
REGULAR MEETING OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN, HELD MONDAY, FEBRUARY 9, 2009, AT 6:30 P.M. IN THE COUNCIL CHAMBER OF CITY HALL.

PRAYER AND PLEDGE OF ALLEGIANCE

Boy Scout Troop 312 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, Amanda Kitterman-Miller, Amos O'Neal, Bill Scharffe, Paul Virciglio, Andrew Wendt and Mayor Joyce Seals-8.

Absent: Councilman Daniel Fitzpatrick -1.

CORRECTION AND APPROVAL OF MINUTES

Councilwoman Kitterman-Miller moved to approve the minutes of the regular meetings held on October 6, October 20 and October 27, 2008, seconded by Councilman Branch.

Adopted unanimously.

PUBLIC HEARING

Deputy City Clerk Lynnette Hagen announced that this was the time set aside for a public hearing on the Community Development Block Grant program, Emergency Shelter Grant program and the HOME program. Elizabeth Hanson, Human Planning Commission Chairperson, said requests exceeded resources for this year and many organizations may go unfunded or underfunded, received requests for \$5.5 million but only \$2.5 million is available. Top priorities for the City were crime, blight, helping youth and basic city needs. She reviewed the recommendations and reasons for funding or not. Dennis Morrison expressed concern for funding community policing, said the public safety millage was passed with the understanding community policing would be funded. David Ellis voiced support and concern for community policing, said the program is proactive and positive. Noah Bruner spoke in support of Parishioners on Patrol and Community Policing. Christina Jones was glad existing community police would remain, is concerned about cutting funding to youth agencies and believes it sends the wrong message. Johnny Sanders expressed concern that young people won't have enough to do. Pastor Camel, Parishioners on Patrol President, said he was upset because they were turned down for funding. Said they've accomplished a lot and expect support from the City, but felt they haven't been treated fairly. Cindy Morley spoke in support of Parishioners on Patrol. Patrick Williams, Human Planning Commission, voiced concern over continued funding of community policing, said it was never intended to be permanently funded by HUD and if it continues, HUD may pull funds from the City. Bakari McClendon, Chairperson of the Houghton-Jones Neighborhood Task Force, supported community policing. Ana Hidalgo, Cathedral Neighborhood Association Chairperson, voiced the community's support for both community policing and Parishioners on Patrol. Mayor Seals called for additional comments three times. No one else was heard.

Councilman Virciglio moved to declare the hearing closed, seconded by

Councilman Branch.

Adopted unanimously.

PERSONAL APPEARANCES

Johnny Sanders, 3420 Grant, said two weeks ago he felt he had been treated wrong, that when a person brought to Council a problem with proof, the City should do something about it. Expressed concern over school closings. Said officials who mismanaged funds should be prosecuted just like others, and the City Manager should live in and pay taxes to the City.

Judy Wolgast, 1727 Barnard, Covenant Neighborhood Association, spoke of accomplishments of the neighborhood, partnering with Covenant Healthcare, and fighting crime with community policing Officer Mata, whom they want to keep in their neighborhood, because they can't fight the crime alone.

Bakari McClendon, 2243 Compton, spoke of accomplishments of the Youth Farmstand Project. After having been vandalized last year, they are moving forward again. Said the Thrift Store is open Tuesdays and Saturdays from 10:00 a.m. – 2:00 p.m.

REMARKS OF COUNCIL

Councilman Scharffe reflected on his first year as a Council member and thanked many for working with him. Addressed comments about the schools saying the City has no legal connection with the schools and no control over school closings or school finances. Supported community policing and Parishioners on Patrol.

Councilman Virciglio thanked snow removal crews for clearing 102" of snow. Recognized Cory L. Rowe for voluntarily removing snow from around Hoyt Park Warming House.

Councilman Wendt said that as an employee the City Manager does pay taxes to the City.

Councilman Branch thanked all agencies who applied for block grant funding, said it showed their investment in the City. Said community policing officers build good relations with the community. Noted the City would need to be creative in the future to keep the momentum going.

Councilman O'Neal congratulated LaMarr Woodley of the Pittsburgh Steelers on the Super Bowl win. Spoke of accomplishments of Parishioners on Patrol.

Councilwoman Kitterman-Miller noted the federal government cuts CDBG funding not Council. Thanked the neighborhood groups for working hard in collaboration with the City.

Councilman Coulouris reviewed the process of the Human Planning Commission. Noted that state law eliminated the ability of employers to dictate where their employees live. Commended Mayor Seals for her State of the City address, said she did a fantastic job representing the Community with her positive message.

Mayor Seals noted that sometimes people address Council without knowing all of the facts, as was the case regarding employees not living in the City, said state law gives them the right to live where they want. The same with the comment about the public safety millage being dedicated to community policing, not true. Thanked staff for their help with the State of the City address.

(Council members thanked the Human Planning Commission for their work on the Block Grant recommendations, all agreed it was a tough job for volunteers. Also expressed their support for Community Policing and Parishioners on Patrol.)

PETITIONS

- 09-03 from Rick Hayes, Saginaw Spirit Hockey Team, requesting permission to display fireworks on February 21, 2009 (rain date February 22, 2009) on the east side of the Saginaw River between the Johnson Street Bridge and the I-675 Bridge. Councilman Virciglio moved to approve the request, seconded by Councilman Branch.
Adopted unanimously.
- 09-04 from Jose Barajas, Southwest Saginaw Neighborhood Association, requesting to rezone Wheeler, Holmes and Kendrick (except for the business district on Michigan Avenue) from R2 to R1. Councilman Virciglio moved to receive and file the request, seconded by Councilman Branch.
Adopted unanimously.
Mayor Seals referred the matter to the Planning Commission.

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

Councilman Branch moved for consideration of appointing David Harvey Tagget to the Zoning Board of Appeals with a term to expire December 31, 2012, seconded by Councilman Wendt.
Adopted unanimously.

Councilman O'Neal announced the City/County/School Liaison Committee meeting on February 26, 2009 at 5:30 p.m. at the Courthouse. Said they will have more information on the Job Fair at that meeting and requested an update on the Andersen repurposing project. Said many of the Cities of Promise subcommittees would be presenting 2009 goals at their meeting later in the week.

