

Council Agenda

June 18, 2007, 6:30 p.m., Council Chamber

ROLL CALL:

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

ANNOUNCEMENTS:

PUBLIC HEARINGS:

Proposed Act 425 agreement between the City of Saginaw and Birch Run Township for the provision of treated water to Thomas Township and for revenue sharing between the two communities.

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:

1. Consideration of reappointing Kenneth W. Distler to the MBS International Airport Commission for a term to expire June 18, 2011 and ratifying and confirming all action taken by him on this Commission up to this date.

REPORTS FROM MANAGER:

Management Update:

1. Andre' Borrello will give a status of the water contract negotiations.

Recommended Actions:

1. Recommending that payment be made to Sungard HTE, Inc. in the amount of \$4,800.00 as an annual fee for an Electronic Learning Pass (Help) Card. The Help Card entitles city staff to unlimited access to more than 250 web-based classes. Sessions are usually not more than two hours in duration and are conducted in the Information Services training room. This vendor meets all

- requirements of the contract compliance provisions. Funds are budgeted in the Information Services Training and Development Account No. 658 1720 711 8090.
2. Recommending approval of the insurance proposal under Option #4 with Genesis Insurance Company for the City's Commercial General Liability, Law Enforcement Liability, Public Officials Liability and Automobile Liability; with Amerisure Insurance Company for Automobile Physical Damage; with Everest National Insurance Company and Allied Assurance Company (U.S.) Inc. for Excess Liability Policies; and Safety National Casualty Corporation for Excess Workers' Compensation & Employers Liability, effective July 1, 2007 through July 1, 2009, and that the City Manager or his designee be authorized to execute any and all necessary insurance documents under the plan.
 3. Recommending approval of a renewal of the Blue Cross Blue Shield of Michigan health insurance Administrative Services Contract effective July 1, 2007 and that the City Manager or his designee be authorized to sign the agreement on behalf of the City. Funds for health insurance premium payments are available under the 71 01 Health Insurance line items within each City department.
 4. Recommending approval of the Claims Service Contract with Alternative Service Concepts as the City's third party administrator for insurance claims for the period July 1, 2007 through June 30, 2008. The total contract price is a flat fee of \$54,570.00, which has not increased from last year. Funds are available in the Self-Insurance Fund, Insurance Expense Account No. 677 1762 711 8006.
 5. Recommending approval of the Urban Cooperation Agreement with Birch Run Township. This Agreement is a revenue sharing component of the Water Service Agreement between the two communities, which was executed on February 20, 2006 and will result in payments to the City of \$1,000.00 per new connection for each residential unit and from \$5,000.00 to \$20,000.00 for connections resulting from new non-residential developments.
 6. Recommending approval of a Water Service Agreement between the City of Saginaw and the City of Zilwaukee for potable water services. The City of Zilwaukee requires a secure source of water service into the future to assist development in its municipality. The City of Saginaw requires a customer commitment so that it can develop and construct the correct infrastructure to supply water. The City of Saginaw and the City of Zilwaukee have negotiated a 30-year Water Service Agreement.
 7. Recommending approval of the Urban Cooperation Agreement between the City of Saginaw and Tittabawassee Township. This Agreement is a revenue sharing component of the Water Service Agreement between the two communities, which will be executed contemporaneously with this Agreement. The Water Service Agreement requires Tittabawassee Township to make payments to the

City resulting from new residential, commercial, industrial and manufacturing developments within the Township.

8. Recommending approval of the Water Service Agreement between the City of Saginaw and Saginaw and Tittabawassee Township. The Water Service Agreement continues the City's policy of securing new long-term water agreements with wholesale customers within the context of revenue sharing. The water Service Agreement conditions the sale of water on securing revenue sharing agreements whereby the City will receive connection payments for new residential and non-residential developments requiring new water mains.
9. Recommending that payment be made to R S Technical Services, Inc. in the amount of \$4,523.00 for the emergency purchase of a chlorinator. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water Treatment Repairs and Replacements Account No. 591 4730 861 9720.
10. Recommending that a purchase order be approved and issued to Gwyer Repographics in the amount of \$5,061.24 for the purchase of blueprint and plotter supplies to be used by the Engineering Division. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the fiscal year 2008 Engineering Office Supplies Account No. 101 4611 781 7320.
11. Recommending acceptance of the bid and issuance of a purchase order to Red Holman Pontiac for a pickup truck with a snowplow and that the purchase order previously issued to this vendor for two other vehicles be increased by \$26,007.00 to a total of \$56,425.00. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Sewer Operation and Maintenance Account No. 590 4835 861 9770 (\$15,137.00), and the Sewer Operation and Maintenance Account No. 590 4830 861 9770 (\$15,281.00).
12. Recommending that the purchase order previously issued to Waste Management be reduced by \$26,250.00 and that a purchase order be issued and payments made to Champagne and Marx in an amount not to exceed \$26,250.00 for 5,000 cubic yards of debris hauling. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Catch Basin Cleaning Account No. 590 4822 861 8005 for fiscal year 2007 (\$6,250.00) and fiscal year 2008 (\$20,000.00)
13. Recommending acceptance of the low bid and issuance of a purchase order to Polydyne, Inc. in the amount of \$36,000.00 for fiscal year 2007-08 for the supply and delivery of 80,000 lbs. of liquid polymer to be used by the Water Treatment Division. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Water Treatment Operations Account No. 591 4730 861 7302.

