

COUNCIL AGENDA

For

August 7, 2006, 6:30 p.m., Council Chamber

ROLL CALL:

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

ANNOUNCEMENTS:

PUBLIC HEARINGS:

PERSONAL APPEARANCES:

(A list will be provided on Monday after 1:30 p.m.)

REMARKS OF COUNCIL:

PETITIONS:

06-20 from Nancy Koepke, Andersen Enrichment Center, requesting permission to erect a banner in the 500 block of Court Street from November 8, 2006 through December 7, 2006 for the purpose of promoting Hollyday Fair.

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES:

APPOINTMENT OF BOARDS AND COMMISSIONS MEMBERS:

REPORTS FROM MANAGER:

Management Update

1. John Stemple, Zoning Administrator, and college interns, will give a report on the Neighborhood Revitalization Plan.

Recommended Actions

1. Recommending approval of a three-year agreement between the City of Saginaw and Cambridge Integrated Services Group, Inc. This company provides for third-party administration of the City's self-insured workers compensation program. Further recommend that purchase orders be approved and issued to them in the following amounts: \$28,900.00 for 7/01/06 – 6/30/07; \$29,767.00 for 7/1/07 – 6/30/08 and \$30,660.00 for 7/01/08 – 6/30/09. Funds are budgeted in the Workers Compensation Fund Account No. 678 1750 701 8001.
2. Recommending approval of payment to Servpro of Saginaw in the amount of \$2,846.91 for providing emergency cleanup services for a residence affected by a sewer backup. Funds are available in the Insurance Account No. 677 1762 711 8074.
3. Recommending approval of the request from Ladi & Gurdev, Inc. to transfer stock interest in a 2005 SDD & SDM license to be located at 1929 E. Genesee Avenue. The Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division completed the necessary inspections and have approved this transfer.
4. Recommending approval of the request from All Star Liquor, Inc. to transfer stock interest in a 2005 SDD & SDM license to be located at 3267 Glenwood. The Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division completed the necessary inspections and have approved this transfer.
5. Recommending acceptance of the quote and issuance of a purchase order to Alert Emergency Equipment Group, Inc. in the amount of \$6,564.72 to convert two Saginaw Police Department pursuit vehicles into K-9 vehicles. This vendor meets all requirements of the contract compliance provisions. Funds are available in the General Fund Vehicle Repairs Account No. 101 3014 721 8042.
6. Recommending that a blanket purchase order be approved and issued to Metropolitan Uniform, the sole bidder, in the amount of \$46,268.00 for fiscal year 2007, \$47,233.00 for fiscal year 2008 and \$48,198.00 for fiscal year 2009 for uniforms and equipment for police officers. This vendor meets all requirements

of the contract compliance provisions. Funds are budgeted in the General Fund Saginaw Police Department Clothing Account No. 101 3014 721 7303.

7. Recommending that purchase orders be approved and issued to Delta Door and Overhead Door in the amount of \$3,000.00 each for emergency repairs for the overhead doors at all four fire stations. These vendors meet all requirements of the contract compliance provisions. Funds are budgeted in the Saginaw Fire Department Suppression General Repairs Account No. 101 3751 751 8040.
8. Recommending acceptance of the quote received from Wonderware Central and the accompanying End User License Agreement with Invensys Systems, Inc. be approved. Further recommend that a purchase order be issued to Wonderware in the amount of \$16,418.00 for the purchase of Seven Suites of SCADA Alarm, Version 6 with Service Pack 1 software for the second phase of the upgrade of the Supervisory Control and Data Acquisition systems at the Combined Sewer Overflow basins. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Sewer Maintenance Account No. 590 4815 851 7325.
9. Recommending acceptance of the only bid and issuance of a purchase order to East Jordan Iron Works in the amount of \$42,176.14 for annual supplies of water main appurtenances to be used by the Maintenance and Service Division. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Water Operation and Maintenance Fund Account No. 591 4721 861 7330 and will be accounted for in Water Stores Asset Inventory Account No. 591 0000 171 1130.
10. Recommending acceptance of the low bid and that a contract be awarded to John E. Green in the amount of \$1,130,000.00 for the Wastewater Treatment Plant Improvements Phase B. This project will replace, refurbish and update the pumps of the influent sewage pump station at the plant. This vendor meets all requirements of the contract compliance provisions. Funds will be made available by the State of Michigan Revolving Fund in the form of a loan.
11. Recommending that changes be made to the fees established for Rules and Regulations for Water and Sewer Service Billings and Installations in the Water and Sewer Bulletins Collections dated April 4, 2005.
12. Recommending that the City actively seek Transportation Economic Development Category F funds and participate in the proposed road and water main improvements along Johnson Street between North Washington Avenue and North Sixth Avenue. The estimated cost of this project is \$3,550,000.00; of which \$430,000.00 is the estimated cost of the water main improvements and \$3,120,000.00 is the estimated cost of the road improvements/streetscape, including traffic signal upgrades at signalized intersections within the project