Councilman Branch passed out City Manager Evaluation forms, asked they be filled out and returned to Beth Church, Human Resources Department, by Friday, February 20, 2009. Questions should be directed to himself, Councilwoman Kitterman-Miller or Councilman Virciglio.

Councilwoman Kitterman-Miller announced the Keep Saginaw Beautiful Committee would meet on Wednesday at 5:15 p.m. in the Council Chamber. They are making plans for the spring Great American Clean Up.

Councilman Virciglio reported the Downtown Development Authority is meeting to investigate pursuing tax incentive financing. Said he attended the Crime Prevention Council meeting at SVSU, where they received disturbing news that Michigan is one of the

most violent states in the Great Lakes region, specifically Wayne and Saginaw counties. Noted the cities and counties experiencing a reduction in crime have more police officers on the streets.

Mayor Seals reported attending a special meeting of the MBS Airport Authority and ratified/supported some grant applications for preliminary efforts to prepare for the new terminal. Urged all to support the new flight from LaGuardia to MBS, and to fly local. Said, as members of the Police and Fire Pension Board, she and the City Manager attended a recent workshop in Dearborn where they heard presentations from around the country about dealing with the loss of money and issues of the stock market. Asked that they compare notes and make some recommendations to the Board.

REPORTS FROM CITY MANAGER

Management Update

City Manager Darnell Earley gave his recommendations on funding for the Community Development Block Grant Program. Thanked Chairperson Hansen and the Human Planning Commission for their hard work, the time and analyses put into their recommendations. Said they did the most important work, the thorough treatment of requests for funds when there are few dollars to go around. Said he reviewed with the Human Planning Commission and discussed with staff, and all agreed the problem was how to best address Council's priorities and continue moving forward. Addressed Parishioners on Patrol's first time request for funds and said they were in line to get Weed and Seed monies. Said community policing funds were paramount to everyone so he reviewed Section 108 payment loans on the Parking Ramp, final payment due in August of \$475,000.

The difference between that and the maximum amount to allocate to public service was \$106,000, it makes up the difference to get 4 community police officers. Noted the difference could be made up by continuing to seek out receivables. Said he asked Dr. Thorns to look at what/where HUD funds are going and how we might be able to augment them. Noted the process doesn't end tonight.

Dr. Odail Thorns spoke on the distinction in the work of community police vs. regular police officers. Said in 2005 our community policing program was suspended because the officers were directly involved in criminal work and not just preventive. In community policing the emphasis is on building relationships and crime prevention. In 2006 the City's program received accolades and was considered a benchmark program.

City Manager Darnell Earley said he was troubled by the public hearing comment about community policing and the public safety millage. The millage was to maintain the police and fire departments at operable levels. Said community policing was subsidized from the general fund and citizens were told if the Public Safety Millage passed, we would not take those funds and direct them elsewhere, and we haven't. Agreed with Councilman Branch that this is a stopgap measure, and at some point those funds would have to come from some place other than block grant.

Councilman Coulouris reminded all that annually the Human Planning Commission chairperson has reminded everyone that available funds continue to decrease and applicants have been encouraged to consider other sources of revenue.

Police Chief Gerald Cliff talked about the Weed and Seed grant. Said things looked good for a third year of funding. Said they published requests in The Saginaw News

for agencies that wanted to participate in the Seed portion of the grant, and Parishioners on Patrol submitted the only application. The City has a viable, healthy community policing program which makes us very competitive for grant funds.

Mayor Seals asked if Parishioners on Patrol would be receiving the \$10,000 requested from block grant funds for mobilizing, as part of Weed and Seed? (*Chief Cliff noted it was up to the Federal government.*)

Councilman O'Neal said policing was hard work and that Parishioners on Patrol enters high-risk areas to talk with people, something not everyone is willing to do. Commended them for their work in the community, and for using funds from their own pockets. Said they aren't police but are serving a major role in the City.

Recommended Actions

Subject: BASIC Drug Prescription Reimbursement Agreement

Manager's Recommendation: I recommend that the contract with Benefit Administration Services International Corporation, a/k/a, BASIC be approved so that the City can implement its reimbursement program for brand name drugs, as provided in the collective bargaining agreements and the nonunion employees contract amendments. The Agreement has been approved by me as to substance and the City Attorney as to form. This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35-14.44, of the Saginaw Code of Ordinances.

Justification: In January 2004, the City completed negotiations with five of its six open collective bargaining agreements. As a part of the City's effort to contain and/or reduce the cost of employee benefits, specifically health care, the Unions and the City agreed to one health care plan, with higher co-pays and drug rider. The City and the unions negotiated the reimbursement program to ease the immediate impact on City employees who can only obtain brand name prescriptions from the \$40.00 co-pay. The City program will only reimburse employees that cannot obtain generic prescriptions. They will be reimbursed up to \$20.00 of the \$40.00 co-pay for brand name prescription drugs. The prior agreement expired on December 31, 2008. To comply with current bargaining unit provisions, continuation of this benefit with all bargaining units will need to be extended until the earlier of December 31, 2009 or such time bargaining unit contracts determine a change in this benefit.

BASIC has been the provider for the City, with facilitating the federally required COBRA responsibilities for the City since 1999. BASIC will provide the administrative functions needed to efficiently deliver timely reimbursements to the affected employees. The necessary program reporting requirements, processing procedures and HIPPA responsibilities, will be handled under the agreement with BASIC. The cost to the City for BASIC to handle the reimbursement program is at \$2,226.00 per month, up to a maximum of \$26,712.00 annually. The cost is proposed to be spread across all departmental funds, based on the approval of mid-year adjustments.

Council Action: Councilman O'Neal moved that the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller.

Adopted unanimously.

Subject: Ballistic Vests for Police Officers

Manager's Recommendation: I recommend issuance of a purchase order and payment to Gatorhawk Armor in the amount of \$4,256 for the emergency purchase of seven (7) ballistic vests to outfit seven police officers upon hiring.

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 are available in Police Department's Building Maintenance Division Clothing Supplies Account No. 101-3014-721.73-03.

Justification: The Saginaw Police Department is in the process of hiring seven (7) police officers by March 2009. Along with the standard police uniforms, the officers will need to be outfitted with ballistic vests which will provide protection against serious injury as they perform their duties of serving and protecting the community.

