

COUNCIL AGENDA

For

April 16, 2007, 6:30 p.m., Council Chamber

PLEASE NOTE: There will be a Committee of the Whole meeting today beginning at 5:00 p.m. Darnell Earley, City Manager, will give a status report on the 2006-07 Budget; and Darnell Earley and Police Chief Gerald Cliff will give an update on the Five-Point Continuous Improvement Plan for the Police Department.

ROLL CALL:

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

January 22, 2007 regular Council meeting, February 2, 2007 and February 3, 2007 Special Council meetings, February 5, 2007 and February 19, 2007 regular Council meetings.

ANNOUNCEMENTS:

PUBLIC HEARINGS:

PERSONAL APPEARANCES:

(A list will be provided on Monday)

REMARKS OF COUNCIL:

PETITIONS:

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES:

APPOINTMENT OF BOARDS AND COMMISSIONS MEMBERS:

REPORTS FROM MANAGER:

Management Update:

1. Mr. Duane Walker, Executive Director, will discuss the Saginaw Housing Commission.

2. Phil Karwat, City Engineer, will discuss the M-13 Streetscape and Relocation Project.

Recommended Actions:

1. Recommending that a purchase order be approved and issued to Computer Management Technologies in the amount of \$4,139.19 for the renewal of the annual IBM Hardware maintenance coverage for the City of Saginaw's iSeries midrange computer system. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Information Services Operating Services Account No. 658 1720 711 8005.
2. Recommending approval of the Agreement with Mahlberg and Brandt to provide legal services to the Community Development Block Grant Division. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Community Development and Block Grant Administration Legal Services Account No. 275 6510 761 8003.
3. Recommending approval of the Agreement between the City of Saginaw and Part D Advisors to perform Medicare Part D implementation services. Part D will assist the City in monitoring eligible drugs covered under Medicare Part D, in tracking eligible participants and in filing claims for reimbursement. This vendor meets all requirements of the contract compliance provisions. Funds are available in the General Fund Other Professional Services Account No. 101 1725 701 8001.
4. Recommending approval of the land contract with Ms. Brenda Dillard for the property located at 1903 Phelon, a single-family home.
5. Recommending authorization for the City Manager to execute and sign the Consumers Energy Agreement.
6. Recommending that payment be made to Michigan Cat in the amount of \$2,786.79 for emergency repairs to a wheel loader used in the Right of Way Division, Streets Operation. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Motor Pool Operations Fund Account No. 661 4480 841 7312.
7. Recommending acceptance of the low bid and that a contract be awarded to Mr. Asphalt & Seal Coating in the amount of \$42,050.00 for the 2006-07 Sidewalk Ramp Project. Works includes the installation of ADA compliant sidewalk ramps in the designated area for improvement within the City of Saginaw. This vendor meets all requirements of the contract compliance provisions. Funds are available in the CDBG Sidewalk Ramp Fund Account No. 275 6511 761 8330.

8. Recommending acceptance of the low bid and that a contract be awarded to Eric Construction in the amount of \$2,189,579.07 for the Gratiot Road 20" Water Transmission Main Construction. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Water Surplus Account No. 577 4740 881 9720 for fiscal year 2006-07 and will be budgeted in the Water Surplus Account No. 577 4740 881 9720 (HSC portion 75%) and the Water Bond Construction Projects Fund Account No. 598 4741 881 8047 (City's portion 25%) for fiscal year 2007-08.

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

1. An Ordinance to Amend §52.31, "Deposit Required" of Chapter 52, "Water" of Title V, "Public Works," of the Saginaw Code of Ordinances, O-1.

RESOLUTIONS:

1. Declaring the City's intent to issue revenue bonds in the principal amount of not to exceed \$11,500,000 for the purposes of defraying all or part of the cost of acquiring, constructing and installing improvements to the City's water supply system.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

Darnell Earley
City Manager

COUNCIL COMMUNICATION

From: The City Manager

Subject: Authorization for City Manager to sign Consumers Energy Agreement

Manager's Recommendation:

The City Manager is authorized to execute and sign Cost Agreement (Request #03070761) between Consumers Energy and the City of Saginaw on behalf of the City.

Justification:

On February 5, 2007, City Council approved a Cost Agreement (Request #03070761) between Consumers Energy ("Consumers") and the City of Saginaw ("City") for gas/electrical work at 6765 Gratiot Road (Gratiot Road Pump Station). The original request and recommendation to City Council was to have proper city officials be authorized to execute said agreement on behalf of the City. Pursuant to its normal procedure and past agreements with Consumers, the City provided a separate signature page including signatures from the Mayor, City Manager, City Attorney and City Clerk.