limits. City Water surplus funds will be used to fund the water main improvements.

13. Recommending that the City actively seek Transportation Enhancement funds and participate in the proposed streetscape project on Johnson Street between North Washington Avenue and North Second Avenue. The total estimated cost of this project is \$3,550,000.00; of which \$430,000.00 is the estimated cost of the water main improvements and \$1,820,000.00 is the estimated cost of the roadway improvements, including traffic signal equipment upgrades, and \$1,300,000.00 is the estimated cost of the streetscape improvements. City Water surplus funds will be used to fund the water main improvements. The required City match monies for this project may come from ACT 51 funds, Community Development Block Grant funds, and Sewer Surplus or Water Surplus funds.

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

1. An Ordinance to amend Sections 16.02, (16.04(A), 16.07(A), 16.08(A), 16.12(A)(1)(b), 16.16, 16.18(B), 16.21(C), 16.24(B) and 16.30(B)(1), of Chapter 16, "Police Officers and Firefighters Retirement System," of Title 1, Administrative Code of the City of Saginaw Code of Ordinances, O-1.

RESOLUTIONS:

1. Authorizing the City to actively seeking SAFETEA-LU Transportation Enhancement funds to construct said streetscape project and to participate in its funding and implementation.
2. Authorizing the City to actively seek TEDF-F funds to partially fund the reconstruction of Johnson Street from North Washington Avenue to North Sixth Avenue and to participate in this program.
3. Approving the transfer of ownership of a 2005 Class C Licensed Business located at 1913 N. Michigan.
4. Authorizing the Election Commissioners to appoint the necessary receiving boards to receive the materials (ballot boxes, poll books, and statement of votes) from the precincts at the close of the polls on August 8, 2006.

5. Authorizing Citadel Marketing Group to sell alcoholic beverages on public property during a one-day concert to be held on Sunday, August 13, 2006 on Ojibway Island.
6. Authorizing the installment purchase contract for three (3) vehicles for use by the Saginaw Fire Department.
7. Authorizing issuance of General Obligation Limited Tax Bonds, Series 2006.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

1. Motion to go into closed session to discuss a written legal opinion on sewer liability.

Darnell Earley
City Manager

COUNCIL COMMUNICATION

From: The City Manager

Subject: Authorization to Allow Citadel Marketing Group to Sell Alcoholic Beverages on Public Property

Manager's Recommendation:

I recommend approval of the attached Resolution authorizing the Citadel Marketing Group ("Citadel") to sell alcoholic beverages on Ojibway Island, a public property, during a one-day concert to be held on Sunday, August 13, 2006.

Justification:

On Sunday, August 13, 2006, Citadel will host a one-day concert on Ojibway Island, a public property. The event sponsor has requested that the City allow it to sell alcoholic beverages during this special event. 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 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 in the State of Michigan;
- (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.

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Citadel must provide the proper documents to the City no later than August 8, 2006. If the event sponsor fails to provide the documentation by the stated date, it will not be allowed to sell alcoholic beverages on August 13, 2006, on Ojibway Island. 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 AUTHORIZE 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, Citadel Marketing Group ("Citadel") plans to host a one-day concert on Ojibway Island on Sunday, August 13, 2006; and

WHEREAS, the event sponsor has requested that it be allowed to sell alcoholic beverages to concert goers on Ojibway Island; 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 one-day concert to be held on Sunday, August 13, 2006, on Ojibway Island, 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 August 8, 2006 to the proper City officials.

BE IT FURTHER RESOLVED, if the event sponsor does not provide the documents within the specified time period, it will not be allowed to sell alcoholic beverages on Ojibway Island during the concert.