The vests could take up to eight weeks to get delivered, therefore, making this request to order the ballistic vests emergency in nature.

Council Action: Councilman O'Neal moved that the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller.

Adopted unanimously.

Subject: TBF Graphics, Inc. – Proposed and Approved Budget Documents

Manager's Recommendation: I recommend issuance of a purchase order to TBF Graphics, the only bidder, for the City of Saginaw's Proposed and Approved Budget Documents for FY 2010, 2011, and 2012, in the amounts of \$4,209.50, \$4,380.00, and \$4,533.60, respectively.

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 are budgeted in the Department of Fiscal Services – Administration Division's Professional Services Account No. 101-1740-711.80-01.

Justification: In January 2009, TBF Graphics, Inc., sole bidder, provided a three-year bid to the City for both the proposed and approved budget documents. The issuance of this purchase order will allow the City to print the both the Proposed and Approved Budget documents for three-years, which will be submitted to the Government Finance Officer Association for the Distinguished Budget Award.

Council Action: Councilman O'Neal moved that the recommendation from the City Manager be approved, seconded by Councilwoman Kitterman-Miller.

Adopted unanimously.

Subject: Audio Central Security Equipment Upgrade

Manager's Recommendation: I recommend issuance of a purchase order to Audio Central Alarm in the amount of \$5,895.00 for Security Equipment upgrade for the Fiscal Services Department.

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 are available in the Department of Fiscal Services – Administration Division's Capital Outlay - Office Equipment Account No. 101-1740-711.97-60.

Justification: Audio Central Alarm installed the original system in the Department of Fiscal Services. Through this proposed upgrade, the City will be better able to provide the necessary surveillance that would instill honesty in the public and give the employees a sense of safety and well being. Digital video recorders will replace troublesome VCR's and have network capabilities to view both live and recorded images from a remote location. The City would have more storage of data, between 30-45 days of information. Through this system, the City would be able to archive any events that can be passed on to law enforcement via CD.

Council Action: Councilman O'Neal moved that the recommendation from the City Manager be approved, seconded by Councilwoman Kitterman-Miller.
Adopted unanimously.

Subject: 2009 Change Notices of Assessment for Assessor's Office

Manager's Recommendation: I recommend acceptance of the only bid and issuance of purchase orders to TBF Graphics, Saginaw, MI in the amounts of \$12,260.00 for 2009 and \$12,805.00 for 2010 totaling \$25,065.00 for printing and mailing 2009 and 2010 Change Notice of Assessment forms.

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

Funds for this service are budgeted in the Assessor's Postage/Freight Account No. 101-1744-711-8015 and the Printing Account No. 101-1744-711-8030.

Justification: State of Michigan law requires that notice be given by mail to all parcels with value changes. The mailing deadline is March 1st of each year. Bids were solicited for printing and mailing of Change Notice of Assessment forms for the years 2009 and 2010.

Council Action: Councilman O'Neal moved that the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller.
Adopted unanimously.

Subject: Overhead Door Replacements

Manager's Recommendation: I recommend that the quote from Overhead Door Company be accepted and that a purchase order be approved and issued to them in the amount of \$2,130.00 for materials and labor to replace two overhead doors for the Forest Lawn Cemetery Service Barn.

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 available in the Cemetery General Repairs Account No. 101-1747-821.80-40.

Justification: The City received quotes for materials and labor to replace two overhead doors for the Forest Lawn Cemetery Service Barn. One door is unusable and the second door, also in bad shape, is in need of replacement. The barn is used to store the trucks, backhoe and lawn equipment for the Cemetery operation. It also houses the mechanic's room, lunch area, lockers and bathroom for Cemetery employees. Following is a tabulation of the quotes received:

Overhead Door Company	1 door	\$1,285.00
Saginaw, MI	2 doors	\$2,130.00
Delta Door Company	1 door	\$1,335.00
Saginaw, MI	2 doors	\$2,670.00

Council Action: Councilman O'Neal moved that the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller.
Adopted unanimously.

Subject: Traffic Engineering, Aluminum Sign Blanks

Manager's Recommendation: I recommend acceptance of the low bid and issuance of a purchase order to Osburn Associates in the amount of \$3,364.80 for the purchase of 380 aluminum sign blanks.

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 available in the Major Street Traffic Engineering Parts and Supplies Account No. 202-4621-791-7330.

Justification: On December 2, 2008, the City received bids for aluminum sign blanks. These blanks are necessary to stock for signing needs. The price is for 380 sign blanks. Following is a tabulation of the bids received and reviewed by the Purchasing Committee:

Osburn Assoc. Logan, OH	\$ 3,364.80
Vulcan Aluminum Foley, AL	3,432.10
Hallsigns Bloomington, IN	4,087.80
Dornbos Signs Charlotte, MI	4,724.20
E & R Industrial Bay City, MI	7,680.20
Argus-Hazco Chesterfield, MI	27,838.50

Council Action: Councilman O'Neal moved that the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller.
Adopted unanimously.

Subject: Emergency Purchase of Hot Water Boiler

Manager's Recommendation: I recommend approval of purchase order #37883 issued on January 22, 2009 and that payment be made to Grainger Corporation in the amount of \$3,545.81 for the emergency purchase of a hot water boiler for the Wastewater Treatment Plant.

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 Sewer Operation and Maintenance Fund Repairs and Replacements Account No. 590-4830-861.97-20.

Justification: The twenty-year old boiler that supplies hot water for the Wastewater Treatment Plant administration building, laboratory, and locker rooms failed. Maintenance staff attempted to weld up the leaks, however, deterioration was to the extent that the repair did not hold. The only vendor able to supply a direct replacement was Grainger Corporation.

Council Action: Councilman O'Neal moved that the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller.

Adopted unanimously.

Subject: Purchase of Graphtec sign plotter and Flexi Sign software

Manager's Recommendation: I recommend acceptance of the low bid and issuance of a purchase order to Signage Specialist in the amount of \$6,379.98 for the purchase of Graphtec Plotter and Flexi Sign software.

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 budgeted in the Traffic Engineering Repairs and Replacements Fund Account No. 101-4621-791-9720.

