

## Council Agenda

June 20, 2011 6:30 p.m. Council Chamber

PRAYER AND PLEDGE OF ALLEGIANCE

ROLL CALL

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

June 6, 2011 regular Council meeting

ANNOUNCEMENTS:

PUBLIC HEARINGS:

PERSONAL APPEARANCES:

*(A list will be provided on Monday after 1:00 p.m.)*

REMARKS OF COUNCIL:

PETITIONS:

11-10 Naming of the new Bocce Courts to "Vincent J. Mauro Memorial Bocce Courts", located at the Andersen Water Park.

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES AND APPOINTMENT OF BOARD AND COMMISSION MEMBERS:

REPORTS FROM MANAGER:

Management Update:

1. Implementation of the Call Center portion of the City's reorganization.
2. Update on the City's Municipal Bond Rating.
3. Peter Ewend, SBU, to review City's insurance proposals for fiscal year 2010-2011.

Recommended Actions:

1. Recommending approval of the year-end 2010-2011 Budget Adjustment.
2. Recommending approval of Insurance proposals for the City's General Liability, Automobile Liability, Michigan No Fault, Employee Benefits Liability, Law Enforcement Liability, Public Officials Liability, Automobile Physical Damage, Excess Workers' Compensation & Employers Liability, and Excess (Umbrella) Liability Policy.
3. Recommending that the second amendment to the agreement between the County of Saginaw, the Mosquito Abatement Commission and the City of Saginaw be approved to include the installation of two additional antennas located on the County's radio tower. The antennas will receive video feed from the Police Departments RAPTOR, which it will own and maintain. The city will pay an additional \$800.00 per year to locate receivers on the Mosquito Abatement tower. Funds are available in the Department of Technical Services – IS Operating Services Account No. 658 1720 711 8005.
4. Recommending approval of the Request for Annual Delegation of School Inspection Authority to a Local Unit of Government for local annual school district inspections.
5. Recommending that the Department of Navy Notice of Renewal Government Lease be renewed for property located at 3500 Douglass Street for a one-year term.
6. Recommending approval of the parking lease agreement between the City of Saginaw and Aleda E. Lutze VA Medical Center for a 6-month period beginning April 1, 2011 through September 30, 2011. Cost of this agreement is \$250.00.
7. Recommending approval of the Ojibway Island User Agreement between the City of Saginaw and Chris Scott for an event to be held on July 2, 2011 for a flat fee of \$700. The event sponsor will pay the City \$1.00 for every admission ticket sold at the event.
8. Recommending payment be made to CPS Human Resource Services in the amount \$4,318.00 for the purchase of 328 entry-level firefighter examinations administered by the Office of Employees Services on May 24, 2011. Funds are available in the General Fund Employee Services Professional Services Account No. 101 1725 701 8001
9. Recommending that a blanket purchase order be approved and issued to Warwick Cleaners in the amount of \$7,000 for annual dry cleaning services for Community Public Safety Fire Personnel. Funds are available in the

Community Public Safety – Fire Suppression Division’s Operation Services Account No. 101 3551 751 8005.

10. Recommending that a blanket purchase order be approved and issued to Tire Centers LLC in the amount of \$8,000 for the purchase and maintenance of tires for fiscal year 2012. Funds are available in the Community Public Safety Fire Apparatus Operation/Maintenance Division’s, Motor Vehicle Supplies Account No. 101 3554 751 7312.
11. Recommending blanket purchase orders be approved and issued to Douglass Safety Systems LLC in the amount of \$10,000 for the purchase of Micro Blaze Out Foam and \$4,700 for ISI self-contained breathing equipment parts for fiscal year 2012. Funds for this purchase are available in the Community Public Safety Fire Suppression Parts and Supplies Account No. 101 3551 751 7330.
12. Recommending that a blanket purchase order be approved and issued to Frontline Services in the amount of \$110,000 and Diesel Truck Sales in the amount of \$35,000 to provide preventative maintenance and emergency repairs to fire apparatus for fiscal year 2012. The maintenance will cover the Fire Department’s six pumpers and three aerial apparatus. Funds are available in the Community Public Safety Fire Apparatus Operation/Maintenance Division’s Motor Vehicle Repairs Account no. 101 3554 751 8042.
13. Recommending that the low bid from Michigan Police Equipment be accepted and a purchase order be issued to them in the amount of \$21,025 for the purchase of training and duty ammunition for the Community Public Safety – Police for fiscal year 2012. Funds for the purchase are available in the Drug Forfeiture Funds/Parts and Supplies Account No. 264 3040 731 7330.
14. Recommending that the low bid from Coach’s Restoration be accepted and a purchase order be issued to them in the amount of \$2,100.91 for fiscal year 2011-12 and \$2,132.42 for fiscal year 2012-13 for the cleanup of the small arms range for the Community Public Safety – Police. Funds for this purchase are available in Community Public Safety – Police Administrative Services Division’s. Operating Services Account No. 101 3512 721 8005.
15. Recommending that a purchase order be approved and issued to Gale Fire Protection in the amount of \$3,700 for the purchase of fire extinguishers for fiscal year 2011. The purchase will provide replacement fire extinguishers for City Hall, Public Services, Cemeteries, Police Department, Japanese Garden, Andersen Enrichment Center and the Civitan Recreation Center. Funds for this purchase are available in the Facilities Maintenance Operations Parts and Supplies Account No. 101 7575 821 7330 (\$1,660), Public Services Building Parts and Supplies Account No. 641 4439 811 7330 (\$1,802) and the Cemeteries Parts and Supplies Account No. 101 1747 821 7330 (\$238).

16. Recommending payment be made to Abele's Greenhouse in the amount of \$4,000 for the purchase of flowers and supplies used during the Keep Saginaw Beautiful Week, May 14-22, 2011. Funds for this purchase are available in the Public Services Administration Operating Services Account No. 101 4610 781 8005.
17. Recommending that a purchase order be approved and issued to Waste Management in an amount not to exceed \$20,000 for the rental of mixed waste and recycling containers for fiscal year 2012. The schedule is based on 12 monthly pickups with 2 additional pickups for cleanup weeks. Funds are available in the Rubbish Collection Fund – Rubbish Collection Division's Operating Services Account No. 226 4582 841 8005.
18. Recommending that a blanket purchase order be approved and issued to Michigan Pipe and Valve in the amount of \$2,500 for an annual supply of miscellaneous watermain parts for fiscal year 2012. Funds for this purchase are available in Water Operation and Maintenance Fund – Maintenance and Service Division's, Parts and Supplies Account No. 591 4721 861 7330.
19. Recommending that a purchase order be approved and issued to HACH Company in the amount of \$3,469.88 for water analyses services using on-line and benchtop instruments for fiscal year 2012. The Water Treatment Division is required to perform continuous and periodic free chlorine analyses. Funds are available in the Water Operation and Maintenance, Treatment and Pumping Division's, Operating Services Account No. 591 4730 861 8005.
20. Recommending that a purchase order be approved and issued to HACH Company in the amount of \$3,708 for a Total Organic Carbon (TOC) analyses Field Service Plan (FSP) for fiscal year 2012. The FSP will include a HACH technician to provide quarterly servicing, calibration and all replacement and repair parts needed for Total Organic Carbon analyses. Funds are available in the Water Operation and Maintenance Fund – Treatment & Pumping Division's Operating Services Account No. 591 4730 861 8005.
21. Recommending that a purchase order be approved and issued to Michigan Department of Environmental Quality (MDEQ) in the amount of \$4,000 for water analysis and laboratory services for fiscal year 2012. Funds are available in the Water Operation and Maintenance Fund – Treatment and Pumping Division's, Operating Services Account No. 591 4730 861 8005.
22. Recommending that a blanket purchase order be approved and issued to Applied Industrial in the amount of \$5,000 for manufacture specialty repair parts (gears) for transmission main line valves for fiscal year 2012. Funds for this purchase are available in the Water Operation and Maintenance Fund –

