grass Cutting (WC009) and Wrecker Service/Vehicle Removal (WS009).
3. Solid Waste Disposal Annual Fee (TRFE)
4. Environmental Compliance (EC001)
5. Environmental Tests/Samples/Inspections/Adm. Fees (EC091)
6. Environmental Fines & Surcharges (EC092)

The expenses on single lot assessments are not the types that require prorating of costs among several lots and parcels of land in the special assessment district, but are assessed to owners of the individual lots on which a service was performed. The owners of record have been billed in accordance with provisions of Title III, Administration, Chapter 33, "Taxation and Assessment," Section 33.26, "Assessing Single Lots," of the Saginaw Code of Ordinances, O-1.

Council Action: Councilman Scharffe moved that the recommendation of the City Manager be approved, seconded by Councilman Viriglio.

Adopted unanimously.

Subject: Insurance proposals for the City's Building & Personal Property Coverage, Business Income, Valuable Papers and Records, Computers, Flood, Earthquake, Animals in the Petting Zoo, Crime, Equipment, Bridges, Machinery & Equipment Breakdown and Storage Tanks

Manager's Recommendation: I recommend approval of the insurance proposals with Chubb/Federal Insurance Company for Combined Building & Personal Property, Business Income and Extra Expense, Computer Coverage, Flood, Earthquake and Animals in the Petting Zoo; with The Hanover Insurance Group for Crime Coverage; with Chubb/Federal Insurance Company for Equipment Floater & Bridges Coverage; with Cincinnati Insurance Company for Machinery & Equipment Breakdown Coverage, and Illinois Union Insurance Company/ACE for Storage Tank Liability Insurance effective February 1, 2009 to February 1, 2010, for a total cost of \$281,591, with a possible 5% increase (\$395.25) in the Crime Policy; and that I, and/or my designee, be authorized to execute any and all necessary insurance documents under the plans.

I further recommend that I or my designee be allowed to make adjustments to said policies, as necessary throughout the policy term, in removing and/or adding coverage on equipment, machinery and buildings, as the City acquires and/or disposes of same.

Coverage documents, policy changes and contracts to implement the new insurance are subject to the City Manager's approval as to substance and the City Attorney's approval as to form.

Funds are budgeted and available in the Self Insurance Fund (Other Services) Account No. 677-1762-711-80-06. (\$115,627 will be expended from the 2008-2009 budget and \$161,877 from the 2009-2010 budget.)

Justification: Recently, Saginaw Bay Underwriters received proposals for insurance coverage on City Buildings & Personal Property, Business Income and Extra Expense, Computer Coverage, Flood, Earthquake, Animals in the Petting Zoo, Crime Coverage, Equipment and Bridges, Machinery & Equipment Breakdown, Storage Tanks and Crime Coverage to be effective February 1, 2009 to February 1, 2010. Upon receipt and review of the proposals received by Saginaw Bay Underwriters, the following insurance policies are being recommended:

BLANKET COVERAGE

Chubb/Federal Insurance Company policy which includes Blanket Coverage for Buildings and Personal Property, Business Income and Extra Expense, Valuable Papers and Records, Computer Coverage, Flood, Earthquake, and Animals in the Petting Zoo. Last year's premium was \$172,194 and this year's premium is \$175,442, which includes a Terrorism Coverage charge of \$7,797. This is an increase of \$3,248, over last year's premium, which is a result of increasing the value of the City buildings by 3% to stay current with inflation. (This policy carries a \$100,000 deductible with the exception of the Animals in the Petting Zoo, which has a \$500 deductible and Computer Coverage, which has a \$10,000 deductible.) It should also be noted that two locations were removed from flood coverage and several others added.

CRIME COVERAGE

The Hanover Insurance Group policy which includes coverage for Public Employee Dishonesty, Forgery and Alteration, Theft, Disappearance and Destruction (inside and outside the premises) and Computer Fraud for an estimated annual premium of \$7,905. This is the same premium as the prior year however, Hanover has requested a new application which City staff is currently completing. It is unlikely there will be any change in premium since there have been no reported instances but it is recommended Council approve the policy with a possible 5% increase so the City's coverage will not lapse while the paperwork is being finalized.

EQUIPMENT FLOATER POLICY

Chubb/Federal Insurance Company policy which includes Radio, Equipment and Machinery, Employee Tools, Rental Cost Reimbursement, Leased/Rented from others, Floating Docks, Debris Removal, Fire Department Service Charges, Inventory or Appraisals, Pollutant Clean-up, Fire Protection and Equipment Refill for a premium of \$17,549, which is the same as last year. (The deductible for this policy ranges from \$1,000-\$5,000, with the exception of the Floating Docks which carries a \$25,000 deductible.)

BRIDGES POLICY

Chubb/Federal Insurance Company policy which includes coverage on the Douglas Schenck, Frank Andersen, Holland, Genesee Avenue, Johnson Street, Norman Street, C&O RR Crossing, Ojibway Island (South End) and Ojibway Island Pedestrian (North & South End) Bridges for an unaltered premium of \$59,604. (The deductible on this policy is \$50,000.)

MACHINERY & EQUIPMENT BREAKDOWN

Cincinnati Insurance Company policy which includes coverage on Electric

Generators, Miscellaneous Electrical Apparatus, Recip. Eng. Internal Combustion, Transformers, Water Damage, Expediting Expenses, Water Damage, Ammonia Contamination and Hazardous Substance, for a premium of \$13,244. This is the same insurance the City carried the prior year with no cost increase. (This policy has a \$1,000-\$5,000 deductible.)