Justification: On December 2, 2008, the City received bids for a Graphtec Plotter and Flexi Sign software. This equipment is necessary to produce the signs that are required by the Michigan Manual of Uniform Traffic Control Devices within the City of Saginaw's 320 plus miles of roadway. This plotter is replacing the existing plotter that was purchased in the early 1980's, which will not produce signs which meet the new Federal Standards of font size and retro reflectivity. Following are the bids received and reviewed by the Purchasing Department.

Signage Specialist Troy, MI	\$6,379.98
Wensco Sign Supply Belmont, MI	\$7,297.99

Council Action: Councilman O'Neal moved that the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller.

Adopted unanimously.

Subject: Replacement Security Gate Operators

Manager's Recommendation: I recommend acceptance of the low bid from Future Fence Company and issuance of a purchase order in the amount of \$13,291.00 for replacement security gate operators.

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 available in the Public Works Building Capital Outlay Repairs and Replacements Account No. 641-4439-811.97-20.

Justification: The bid includes removal of the old nonfunctional gate operator and installation of a new one at the Washington Street entrance of the Public Works Building and installation of a security arm gate at the Holland Street entrance. Both security devices will be reconnected to the existing card reader and loop detector systems. The new gate operators will allow quick and easy entry for employees, while affording the security needed. Following is a tabulation of the bids received:

Future Fence Company Warren, MI	\$13,291.00
Midland Fence Company Midland, MI	\$13,980.00
Nationwide Construction Group Chesterfield, MI	\$16,386.00

Council Action: Councilman O'Neal moved that the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller. Adopted unanimously.

Subject: Replacement Plow Trucks

Manager's Recommendation: I recommend that a purchase order be approved and issued to Navistar, Inc. in the amount of \$182,661.00 for three cabs and chassis's using the State of Michigan bid.

This vendor meets all the 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 available in Motor Pool Equipment Capital Outlay for Vehicles Account No. 661-4480-841.97-70.

Justification:

The Streets Section of the Right of Way Division is replacing three gas powered 1993 plow trucks. The maintenance costs and down time on these trucks have reached a point where it benefits the City to replace them.

The State of Michigan allows Municipalities to use the purchasing power of the State to buy the same equipment the State has bid and purchased for its own purpose.

Council Action: Councilman O'Neal moved that the recommendation of the City

Manager be approved, seconded by Councilwoman Kitterman-Miller.
Adopted unanimously.

CONSIDERATION AND PASSING OF ORDINANCES

Councilman Branch moved that an ordinance introduced, January 26, 2009, entitled and reading as follows, be taken up and enacted, seconded by Councilwoman Kitterman-Miller:

O-76

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.

The City of Saginaw Ordains:

Section 1. §33.40, "Neighborhood Enterprise Zones" is hereby added to Chapter 33, "Taxation and Assessment", of Title III, "Administration" of the City of Saginaw Code of Ordinances, O-1, and shall read as follows:

NEIGHBORHOOD ENTERPRISE ZONES
§ 33.40. PURPOSE.

The purpose of this chapter is to preserve Saginaw neighborhoods and to further the maintenance, preservation, improvement and development of housing for all persons regardless of income level; to provide that the City, by resolution, may designate one or more neighborhood enterprise zones pursuant to the Michigan Neighborhood Enterprise Zone Act, Act 147 of the Public Acts of 1992, as amended, being M.C.L.A. 207.771 et seq.; and to encourage, through ad valorem property tax benefits established by said Act, the construction of new structures that have as their primary purpose owner occupied one or two unit residential housing and the rehabilitation of existing structures having as their primary purpose residential housing consisting of one to eight units, by bringing them into conformity with minimum Building and Housing Code standards and improving the livability of units.

§33.41. DEFINITIONS.

As used in this chapter:

Certificate of approval means a certificate issued by the Chief Inspector, or his or her designee, of the Department of Economic Development of the City, attesting to the fact that a new or rehabilitated facility for which an enterprise zone certificate is in effect is in compliance with the construction and safety codes of the City.

Neighborhood enterprise zone means any zone designated by the City by resolution as a neighborhood enterprise zone pursuant to the requirements of the Michigan Neighborhood Enterprise Zone Act.

Neighborhood Enterprise Zone Act means Act 147 of the Public Acts of 1992, as

amended, being M.C.L.A. 207.771 et seq.

Neighborhood enterprise zone certificate means a certificate as defined and issued pursuant to the Neighborhood Enterprise Zone Act.

New facility means a new structure that has as its primary purpose residential housing consisting of one or two units, one of which is or will be occupied by an owner as his or her principal residence. "New facility" includes a new individual condominium unit, in a structure with one or more condominium units, that has as its primary purpose residential housing and that is or will be occupied by an owner as his or her principal residence "New facility" does not include apartments.

Owner means the record title holder of, or the vendee of the original land contract pertaining to, a new facility or a rehabilitated facility for which a neighborhood enterprise zone certificate is applied for or issued.

Rehabilitated facility means an existing structure with a current true cash value of \$80,000.00 or less per unit, that has or will have as its primary purpose residential housing consisting of one to eight units, the owner of which proposes improvements that, if done by a licensed contractor, would cost in excess of \$5,000.00 per owner occupied unit or 50 percent of the true cash value, whichever is less; or in excess of \$7,500.00 per non-owner occupied unit or 50 percent of the true cash value, whichever is less, or the owner proposes improvements that would be done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000.00 per owner occupied unit, or \$4,500.00 per non-owner occupied unit and will bring the structure into conformity with minimum Saginaw Housing Code standards for occupancy or improve the livability of the units while meeting minimum Saginaw Housing Code standards. "Rehabilitated facility" also includes an individual condominium unit, in a structure with one or more condominium units that has as its primary purpose residential housing, the owner of which proposes the above described improvements. "Rehabilitated facility" does not include a facility rehabilitated with the proceeds of an insurance policy for property or casualty loss.

§33.42 DESIGNATION OF ZONES.

The City, by Council resolution, may, upon City initiative or on petition of any person:

(a) Designate one or more neighborhood enterprise zones within a local governmental unit. A neighborhood enterprise zone, other than a neighborhood enterprise zone designated pursuant to subsection (b) hereof, shall contain not less than ten platted parcels of land. All the land within a neighborhood enterprise zone shall also be compact and contiguous.