Maintenance and Service Division's, Parts and Supplies Account No. 591 4721 861 7330.

23. Recommending that the low bid from Michigan CAT be accepted and a purchase order be approved and issued in the amount of \$8,997 for load bank testing located in the Water Treatment Plant's Pump Room for fiscal year 2011. The load bank testing is necessary to determine the generator's capability to continue to provide power at specified levels. Funds for this purchase are available in the Water Treatment Operations and Maintenance Fund – Treatment and Pumping Division's Professional Services Account No. 591 4730 861 8001.
24. Recommending that the low bid from Michigan Pipe and Valve be accepted and a purchase order be issued to them in the amount of \$12,000 for an annual supply of manhole blocks to be used in the construction and repair of the City's combined sewer system and water distribution system for fiscal year 2012. Funds for this purchase are available in the Sewer and Maintenance Fund – Maintenance and Service Division's, Parts and Supplies Account No. 590 4821 861 7330.
25. Recommending that the low bid from Nalco Company be accepted and a purchase order be issued to them in the amount of \$19,600 for the supply and delivery of 20,000 pounds of Liquid Poly DMDAAC Polymer for fiscal year 2012. The joint-bid includes the City of Midland Water Treatment Plant. Funds for this purchase are available in the Water Operation and Maintenance Fund – Treatment and Pumping Division's, Chemicals Account No. 591 4730 861 7302.
26. Recommending the bid extension from JCI Jones Chemical, Inc. be accepted and purchase orders issued to them in the amount of \$10,208 for liquid chlorine for the Water Treatment Plant and \$21,054 for liquid chlorine for the Wastewater treatment Plant for fiscal year 2011. Funds are budgeted in the Water Operation and Maintenance Fund, Treatment and Pumping Division's Chemicals Account No. 591 4730 861 7302 (\$10,208) and the Sewer Operation and Maintenance Fund, Treatment and Pumping Division's Chemicals Account No. 590 4830 861 7302 (\$21,054).
27. Recommending that the low bid from PVS Nolwood be accepted and a purchase order be issued to them in the amount of \$115,570 for the supply and delivery of 182 tons of Hydrofluosilicic Acid for fiscal year 2012. Funds for this purchase are available in the Water Operation and Maintenance Fund – Treatment and Pumping Division's Chemicals Account No. 591 4730 861 7302.
28. Recommending that the low bid from PVS Technologies be accepted and a purchase order be issued to them in the amount of \$102,000 for the supply

and delivery of 250 tons of Liquid Ferric Chloride for the fiscal year 2012. Liquid Ferric Chloride is used as a primary coagulant in the water treatment process for improved particulate removal. Funds for this purchase are available in the Water Operation and Maintenance Fund – Treatment & Pumping Division's Chemicals Account No. 591 4730 861 7302.

29. Recommending that the low bid from JCI Jones Chemical, Inc. be accepted and purchase orders be issued to them in the amounts of \$52,360 for the Water Treatment Division and \$134,750 for the Wastewater Treatment Division for fiscal year 2012; and \$52,360 for the Water Treatment Division and \$134,750 for the Wastewater Treatment Division for fiscal year 2013 for the supply of liquid Sodium Hypochlorite. Funds for this purchase are available in the Water Operation Fund – Treatment and Pumping Division's Chemicals Account No. 591 4730 861 7302 (\$52,360) and the Sewer Operations and Maintenance Fund – Division's Remote Facilities Chemicals Account No. 590 4835 861 7302 (\$134,750).

#### INTRODUCTION OF ORDINANCES:

#### CONSIDERATION AND PASSING OF ORDINANCES:

1. An Ordinance to amend the official City map by vacating a 118.78' portion of the alley located between 2903 South Washington Avenue and 308 Hess Avenue, located in the City of Saginaw and to retain therein an easement for public utilities, cable TV, and telecommunications, to be added to the table of Special ordinances, Section II, alley vacations, of the Saginaw Code of Ordinances.
2. An ordinance to add Paragraph (H) be added to §94.04, "Animals, Birds and Bees," of Chapter 94, "Nuisances: Health and Safety," of Title IX, "General Regulations" of the Saginaw Code of Ordinances O-1.
3. An ordinance to add §94.11-§94.17, "Dangerous Dogs" to Chapter 94, "Nuisances: Health and Safety," of Title IX, "General Regulations" of the Saginaw Code of Ordinances O-1.

#### RESOLUTIONS:

1. Authorizing the City of Saginaw's intent to assign fund balance under the Governmental Accounting Standards Board (GASB) Statement #54.
2. Authorizing the sale of alcoholic beverages on Ojibway Island during The Love Festival, an event to be held on July 2, 2011.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

Darnell Earley  
City Manager

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Chris Scott Ojibway Island User Agreement

**Manager's Recommendation:**

I recommend approval of the Ojibway Island User Agreement (Agreement) between the City of Saginaw (City) and Chris Scott ("Event Sponsor"). The Agreement is approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

On July 2, 2011 Chris Scott will host a Saginaw Love Festival on Ojibway Island (Ojibway). The Event Sponsor will pay the City a flat fee of Seven Hundred Dollars and 00/100 (\$700.00), for the rental of Ojibway. The Event Sponsor will charge participants admission to the festival and sell alcoholic beverages.

Therefore, the parties have agreed that the Event Sponsor will pay the City One Dollar and 00/100 (\$1.00) per ticket. Furthermore, the Event Sponsor must provide an insurance certificate and liquor liability license to the City. The Event Sponsor must provide a liquor liability license to the City because it plans to sell alcoholic beverages to participants.

**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 on Ojibway Island

**Manager's Recommendation:**

I recommend approval of a Resolution authorizing the sale of alcoholic beverages on Ojibway Island, which is public property, during the Saginaw Love Festival, to be held on July 2, 2011.