14. Recommending acceptance of the bid from North American Salt Company, Inc. at the State-bid price and that a purchase order be approved and issued to them in the amount of \$38,808.55 for 1,011.7 tons for the purchase of road salt. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Municipal Streets Fund Account Nos. 202 4655 841 7340 and 203 4655 841 7340 and will be accounted for in the Salt Inventory Account No. 204 0000 171 1135.
15. Recommending acceptance of the low bid and issuance of a purchase order to PVS Nolwood Chemical, Inc. in the amount of \$73,710.00 for fiscal year 2007-08 for the supply and delivery of 182 tons of Hydrofluosilicic Acid to be used by the Water Treatment Division. Funds are budgeted in the Water Treatment Operations Account No. 591 4730 861 7302.
16. Recommending acceptance of the low bid and that a contract be awarded to CRS-Shaw Construction Company in the amount of \$129,890.50 for the Meridith, Holden and Water Streets Water Main replacement project. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the fiscal year 2008 Water Bond Construction Projects Fund Account No. 598 4741 881 8047.

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

1. An Ordinance to repeal §12.32 "Human Relations Commission," of Chapter 12, "Boards and Commissions," of Title I, "Administrative Code," of the City of Saginaw Code of Ordinances, O-1.
2. An Ordinance to amend Section §12.33, "Saginaw Human Planning Commission", of Chapter 12, "Boards and Commissions", of Title I, Administrative Code of the City of Saginaw Code of Ordinances, O-1.

RESOLUTIONS:

1. Approving Sam's Tavern, Inc. requests to transfer stock in 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI.
2. Approving the transfer of ownership of 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI, from Sam's Tavern, Inc. to Maria E. Rodriguez.
3. Authorizing the sale of alcoholic beverages in the block of 300 South Hamilton, a public property, during the Altered Skin Revolution annual fundraiser to be held July 21, 2007.

4. Approving the service of alcoholic beverages to patrons on public property in a fenced-in area on the City's sidewalk directly in front of 114-116 South Hamilton between July 1, 2007 and October 31, 2007, contingent upon the vendor receiving approval from the Michigan Liquor Control Commission.
5. Authorizing the sale of alcoholic beverages on the Downtown Morley Plaza, a public property, during the annual PRIDE Friday Night Live concerts to be held on July 13, July 20, July 27, August 3 and August 17, 2007.
6. Certifying the Saginaw County Department of Public Health' grant applications from HUD for its programs of lead hazard control and lead hazard reduction and authorizing the City Manager to execute all documents in connection with this application.
7. Supporting the implementation of the Keep Saginaw Beautiful Program.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

1. Motion to go into closed to consult with its attorney regarding trial and/or settlement strategy in connection with pending litigation in an employment case.

Darnell Earley
City Manager

COUNCIL COMMUNICATION

From: The City Manager

Subject: Blueprint and Plotter Supplies

Manager's Recommendation:

I recommend that ~~the third year option from Gwyer Reprographic to hold prices at the 2005-2006 level be accepted and~~ a purchase order be issued to Gwyer Repographics in the amount of \$5,061.24 for Fiscal Year ~~06/07~~2007-2008.

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 material are budgeted in the Engineering Office Supplies Account 101-4611-781-73.20

Justification:

On June 15, 2004, The City received a single bid for Blueprint and Plotter Supplies to be used by the Engineering Division from July 1, 2004 through June 30, 2005 and July 1, 2005 through June 30, 2006. There was a provision for a third year (July 1, 2006 through June 30, 2007) to hold the second year price and the company complied. The company was asked if they would honor the current bid prices for an additional year and they have complied with the request. These supplies are necessary for the operation of the Engineering Division's plotter and blueprint equipment.

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Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Insurance proposals for the City's Commercial General Liability, Law Enforcement Liability, Public Official Liability and Automobile Liability, Automobile Physical Damage and Excess Umbrella Liability Policies and Excess Workers' Compensation.

Manager's Recommendation:

I recommend approval of the insurance proposals under Option #4 with Genesis Insurance Company for the City's Commercial General Liability, Law Enforcement Liability, Public Officials Liability and Automobile Liability; with Amerisure Insurance Company for Automobile Physical Damage; with Everest National Insurance Company and Allied Assurance Company (U.S.) Inc. for Excess Liability Policies; and Safety National Casualty Corporation for Excess Workers' Compensation & Employers Liability, effective July 1, 2007 through July 1, 2008, and that I, and/or my designee, be authorized to execute any and all necessary insurance documents under the plan.

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

Funds for the insurance premiums are budgeted and spread over all departmental budgets. General and excess liability policies are charged against the division and/or department's budget pursuant to its size. Auto physical damage is charged to each division and/or department based on the number of vehicles assigned.

Justification:

Recently, Saginaw Bay Underwriters obtained quotes from the City's current insurance providers and various other insurance providers for Commercial General

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Liability, Law Enforcement Liability, Public Officials Liability, Automobile Liability, Excess Liability and Excess Workers' Compensation & Employers Liability. Their inquiries resulted in the following options:

Description of Coverage	Expiring Premium 06/07	Option #1 Renewal Premium	Option #2 Renewal Premium	Option #3 Renewal Premium	Option #4 Renewal Premium
<u>Genesis</u> Commercial General Liability, Law Enforcement Liability, Public Officials Liability and Automobile Liability	\$345,000.00 \$200,000 SIR	\$318,000.00 \$200,000 SIR	\$318,000.00 \$200,000 SIR	\$283,364.00 \$250,000 SIR	\$283,364.00 \$250,000 SIR
<u>Amerisure</u> Automobile Physical Damage	\$138,998.00	\$135,122.00	\$135,122.00	\$135,122.00	\$135,122.00
<u>Safety National</u> Excess Worker's Compensation	\$ 34,998.00	\$ 34,031.00	\$ 34,031.00	\$ 34,031.00	\$ 34,031.00
Umbrella – 1 st Layer Surplus Lines Tax <i>Limit:</i>	\$136,177.00 3,404.25 \$5,000,000	<u>Princeton</u> \$134,500.00 3,362.50 \$5,000,000	<u>Everest</u> \$204,830.00 N/A \$10,000,000	<u>Princeton</u> \$134,500.00 3,362.50 \$5,000,000	<u>Everest</u> \$194,590.00 N/A \$10,000,000
Umbrella – 2 nd Layer* Surplus Lines Tax <i>Limit:</i>	\$161,500.00 4,037.50 \$15,000,000	<u>Lexington</u> \$160,000.00 4,000.00 \$15,000,000	<u>Allied</u> \$ 66,900.00 1,697.50 \$10,000,000	<u>Lexington</u> \$160,000.00 4,000.00 \$15,000,000	<u>Allied</u> \$ 63,560.00 1,614.00 \$10,000,000
Total Estimated Premium	\$824,114.75	\$789,015.50	\$760,580.50	\$754,379.50	\$712,281.00
Savings over 2006/2007 premiums		(35,099.25)	(63,534.25)	(69,735.25)	(111,833.75)