(b) Designate one or more neighborhood enterprise zones limited to new facilities if each new facility in the zone is part of a development of ten or more units.

The total acreage of the neighborhood enterprise zones designated under this section shall not exceed fifteen percent of the total acreage contained within the boundaries of the local governmental unit.

(c) Not less than 60 days before the passage of a resolution designating a zone, the City Clerk shall give written notice to the assessor and to the governing body of each

taxing unit that levies ad valorem property taxes in the proposed neighborhood enterprise zone.

(d) Before acting upon the resolution, the City Council shall make a finding that the proposed neighborhood enterprise zone is consistent with the master plan and the neighborhood preservation and economic development goals of the City, and adopt a statement of the City's goals, objectives, and policies relative to the maintenance, preservation, improvement and development of housing for all persons regardless of income level living within the proposed neighborhood enterprise zone.

(e) The City shall hold a public hearing on the application not later than 45 days after the date the notice is sent but before acting upon the resolution.

§33.43 APPLICATION FOR CERTIFICATE.

Once a neighborhood enterprise zone is established in the manner provided in Section 33.42 and the Neighborhood Enterprise Zone Act, any person who proposes to construct a new facility or to rehabilitate property located in a neighborhood enterprise zone, and who intends to seek the tax benefits provided in the Neighborhood Enterprise Zone Act, may file an application for a neighborhood enterprise zone certificate with the City Clerk. The application must be filed before a building permit is issued for the work proposed, or as otherwise provided by the City Council by resolution if the application is filed not later than 6 months following the date the building permit is issued, and shall be filed in the form and manner prescribed in said Act. The application for a certificate shall be subject to the requirements, approvals and conditions of the Neighborhood Enterprise Zone Act.

§33.44 INSPECTIONS.

(a) Before the sale of a new facility or a rehabilitated facility for which a neighborhood enterprise zone certificate is in effect, an inspection by the City shall be requested and made to determine compliance with all applicable Saginaw construction and safety codes.

(b) No sale of any new or rehabilitated facility for which a neighborhood enterprise zone certificate is in effect may be finalized until there is compliance with the applicable Saginaw construction and safety codes and a certificate of approval attesting to the fact is issued by the Chief Inspector or his or her designee.

§33.45 ISSUANCE OF CERTIFICATE OF APPROVAL.

(a) A certificate of approval shall be issued only after the new or rehabilitated facility has been inspected and meets the requirements of all the applicable Saginaw construction and safety codes. An inspection report shall be completed by the inspector after the inspection is completed. The report shall note all violations found in the facility. Before a certificate of approval is issued, all violations must be corrected and approved and the required inspection fee paid.

(b) After issuance, a certificate of approval shall only be valid for one sale of a new or rehabilitated facility. A new inspection and certificate of approval shall be required each time a new or rehabilitated facility is sold.

§33.46 INSPECTION FEE.

The City shall charge a non-refundable inspection fee which shall be set by Council resolution and paid in advance of the certificate of approval inspection.

Section 2. That this Ordinance shall take effect on February 19, 2009.

Seconded by Councilwoman Kitterman-Miller.

Enacted: February 9, 2009.

Adopted unanimously.

RESOLUTIONS

Subject: Liquor License for 110 & 112 S. Hamilton

Manager's Recommendation: I recommend approval of the request to transfer ownership of 2008 Class C licensed business with Dance-Entertainment Permit, located at 110 & 112 S. Hamilton, Saginaw, MI 48602, Saginaw County, from TET, Inc. to Generis Entertainment, LLC.

Justification: On or about August 21, 2008, the City received notice from the Michigan Liquor Control Commission of the request to transfer ownership of 2008 Class C licensed business with Dance-Entertainment Permit, located at 110 & 112 S. Hamilton, Saginaw, MI 48602, Saginaw County, from TET, Inc. to Generis Entertainment, LLC.

The Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division completed the necessary inspections and have approved 110 & 112 S. Hamilton for the license transfer as required by Chapter 110, "General Provisions," of Title XI, "Business Regulations" of the Saginaw Code of Ordinances. Under Chapter 111, "Alcoholic Beverages," §111.11, "Application for License," wherein the City Manager is to review all applications and departmental reports and give his recommendation to City Council of his approval or disapproval of the license. Since the necessary requirements have been met by Generis Entertainment, LLC, I hereby recommend approval of the 2008 Class C license transfer with dance permit, from TET, Inc., located at 110 & 112 S. Hamilton, Saginaw, MI 48602, Saginaw County.

Council Action: This Council Communication is for explanation purposes only of the Resolution to be adopted.

RESOLUTION TRANSFERRING 2008 CLASS C LIQUOR LICENSE WITH
DANCE ENTERTAINMENT PERMIT AT 110 & 112 S. HAMILTON

Councilman Scharffe offered and moved adoption of the following resolution, seconded by Councilman Branch:

WHEREAS, on or about August 21, 2008 the City Clerk's Office received a Local Approval Notice from the State of Michigan Liquor Control Commission; and

WHEREAS, said notice requests to transfer ownership of 2008 Class C licensed business with Dance-Entertainment Permit, located at 110 & 112 S. Hamilton, Saginaw, MI 48602, Saginaw County, from TET, Inc. to Generis Entertainment, LLC; and

WHEREAS, the Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division have approved 110 & 112 S. Hamilton for this transfer.

NOW, THEREFORE, BE IT RESOLVED, that request to transfer ownership of

2008 Class C licensed business with dance permit, located at 110 & 112 S. Hamilton, Saginaw, MI 48602, Saginaw County, from TET, Inc. to Generis Entertainment, LLC. be considered for approval.

It is the consensus of this legislative body that the application be recommended for issuance.

Adopted unanimously.

RESOLUTION OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN
APPROVING THE COMMUNITY DEVELOPMENT BLOCK GRANT
PROGRAM SUBMISSION (PROGRAM YEAR 2009-10)

Councilman Wendt offered and moved adoption of the following resolution, seconded by Councilman Branch:

WHEREAS, under the provisions of Title I of the Housing and Community Development Act of 1974, as amended, the Secretary of Housing and Urban Development is authorized to make grants to states and units of general local government to help finance community development programs approved in accordance with the provisions of Title I; and

WHEREAS, the Department of Housing and Urban Development has informed the City of Saginaw that they are entitled to an amount of \$2,558,091.00 in Block Grant funds to carry out the 2009-10 year program; and

WHEREAS, the application has been completed in accordance with provisions of Title I of the Housing and Community Development Act of 1974, as amended, which identified housing and community development programs that would be carried out with 2009-10 year entitlement funds.