**Justification:**

On July 2, 2011, the Saginaw Love Festival will be held on Ojibway Island. The festival is a fundraiser for the Saginaw Mural Project. 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 event sponsor will provide the proper documents to the City by June 21, 2011. If it fails to provide the documentation by the date specified, the event sponsor will not be allowed to sell alcoholic beverages on July 2, 2011, during the Saginaw Love Festival. The City has set insurance requirements and all insurance certificates must be reviewed and approved by the City Attorney prior to the event.

**Council Action:**

This council communication is for explanation purposes only of the resolution to be adopted.

# COUNCIL COMMUNICATION

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

## **RESOLUTION TO PERMIT THE SALE OF ALCOHOLIC BEVERAGES ON OJIBWAY ISLAND**

Council \_\_\_\_\_ offered and moved adoption of the following resolution:

WHEREAS, Chris Scott plans to hold a festival on Ojibway Island on July 2, 2011; and

WHEREAS, Chris Scott requested that he be allowed to sell alcoholic beverages to participants on public property; and

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

WHEREAS, Chris Scott 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 Saginaw Love Festival to be held on July 2, 2011 on Ojibway Island, provided that Chris Scott provides the mandatory information listed in Title XIII, Section 132.01(C) of the Saginaw Code of Ordinances no later than June 21, 2010, to the proper City officials.

BE IT FURTHER RESOLVED, if Chris Scott does not provide the documents by the stated date, he will not be allowed to sell alcoholic beverages during the event on July 2, 2011.

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Payment to Abele's Greenhouse

**Manager's Recommendation:**

I recommend that payment be made to Abele's Greenhouse for the purchase of flowers and supplies used during the Keep Saginaw Beautiful Week in the amount of \$4,000.

This vendor meets all requirements of §14.23, " Vendors", of "Purchasing, Contracting, and Selling Procedure", of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this service are available in the Public Services Administration Operating Services Account No. 101-4610-781 8005.

**Justification:**

On May 31, 2011 a purchase order was issued to Abele's Greenhouse in the amount of \$4,000. Abele's provided the flowers and supplies for the annual citywide beautification and cleanup blitz during the week of May 14-22, 2011. Abele's has provided flowers, pots, and miscellaneous gardening supplies for this event for several years.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** ROW Annual Supply Of Manhole Blocks

**Manager's Recommendation:**

I recommend that the low bid received from Michigan Pipe and Valve be accepted and a purchase order be issued to them in the amount of \$12,000.00 for fiscal year 2012.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are available in the Sewer Operation and Maintenance Fund - Maintenance and Service Division's, Parts and Supplies Account No. 590-4821-861.73-30 and will be accounted for through the Water Inventory Account No. 591-0000-171.11-30.

**Justification:**

The Right of Way Division, Maintenance and Service section, received bids from two vendors for an annual supply of 6,000 manhole blocks to be used in the construction and repair of the City's combined sewer system and water distribution system. Michigan Pipe and Valve bid exceeded the specifications for block strength; Municipal Supply's did not. Therefore, they did not meet the bid specifications. Following is a tabulation of the bids received and reviewed by the Purchasing Committee:

Michigan Pipe and Valve Zilwaukee Mich.	\$12,000.00
Municipal Supply Portland Mich.	\$10,500.00

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Blanket Purchase Order For Michigan Pipe and Valve

**Manager's Recommendation:**

I recommend that a blanket purchase order be approved and issued to Michigan Pipe and Valve in the amount of \$2,500.00 for an annual supply of miscellaneous water main parts for fiscal year 2012.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Water Operation and Maintenance Fund - Maintenance and Service Division's, Parts and Supplies Account No. 591-4721-861.73-30.

**Justification:**

The Maintenance and Service Division requires miscellaneous water main parts throughout the year for water main emergencies or repairs, which may not be in inventory. A local vendor with an established blanket purchase order allows that flexibility.

**Council Action:**

Council\_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Annual Purchase Order for Waste Management

**Manager's Recommendation:**

I recommend acceptance of the quote and issuance of a purchase order to Waste Management for fiscal year 2012 in an amount not to exceed \$20,000.00 for the rental, haul and disposal of mixed waste and recycling containers.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds are budgeted in the Rubbish Collection Fund – Rubbish Collection Division's, Operating Services Account No. 226-4582-841.80-05.

**Justification:**

Waste Management is our current provider for curbside rubbish and yard waste pickup through 2014, with a contract through the Mid Michigan Waste Authority, of which the City of Saginaw is a member. The Streets Section of the Right of Way Division is continuing operations of the convenience station at the Public Works Service Center. A 30 cubic yard mixed waste container and a 25 cubic yard compartmentalized recycling box with monthly pickup will be available for residents on a monthly basis. The schedule is based on 12 monthly pickups with 2 additional pickups for cleanup weeks. Additional funds are included for containers and boxes if the demand presents itself. The initial costs are as follows:

30 Yard Container	Rent \$50.00/Monthly	\$600.00
	Haul and Disposal/Load (\$275.00x14)	\$3,850.00
25 Yard Recycling	Rent \$100.00/Monthly	\$1,200.00
	Haul to FCR (275.00 x 14)	<u>\$3,850.00</u>
	Total	\$9,500.00

**Council Action**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Blanket Purchase Order For Applied Industrial Technologies, Inc.

**Manager's Recommendation:**

I recommend that a blanket purchase order be approved and issued to Applied Industrial in the amount of \$5,000.00 for fiscal year 2012.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Water Operation and Maintenance Fund - Maintenance and Service Division's, Parts and Supplies Account No. 591-4721-861.73-30.

**Justification:**

The Maintenance and Service Division requires the services of this firm to manufacture specialty repair parts (gears) for transmission main line valves throughout the fiscal year. An efficient way of purchasing these items is to establish a blanket purchase order. This allows the front line divisions to purchase items required to complete the job.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.



# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** HACH Reagent Distribution Plan

**Manager's Recommendation:**

I recommend that a purchase order be approved and issued to HACH Company in the amount of \$3,469.88 for fiscal year 2012 for water analyses using on-line and benchtop instruments.

This vendor meets all requirements of §14.23, " Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in Water Operation and Maintenance, Treatment and Pumping Division's, Operating Services Account No. 591-4730-861.80-05.

**Justification:**

The Water Treatment Division performs Total Organic Carbon (TOC) and Free Chlorine Residual (Cl-) analyses using HACH Company on-line and benchtop instruments. TOC analysis of finished water is an indication of water quality. The Environmental Protection Agency (EPA) and Michigan Department of Environmental Quality (MDEQ) require continuous and periodic free chlorine analyses. The requested reagents are on a one-year Reagent Distribution Plan (RDP) for automatic quarterly delivery, and include shipping costs. Since these analyzers require the use of HACH Company chemical reagents, the competitive bidding process was foregone.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** HACH TOC Field Service Plan

**Manager's Recommendation:**

I recommend that a purchase order be approved and issued to HACH Company in the amount of \$3,708.00 for fiscal year 2012 for a Field Service Plan, to include quarterly servicing, calibration and all replacement and repair parts.