Recently, Consumers notified City staff that it only wanted the signature of one City official and it would not execute the current Agreement approved by Council with the four official signatures. The Agreement needs to be executed as soon as possible to move forward with the project and not cause any delay to construction. If Consumers had initially advised the City of this requirement, the original council communication would have requested Council to only authorize the City Manager to sign the Agreement on behalf of the City.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Mahlberg and Brandt Professional Services Agreement

Manager's Recommendation:

I recommend that the Agreement with Mahlberg and Brandt be approved to provide legal services to the Community Development and Block Grant Division. 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.

Funds for this Agreement are budgeted in Community Development and Block Grant Administration Legal Services Account Number 275-6510-761-8003.

Justification:

On September 10, 2001, City Council approved a five-year agreement with the firm of Mahlberg and Brandt to provide general legal services to the Community Development and Block Grant Division ("CDBG"). On July 14, 2003, City Council approved an amendment to the original agreement that extended it until 2007. The agreement has expired. Recently, CDBG issued a Request for Proposals (RFPs) for firms to submit bids to perform legal services on its behalf. Bids were opened on April 10, 2007 and City staff is in the process of reviewing the proposals.

Mahlberg and Brandt have agreed to provide services during this time period at an hourly rate of \$100.00, the same rate under the expired agreement. The new Agreement is for a period of nine months. In addition, it contains a thirty-day cancellation clause, which either party can exercise with written notice.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: IBM Hardware Maintenance

Manager's Recommendation:

Transmitted for your approval is a request from the Information Services Department for the renewal of annual IBM Hardware maintenance coverage for the City of Saginaw's iSeries midrange computer system. The cost for the renewal of the hardware maintenance coverage is \$4,139.19

I recommend that a purchase order be approved and issued to Computer Management Technologies (in city business), our assigned IBM business partner, in the amount of \$4,139.19.

Funds for this service have been budgeted and are available in Information Services Operating Services Account No. 658-1720-711.80-05.

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:

This renewal covers annual maintenance and repair for the leased IBM iSeries computer's hardware. This agreement with IBM is renewable upon annual payments budgeted in the appropriate account each fiscal year.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Emergency Repair To Wheel Loader

Manager's Recommendation:

I recommend that payment be made to Michigan Cat in the amount of \$2,786.79 for emergency repairs to a wheel loader used in the Right of Way Division, Streets operations.

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 are available in the Motor Pool Operations Fund Account No. 661-4480-841.73-12.

Justification:

On March 28, 2007, the Caterpillar wheel loader used in the daily operation of the Right of Way Division, Streets Operations needed to be repaired due to damage to a drive axle. As a front line piece of equipment, this loader is currently being used to pickup large limbs and trunks in the maintenance of City owned trees. Emergency repairs were necessary to return this loader to service as soon as possible to enable the division to return to the normal operation of two tree crews.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Eric Construction Inc. Contract

Manager's Recommendation:

I recommend that the low bid and contract (City Clerk's File _____) from Eric Construction Inc. ("Eric Construction") be approved in the amount of \$2,189,579.07. The contract is subject to the approval of the City Manager 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.

Funds for these services are budgeted in the Water Surplus Account No. 577-4740-881.97-20 for fiscal year 2006-2007 and will be budgeted in the Water Surplus Account No. 577-4740-881.97-20 (HSC portion-75%) and the Water Bond Construction Projects Fund Account No. 598-4741-881.80-47 (City's portion-25%) for fiscal year 2007-2008. (Project Number W06018).

Justification:

On March 27, 2007, the City received bids for the Gratiot Road 20" Water Transmission Main Construction. This project will install a new water main to service the expansion of Hemlock SemiConductor and increased water demand and reliability to the outlying communities. The bids were broken down into Division A for installing Ductile Iron pipe from Center Road along Gratiot to the River Crossing and then Division B installing Ductile Iron TR-Flex pipe from the River Crossing to the Gratiot Road Pump Station and then a Division B Alternate for installing HDPE pipe from the River Crossing to the Gratiot Road Pump Station. The Engineering recommendation is

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to accept Division A and Division B Alternate. Hemlock SemiConductor will pay for seventy-five percent (75%) of the cost of this project.