Option #1. Maintains the \$200,000 SIR with Genesis Insurance Company for the City's Commercial General Liability, Law Enforcement Liability, Public Officials Liability and Automobile Liability and retains the City's current policies with Amerisure Insurance Company (Auto Physical Damage) and Safety National Casualty Corporation (Excess Workers' Compensation). The City would also retain its current umbrella policies with

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Princeton Excess and Surplus Lines Insurance Company to provide \$5,000,000 in liability coverage (after the first \$1,000,000 provided by Genesis) and Lexington Insurance for an additional \$15,000,000 in liability coverage. This option would save the City \$35,099.25 in insurance premiums.

Option #2. Maintains the \$200,000 SIR with Genesis Insurance Company for the City's Commercial General Liability, Law Enforcement Liability, Public Officials Liability and Automobile Liability and retains the City's current policies with Amerisure Insurance Company (Auto Physical Damage) and Safety National Casualty Corporation (Excess Workers' Compensation). However, replaces its current umbrella policies with that of Everest National Insurance Company to provide \$10,000,000 in liability coverage and Allied World Assurance Company (U.S.) Inc., to provide an additional \$10,000,000 in liability coverage. Substituting the \$5,000,000/\$15,000,000 umbrella policies with the \$10,000,000/\$10,000,000 policies provides additional savings to the City. The total amount saved in premiums under this option is \$63,534.25.

Option #3. Increases the SIR with Genesis Insurance Company for the City's Commercial General Liability, Law Enforcement Liability, Public Officials Liability and Auto Liability from \$200,000 to \$250,000 and retains the City's current policies with Amerisure Insurance Company (Auto Physical Damage) and Safety National Casualty Corporation (Excess Workers' Compensation), and Princeton Excess and Surplus Lines Insurance Company and Lexington Insurance for an additional \$5,000,000 and \$15,000,000 respectively in its umbrella liability coverage. This option would save the City \$69,735.25 in insurance premiums.

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Option #4. Increases the SIR with Genesis Insurance Company for the City's Commercial General Liability, Law Enforcement Liability, Public Officials Liability and Auto Liability from \$200,000 to \$250,000 and retains the City's current policies with Amerisure Insurance Company (Auto Physical Damage) and Safety National Casualty Corporation (Excess Workers' Compensation). However, replaces its current umbrella policies with that of Everest National Insurance Company to provide \$10,000,000 in umbrella liability coverage and Allied World Assurance Company (U.S.) Inc., to provide an additional \$10,000,000 in umbrella liability coverage. This option would save the City \$111,833.75 in insurance premiums.

Given the City's history, increasing the SIR with Genesis by \$50,000 would be recouped in less than two years.

All insurance carriers have excellent ratings according to the Best Guide, which determines the financial stability of insurance companies, and the quotes received were comparable to those of the industry standards.

As in the past, the City has opted to exclude coverage for terrorism losses under the Terrorism Risk Insurance Act of 2002.

Council Action:

Council____ moved that the recommendation from the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Liquor License for 2025 Lowell

Manager's Recommendation:

I recommend approval of the attached resolution that approves Sam's Tavern, Inc. requests to transfer stock in 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI 48601, Saginaw County, Thru (step 1) transfer stock (2005 licensing year) thru transfer of 600 shares from Norman Sowuleski to new joint stockholders, Rosemary A. Zissler and Norman Soweleski on 9-2-05; by dropping Norman Soweluski, deceased, as stockholder thru transfer of 2,400 shares to the Norman Sowuleski irrevocable trust: Rosemary A Zissler, successor trustee; and by dropping Norman Soweleski as joint stockholder with Rosemary A. Zissler (holding 600 shares of stock) on 11/9/05. (Step 2) Transfer stock by dropping the Norman Sowuleski irrevocable trust; Rosemary A. Zissler, successor trustee as stockholder thru transfer of 2,400 shares to existing stockholder, Rosemary A. Zissler.

Justification:

On or about January 18, 2007, the City received notice from the Michigan Liquor Control Commission of Sam's Tavern, Inc. requests to transfer stock in 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI 48601, Saginaw County, thru (step 1) transfer stock (2005 licensing year) thru transfer of 600 shares from Norman Sowuleski to new joint stockholders, Rosemary A. Zissler and Norman Soweleski on 9-2-05; by dropping Norman Soweluski, deceased, as stockholder thru transfer of 2,400 shares to the Norman Sowuleski irrevocable trust: Rosemary A Zissler, successor trustee; and by dropping Norman Soweleski as joint stockholder with Rosemary A.

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Zissler (holding 600 shares of stock) on 11/9/05. (Step 2) Transfer stock by dropping the Norman Sowuleski irrevocable trust; Rosemary A. Zissler, successor trustee as stockholder thru transfer of 2,400 shares to existing stockholder, Rosemary A. Zissler.

The Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division completed the necessary inspections and have approved 2025 Lowell 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," 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 Sam's Tavern, Inc., I hereby recommend approval of the stock transfer for 2025 Lowell Avenue.

Council Action:

This Council Communication is for informational purposes only to explain the Resolution in the subsequent part of the agenda.