This vendor meets all requirements of §14.23, " Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this service are budgeted in the Water Operation and Maintenance Fund – Treatment & Pumping Division's Operating Services Account No. 591-4730-861.80-05.

**Justification:**

The Water Treatment Division performs Total Organic Carbon (TOC) analyses using a HACH Company on-line instrument. TOC analysis of finished water is an indication of water quality. This analyzer receives periodic servicing by a HACH technician under a Field Service Plan (FSP), which will provide quarterly servicing, calibration and all replacement and repair parts. The quoted price is a 6% decrease from the price paid during fiscal year 2011.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Water Treatment MDEQ Laboratory Analysis

**Manager's Recommendation:**

I recommend that a purchase order be approved and issued to the Michigan Department of Environmental Quality (MDEQ) in the amount of \$4,000.00 for fiscal year 2012 for water analysis and laboratory services.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are available in the Water Operation and Maintenance Fund – Treatment and Pumping Division's Operating Services Account No. 591-4730-861.80-05.

**Justification:**

The Water Treatment Plant is mandated to perform various routine tests as a result of several Environmental Protection Agency (EPA) and Michigan Department of Environmental Quality (MDEQ) regulatory requirements. Copies of the results must be furnished to the MDEQ and local county health departments. The MDEQ laboratory performs most of the required testing in their laboratory and sends copies of the results to the appropriate regulatory agencies. Further, any alternate laboratories would have to be certified by the MDEQ to perform the analysis. Due to the fact that the MDEQ requires submittal of this information and performs the analysis in their laboratory, the competitive bidding process was forgone. The cost for analysis of the required tests at the MDEQ laboratory is comparable to other private laboratories.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Water Treatment Plant Liquid PolyDMDAAC Polymer Purchase, Joint-Bid

**Manager's Recommendation:**

I recommend that the sole bid from the Nalco Company be accepted and a purchase order be approved and issued to them in the amount of \$19,600.00 for fiscal year 2012 for the supply and delivery of 20,000 pounds of Liquid PolyDMDAAC Polymer.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in Water Operation and Maintenance Fund, Treatment and Pumping Division's Chemicals Account No. 591-4730-861.73-02.

**Justification:**

On June 7, 2011, a joint-bid was received for the supply and delivery of 20,000 pounds of Liquid PolyDMDAAC Polymer from July 1, 2011 through June 30, 2012. The joint-bid includes the City of Midland Water Treatment Plant. Liquid PolyDMDAAC Polymer is a liquid form used as a coagulant aid in the water treatment process for improved removal of suspended particles. The low bid price of \$0.98 per pound is an increase of 69% compared to the price paid for the same chemical during fiscal year 2010. Please note that there is a possible escalation/de-escalation in the bid price after 6 months. We may order our full quantity by that point or we may choose to rebid if an escalator is proposed. Following is a tabulation of the bid received:

	<u>Per Lb.</u>	<u>Total Bid</u>
Nalco Company Naperville, IL	\$0.98	\$19,600.00

**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 be accepted and a purchase order be approved and issued to them in the amount of \$115,570.00 for fiscal year 2012 for the supply and delivery of 182 tons of Hydrofluosilicic Acid.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in Water Operation and Maintenance Fund, Treatment and Pumping Division's Chemicals Account No. 591-4730-861.73-02.

**Justification:**

On June 7, 2011, a joint-bid was received for the supply and delivery of 182 tons of Hydrofluosilicic Acid from July 1, 2011 through June 30, 2012. The joint-bid includes the City of Midland and Bay Metro Water Treatment Plants. Hydrofluosilicic Acid is a liquid form of fluoride used in the treatment process to aid in the prevention of dental cavities. The low bid price of \$635.00 per ton is a decrease of 62.3% compared to the price paid for the same chemical during fiscal year 2011. Following is a tabulation of the bids received:

	<u>Per Ton</u>	<u>Total Bid</u>
PVS Nolwood Detroit, MI	\$635.00	\$115,570.00
Mosacic Corporation Lithia, FL	\$709.00	\$129,038.00
Solvay Fluorides Houston, TX	\$953.00	\$173,446.00
Key Chemical Waxhaw, NC	\$989.00	\$179,998.00

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Water Treatment Ferric Chloride Purchase, Joint Bid

**Manager's Recommendation:**

I recommend that the low bid from PVS Technologies be accepted and a purchase order be approved and issued to them in the amount of \$102,000 for fiscal year 2012 for the supply and delivery of 250 tons of Liquid Ferric Chloride.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Water Operation and Maintenance Fund, Treatment & Pumping Division's Chemicals Account No. 591-4730-861.73-02.

**Justification:**

On June 7, 2011, a joint-bid was received for the supply and delivery of 250 tons of Liquid Ferric Chloride from July 1, 2011 through June 30, 2012. The joint-bid also included the City of Midland-Water and Wastewater, West Bay County and Bay City-Wastewater Plants. Liquid Ferric Chloride is used as a primary coagulant in the water treatment process for improved particulate removal. The cost is a 29.4% decrease compared to the price paid for the same chemical during fiscal year 2011. Following is a tabulation of the bids received:

	<u>Per Ton</u>	<u>Total Bid</u>
PVS Technologies Detroit, MI	\$408.00	\$102,000.00
Kemira Water Lawrence, Kansas	\$445.00	\$111,250.00

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Aleda E. Lutze VA Medical Center Parking Lease

**Manager's Recommendation:**

Transmitted herewith is a parking lease agreement (City Clerk's File \_\_\_\_\_) between the City of Saginaw and the Aleda E. Lutze VA Medical Center ("VAMC") to enter into a parking lease agreement. The lease is for 6 months beginning April 1, 2011 through September 30, 2011.

The agreement has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

Several years ago, the City and the VAMC entered in a parking lease agreement. The agreement allows VAMC staff, patients and visitors to park in the lot located directly east of the VAMC. The agreement provides for annual rent of \$500.00 to be paid to the City and for a 60-day notice of cancellation of the lease by either party, payment would be \$250.00 for this 6-month agreement. At this time the VAMC and the City of Saginaw are exploring options to improve the parking area. This 6-month extension will give both parties time to write a long-term agreement. In addition, the VAMC agrees to pay for all improvement and maintenance to the parking lot and shall indemnify the City against all liability for any and all claims for personal injury, property damage or bodily injury.

**Council Action**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Fire Extinguishers

**Manager's Recommendation:**

I recommend that a purchase order be issued and payment be made to Gale Fire Protection in the amount of \$3,700.00 for fiscal year 2011.

This vendor meets all requirements of §14.23, "Vendors," of "Purchasing, Contracting, and Selling Procedures," of Chapter 14, "Finance and Purchasing," of Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are available in the Facilities Maintenance Operations Parts and Supplies Account No. 101-7575-821-73-30 (\$1,660.00), Public Service Building Parts and Supplies Account No. 641-4439-811-73-30 (\$1,802.00), and Cemeteries Parts and Supplies Account No. 101-1747-821-73-30 (\$238.00).