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.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Installment Purchase Contract

Manager's Recommendation:

I recommend approval of the attached Resolution authorizing the approval of an installment purchase contract to purchase three (3) vehicles for use by the Saginaw Fire Department ("Fire Department").

Justification:

The City has agreed to enter into an installment purchase contract with Citizen's Bank to purchase three (3) vehicles for use by the Fire Department. The term of the contract is for a four (4)-year period. The interest rate is 4.75%. The total amount of the contract is \$93,184.00.

Council Action:

Council _____ moved that this communication be received and filed.

COUNCIL COMMUNICATION

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

RESOLUTION AUTHORIZING INSTALLMENT PURCHASE CONTRACT FOR VEHICLES

Council _____ offered and moved the adoption of the following resolution:

WHEREAS, the City of Saginaw (the "City") has approved a contract with Garber Buick, Inc. (the "Vendor"), providing for the acquisition of three vehicles for use by the City Fire Department (the "Property"); and

WHEREAS, it is determined to be necessary and desirable and in the best interest of the City that the acquisition of the Property be financed by installment purchase authorized under the provisions of Act No. 99, Public Acts of Michigan, 1933, as amended ("Act 99"), and more specifically by the acquisition of the Property pursuant to an installment purchase contract with the Vendor and Citizens Bank (the "Bank") to be dated the date of delivery thereof (the "Contract"); and

WHEREAS, the aggregate outstanding balance, exclusive of interest, of all purchases made by the City pursuant to Act 99, including the Contract, does not exceed 1-¼% of the taxable value of the real and personal property in the City.

NOW, THEREFORE, BE IT RESOLVED that:

It is hereby found to be necessary and desirable for the City to finance the cost of the Property in the aggregate principal amount of not to exceed \$93,184 by purchasing the Property pursuant to the terms and conditions of the Contract; and the City hereby pledges its full faith and credit for the payment of its obligations thereunder.

1. The City shall include in its budget and pay the sum or sums necessary each year to meet the payments due pursuant to the provisions of the Contract.

2. The Contract shall be dated the date of delivery thereof. The principal amount of the Contract shall not exceed \$93,184, the interest rate on the outstanding principal balance of the Contract shall not exceed 4.75% per annum, the Contract shall be payable as to principal and interest in substantially equal periodic installments, no less frequently than annually, and the final installment to be paid on the Contract shall be no later than four years after the date of delivery of the Contract, each of the

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foregoing to be determined by the City Manager at the time of execution and delivery of the Contract. The Contract shall be subject to prepayment at any time prior to maturity, in whole or in part, at the option of the City, in the par amount thereof plus accrued interest to the date of prepayment.

3. The Contract, in the form presented to this meeting, is hereby approved, and the City Manager is hereby authorized to execute and deliver the Contract in substantially the form approved, with such changes approved by him and consistent with the terms of this resolution. The approval of such changes shall be conclusively evidenced by his signature on the Contract. The Contract may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

4. The City covenants to comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code"), necessary to maintain the exclusion of interest on the Contract from gross income for federal income tax purposes.

5. The Mayor, the Clerk, the Treasurer, the City Manager and other officers of the City as may be necessary are each hereby authorized to execute and deliver such other documents, instruments and certificates as are necessary or desirable to consummate the described transaction and to maintain the exclusion of the interest on the Contract from gross income for federal income tax purposes.

6. The City hereby designates the Contract as a "qualified tax exempt obligation" for the purpose of deduction of interest expense by financial institutions under Section 265(b)(3)(B) of the Code.

. The useful life of the Property is determined to be four (4) years and upwards.

All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Invensys Systems Inc. End License User Agreement

Manager's Recommendation:

I recommend that the quote received from Wonderware Central ("Wonderware"), Westfield, IN, be accepted and the accompanying End User License Agreement with Invensys Systems Inc. ("Invensys") be approved. Further recommend that a purchase order be issued to Wonderware in the amount of \$16,418.00. The Agreement has been approved by me as to substance and the City Attorney as to form.

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

Funds for this purchase are available in the Sewer Maintenance Account No. 590-4815-851.7325.