COUNCIL COMMUNICATION

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

RESOLUTION TRANSFERRING LIQUOR LICENSE STOCK AT 2025 LOWELL

Council _____ offered and moved adoption of the following resolution:

WHEREAS, on or about January 18, 2007 the City Clerk's Office received a Local Approval Notice from the State of Michigan Liquor Control Commission; and

WHEREAS, said notice advised that Sam's Tavern, Inc. requests to transfer stock in 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI 48601, Saginaw County, thru (step 1) transfer stock (2005 licensing year) thru transfer of 600 shares from Norman Sowuleski to new joint stockholders, Rosemary A. Zissler and Norman Soweleski on 9-2-05; by dropping Norman Soweluski, deceased, as stockholder thru transfer of 2,400 shares to the Norman Sowuleski irrevocable trust: Rosemary A Zissler, successor trustee; and dropping Norman Soweleski as joint stockholder with Rosemary A. Zissler (holding 600 shares of stock) on 11/9/05. (Step 2) Transfer stock by dropping the Norman Sowuleski irrevocable trust; Rosemary A. Zissler, successor trustee as stockholder thru transfer of 2,400 shares to existing stockholder, Rosemary A. Zissler.

WHEREAS, the Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division have approved 2025 Lowell for this transfer.

NOW, THEREFORE, BE IT RESOLVED, that the City Council for the City of Saginaw by this Resolution does hereby approve the request to transfer stock in 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI 48601, Saginaw

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County, thru (step 1) transfer stock (2005 licensing year) thru transfer of 600 shares from Norman Sowuleski to new joint stockholders, Rosemary A. Zissler and Norman Soweleski on 9-2-05; by dropping Norman Soweluski, deceased, as stockholder thru transfer of 2,400 shares to the Norman Sowuleski irrevocable trust: Rosemary A Zissler, successor trustee; and dropping Norman Soweleski as joint stockholder with Rosemary A. Zissler (holding 600 shares of stock) on 11/9/05. (Step 2) Transfer stock by dropping the Norman Sowuleski irrevocable trust; Rosemary A. Zissler, successor trustee as stockholder thru transfer of 2,400 shares to existing stockholder, Rosemary A. Zissler be considered for approval.

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Liquor License for 2025 Lowell

Manager's Recommendation:

I recommend approval of the request to transfer ownership of 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI 48601, Saginaw County, from Sam's Tavern, Inc to Maria E. Rodriguez.

Justification:

On or about October 18, 2006, the City received notice from the Michigan Liquor Control Commission of a request to transfer ownership of 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI 48601, Saginaw County, from Sam's Tavern, Inc to Maria E. Rodriguez.

The Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division completed the necessary inspections and have approved 2025 Lowell 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," 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 Sam's Tavern, Inc., I hereby recommend approval of the transfer of ownership for 2025 Lowell Avenue.

Council Action:

This Council Communication is for informational purposes only to explain the attached Resolution.

COUNCIL COMMUNICATION

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

RESOLUTION TRANSFERRING LIQUOR LICENSE FOR 2025 LOWELL

Council _____ offered and moved adoption of the following resolution:

WHEREAS, on or about October 18, 2006 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 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI 48601, Saginaw County, from Sam's Tavern, Inc to Maria E. Rodriguez.

WHEREAS, the Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division have approved 2025 Lowell for this transfer.

NOW, THEREFORE, BE IT RESOLVED, that the City Council for the City of Saginaw by this Resolution does hereby approve the request to transfer ownership of 2006 Class C Licensed Business, located at 2025 Lowell, Saginaw, MI 48601, Saginaw County, from Sam's Tavern, Inc to Maria Rodriguez be considered for approval.

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Sungard HTE Electronic Learning Pass

Manager's Recommendation:

I recommend that payment be made to Sungard HTE Inc., in the amount of \$4,800 as an annual fee for an Electronic Learning Pass (Help) Card.

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 have been budgeted and are available in the Information Services Training and Development Account No. 658-1720-711.80-90.

Justification:

On June 5, 2006, City Council approved a project plan designed to improve the efficiency and utilization of the City's financial software system. The Reconnect Plan is a collaboration of the City and HTE and involves the implementation of new software versions, a review of module problem areas, correction of system setup and staff training. The costs and implementation of the plan have been spread over three budget years. A key element of the Reconnect is staff training. The Help Card entitles City Staff to unlimited access to more than 250 web-based classes. Sessions are usually not more than 2 hours in duration and are conducted in the Information Services training room. No travel costs are incurred for Web-based training.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Wastewater Replacement Pickup

Manager's Recommendation:

I recommend that the bid from Red Holman Pontiac for a 2500 series pickup with snowplow be accepted, and that the purchase order previously issued to this vendor for two other vehicles, be increased by \$26,007.00 to \$56,425.00.

This vendor meets all requirements of the Contract Compliance Provisions, Title1, Chapter 14 §14.35-14.44, of the Saginaw Code of Ordinances.

Funds for this truck (\$26,007.00) and the previously purchased 1500 Truck (\$15,137.00) are budgeted in the Sewer Operation and Maintenance Account No. 590-4835-861-9770, the Cargo Van (\$15,281.00) is budgeted in the Sewer Operation and Maintenance Account No. 590-4830-861-9770.

Justification:

The bid for this vehicle was awarded to the low bidder, Champion Chevrolet, and a purchase order issued in the amount of \$25,935.88. Champion Chevrolet has since advised that they cannot supply the vehicle as specified. Therefore, the next lowest bid, from Red Holman Pontiac, has been accepted.

	<u>Cargo Van</u>	<u>2500 Truck</u>	<u>1500 Truck</u>
Red Holman Pontiac Westland, MI	\$15,281.00	\$26,007.00	\$15,137.00
Champion Chevrolet Howell, MI	\$18,728.00	\$25,935.88	\$15,650.73

Council Action

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Street Sweeping Debris Hauling

Manager's Recommendation:

I recommend that the purchase order previously issued to Waste Management be reduced by \$26,250.00 and that a purchase order be issued and payments made to Champagne and Marx in an amount not to exceed \$26,250.00 for 5,000 cubic yards of debris hauling.