**Justification:**

All current fire extinguishers located at City Hall, Public Services, Cemeteries, Police Department, Japanese Garden, Anderson Enrichment Center and the Civitan Recreation Center have been inspected and found to be close to or out-of-date and must be replaced per the N.F.P.A. Fire Code. Following is a tabulation of the bids submitted for replacement of 109 five-pound dry chemical fire extinguishers:

Gale Fire Protection Freeland, MI	\$34.00 per unit
Vanguard Fire & Security Systems Grand Rapids, MI	\$35.00 per unit
Mid-Michigan Fire Protection West Branch, MI	\$39.50 per unit





# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Department of Navy Notice of Renewal of Government Lease

**Manager's Recommendation:**

I recommend that the Department of Navy ("Navy") Notice of Renewal of Government Lease ("Lease") be renewed. The City recently received a Lease from the Navy for renewal of property located at 3500 Douglass Street. The Navy is seeking to renew the lease for a one-year term from October 1, 2011 through September 30, 2012. The City Manager has approved the lease as to substance and the City Attorney as to form.

**Justification:**

The Navy leases 7.39 acres of land from the City located at 3500 Douglass Street, which is known as the Naval Reserve Center. The land is used to train reserves and an office is located on the land, which is used for recruiting. The parties entered into the original lease on October 18, 1985. The lease stated the Navy would pay the City \$1.00 for annual rent and other legal consideration. Further, there is a clause, which states that the lease was renewable for 49 additional one (1) year terms at the same rate. In addition, the lease states the Navy is only required to send the City a letter stating that it wants to renew the lease.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

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

**RESOLUTION DELEGATING AUTHORITY TO ASSIGN FUND BALANCE UNDER  
GASB STATEMENT #54, FUND BALANCE REPORTING AND GOVERNMENTAL  
FUND TYPE DEFINITIONS**

Council \_\_\_\_\_ offered and moved adoption of the following resolution:

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, which changes terminology used for fund balance reporting on the balance sheets of Governmental Funds; and

WHEREAS, the GASB Statement No. 54 creates the category of “assigned” fund balance, which is used to report amounts constrained by the City’s intent to use the amounts for a specific purpose, but which are neither restricted nor committed as defined by GASB statement No. 54; and

WHEREAS, GASB Statement No. 54 allows governmental entities to designate an official to assign portions of fund balance for specific uses; now

THEREFORE, BE IT RESOLVED that the City Council of the City of Saginaw hereby authorizes the City Manager to indicate the City of Saginaw’s intent to assign fund balance for a specific purpose for financial reporting purposes.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Certifications for Local School Inspections

**Manager's Recommendation:**

I recommend that the City of Saginaw approve the application of a Request for Annual Delegation of School Inspection Authority to a Local Unit of Government and authorize the Mayor to execute the document. I further request that the Mayor be given blanket authorization to sign similar applications until June 30, 2012.

**Justification:**

All plan review, construction and inspection of public and private schools are normally performed by the State of Michigan. There is a significant backlog at the state level, and the Michigan Department of Licensing and Regulatory Affairs allows a local inspection if both the school district and local unit of government agree. Construction is ready to proceed and the school district is agreeable to a local inspection to expedite the process. The City of Saginaw is ready and capable to perform these inspections and reviews and the process would bring additional revenues to the City. In the future, the Mayor may need to sign additional applications and certifications and the continuing authority would allow this without the need to have the matter brought back to Council on each occasion.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Purchase of Sodium Hypochlorite

**Manager's Recommendation:**

I recommend that the low bid from JCI Jones Chemical Inc. be accepted and purchase orders issued to them in the amounts of \$52,360.00 for the Water Treatment Division and \$134,750.00 for the Wastewater Treatment Division for a total of \$187,110.00 for fiscal year 2012 and \$52,360.00 for the Water Treatment Division and \$134,750.00 for the Wastewater Treatment Division for a total of \$187,110.00 for fiscal year 2013.

This vendor meets all requirements of §14.23, "Vendors," of "Purchasing, Contracting, and Selling Procedures," of Chapter 14, "Finance and Purchasing," of Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds are budgeted in the Water Operation and Maintenance Fund -Treatment and Pumping Division's Chemicals Account No. 591-4730-861.73-02 (\$52,360.00) and the Sewer Operations and Maintenance Fund - Division's Remote Facilities Chemicals Account No. 590-4835-861.73-02 (\$134,750.00) for fiscal year 2012 and will be budgeted in the same accounts for fiscal year 2013.

**Justification:**

On May 31, 2011 the City of Saginaw received bids for a supply of liquid Sodium Hypochlorite for fiscal years 2012 and 2013. Sodium Hypochlorite is used in the Water Treatment Division to disinfect treated water and in the Wastewater Treatment Division to disinfect discharges from the Remote Treatment Basins. This is an 18% increase over fiscal year 2011. Following is a tabulation of the bids that were received:

# COUNCIL COMMUNICATION

	FY2012	FY2013
JCI Jones Chemicals Inc. Riverview, MI	\$187,110.00	\$187,110.00
K.A. Steel Chemical Lemont, IL	\$193,607.00	No Bid
PVS Nolwood Detroit, MI	\$225,990.00	\$225,990.00
Alexander Chemical Corporation Lisle, IL	\$235,710.00	No Bid

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Purchase of Chlorine

**Manager's Recommendation:**

I recommend that the bid extension from JCI Jones Chemical Inc. be accepted and purchase orders issued to them in the amounts of \$10,208.00 for the Water Treatment Plant and \$21,054.00 for the Wastewater Treatment Plant for a total of \$31,262.00 for fiscal year 2012.

This vendor meets all requirements of §14.23, "Vendors," of "Purchasing, Contracting, and Selling Procedures," of Chapter 14, "Finance and Purchasing," of Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this material are budgeted in the Water Operation and Maintenance Fund, Treatment and Pumping Division's Chemicals Account No. 591-4730-861.73-02 (\$10,208.00) and the Sewer Operation and Maintenance Fund, Treatment and Pumping Division's Chemicals Account No. 590-4830-861.73-02 (\$21,054.00).

**Justification:**

On March 31, 2010 the Saginaw Midland Municipal Water Supply Corporation received bids for a supply of liquid chlorine for Fiscal Year 2011, including the City of Saginaw Water Treatment and Wastewater Treatment Plants, to be used for disinfection. JCI Jones Chemical has offered to extend their bid price for fiscal year 2012 and the Saginaw Midland Municipal Water Supply Corporation has accepted. The proposed cost is a 10.4% decrease from fiscal year 2010.