NOW THEREFORE BE IT RESOLVED, by the Council of the City of Saginaw: That the Community Development Block Grant application (City Clerk's File No. _____) is hereby approved; and

That the City Manager is authorized to file this application with the Department of Housing and Urban Development.

The breakdown of the amount requested is as follows:

Agency	Program	Requested 2009-2010	HPC Recom.	City Mgr. Recom.
Housing Rehabilitation				
MSU Cooperative Extension Service	Home Maintenance Self Help	\$14,025	\$14,000	\$14,000
City of Saginaw	Spec Writing & Const. Monitoring	\$195,190	\$173,000	\$173,000
	Residential Loan & Grants Entitlement	\$419,267	\$280,000	\$280,000
	Loan Repayments	\$50,000	\$50,000	\$50,000
Saginaw County Community Action Committee, Inc.	Elderly and Disabled Home Rehab. Program	\$330,000	\$93,500	\$93,500

Circle of Love	Education Program	\$60,000		
*City of Saginaw	Basic Needs Program	\$300,000		
*Saginaw County Community Action Committee, Inc.	Housing Counseling	\$105,000		
Totals		\$1,473,482	\$610,500	\$610,500
Public Facilities				
City of Saginaw	Street Resurfacing/ Reconstruction	\$680,435	\$93,500	\$93,500
	Sidewalk Ramp Construction	\$47,600	\$32,725	\$32,725
Totals		\$728,035	\$126,225	\$126,226
Economic Development				
City of Saginaw	Section 108 Loan Repayment	\$475,852	\$475,852	\$369,397
	Demolition of Dangerous Building	\$587,525	\$342,625	\$342,625
	S.E.D.C. Business Loans Entitlement	\$152,804	\$152,804	\$152,804
	S.E.D.C. Business Loan Repayment	\$150,000	\$150,000	\$150,000
Saginaw Downtown Development Authority	Saginaw DDA	\$211,200	\$37,400	
Totals		\$1,577,381	\$1,158,681	\$1,014,826
Administration				
City of Saginaw	Community Development	\$602,322	\$531,000	\$531,000
Public Services				
Big Brothers/Big Sisters of Saginaw Bay Area Inc.	Youth Mentoring	\$22,047	\$10,500	\$10,500
Boys & Girls Club of Saginaw County	Teen Intervention	\$47,650	\$10,500	\$10,500
City of Saginaw	Community Policing Prevention	\$422,360	\$208,086	\$314,541
Lake Huron Area Council #265 Boy Scouts of America	Urban Scouting	\$82,950	\$5,000	\$5,000
*Malaila Fresh Start	Prisoner Reentry	\$51,324		

*Michigan Hapkido Future Kidz	Martial Arts	\$77,636	\$2,708	\$2,708
New Alternatives Youth Service Center, Inc.	Youth Service Center	\$109,872	\$6,000	\$6,000
Safe Haven House	Job Training Program	\$18,880		
Saginaw County Youth Protection Council	Teen Parent Support	\$23,966	\$23,966	\$23,966
	Youth Protective Services	\$23,966	\$23,966	\$23,966
*Urban Youth Coalition	Youth Services	\$30,000		
*Parishioners on Patrol	Truancy Program	\$50,000		
*Parishioners on Patrol	Mobilizing	\$10,000		
Women of Colors, Inc.	Women of Colors	\$37,490	\$2,000	\$2,000
Totals		\$1,008,141	\$292,726	\$399,181
CDBG Grant Totals		\$5,389,361	\$2,719,132	\$2,681,732

* = new activity proposed for 2009-2010

** = Total for public services can't exceed \$399,181. You can fund less than \$399,181, you just can't exceed said amount.

NOTES:

- In prior years the Human Planning Commission ranked activities on an alphabetical scale and numerical scale. For the subject 2009-2010 fiscal year they dropped the alpha and number scales and recommended funding levels.
- Public Services – Community Development Block Grant Public Services can't exceed 15% of the 2009-2010 entitlement grant and 2008-2009 anticipated program income. Calculations for the maximum public service funding level follows:

Entitlement, 2009-2010	\$2,461,205
Program Income, 2007-2008 Estimated	<u>200,000</u>
	2,661,205
Public Service Cap	<u>0.15</u>
Maximum Public Service Dollars	\$ 399,181

The total requests for Community Development Block Grant Public Services exceeds the amount that can be funded. The total funded cannot exceed the \$421,681 cap.

- Total Funds Available

New Money:	
Entitlement grant, 2009-2010	\$2,461,205
Program Income, 2009-2010	200,000
Reprogrammable Funds, 2008-2009	<u>57,927</u>
	\$2,719,132

4. Program Income

Estimated anticipated program income for 2007-2008 is comprised of the following activities:

City Residential & Rental Loans	\$ 50,000
S.E.D.C. Loans	<u>150,000</u>
	\$ 200,000

Councilman O'Neal moved to remove the Public Service category and vote on it separately, seconded by Councilman Wendt.

Approved by the following vote:

Ayes: Councilpersons Branch, Kitterman-Miller, O'Neal, Wendt and Mayor Seals-5.

Nays: Councilpersons Coulouris, Scharffe and Virciglio-3.

(City Attorney Thomas Fancher noted once the question was divided it disposed of the original motion.)

Councilman Scharffe moved the remainder of the recommendation of the City Manager be adopted, with the exception of the Public Services section, seconded by Councilman O'Neal.

Adopted unanimously.

Councilman O'Neal recommended making the following changes to the Public Services category:

Lake Huron Area Council #265 boy Scouts of America increase to \$10,000

Michigan Hapkido Future Kidz reduce to \$0

Saginaw County Youth Protection Council:

Teen Parent Support reduce to \$18,966

Youth Protective Services reduce to \$21,674

Parishioners on Patrol Mobilization increase to \$5,000

Councilman O'Neal made a motion to accept the recommended changes presented for the Public Services category, total being \$399,181, seconded by Councilman Branch.