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

Funds for this operation are available in the Catch Basin Cleaning Account No. 590-4822-861.80-05 for fiscal year 2007 (\$6,250.00) and fiscal year 2008 (\$20,000).

Justification:

The City entered into a contract with Waste Management for Fiscal Years 2007 and 2008 to provide hauling and disposal services for street sweeping debris. Due to the arrangement Waste Management has with Champagne and Marx to supply the hauling portion of that bid, it is in the City's best interest to establish a purchase order with Champagne and Marx Excavating. This alleviates staff having to expedite separate payments and will save staff time and money to devote to other projects.

Council Action:

Council_____ moved that the recommendation of the City Manager be approved.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Water Treatment Plant Emergency Chlorinator Purchase

Manager's Recommendation:

I recommend that payment be made to R S Technical Services, Inc., Milford, Michigan, in the amount of \$4,523.00 for the emergency purchase of a chlorinator.

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 Water Treatment Repairs and Replacements Account No. 591-4730-861.97-20.

Justification:

On June 1, 2007 an emergency purchase order was issued to R S Technical Services, Inc., in the amount of \$4,523.00. The purchase order included the chlorinator, regulator and tank adaptor. The chlorinator was irreparably damaged when liquid chlorine from a defective chlorine tank entered the unit. Chlorinators are used to apply chlorine disinfectant to the process water. The loss of this chlorinator affects the chlorine dosage available at this point in the process. R S Technical Services, Inc. was chosen because they are the main supplier of chlorinators and repair parts for chlorinators used in the plant.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Water Treatment Plant Hydrofluosilicic Acid Purchase, Joint-Bid

Manager's Recommendation:

I recommend that the low bid from PVS Nolwood Chemical, Inc. be accepted and a purchase order be approved and issued to them in the amount of \$73,710.00 for fiscal year 2007-08 for the supply and delivery of 182 tons of Hydrofluosilicic Acid.

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 Water Treatment Operations Account No. 591-4730-861.73-02.

Justification:

On May 8, 2007, a joint-bid was received for the supply and delivery of 182 tons of Hydrofluosilicic Acid from July 1, 2007 through June 30, 2008. The joint-bid includes the City of Midland and Bay City Water Treatment Plants. Hydrofluosilicic Acid is used in the treatment process to aid in the prevention of dental cavities. The low bid price of \$405.00 per ton is an increase of 1.5% over the price paid for the same chemical during fiscal year 2006-07. Following is a tabulation of the bids that were received.

	<u>Per Ton</u>	<u>Total Bid</u>
PVS Nolwood Chemicals, Inc. Detroit, MI	\$405.00	\$73,710.00
Alexander Chemical Corporation Lisle, IL	\$473.00	\$86,086.00
Solvay Fluorides, LLC Houston, TX	\$490.00	\$89,180.00

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Water Treatment Plant Liquid Polymer Purchase

Manager's Recommendation:

I recommend that the low bid from Polydyne, Inc. be accepted and a purchase order be approved and issued to them in the amount of \$36,000.00 for fiscal year 2007-2008 for the supply and delivery of 80,000 lbs. of Liquid Polymer.

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 Water Treatment Operations Account No. 591-4730-861.73-02.

Justification:

On May 1, 2007, the City received three bids for the supply and delivery of 80,000 lbs. (178 fifty-five gallon drums) of Liquid Polymer from July 1, 2007 through June 30, 2008. Liquid Polymer is used as a coagulant aid to improve settling and filter efficiency for removal of particulate matter in the water treatment process. The low bid price of \$0.450 per lb. is an increase of 4.7% over the price paid for the same chemical during fiscal year 2006-07. Following is a tabulation of the bids received and reviewed by the Purchasing Committee:

	<u>Per Lb.</u>	<u>Total Bid</u>
Polydyne, Inc. Riceboro, GA	\$0.450	\$ 36,000.00
Nalco Company Naperville, IL	\$0.580	\$ 46,400.00
Pristine Water Solutions Waukegan, IL	\$0.580	\$ 46,400.00

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Authorization to Allow the Sale of Alcoholic Beverages in the 300 Block of South Hamilton

Manager's Recommendation:

I recommend approval of the attached Resolution authorizing the sale of alcoholic beverages in the block of 300 South Hamilton, a public property, during the Altered Skin Revolution annual fundraiser to be held on July 21, 2007.

Justification:

On July 21, 2007, the annual Altered Skin Revolution special event sponsored by the Drunken Monkey Tattoo will be held in the block of 300 South Hamilton. The event sponsor has requested that the City allow it to provide alcoholic beverages to its guests for sale during this special event. Title XIII, Section 132.01(C) of the Saginaw Code of Ordinances states that City Council can authorize the consumption of alcoholic beverages on public property if the vendor provides the following to the City:

- (1) The precise location where said beverages are to be sold and consumed;
- (2) The dates and times for said activities;
- (3) A proper state license for the sale and consumption of alcoholic beverages at the place and times listed in subsection (1) and (2) above;
- (4) Adequate public liability and property damage insurance for the benefit of the City with a company licensed to sell insurance by the state;
- (5) Such other insurance as the City Council deems adequate for the benefit of the City;
- (6) Adequate personnel to control the premises where the alcoholic beverages are to be sold and consumed; and
- (7) Such other reasonable requirements as said City Council deems appropriate.

COUNCIL COMMUNICATION

The vendor will provide the proper documents to the City by June 29, 2007. If the vendor fails to provide the documentation by the date specified above, it will not be allowed to sell alcoholic beverages in the block of 300 South Hamilton on July 21, 2007. The City will set insurance requirements and all insurance certificates must be reviewed and approved by the City Attorney prior to the event.

Council Action:

Council _____ moved the recommendation of the City Manager be approved and that a Resolution be adopted.