Following is a tabulation of the bids that were received:

JCI Jones Chemicals Inc. Riverview, MI	\$37,642.00
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Alexander Chemical Corporation Lisle, IL	\$46,551.00
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**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Generator Load Bank Testing

**Manager's Recommendation:**

I recommend that the low bid from Michigan CAT be accepted and a purchase order be approved and issued to them in the amount of \$8,997.00 for fiscal year 2011.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Water Treatment Operations and Maintenance Fund – Treatment and Pumping Division's Professional Services Account No. 591-4730-861.80-01.

**Justification:**

On April 12, 2011, the City received bids for load bank testing of its back up power generators located in the Water Treatment Plant's (WTP) Pump Room. Due to the lack of elevated storage the generators are critical to the WTP's capability to provide reliable pressure to the water system. The generators also allow the WTP to continue to treat water in the event of power loss. The load bank testing is necessary to determine the generators' capability to continue to provide power at specified levels. The generators were installed in the mid 80's and are due for evaluation. Following is a tabulation of the bids received and reviewed by the Purchasing Committee:

	<u>Total Bid</u>
Michigan CAT Novi, MI	\$ 8,997.00



# COUNCIL COMMUNICATION

Wolverine Power Systems Wixom, MI	\$13,120.00
Kraft Power Corp. Gaylord, MI	\$19,000.00
PM Technologies Wixom, MI	\$20,411.00
Cummins Bridgeway New Hudson, MI	\$50,000.00

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the  
City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Purchase of Entry-Level Firefighter Tests

**Manager's Recommendation:**

I recommend that payment be made to CPS Human Resource Services in the amount of \$4,318.00 for the purchase of 328 entry-level Firefighter examinations administered by the Office of Employee Services on May 24, 2011.

This vendor meets all requirements of §14.23, "Vendors," of "Purchasing, Contracting, and Selling Procedures," of Chapter 14, "Finance and Purchasing," of Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for these tests were budgeted and are available in the General Fund Employee Services Professional Services Account No. 101-1725.701-80.01.

**Justification:**

The CPS Human Resource Services of Sacramento, California specialize in the needs of government and not-for-profit agencies. The City has used this vendor for both police and fire testing for the past 10 years. They provide industry-leading employment testing and assessment services designed to ensure content relevance. Utilization of this vendor provides continuity in our applicant assessment program.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Clean Up of the Small Arms Range-Community Public Safety-Police

**Manager's Recommendation:**

I recommend that the low bid from Coach's Restoration be accepted and a purchase order be issued in the amount of \$2,100.91 for 2011-12 and \$2,132.42 for 2012-13, for the cleanup of the Small Arms Range for the Community Public Safety-Police.

This vendor meets all requirements of §14.23, " Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Community Public Safety-Police Administrative Services Division's, Operating Services Account No. 101-3512-721-80-05.

**Justification:**

On March 15, 2011, the City received bids for the environmental clean up (lead) of the Community Public Safety-Police Small Arms Range. Lead is a hazardous material, and a known health risk. Lead is managed under OSHA standards Sec. 1910.1025 *Lead*. As protection for the employees, this has to be cleaned to reduce any health hazard.

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

	<u>FY2012</u>	<u>FY2013</u>
Coach's Restoration Bay City, MI	\$2,100.91	\$2,132.42

# COUNCIL COMMUNICATION

Pro-Tech Environmental Grand Rapids, MI	\$2,750.00	\$2,750.00
Northern Environmental Consultants Calumet, MI	\$3,921.00	\$3,921.00
Best Technology Systems, Inc. Plainfield, IL	\$4,870.00	\$4,915.00
Success Enterprise Muskegon, MI	\$5,590.00	\$5,590.00
Greene Bay Lead, Inc. Green Bay, WI	\$6,000.00	\$6,000.00
Environmental Maintenance Engineering Inkster, MI	\$6,840.00	\$6,840.00
Asbestos Abatement Incorporated Lansing, MI	\$7,860.00	\$8,410.00
Global Green Service Group Rockwood, MI	\$9,600.00	\$9,600.00

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Community Public Safety-Police Department Training and Duty Ammunition

**Manager's Recommendation:**

I recommend approval of the low bid and issuance of a purchase order to Michigan Police Equipment, Charlotte, MI in the amount of \$21,025.00 for the purchase of training and duty ammunition for the Community Public Safety-Police.

This vendor meets all requirements of §14.23, " Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Drug Forfeiture Funds / Parts and Supplies, Account No. 264-3040-731.73-30.

**Justification:**

On May 31, 2011 the City received bids for the purchase of training and duty ammunition for the Community Public Safety-Police, for fiscal year 2012.

Following is a tabulation of the bids received and viewed by the Purchasing Committee:

Michigan Police Equipment Company Charlotte, MI	\$21,025.00
Vance Outdoors Columbus, OH	\$23,943.60
CMP Distributors, Inc. Lansing, MI	\$25,486.92
Grace Ammo, LLC Eagle, CO	Disqualified
Pierce Munitions, LLC Hamburg, NY	Disqualified
Ruag Ammotec USA Tampa, FL	Disqualified

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Douglass Safety Micro Blaze Out Foam & ISI Parts

**Manager's Recommendation:**

I recommend that blanket purchase orders be approved and issued to Douglass Safety Systems LLC in the amount of \$10,000.00 for the purchase of Micro Blaze Out Foam and \$4,700.00 for the purchase of ISI Parts.

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 and available in the Community Public Safety – Fire Suppression Parts and Supplies Account No. 101-3551-751.73-30.

**Justification:**

The Community Public Safety - Fire Operations Division uses Micro Blaze Out Foam that enhances penetration of water during extinguishment and is also biodegradable and can be used for hazardous waste clean up. Community Public Safety – Fire uses ISI self-contained breathing equipment exclusively and Douglass Safety Systems is a sole source provider of ISI parts.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Fire Department Apparatus Repairs

**Manager's Recommendation:**

I recommend that blanket purchase orders be issued to Frontline Services of Freeland, MI in the amount of \$110,000, and Diesel Truck Sales of Saginaw, MI in the amount of \$35,000.00 (for a total of \$145,000.00) to meet the needs of the department's six pumpers and three aerial apparatus for emergency repairs and preventative maintenance for fiscal year 2012.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1," "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for repairs and vehicle maintenance are budgeted in the Community Public Safety – Fire Apparatus Operation/Maintenance Division's, Motor Vehicle Repairs Account No. 101-3554-751.80-42.

**Justification:**

Outside vendor services are used to mechanically maintain and repair the Community Public Safety – Fire fleet. These two vendors possess the expertise and certifications necessary for fire apparatus repairs.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Uniform Dry Cleaning

**Manager's Recommendation:**

I recommend that a blanket purchase order be approved and issued to Warwick Cleaners in the amount of \$7,000.00 for annual dry cleaning services for Community Public Safety – Fire personnel.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are available in the Community Public Safety – Fire Suppression Division's Operating Services Account No. 101-3551-751.80-05.