The following is a tabulation of the bids received and reviewed by the Purchasing Committee:

Eric Construction Inc. St. Charles, MI	\$ 2,189,579.07
Wooten Contracting Co. Hemlock, MI	\$ 2,534,883.75
Rohde Brothers Excavating, Inc Saginaw, MI	\$ 2,685,022.00
Triangle Excavating Co. Lake Orion, MI	\$ 2,843,080.50
*Meylan Excavating, Inc. Kawkawlin, MI	\$ 3,036,368.44
3S Construction Inc. Midland, MI	\$ 3,221,778.00

* Should be \$3,015,468.44 due to multiplication error

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Mr. Asphalt & Seal Coating Contract

Manager's Recommendation:

It is recommended that the low bid and contract (City Clerk's File _____) from Mr. Asphalt & Seal Coating be approved in the amount of \$42,050.00 for the 2006-07 Sidewalk Ramp project. The contract is subject to the approval of the City Manager 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.

Funds for this service are available in CDBG Sidewalk Ramp Fund Account No. 275-6511-761-8330 (Project Number 07H088).

Justification:

On March 20, 2007, the City received bids for the 2006-2007 CDBG Sidewalk Ramp project. Work includes the installation of ADA compliant sidewalk ramps in the designated area for improvement within the City of Saginaw. Following is a tabulation of bids received:

Mr. Ashphalt Birch Run, MI	\$42,050.00
Allen Contracting Saginaw, MI (out-City)	\$45,075.00
Wobig Construction Saginaw, MI (in-city)	\$53,325.00
John Beckert Construction Saginaw, MI (in-City)	\$88,250.00

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Sale of 1903 Phelon Street

Manager's Recommendation:

I recommend that the land contract with Ms. Brenda Dillard be approved and that the City Manager be authorized to execute the agreement. I have approved the agreement as to substance and the City Attorney has approved it as to form.

Justification:

The Department of Development has negotiated the sale of 1903 Phelon St., a single-family home. Ms. Brenda Dillard currently occupies the home located at this address along with three minor children. Ms. Dillard had occupied the home as a tenant of the prior owner. The previous owner failed to pay property taxes, and when no one purchased it at tax sale, it reverted to the City of Saginaw. Ms. Dillard would like to continue to live at this home and has offered to purchase it for the amount of \$10,000.00. The Department of Development looks at this as an opportunity to maintain an owner occupied home in the revitalization area, and return it to the tax rolls. Ms. Dillard is not able to obtain conventional financing at this time. Therefore, the City of Saginaw and Ms. Dillard would enter into a land contract pursuant to which she would make installment payments to the City of Saginaw. The term of the contract is five years. Payments will be amortized based on a 30-year amortization at 3% interest with a balloon payment at the end of five years at which time Ms. Dillard would pay the balance due. The house requires repairs and it would be difficult to sell this property on the open market, as demonstrated by the lack of interest at the tax sale. Ms. Dillard offered a fair price for the home and she has been living there for some time. It is clearly to the City's advantage to sell this property without competitive bidding.

Council Action:

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

COUNCIL COMMUNICATION

Manager's Recommendation: Approval of the resolution as follows:

Council _____ offered and moved adoption of the following resolution:

WHEREAS, the City of Saginaw (the "City") proposes to issue its tax-exempt revenue bonds ("Bonds") under Act 94, Public Acts of Michigan, 2001, as amended ("Act 94"), to finance water supply improvements as hereinafter described ("Project"); and

WHEREAS, it is anticipated that the City will advance all or a portion of the costs of the Project prior to the issuance of the Bonds, such advance to be repaid from proceeds of the Bonds upon the issuance thereof; and

WHEREAS, Section 1.150-2 of the Treasury Regulations on Income Tax ("Reimbursement Regulations") specifies conditions under which a reimbursement allocation may be treated as an expenditure of bond proceeds, and the City intends by this resolution to qualify amounts advanced by the City to the Project for reimbursement from proceeds of the Bonds in accordance with the requirements of the Reimbursement Regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Saginaw, Michigan, as follows:

1. The Project shall consist of water supply system improvements as follows

The replacement of water mains along Johnson Street, vacated Water Street, Hamilton Street, Woodbridge Street and Cherry and 6th Streets in the City; the replacement of a water main along Davis Road in Kochville Township; the construction of a new water main along M-46 in Saginaw Township and Thomas Township; the construction of improvements to the M-46 pump station in Thomas

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Township; the construction of improvements to the City's water treatment plant on Ezra Rust Drive; and the acquisition of electronic meter reading equipment.

2. The maximum principal amount of Bonds expected to be issued for the Project is \$11,500,000.

3. The City hereby declares its official intent to issue the Bonds to finance the costs of the Project, and hereby declares that it reasonably expects to reimburse the City's advances to the Project as anticipated by this resolution.