COUNCIL COMMUNICATION

RESOLUTION TO PERMIT THE SALE OF ALCOHOLIC BEVERAGES ON PUBLIC PROPERTY

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

Council _____ offered and moved adoption of the following resolution:

WHEREAS, the event sponsor plans to host its annual fundraiser in the block of 300 South Hamilton Street on July 21, 2007; and

WHEREAS, the event sponsor has requested that it be allowed to sell alcoholic beverages on public property; and

WHEREAS, City Council can provide authorization for the sale of alcoholic beverages on public property; and

WHEREAS, the vendor must provide certain documents prior to the event.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Saginaw hereby authorizes the sale of alcoholic beverages on public property during the fundraiser to be held on July 21, 2007, in the block of 300 South Hamilton Street, provided that the event sponsor provides the mandatory information listed in Title XIII, Section 132.01(C) of the Saginaw Code of Ordinances no later than June 29, 2007 to the proper City officials.

BE IT FURTHER RESOLVED, if the event sponsor does not provide the documents by June 29, 2007, it will not be allowed to sell alcoholic beverages in the block of 300 South Hamilton during the fundraiser.

BE IT FURTHER RESOLVED, that all insurance requirements will be set by the City and all insurance certificates must be reviewed and approved by the City Attorney prior to the event.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Claims Service Contract with Alternative Service Concepts.

Manager's Recommendation:

I recommend approval of the Claims Service Contract with Alternative Service Concepts as the City's third party administrator for insurance claims for the period July 1, 2007 through June 30, 2008.

The contract is approved by me as to substance and by the City Attorney as to form. Funds are available in the Self-Insurance Fund, Insurance Expense Account No. 677-1762-711-8006.

Justification:

Alternative Services Concepts, LLC (ASC) has been the City's third party administrator since the City first switched insurance carriers in 1995. The third party administrator reviews all claims and loss reports arising under the City's insurance policy and investigates, adjusts, settles, or resists all losses and/or claims with specific prior approval of the City. The contract is for one year from July 1, 2007 to June 30, 2008. The total contract price is a flat fee of \$54,570.00, which has not increased from last year. ASC will indemnify and hold the City harmless for any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of ASC or its employees, unless the complained of actions of ASC were taken at the specific direction of the City.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Authorization to Serve Alcoholic Beverages on Public Property Directly in front of 114-116 South Hamilton

Manager's Recommendation:

I recommend approval of the service of alcoholic beverages to patrons on public property in a fenced in area on the City sidewalk directly in front of 114-116 South Hamilton between July 1, 2007 and October 31, 2007, contingent upon the vendor, Miller on Hamilton, Inc. receiving approval from the Michigan Liquor Control Commission and that it furnishes the City the mandatory documents and proofs listed in §132.01(C), Chapter 131, Title XIII, of the Saginaw Code of Ordinances. Further, it is recommended that both the Michigan Liquor Control Commission and the City's resolutions be approved regarding this matter.

Justification:

Miller on Hamilton, Inc. requested and was issued an Encroachment Permit from the City Zoning Division to include the installation of a 4' semi-permanent fence on the City sidewalk directly in front of 114-116 South Hamilton. The vendor has further requested that it be allowed to serve alcoholic beverages in this fenced in area during the hours of its operation between July 1, 2007 and October 31, 2007.

Title XIII, Chapter 132, §132.01(C) of the Saginaw Code of Ordinances states that City Council can authorize the service of alcoholic beverages on public property if the vendor provides evidence of all of the following to the satisfaction of the City:

- (1) The precise location where said beverages are to be sold and consumed;
- (2) The date and times for said activities;

COUNCIL COMMUNICATION

- (3) A proper state license for the sale and consumption of alcoholic beverages at the place and times listed in subsections (1) and (2) above;
- (4) Adequate public liability and property damage insurance for the benefit of the City with a company licensed to sell insurance by the state;
- (5) Such other insurance as the City Council deems adequate for the benefit of the City;
- (6) Adequate personnel to control the premises where the alcoholic beverages are to be sold and consumed; and
- (7) Such other reasonable requirements as said City Council deems appropriate.

Miller on Hamilton, Inc. must provide the proper documents to the proper City officials by June 29, 2007. If Miller on Hamilton, Inc. fails to provide the documentation and does not receive approval from the Michigan Liquor Control Commission, it will not be allowed to serve alcoholic beverages in the encroachment area directly in front of 114-116 South Hamilton, during its hours of operation between July 1, 2007 and October 31, 2007.

There are two resolutions related to this matter. One resolution is the form required by the state. The City must use the attached, official resolution provided by the Michigan Liquor Control Commission. In addition, a separate resolution used by the City which provides specific requirements for Miller on Hamilton, Inc. is also included on the agenda for approval. That resolution does not have to be submitted to the Michigan Liquor Control Commission.

Council Action:

This Council Communication is for explanation purposes only of the Resolutions to be adopted.

COUNCIL COMMUNICATION

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

RESOLUTION TO PERMIT THE SERVICE OF ALCOHOLIC BEVERAGES ON PUBLIC PROPERTY AT 114-116 S. HAMILTON

Council _____ offered and moved adoption of the following resolution:

WHEREAS, City Council approved the liquor license transfer for 114-116 South Hamilton at a regular meeting held February 5, 2007; and

WHEREAS, the vendor, Miller on Hamilton, Inc. requested and was issued an Encroachment Permit from the City Zoning Division for 114-116 South Hamilton to include the installation of a 4' semi-permanent fence in a area on the City's sidewalk directly in front of 114-116 South Hamilton; and

WHEREAS, Miller on Hamilton, Inc. has further requested that it be allowed to serve alcoholic beverages in this fenced-in area during the hours of its operation between July 1, 2007 and October 31, 2007; and

WHEREAS, City Council can provide authorization for the service of alcoholic beverages on public property in accordance with §132.01(C), Chapter 131, Title XIII, of the Saginaw Code of Ordinances; and

WHEREAS, Miller on Hamilton, Inc. must provide certain proofs and documents as itemized under §132.01(C), Chapter 131, Title XIII, of the Saginaw Code of Ordinances and receives approval from the Michigan Liquor Control Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Saginaw hereby authorizes the service of alcoholic beverages on public property in a fenced-in area on the City's sidewalk directly in front of 114-116 South Hamilton,

COUNCIL COMMUNICATION

contingent upon Miller on Hamilton, Inc. providing to the City the mandatory documents and proofs listed in §132.01(C), Chapter 131, Title XIII, of the Saginaw Code of Ordinances and receives approval from the Michigan Liquor Control Commission.