**Justification:**

Uniform Dry Cleaning Service is required by the labor agreement between I.A.F.F. Local Union 102 and the City of Saginaw for command staff personnel. This vendor has met all service requirements for dry cleaning services for the past contract period and has demonstrated dependability and integrity in business transactions.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.



# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Tires for Saginaw Fire Department Apparatus

**Manager's Recommendation:**

I recommend that a blanket purchase order be approved and issued to Tire Centers LLC, of Saginaw, MI, in the amount of \$ 8,000.00 for the purchase of tires for the Community Public Safety - Fire fleet for fiscal year 2012.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing, of "Title 1," "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Community Public Safety – Fire Apparatus Operation/Maintenance Division's, Motor Vehicle Supplies Account No. 101-3554-751.73-12.

**Justification:**

Maintaining proper care of tires on Community Public Safety - Fire fleet is necessary and critical for the safety of department personnel and the residents of the City of Saginaw and in maintaining critical service levels.

**Council Action:**

Council\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** 2011 Year-End Budget Adjustment

**Manager's Recommendation:**

It is recommended that the 2010/2011 Adjusted Budget for the following funds be amended:

The overall General Fund (101) should be increased by a net \$595,519.00. The following details the adjustments:

- The Election Services Revenue Account, No. (101-0000-532.61-30) will increase from \$0.00 to \$11,110.00 for FY 2011. The City received a check from Saginaw County for the election that was held on May 3, 2011. The increase in revenues will be offset by increased expenditures in the General Fund's Election Division.
- The Office of the City Attorney's Claims and Judgment Account No. (101-1734-701.80-74) will be increased from \$0.00 to \$36,250.00. This increase in expenditures is due to the continual clean-up of the Self-Insurance Fund by the City's Controllers Office and the reallocation of expenditures to the appropriate department/division. This increase will be offset by savings from within the general fund.
- Community Public Safety Police and Fire budget will increase by \$610,998.00. This increase in expenditures is primarily attributed to the retirement of 8 police officers and 2 firefighters. This increase will be offset by savings from within the general fund.

# COUNCIL COMMUNICATION

- The Operating Transfer to the Insurance Fund Account, No. (101-9660-771.87-05) should be decreased by \$284,313.00 from \$284,313.00 to \$0.00. This is due to ongoing financial constraints on the general fund, which does allow for the appropriation.
- The Operating Transfer to the Public Safety Grant Fund Account, No. (101-9660-771.87-04) should be increased by \$19,268.00 from \$184,482.00 to \$203,750.00. This operating transfer to the Public Safety Grants will cover any anticipated shortfalls.
- The Federal Reimbursement/Medicare Reimbursement Account, No. (101-0000-513.59-10) should be increased by \$967,353.00 from \$270,000.00 to \$1,237,353.00. During FY 2011, the Department of Employee Services aggressively pursued healthcare reimbursement for early retiree healthcare expenditures as well as credits and refunds for prescription drugs. The increase in revenues will be partially offset by an increase in the administration fee for the Medicare Part D in the General Fund's Retiree Health – Operating Services Account, No (101-8510-771.80-05) in the amount of \$202,206.00.

The Major Street (202) Fund should be increased by \$145,979.00. Due to the clean-up of the City's financial reports, Fiscal Services has been able to assess all expenditures that impact all funds. This increase reflects the appropriation of unemployment costs, the recognition of parts and supplies inventory for traffic engineering that was cited in the FY 2010 annual report; and the purchase of military

# COUNCIL COMMUNICATION

time for one employee. The increase in expenditures will be offset by the appropriation of unrestricted and undesignated fund equity

The Local Street (203) Fund should be increased by \$2,749.00. Due to the clean-up of the City's financial reports, Fiscal Services has been able to assess all expenditures that impact all funds. This increase reflects the appropriation of unemployment costs. The increase in expenditures will be offset by the appropriation of unrestricted and undesignated fund equity

The Rubbish Collection (226) Fund should be increased by \$55,907.00. These funds will be utilized to cover the severance payout (compensatory time and paid time off) of a retiring employee from the Compost Division as well as the purchase of military time for one employee. The increase in expenditures will be offset by the appropriation of unrestricted and undesignated fund equity

The Commerce Center DDA Fund (242) should be increased by \$1,264.00. This increase is due to a larger pay out for tax increment payment. This increase in expenditures will be offset by available undesignated and unrestricted fund balance.

The Sexton LDFA Fund's (256) Use of Fund Equity, Account No. (256-0000-680.00-00) should be increased from \$0.00 to \$652.00. This increase will cover the larger than expected tax increment payment.

The Community Policing Fund (260) should be increased from \$1,198,671.00 to \$1,210,152.00; which equates to an increase of \$11,481.00. This increase is attributed to an increase to the General Fund subsidy to cover the cost of police officers in the fund.

# COUNCIL COMMUNICATION

The Department of Justice – JAG Grant (263) Fund should be decreased by \$29,046.00. This decrease is due to a reduction in the amount of federal grants that will be received.

The Saginaw Treatment and Prevention Services (TAPS) Fund (265) should be increased by \$7,787.00. This increase is attributed to an unexpected revenue shortfall which must be covered by an increase in General Fund subsidy to cover the grant program.

The Community Development Block Grant (CDBG) Fund (275) should be increased by \$53,398.00. This increase is due to the retirement of one employee in FY 2011 as well as the recognition of unemployment costs. The increase in expenditures will be offset by carryover monies.

The CDBG Home Program Fund (278) should be increased from \$1,637,060.00 to \$1,643,058.00, which is an increase of \$5,998.00. This increase is due to the retirement of one employee in FY 2011. The increase in expenditures will be offset by carryover monies.

The Sewer Operations and Maintenance Fund (590) should be increased from \$31,958,336.00 to \$37,301,636.00, which is an increase of \$5,343,300.00 for FY 2011. Because the City has been able to clean up its financial reports, the budget reflects the cost of depreciation, provision for losses, and unemployment. These expenditures, in the past, have always impacted the fund but were not recognized until the closing of the fiscal year. Additionally, monies have been appropriated for three employees who will retire prior to June 30, 2011 as well as the purchase of military time for one employee.

# COUNCIL COMMUNICATION

Available unrestricted and undesignated retained earnings will offset the increase in expenditures.

The Water Operations and Maintenance Fund (591) should be increased from \$31,337,144.00 to \$32,941,854.00 which is an increase of \$1,604,710.00 for FY 2011. Because the City has been able to clean up its financial reports, the budget reflects the cost of depreciation and provision for losses. These expenditures, in the past, have always impacted the fund but were not recognized until the closing of the fiscal year. Additionally, monies have been appropriated for three employees who will retire prior to June 30, 2011 as well as unemployment costs. Available unrestricted and undesignated retained earnings will offset the increase in expenditures.

The Public Works Building Fund's (641) Sale of Junk Account, No. (641-0000-532.62-36) should be increased from \$404.00 to \$2,904.00. This increase will be offset by an increase in the same amount to the Parts and Supplies Account, No. (641-4439-811.73-30).