4. The Bonds shall be authorized by proper proceedings subsequent to this resolution.

5. The Clerk is hereby instructed to publish the notice attached hereto as Exhibit A once in *The Saginaw News*, a newspaper of general circulation in the City of Saginaw.

6. The Mayor or the City Manager is authorized, if necessary, to file with the Michigan Department of Treasury an application for permission to issue the Bonds.

7. All prior resolutions and parts of resolutions insofar as they may be in conflict with this resolution are hereby rescinded.

EXHIBIT A

NOTICE OF INTENT TO ISSUE BONDS BY THE CITY OF SAGINAW, MICHIGAN

NOTICE IS HEREBY GIVEN, that the City of Saginaw, Saginaw County, Michigan, intends to issue revenue bonds in the principal amount of not to exceed \$11,500,000 for the purposes of defraying all or part of the cost of acquiring, constructing and installing improvements to the City's water supply system (the "System"). The improvements shall consist of the following:

The replacement of water mains along Johnson Street, vacated Water Street, Hamilton Street, Woodbridge Street and Cherry and 6th Streets in the City; the replacement of a water main along Davis Road in Kochville Township; the construction of a new water main along M-46 in Saginaw Township and Thomas Township; the construction of improvements to the M-46 pump station in Thomas Township; the construction of improvements to the City's water treatment plant on Ezra Rust Drive; and the acquisition of electronic meter reading equipment.

The bonds will be payable in annual principal installments not to exceed twenty (20) in number and bear interest from their date at a rate or rates to be determined at the time of sale but in no event to exceed 8% per annum. Certain of the bonds may be subject to redemption prior to maturity.

The bonds will be issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, and a resolution of the City Council and will be payable from the net revenues of the System and any improvements, enlargements and extensions thereto, and a statutory lien on said revenues will be established by the resolution. The City of Saginaw will covenant and agree to fix and maintain at all times while any of the bonds shall be outstanding such rates for service furnished by the System as shall be sufficient to provide for payment of the necessary expenses of operation, maintenance and administration of the System and of the principal of and interest on the bonds when due, to create a bond and interest reserve account and to provide for such other expenditures and funds for the System as are required by the resolution authorizing the issuance of bonds.

RIGHT TO PETITION FOR REFERENDUM

This notice is given, by order of the City Council of the City of Saginaw, to and for the benefit of the electors and taxpayers of the City of Saginaw in order to inform them of their right to petition for a referendum upon the question of the issuance of the aforesaid bonds. The bonds will be issued, without submitting such a question to a vote of the electors, unless within 45 days after the date of publication of this notice, a petition requesting a referendum upon such question, signed by not less than 10% or

15,000 of the registered electors in the City of Saginaw, whichever is less, shall have been filed with the undersigned City Clerk. In the event that such a petition is filed, the bonds will not be issued unless and until the issuance thereof shall have been approved by the vote of a majority of the electors of the City of Saginaw qualified to vote and voting thereon at a general or special election.

FURTHER INFORMATION

Further information relative to the issuance of said bonds and the subject matter of this notice may be secured at the office of the City Clerk of the City of Saginaw, 1315 S. Washington Avenue, Saginaw, Michigan 48601.

This notice is given pursuant to the provisions of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended.

Diane Herman
City Clerk
City of Saginaw

Dated: April 16, 2007

COUNCIL COMMUNICATION

From: The City Manager
Subject: Part D Advisors Agreement

Manager's Recommendation:

I recommend approval of the Agreement between the City of Saginaw ("City") and Part D Advisors ("Part D") to perform Medicare Part D implementation services. The Agreement has been approved by the City Manager 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.

Funding for this Agreement is available in the General Fund Other Professional Services Account, Number 101-1725-701.80-01.

Justification:

The City is allowed to request reimbursement from the federal government for retiree drug subsidies. Part D will assist the City in monitoring eligible drugs covered under Medicare Part D, in tracking eligible participants and in filing claims for reimbursement. This Agreement will provide for Part D to assist the City with any or all services as may be necessary to assist the City in preparing and distributing the Part D notices of creditable coverage and in applying for the Medicare drug subsidy. The initial cost of this Agreement is a retainer of \$10,000.00, which will be applied against compensation due to Part D. For services as described in the Agreement, Part D's fee shall be an amount equal to thirty (30%) percent of the amount of each drug subsidy payment received by the City.

Council Action:

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