Justification:

On May 31, 2006, the City received a quote from Wonderware for the purchase of Seven Suites of SCADA Alarm, Version 6 with Service Pack 1 software for the second phase of the upgrade of the Supervisory Control and Data Acquisition (SCADA) systems at the Combined Sewer Overflow (CSO) basins. Wonderware is a subsidiary of Invensys.

While the Invensys License Agreement contains terms that are not favorable to the City, it is recommended that we accept the agreement in its present form as these terms and conditions are understood to be standard in the industry. The Agreement limits the vendor's liability. Further, the vendor is not liable for any consequential, indirect, special, punitive or incidental damages.

Quotes were not solicited from other vendors because Wonderware is the sole source for this software in the region.

A cost comparison is not available as this is a first time purchase.

Council Action:

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

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APPOINTMENT OF RECEIVING BOARDS FOR THE AUGUST 8, 2006 PRIMARY ELECTION

Council _____ offered and moved adoption of the following resolution:

WHEREAS, a Primary Election will be held in the City of Saginaw on Tuesday, August 8, 2006; and

WHEREAS, each of the City's twenty (20) precincts at the close of the polls, prepare the necessary paperwork to be sealed in specified envelopes, seal the ballots in the ballot box, and deliver the materials to the City Clerk's Office; and

WHEREAS, under Michigan law (MCL 168.679a), the legislative body of a City, by resolution, can authorize the Election Commissioners of the City to appoint receiving boards to accept and open the sealed envelopes and containers for review and verification.

NOW, THEREFORE, BE IT RESOLVED that the Election Commissioners for the City of Saginaw (consisting of the Chief of Police, City Attorney and City Clerk) are hereby authorized to appoint the necessary receiving boards to receive the materials (ballot boxes, poll books, and statement of votes) from the precincts at the close of the polls on August 8, 2006.

BE IT FURTHER RESOLVED that in accordance with MCL 168.679a, each board will consist of an equal number of inspectors from each major political party.

BE IT FURTHER RESOLVED that the receiving boards will be authorized to open the sealed envelopes and ballot boxes to verify: (1) that the number of ballots issued equals the number of voters in the poll book and statement of votes; (2) confirm

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that the ballot box has been properly sealed and that nothing other than ballots are contained within; and (3) verify that all necessary documents have been properly signed by the election inspectors of each precinct.

BE IT FURTHER RESOLVED that the receiving board, with the election inspectors, shall together take the necessary steps to correct any discrepancies, making notation of such correction in the poll book and shall notify the clerk of the board of canvassers of the corrective action taken. Upon review and correction, if necessary, the receiving board shall properly reseal the ballot boxes and envelopes.

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

Council _____ offered and moved adoption of the following resolution:

WHEREAS, the federal legislation known as Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), offers special funding known as Transportation Enhancement which are set aside for non-motorized transportation needs; and

WHEREAS, these funds are eligible for streetscape projects in communities such as Saginaw; and

WHEREAS, the City proposes to procure Transportation Enhancement funds for the purpose of beautifying and enhancing Johnson Street from N. Washington Avenue (M-13) to N. Second Avenue as outlined in its application.

NOW, THEREFORE, BE IT RESOLVED, that the City of Saginaw is actively seeking SAFETEA-LU Transportation Enhancement funds to construct said streetscape project and is willing to participate in its funding and implementation.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Application for Transportation Economic Development Funds, Category F

Manager' Recommendation:

I recommend that the City actively seek Transportation Economic Development Category F funds (TEDF-F) and participate in the proposed road and watermain improvements along Johnson Street between N. Washington Avenue (M-13) and N. Sixth Avenue. The Michigan Department of Transportation (MDOT) suggests, as part of the application process, that a resolution be adopted by City Council indicating that the application has been reviewed and that the City is actively seeking these funds for improvements on Johnson Street. This resolution appears under the regular order of business.