BE IT FURTHER RESOLVED, if Miller on Hamilton, Inc. does not provide the aforementioned mandatory documents and proofs as itemized in §132.01(C), Chapter 131, Title XIII, of the Saginaw Code of Ordinances and does not receive approval from the Michigan Liquor Control Commission, it will not be allowed to serve alcoholic beverages in the encroachment area directly in front of 114-116 South Hamilton, Saginaw, Michigan, during its hours of operation between July 1, 2007 and October 31, 2007.

BE IT FURTHER RESOLVED, that all insurance requirements will be set by the City and all insurance certificates must be reviewed and approved by the City Attorney prior to the event.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Authorization to Allow the Sale of Alcoholic Beverages on the Downtown Morley Plaza

Manager's Recommendation:

I recommend approval of the attached Resolution authorizing the sale of alcoholic beverages on the Downtown Morley Plaza, a public property, during the annual PRIDE Friday Night Live concerts to be held on July 13th, July 20th, July 27th, August 3rd and August 17th, 2007.

Justification:

On July 13th, July 20th, July 27th, August 3rd, August 10th and August 17th, 2007, PRIDE will host its annual Friday Night Live concerts on the Downtown Morley Plaza, a public property. The sponsor has requested that the City allow it to sell alcoholic beverages during these special events on July 13th, July 20th, July 27th, August 3rd and August 17th, 2007, except for August 10th which is Kid's Night Out. Title XIII, Section 132.01(C) of the Saginaw Code of Ordinances states that City Council can authorize the sale of alcoholic beverages on public property if the vendor provides the following to the City:

- (1) The precise location where said beverages are to be sold and consumed;
- (2) The dates and times for said activities;
- (3) A proper state license for the sale and consumption of alcoholic beverages at the place and times listed in subsections (1) and (2) above;
- (4) Adequate public liability and property damage insurance for the benefit of the City with a company licensed to sell insurance in the State of Michigan;
- (5) Such other insurance as the City Council deems adequate for the benefit of the City;

COUNCIL COMMUNICATION

- (6) Adequate personnel to control the premises where the alcoholic beverages are to be sold and consumed; and
- (7) Such other reasonable requirements as said City Council deems appropriate.

The vendor will provide the proper documents to the proper City officials. If the vendor fails to provide the documentation by June 29, 2007, it will not be allowed to sell alcoholic beverages on the Downtown Morley Plaza. The City will set insurance requirements and all insurance certificates must be reviewed and approved by the City Attorney.

Council Action:

Council _____ moved the recommendation of the City Manager be approved and that a Resolution be adopted.

COUNCIL COMMUNICATION

RESOLUTION TO PERMIT THE SALE OF ALCOHOLIC BEVERAGES ON PUBLIC PROPERTY

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

Council _____ offered and moved adoption of the following resolution:

WHEREAS, PRIDE plans to sponsor its annual Friday Night Live concerts on the Downtown Morley Plaza on July 13th, July 20th, July 27th, August 3rd, August 10th and August 17th, 2007; and

WHEREAS, the event sponsor has requested that it be allowed to sell alcoholic beverages on the Downtown Morley Plaza on July 13th, July 20th, July 27th, August 3rd and August 17th, 2007, except for August 10th which is Kid's Night Out; and

WHEREAS, City Council can provide authorization for the sale of alcoholic beverages on public property; and

WHEREAS, the vendor must provide certain documents prior to the event.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Saginaw hereby authorizes the sale of alcoholic beverages on public property during PRIDE's annual Friday Night Live concerts to be held on July 13th, July 20th, July 27th, August 3rd and August 17th, 2007, except for August 10th which is Kid's Night Out, on the Downtown Morley Plaza, provided that the event sponsor provides the mandatory information listed in Title XIII, Section 132.01(C) of the Saginaw Code of Ordinances no later than June 29, 2007 to the proper City officials.

BE IT FURTHER RESOLVED, if the event sponsor does not provide the documents by the time specified above, it will not be allowed to sell alcoholic beverages on the Downtown Morley Plaza during its annual summer concert series.

BE IT FURTHER RESOLVED, that all insurance requirements be set by the City and all insurance certificates must be reviewed and approved by the City Attorney.

COUNCIL COMMUNICATION

From: The City Manager

Subject: CRS-Shaw Construction Company

Manager's Recommendation:

I recommend that the low bid and contract (City Clerk's File _____) from CRS-Shaw Construction Company be approved in the amount of \$129,890.50 for the Meredith, Holden and Water Streets Water Main replacement 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 these services are budgeted in the FY 2008 Water Bond Construction Projects Fund Account No. 598-4741-881.80-47 (Project Number WB 0801).

Justification:

On May 29, 2007, the City received bids for the Meredith, Holden and Water Streets Water Main replacement project. This project will replace the existing water main in the area to increase reliability of water service and allow for the expansion of the Michigan Cardiovascular Institute (MCVI) Phase Three construction.