The Motor Pool Operations Fund's (661) should be increased from \$2,545,314.00 to \$2,558,966.00, which equates to a \$13,652.00 increase. This increase is due to an allocation for unemployment. Available unrestricted and undesignated retained earnings will offset the increase in expenditures.

The Unfunded Liability Fund (674) will be decreased by \$300,763.00. This decrease is due to the reduction in the contributions to the AXA Program.

The Police and Fire Pension Fund (732) Gain on Investments Account, No. (732-0000-605.67-50) should be increased from \$0.00 to \$25,852,007.00. This increase is a

# COUNCIL COMMUNICATION

reflection of how well the Police and Fire Pension stock portfolio has been performing during FY 2011.

The Self-Insurance Fund (677) should be increased from \$1,528,666.00 to \$2,278,686.00, which equates to a \$750,020.00 increase. The increase is primarily attributed to the City receiving an Insurance Premium check for a finalized case. This increase in revenues will be offset by the same increase in expenditures.

## **Justification:**

The 2010/2011 annual budget will be adjusted in accordance with Public Act 2 of 1968 Uniform Budget and Accounting Act, the City Charter, and the approved 2011 Budget Resolution, which states that the City Manager must provide quarterly budget adjustments to City Council as a result of budget to actual analysis. As a result of the City Manager's year-end analysis, the above-mentioned budget adjustments takes into consideration any errors, omissions, or changes in the funding levels and expenditures approved by City Council as prescribed by the City Charter.

## **Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Amendment to the Agreement between City of Saginaw and Saginaw County, Mosquito Abatement.

**Manager's Recommendation:**

I recommend that the second amendment to the agreement between the County of Saginaw, the Mosquito Abatement Commission and the City of Saginaw be approved to include the installation of two additional antennas located on the County's radio tower, to receive video feed. The City will pay an additional \$800.00 per year to locate the receivers on the Mosquito Abatement tower. The Agreement has been approved by the City Manager as to substance and the City Attorney as to form.

Funds are available in the Department of Technical Services – IS Operating Services Account No. 658 1720 711. 8005.

**Justification:**

The City of Saginaw would like to amend its agreement between Saginaw County, Mosquito Abatement to include the installation of two additional antennas located on the County's radio tower. The City of Saginaw wishes to install two antennas that will receive video feed from the Police departments RAPTOR (Regional Analysis of Police Technology & Operations Reporting), which it will own and maintain. The program will utilize networked video cameras for monitoring, and identifying threats and vulnerabilities. The antennas will receive the video feed from the various project cameras and download the images onto the City of Saginaw's network.

**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 General Liability, Automobile Liability, Michigan No Fault, Employee Benefits Liability, Law Enforcement Liability, Public Officials Liability, Automobile Physical Damage, Excess Workers' Compensation & Employers Liability, and Excess (Umbrella) Liability Policy.

**Manager's Recommendation:**

I recommend approval of the insurance proposals under Lloyd's of London and RSUI Indemnity Company for the City's General Liability, Automobile Liability, Michigan No Fault, Employee Benefits Liability, Law Enforcement Liability, Public Officials Liability (Employment Practices Liability, Errors & Omissions, EEOC, Administrative Hearings and Sexual Harassment); with Lloyd's of London for Automobile Physical Damage; with Safety National Casualty Corporation for Excess Workers' Compensation & Employers Liability; and with Torus National Insurance Company for an Excess (Umbrella) Liability Policy effective July 1, 2011 through July 1, 2012, and that I, and/or my designee, be authorized to execute any and all necessary insurance documents under the plans as necessary throughout the policy term, including, but not limited to, removing and/or adding automobiles as the City acquires and/or disposes of same.

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

Funds for 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 other insurance providers for the City's policies expiring on July 1, 2011. They generally seek quotes from multiple agencies every two to three years.

# COUNCIL COMMUNICATION

After review and consideration, I am recommending the following carriers and policies with the coverages, premiums and deductibles:

Lloyd's of London & RSUI Indemnity Company: The City has selected to change carriers for its Public Officials Liability coverage. RSUI Indemnity Insurance paired with Lloyd's of London not only offered the best premium (\$344,000), they also agreed to provide coverage up to \$10,000,000, which reduced the coverage needed under the umbrella policy. The self-insured retention for this policy is \$250,000, which is the same as last year.

Lloyd's of London: The City selected Lloyd's of London (BRIT) to handle its automobile physical damage coverage. The premium is \$8,712, which is a savings of \$124,633 from last year. This savings is due to the City choosing to increase its deductible on auto damage from \$1,000 to \$15,000. The City's current carrier, Amerisure, was not able to offer a \$15,000 deductible.

Safety National Casualty Corporation. This is the carrier for the Excess Workers' Compensation and Employer Liability coverage. The quote received was \$35,002, which is a decrease of \$1,088. Premiums for this policy are based on City payroll amounts.

Torus National Insurance Company. This is the Umbrella Liability Policy, providing an additional \$10,000,000 in liability coverage for General Liability, Public Officials Liability and Auto Liability. The premium quoted is \$45,915.

Below is a comparison between last year's premium and those proposed for FY2011-2012:

<i>Description of Coverage</i>	<i>Expiring Premium 2010-2011</i>	<i>Renewal Premium 2011-2012</i>
General Liability, Law Enforcement Liability, Public Officials Liability and Automobile Liability	<u>Lloyd's</u> \$205,000  \$250,000 SIR	<u>Lloyd's &amp; RSUI Indemnity</u> \$344,000  \$250,000 SIR
Surplus Lines Tax	\$ 5,125 (\$1 mil limit)	\$ 5,475 (\$10 mil limit)

# COUNCIL COMMUNICATION

Automobile Physical Damage	<u>Amerisure</u> \$132,569  (225 vehicles) \$1,000 deductible City at fault	<u>Lloyd's</u> \$ 8,712  (229 vehicles) \$15,000 deductible for all accidents
Excess Worker's Compensation	<u>Safety National</u> \$ 36,090	<u>Safety National</u> \$ 35,002
Umbrella Surplus Lines Tax	<u>Lexington Insurance</u> \$190,000 \$ 4,750 (\$20 mil limit)	<u>Torus National</u> \$ 45,915  (\$10 mil limit)
Total Estimated Premium	\$573,534	\$439,104

Overall the City will see a savings of \$139,905 in insurance costs for FY2011-2012. Quotes received were comparable to those of the industry standards and all insurance carriers have excellent ratings according to the Best Guide, which determines the financial stability of insurance companies.

As in the past, the City has opted to exclude coverage for terrorism losses under the Terrorism Risk Insurance Act of 2002. This election was made due to the fact that the "act of terrorism" only covers an act that is certified by the Secretary of the Treasury in concurrence with the Secretary of State, and the Attorney General of the United States.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation from the City Manager be approved.