Council members discussed programs that require matching funds such as Teen Parent Support and Youth Protective Services, and how much is lost if they don't receive the necessary matching funds. HUD rules as they apply to religious organizations receiving CDBG funds for their programs, allowable when participants are not forced to participate in religious activities. Discussed the importance of programs being recommended for funding and Parishioners on Patrol being the only organization to apply for Weed and Seed monies.

Councilwoman Kitterman-Miller called the question, seconded by Councilman Scharffe.

Approved by the following vote:

Ayes: Councilpersons Branch, Kitterman-Miller, O'Neal, Scharffe, Virciglio and

Mayor Seals-6.

Nays: Councilpersons Coulouris and Wendt-1.

Deputy City Clerk Lynnette Hagen repeated the motion, which was to accept the recommended changes presented for the Public Services category.

Defeated by the following vote:

Ayes: Councilpersons O'Neal and Mayor Seals-2.

Nays: Councilpersons Branch, Coulouris, Kitterman-Miller, Scharffe, Virciglio and Wendt-6.

Councilman Wendt made a motion to keep the Human Planning Commission and City Manager's proposal for the Public Services changing the Michigan Hapkido Future Kidz to \$0 and Parishioners on Patrol Mobilizing to \$2,708, seconded by Councilman Branch.

Council members discussed changing the recommendations made by the Human Planning Commission and the City Manager, with regard to two first-time applicants, one largely tested and the other new. It was noted there was tremendous support from our citizens for Parishioners on Patrol.

Councilman O'Neal called the question, seconded by Councilman Scharffe. Adopted unanimously.

Mayor Seals called for the vote on the motion, which was to keep the Human Planning Commission and City Manager's proposal for the Public Services changing the Michigan Hapkido Future Kidz to \$0 and Parishioners on Patrol Mobilizing to \$2,708. Adopted unanimously.

RESOLUTION OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN
APPROVING THE COMPREHENSIVE HOMELESS ASSISTANCE
PROGRAM EMERGENCY SHELTER GRANT SUBMISSION
(PROGRAM YEAR 2009-10)

Councilman O'Neal offered and moved adoption of the following resolution, seconded by Councilwoman Kitterman-Miller:

WHEREAS, under the provisions of the Comprehensive Homeless Assistance Program of 1987, the Secretary of Housing and Urban Development is authorized to make grants to states and units of general government to help finance rehabilitation or conversion of buildings to use as emergency shelters for the homeless and provision of certain operating and social service expenses in conjunction with the emergency shelter for the homeless; and

WHEREAS, The Department of Housing and Urban Development has informed the City of Saginaw that they are entitled to \$109,836.00 in Comprehensive Homeless Assistance Program funds for the above purpose in the 2009-10 year program; and

WHEREAS, The application has been completed in accordance with provisions of the Comprehensive Homeless Assistance Program of 1987, which identified operating

activities that could be carried out with the 2009-10 year funds.

NOW THEREFORE BE IT RESOLVED, By the Council of the City of Saginaw: That the Comprehensive Homeless Assistance application (City Clerk's File No. _____) is hereby approved; and

That the City Manager is authorized to file this application with the Department of Housing and Urban Development.

Adopted unanimously.

The breakdown of the amount requested is as follows:

Agency	Program	Requested 2009-2010	HPC Recom.	City Mgr. Recom.
Saginaw Co. Youth Protection Council	Innerlink Shelter/ Prescott House	\$28,939	\$28,939	\$28,939
Safe Haven House	Save Haven Emergency Shelter	\$31,900		
Underground Railroad, Inc.	Domestic Violence Emergency Shelter	\$50,000	\$28,939	\$28,939
*Restoration Community Outreach	Emergency Shelter	\$60,000	\$28,939	\$28,939
*Underground Railroad	HMIS	\$23,805	\$23,803	\$23,803
Total		\$194,644	\$110,620	\$110,620

* = new activity proposed for 2009-2010

NOTES: Total Funds Available:
Entitlement Grant \$110,620

RESOLUTION OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN
APPROVING THE HOME PROGRAM SUBMISSION
(PROGRAM YEAR 2009-10)

Councilman O'Neal offered and moved adoption of the following resolution, seconded by Councilman Scharffe:

WHEREAS, under the provision of Title II of the National Affordable Housing Act of 1990, as amended, the Secretary of Housing and Urban Development is authorized to make entitlement awards to states and units of general local government that have been designated as a participating jurisdiction to help finance housing programs approved in accordance with the provisions of Title II; and

WHEREAS, The Department of Housing and Urban Development has informed the City of Saginaw that they are entitled to an amount of \$663,601.00 in HOME funds to carry out the 2009-10 year program; and

WHEREAS, the application has been completed in accordance with the provisions of Title II of the National Affordable Housing Act of 1990, as amended, which identified housing programs that would be carried out with the 2009-10 year entitlement funds.

NOW THEREFORE BE IT RESOLVED, by the Council of the City of Saginaw: That the HOME application (City Clerk's File No. _____) is hereby approved; and

That the City Manager is authorized to file this application with the Department of Housing and Urban Development.

Adopted unanimously.

The breakdown of the amount requested is as follows:

Agency	Program	Requested 2009-2010	HPC Recom.	City Mgr. Recom.
City of Saginaw	Residential Grants	\$625,636	\$494,543	\$494,543
*Circle of Love CDC	Operating Funds	\$15,000	\$15,000	\$15,000
Circle of Love CDC		\$141,260	\$128,416	\$128,416
Total		\$781,896	\$637,959	\$637,959

NOTES: The City of Saginaw is eligible, as an entitlement community, to apply for HOME Investment Partnership Program (hereinafter HOME) funding and to in turn make a 15% set-aside of said funding available to qualified Community Housing Development Organizations (hereinafter Community Housing Development Organization).