Justification

The Michigan Department of Transportation has announced its call for applications for Transportation Economic Development Category F funds (TEDF-F) for proposed roadway improvements that will provide system continuity with the secondary all-season commercial routes in Cities that are included within a federal aid urban boundary, including the City of Saginaw. The City of Saginaw is proposing to reconstruct Johnson Street from N. Washington Avenue (M-13) to N. Sixth Avenue. Johnson Street is classified as an urban minor arterial and provides important linkage between I-675 and the central business district. The current five lane boulevard cross section from N. Washington Avenue (M-13) to N. Second Avenue will be reconstructed to a three lane cross section with a continuous center-turn lane and a new two-lane, 24 feet wide roadway from N. Second Avenue to N. Sixth Avenue. The new roadway will be constructed to meet current design standards for all season roadways. The reconstruction of Johnson Street is scheduled for the 2007 construction season and includes new watermain construction, the upgrading of existing traffic signal equipment, and the installation of streetscape enhancements from N. Washington Avenue (M-13) to N. Second Avenue. The streetscape enhancements will be an extension of the existing streetscape on N. Washington Avenue (M-13). The proposed roadway improvements will improve vehicular traffic flow and both vehicular and pedestrian safety.

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The total estimated cost of this project is \$3,550,000.00; of which, \$430,000.00 is the estimated cost of the water main improvements and \$3,120,000.00 is the estimated cost of the road improvements/streetscape, including traffic signal upgrades at signalized intersections within the project limits. City Water Surplus funds will be used to fund the water main improvements. Federal STP Urban funds will be used to pay for \$1,200,000.00 of said road improvements. Federal Safety funds will pay for \$112,000.00 towards traffic signal upgrades. Transportation Enhancement funds, if approved by the State of Michigan, will pay for \$1,003,000.00 of enhancement/streetscape items. Should the State not approve the project for Transportation Enhancement monies, the project scope will be drastically reduced to eliminate many of the enhancement items and project estimate. Transportation Economic Development Category F funds (TEDF-F), if approved by the State of Michigan, will pay for \$375,000.00 of said road improvements. Should the State not approve the project for TEDF-F funding, the City will need to reduce project limits from Sixth Avenue to Second Avenue or fund its share of the roadway improvement costs with ACT 51 Major Street funds, Community Development Block Grant funds, Sewer Surplus funds or Water Surplus funds. The City of Saginaw will provide full design engineering and construction administration services for the project.

Council Action

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

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

Council _____ offered and moved adoption of the following resolution:

WHEREAS, the Michigan Department of Transportation, offers special funding known as Transportation Economic Development Category F funds (TEDF-F); and

WHEREAS, roadway improvements that are eligible for these funds must provide continuity with the secondary all-season commercial truck route; and

WHEREAS, the roadway proposed for improvement must be within federal-aid urbanized areas or rural counties, such as Saginaw; and

WHEREAS, the City of Saginaw proposes to procure TEDF-F funds for the purpose of providing the 20 percent local match to the federal STP Urban funds that have been obligated for the reconstruction of Johnson Street from N. Washington Avenue (M-13) to N. Sixth Avenue as outlined in its application.

NOW, THEREFORE, BE IT RESOLVED, that the City of Saginaw is actively seeking TEDF-F funds to partially fund the reconstruction of Johnson Street from N. Washington Avenue (M-13) to N. Sixth Avenue and is willing to participate in this program.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Waste Water Treatment Plant Improvements Phase B

Manager's Recommendation:

I recommend that the low bid from John E. Green Company in the amount of \$1,130,000.00 be accepted and a contract awarded them in that amount. Contract documents forwarded herein (City Clerk's File _____), have been signed by the contractor. The contract is subject to approval by me as to substance and the City Attorney as to form.

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

Funds for this contract are being made available by the State of Michigan Revolving Fund in the form of a loan.

Justification:

On July 25, 2006, the City received bids for the Waste Water Treatment Plant Improvements Phase B. This project will replace, refurbish and update the pumps of the influent sewage pump station at the wastewater treatment plant. The original single speed pumps are inefficient and expensive to operate. This upgrade will add variable speed drives to four of the six pumps, which will improve their efficiency and provide savings in operational expenses. The pump motors will also be replaced or refurbished to provide the most cost effective operation.

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

John E. Green Saginaw, MI	\$ 1,130,000.00
Goyette Mechanical Flint, MI	\$ 1,198,000.00

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Changes and Revised Fees for Rules and Regulations for Water and Sewer Service Billings and Installation

Manager's Recommendation:

I recommend that changes be made to the fees established for Rules and Regulations for Water and Sewer Service Billings and Installations in the Water and Sewer Bulletins Collections dated April 4, 2005 issued under the authority of Sections 52.14(C), Water Contracts, Water Distribution System, 52.19, Regulatory Authority, Water Distribution System, of Chapter 52, Water, Section 52.37(A), Rules and Regulations, Billing and Collection, Water Charges of Chapter 52, Water, of Title V, Public Works of the Saginaw Code of Ordinances.