STORAGE TANK LIABILITY INSURANCE

Illinois Insurance Company policy which includes coverage on 13 tanks (8-above ground and 5-underground) that are insured at 4 locations. The premium increased by \$188 from \$7,659 to \$7,847 due to the tanks being one year older. This amount includes a terrorism charge of \$265. (The policy has a \$10,000 deductible.)

Council Action: Councilman Scharffe moved that the recommendation of the City Manager be approved, seconded by Councilman Virciglio.

Adopted unanimously.

Subject: Service Express Hardware Maintenance Renewal

Manager's Recommendation: I recommend that a purchase order be issued to Service Express, Inc. in the amount of \$2,628.00 as annual payment for hardware maintenance and support services. This support service covers three servers, including the City's email server.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35-14.44, of the Saginaw Code of Ordinances.

Funds for this payment are budgeted and available in the Information Services Operating Services Account No. 658-1720-711.80-05.

Justification: This annual renewal with Service Express, Inc. covers the City for the period of 3/1/2009 thru 2/28/2010 with hardware maintenance and support services for several City servers.

Council Action: Councilman Scharffe moved that the recommendation of the City Manager be approved, seconded by Councilman Virciglio.

Adopted unanimously.

Subject: Repair of traffic signal equipment

Manager's Recommendation: I recommend that a purchase order be approved and issued to Carrier and Gable, Farmington Hills, MI, and that the invoice received from them be accepted and payment be made to them in the amount of \$4,515.61 for the repair of traffic signal equipment. Carrier and Gable is the sole repair facility for this equipment.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35-14.44, of the Saginaw Code of Ordinances.

Funds for this equipment are available in the Traffic Engineering Parts and Supplies Account No. 202-4621-791-7330.

Justification: In mid and late July 2008, two separate lightning storms occurred in the City of Saginaw, which caused significant damage to the traffic signal equipment at eleven locations throughout the City of Saginaw. Lightning strikes damaged the EPAC controllers, which were replaced with in stock equipment, and the damaged controllers were sent in for repair. The costs of these repairs varies on each controller, depending on what components were damaged. This invoice is the cost for repairing all eleven controllers.

Council Action: Councilman Scharffe moved that the recommendation of the City Manager be approved, seconded by Councilman Virciglio.
Adopted unanimously.

Subject: SCBA Air Cylinders & Face Masks

Manager's Recommendation: I recommend that a purchase order be approved and issued to Douglass Safety Systems in the amount of \$8,870.00 for the purchase of ten (10) ISI Self-Contained Breathing Apparatus air cylinders and two (2) ISI Viking digital airswitch facemasks for the Fire Department Operations Division. Douglass Safety Systems is the sole supplier of these ISI air cylinders and masks.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35-14.44 of the Saginaw Code of Ordinances.

Funds for this purchase are budgeted in the Fire Department Operations Division Parts and Supplies Account No. 101-3751-751.73-30.

Justification: Self-Contained Breathing Apparatus are used as personal protective equipment that is worn in hazardous environments. These new ISI air cylinders are part of a replacement plan that will replace those that have reached the manufacturer's recommended service life. The facemasks will provide us with the necessary amount of masks to ensure that we are able to provide individual masks for all personnel.

Council Action: Councilman Scharffe moved that the recommendation of the City Manager be approved, seconded by Councilman Virciglio.
Adopted unanimously.

All City Manager recommendations were adopted by general consent.

INTRODUCTION OF ORDINANCES

Subject: Ordinance to Regulate Neighborhood Enterprise Zones

Manager's Recommendation: I recommended that Section 33.40, "Neighborhood Enterprise Zones" be added to Chapter 33, "Taxation and Assessments", of Title III, "Administration" of the City of Saginaw Code of Ordinances, O-1. The Section to be amended and the reasons to do so are set out below. An Ordinance has been prepared and appears under the regular order of business.

Justification: The City of Saginaw has taken advantage of the Neighborhood Enterprise Zone ("NEZ") Act, Act 147 of the Public Acts of 1992, to create enterprise zones and grant certificates for buildings within those zones. The purpose of this Act is to grant tax incentives for the construction and rehabilitation of residential structures. The construction and rehabilitation would likely not occur but for the temporary tax incentives granted the owners. The City benefits by the investments made in its housing stock and the eventual increase in the tax base of the community.

The NEZ statute requires the participating community to enact a local ordinance to regulate the administration of these zones and the granting of these certificates. The proposed ordinance follows the requirements of the statute in that regard and continues the previous policies of the City.

Council Action: This Council Communication is being submitted to explain the ordinance to be introduced in a subsequent portion of the agenda.

Councilman Scharffe introduced an ordinance entitled and reading as follows, seconded by Councilwoman Kitterman-Miller:

AN ORDINANCE TO ADD SECTION 33.40 "NEIGHBORHOOD ENTERPRISE ZONES" TO CHAPTER 33, "TAXATION AND ASSESSMENT" OF TITLE III "ADMINISTRATION", OF THE SAGINAW CODE OF ORDINANCES, O-1.

Adopted unanimously. Mayor Seals announced the ordinance would be laid over under the Charter provision

ADJOURNMENT

At 8:16 p.m. Councilman O'Neal moved to adjourn the meeting, seconded by Councilman Branch.

Adopted unanimously.

Diane M. Herman
City Clerk