Total Funds Available:

Entitlement Grant HOME	\$637,297	\$637,959
Community Housing Development Organization	<u>143,416</u>	
	\$493,881	\$494,543

RESOLUTION OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN
APPROVING THE NEIGHBORHOOD STABILIZATION
PROGRAM SUBMISSION (PROGRAM YEAR 2008-09)

Councilman O'Neal offered and moved adoption of the following resolution, seconded by Councilwoman Kitterman-Miller:

WHEREAS, under the provisions of Title III of the Housing and Economic Recovery Act of 2008, the Secretary of Housing and Urban Development is authorized to make grants to states and units of general local government to help acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities; and

WHEREAS, the Michigan State Housing Development Authority has informed the City of Saginaw that they may be entitled to an amount of \$1,600,000.00 in Neighborhood Stabilization funds to carry out the year 2008-2009 program; and

WHEREAS, the application has been completed in accordance with provisions of Title III of the Housing and Economic Recovery Act of 2008; now

THEREFORE, BE IT RESOLVED, by the Council of the City of Saginaw:

That the Neighborhood Stabilization Program application (City Clerk's File No. _____) is hereby approved; and

That the Mayor is authorized to file this application with the Michigan State Housing Development Authority.

Adopted unanimously.

MOTIONS AND MISCELLANEOUS BUSINESS

Councilman Scharffe moved to go into closed session to discuss the negotiation of collective bargaining agreements.

Adopted by the following vote:

Ayes: Councilpersons Wendt, Branch, Coulouris, Kitterman-Miller, O'Neal, Scharffe, Virciglio and Mayor Seals-8.

Nays: 0.

Absent: Councilman Fitzpatrick-1.

(Council enters Closed Session at 9:15 p.m.)

Upon returning from closed session at 10:20 p.m., the following City Manager recommendations were made:

Subject: Settlement Agreements between City and POAM

Manager's Recommendation: Transmitted herewith for City Council approval is a settlement agreement reached between the City of Saginaw and Police patrol officers under the (POAM) bargaining unit. This agreement covers contract amendments agreed to by the parties.

Justification: The most significant amendments are in wages, health care plan changes, employee health care contributions, pension cap and a reduction in longevity for new hires, reduction in long-term disability costs, drug rider reimbursement elimination, elimination of retiree health care for new hires and longer contract term. The settlement agreement resulted in a six (6) year contract beginning July 1, 2005 through June 30, 2011.

Wage adjustments amounting to 2.0% will be granted July 1, 2007 and 2008, with 1.0% granted for July 1, 2009 and 1.5% for July 1, 2010. Effective 4/1/09 the health care plan shall be changed to reflect higher deductibles and coinsurances. In an effort to reduce the City's un-funded liability, effective 7/1/09 retiree pensions will be capped at 65% of final average compensation, effective 3/2/009 retiree health care for new hires is eliminated and the City will contribute to defined contribution savings accounts, also new hires will contribute \$100/month toward their health care cost and longevity pay shall be reduced by 50% for new hires. Effective 7/1/09 long-term disability payments are reduced to 60% of their base pay. Effective 7/1/10 all current employees will contribute \$20/pay period towards health care costs.

It is recommended that the settlement agreement with noted changes be approved and that the appropriate City officials be authorized to implement the provisions of the agreement.

A formal collective bargaining agreement shall be prepared for signatures in the near future.

Council Action: Councilman Branch moved the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller.

Adopted unanimously.

Subject: Settlement Agreements between City and SEUI

Manager's Recommendation: Transmitted herewith for City Council approval is

settlement agreements reached between the City of Saginaw and SEIU - Local 517 Hourly, Salaried and Regular Part-time bargaining units. These agreements cover contract amendments agreed to by the parties.

Justification: The most significant amendments are in wages, health care plan changes, employee health care contributions, and a reduction in longevity for new hires, reduction in long-term disability costs, drug rider reimbursement elimination, elimination of retiree health care for new hires and longer contract term. The settlement agreement resulted in a six (6) year contract beginning July 1, 2006 through June 30, 2012.

Wage adjustments amounting to 1.5% will be granted July 1, 2008 and 2009, with 2% granted for July 1, 2010 and 1.5% for July 1, 2011. Effective 4/1/09 the health care plan shall be changed to reflect higher deductibles and coinsurances. In an effort to reduce the City's un-funded liability, effective 7/1/09 retiree health care for new hires is eliminated and the City will contribute to defined contribution savings accounts, longevity pay shall be reduced by 50% for new hires and long-term disability payments are reduced to 60% of base pay. Effective 7/1/11 SEIU Salaried employee group will contribute \$20/pay period and the Hourly employee group will contribute \$10/pay period towards health care costs.

It is recommended that the settlement agreements with noted changes be approved and that the appropriate City officials be authorized to implement the provisions of these agreements.

Formal collective bargaining agreements shall be prepared for signatures in the near future.

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

Adopted unanimously.

Subject: Settlement Agreements between City and AFSCME

Manager's Recommendation: Transmitted herewith for City Council approval is a settlement agreement reached between the City of Saginaw and the AFSCME Supervisory bargaining unit. This agreement covers contract amendments agreed to by the parties.

Justification: The most significant amendments are in wages, health care plan changes, employee health care contributions, reduction in long-term disability costs, drug rider reimbursement elimination, elimination of retiree health care for new hires and longer contract term. The settlement agreement resulted in a six (6) year contract beginning July 1, 2006 through June 30, 2012.

Wage adjustments amounting to 2.0% will be granted July 1, 2008 and 2009, with 1.5% granted for July 1, 2010 and 1.0% for July 1, 2011. Effective 4/1/09 the health care plan shall be changed to reflect higher deductibles and coinsurances. In an effort to reduce the City's un-funded liability, effective 7/1/09 retiree health care for new hires is eliminated and the City will contribute to defined contribution savings accounts, and long-term disability payments are reduced to 60% of base pay for all AFSCME employees. Effective 7/1/11 all active employees will contribute \$20/pay period towards health care costs.

It is recommended that the settlement agreement with noted changes be approved and that the appropriate City officials be authorized to implement the provisions of the agreement.

A formal collective bargaining agreement shall be prepared for signatures in the

near future.

Council Action: Councilman Branch moved the recommendation of the City Manager be approved, seconded by Councilwoman Kitterman-Miller.
Adopted unanimously.

ADJOURNMENT

At 10:24 p.m. Councilman Virciglio moved to adjourn the meeting, seconded by Councilman Branch.
Adopted unanimously.

Lynnette A. Hagen
Deputy City Clerk