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

CRS-Shaw Construction, Co. Kawkawlin, MI	\$ 129,890.50
Mead & Sons Contracting, Inc. Saginaw, MI (out-City)	\$ 152,920.70

COUNCIL COMMUNICATION

Geiersbach Construction, Inc. Freeland, MI	\$ 155,980.00
Rohde Brothers Excavating, Inc Saginaw, MI (out-City)	\$ 190,889.00
American Excavating, LTD Saginaw, MI (out-City1)	\$ 199,498.00
Mid-State Earthworks, Inc. Freeland, MI	\$ 202,787.87

Council Action:

Council _____ moved that the recommendation of 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 Saginaw County Department of Public Health is seeking grants from the Department of Housing and Urban Development ("HUD") for its programs of lead hazard control and lead hazard reduction; and

WHEREAS, HUD requires, as part of the application process, that the local jurisdiction certify that the proposed program is consistent with the jurisdiction's current approved Consolidated Plan ; and

WHEREAS, the City has determined that the program is in fact consistent,

NOW, THEREFORE, BE IT RESOLVED, that the City of Saginaw finds the program consistent with the current approved Consolidated Plan and that the City Manager is authorized to execute all documents in connection with this application.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Backup Road Salt for City Streets in the FY2007 Winter Season

Manager's Recommendation:

I recommend that the bid from North American Salt Company, Inc. be accepted at the State-bid price and that a purchase order be approved and issued to North American Salt Company, Inc. in the amount of \$38,808.55 for 1,011.7 tons for the purchase of road salt.

This vendor meets all requirements of State of Michigan Contract Compliance Policy, which supersedes the City of Saginaw's 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 Municipal Streets Fund Account Nos. 202-4655-841-73-40 and 203-4655-841-73-40 and will be accounted for in the Salt Inventory Account No. 204-0000-171.11-35.

Justification:

On April 18, 1977, City Council approved a cooperative purchasing agreement with the State of Michigan, which allows the City to purchase material and equipment at State-Bid pricing. The City has used this agreement to purchase road salt for ice control.

In addition to the 4,500 tons of salt purchased by the City to fill the salt storage facility, the City has contracted for an additional 1,500 tons of salt. This salt is necessary to insure that enough salt is available for City crews to de-ice the City streets while allowing enough salt to be left over for possible ice storms in the spring and the following fall.

North American Salt Company, Overland Park, Kansas was the low bidder at \$38.36 per ton. This price per ton includes the salt, weighing and loading, handling and the truck freight charges. This compares to a price of \$32.06 per ton for the bulk shipment of 4,500 tons received in October 2006.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Birch Run Township Urban Cooperation Agreement

Manager's Recommendation:

I recommend approval of the Urban Cooperation Agreement with Birch Run Township. This Agreement is a revenue sharing component of the Water Service Agreement between the two communities, which was executed on February 20, 2006. This Agreement has been approved by me as to substance and the City Attorney as to form.

Justification:

The Water Service Agreement requires Birch Run 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 an Urban Cooperation Agreement, which will result in payments to the City of \$1,000.00 per new connection for each residential unit and from \$5,000.00 to \$20,000.00 for connections resulting from new non-residential developments. The Birch Run Township Board of Trustees approved the Agreement on May 15, 2007.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: City of Zilwaukee Water Service Agreement

Manager's Recommendation:

I recommend Council approve a Water Service Agreement between the City of Saginaw and the City of Zilwaukee for potable water services. The Agreement has been approved by me as to substance and the City Attorney as to form.

Justification:

The City of Saginaw has water treatment and transmission facilities which it uses to supply potable water services to various wholesale customers, including the City of Zilwaukee. The City of Zilwaukee requires a secure source of water service into the future to assist development in its municipality. The City of Saginaw requires a customer commitment so that it can develop and construct the correct infrastructure to supply water. The City of Saginaw and the City of Zilwaukee have negotiated a thirty (30) year Water Service Agreement. The Agreement has already been approved by the City of Zilwaukee.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Urban Cooperation Agreement with Tittabawassee Township

Manager's Recommendation:

I recommend approval of the Urban Cooperation Agreement between the City of Saginaw and Tittabawassee Township. This Agreement is a revenue sharing component of the Water Service Agreement between the two communities, which will be executed contemporaneously with this Agreement. This Agreement has been approved by the City Manager as to substance and the City Attorney as to form.

Justification:

The Water Service Agreement requires Tittabawassee 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 an Urban Cooperation Agreement, which will result in payments to the City of \$2,000 per new connection for each residential unit and \$4,000 for connections resulting from new non-residential developments. The Tittabawassee Township Board of Trustees is scheduled to approve the Agreement on July 2, 2007.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Water Service Agreement with Tittabawassee Township

Manager's Recommendation:

I recommend approval of the Water Service Agreement between the City of Saginaw and Tittabawassee Township. This Agreement has been approved by the City Manager as to substance and the City Attorney as to form.

Justification:

The Water Service Agreement continues the City's policy of securing new long-term water agreements with wholesale customers within the context of revenue sharing. The Water Service Agreement conditions the sale of water on securing revenue sharing agreements whereby the City will receive connection payments for new residential and non-residential developments requiring new water mains. An additional requirement is imposition of City income tax on the employees of new businesses having 10 or more employees, which will be split on a 90%-10% basis with the Township. The Tittabawassee Township Board of Trustees is scheduled to approve the Water Service Agreement on July 2, 2007.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Blue Cross Blue Shield Administrative Services Contract

Manager's Recommendation:

Approval of a renewal of the Blue Cross Blue Shield of Michigan (BCBSM) health insurance Administrative Services Contract effective July 1, 2007 and that the City Manager or his designated representative be authorized to sign the contract on behalf of the City. This contract is subject to the approval of the City Manager as to substance and the City Attorney as to form.

Justification:

Effective benefit cost administration has become increasingly important as the City moves forward with its fiscal planning. The City has obtained the services of Public Employee Benefit Solutions (PEBS) to help us explore service efficiencies available from BCBMS. As a result, the City changed its contract with BCBSM on June 1, 2006 and entered into an Administrative Services Agreement. PEBS does not charge a fee for its recommendations and will only receive a fee paid by BCBSM, if its recommendations result in a cost savings to the City.

Funds for health insurance premium payments continue to be available under the 71-01 Health Insurance line items within each City department.

Council Action:

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