Justification:

Fees and charges have been revised to more accurately reflect actual costs. Changes in rules have been updated to address customers needs.

The proposed charges for damages or frozen meters, generators, outside clocks and touch pads are as follows: 5/8" meter and generator replacement fee has been increased from \$124.00 to \$157.00, 1" meter and generator replacement fee has been increased from \$194.00 to \$257.00 1-1/2" meter and generator replacement fee has increased from \$385.50 to \$619.00, and 2" meter and generator replacement fee has increased from \$749.00 to \$832.00.

The charges for optional meter, meter template and installation have been changed as follows: 5/8" x 3/4" meter from \$130.25 to \$163.50, 1" meter from \$229.00 to \$268.25, 1-1/2" meter from \$625.50 to \$659.75, and 2" meter from \$820.00 to \$879.25.

Charges for downsizing meters have been revised for the following meter sizes: 1" to 5/8" x 3/4" from \$130.25 to \$163.50, 1-1/2" to 1" from \$229.00 to 268.25, 2" to 1" from \$229.00 to \$268.25 and 2" to 1-1/2" from \$625.50 to \$659.75. Fees for downsizing large disc meters, turbo meters and compound meters have also been revised.

Hydrant meters require a deposit of \$300.00 and are subject to commodity charges once the pre-paid amount is used.

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The following increases for connections are also recommended:

Sewer Connections:

6" connection	\$15.00 per lineal foot
8" connection	16.00 per lineal foot
10" connection	18.00 per lineal foot
12" connection	20.00 per lineal foot
15" connection	24.00 per lineal foot
18" connection	29.00 per lineal foot
21" connection	35.00 per lineal foot
24" connection	41.00 per lineal foot

Water Connection:

3/4" connection	\$10.50 per lineal foot
1" connection	11.50 per lineal foot
1-1/2" connection	13.00 per lineal foot
2" connection	17.00 per lineal foot
4" connection	21.00 per lineal foot
6" connection	25.00 per lineal foot
8" connection	29.00 per lineal foot
10" connection	34.00 per lineal foot
12" connection	39.00 per lineal foot

Pavement cuts and replacements increase from \$450.00 to \$550.00.

Attached for the Council's information are the new amended bulletins proposed for adoption, which supersede Water Series Bulletin No. 3-15, Public Utilities Bulletin 3-16, Public Utilities Bulletin 3-17, Public Utilities Bulletin 6-35, Public Utilities Bulletin 6-37 and Public Utilities Bulletin 6-20 dated April 4, 2005.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Police Officer Uniforms

Manager's Recommendation:

I recommend that a blanket purchase order be approved and issued to Metropolitan Uniform in the amount of \$46,268.00 for FY 2007, \$47,233.00 for FY 2008, and \$48,198.00 for FY 2009 for uniforms and equipment for Police Officers.

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 General Fund Saginaw Police Department Clothing Account No. 101-3014-721.73-03.

Justification:

The Saginaw Police Department solicited bids for this three-year agreement. Metropolitan Uniform was the sole bidder. This vendor has provided uniforms to the department for multiple years and this year's bid represents a 3% increase over last year.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: K-9 Vehicles

Manager's Recommendation:

I recommend acceptance of the quote and issuance of a purchase order to Alert Emergency Equipment Group, Inc. in the amount of \$6,564.72 to convert two Saginaw Police Department pursuit vehicles into K-9 vehicles.

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 General Fund Vehicle Repairs Account No. 101-3014-721.80-42.

Justification:

The Saginaw Police Department's K-9 vehicles that are presently being used to transport the department's K-9's are in need of replacement. The two vehicles are 1999 Ford Crown Victorian police pursuit vehicles averaging 110,000 miles. The aging vehicles create officer safety issues and require greater repair costs.

The two Police pursuit vehicles in our existing fleet that will be converted are 2002 Chevrolet Impalas. Equipment needed to convert the vehicles into K-9 units will consist of new K-9 cages and automatic dog bail out systems (doors).

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Water Main Appurtenances

Manager's Recommendation:

I recommend acceptance of the only bid received from East Jordan Iron Works and issuance of a purchase order to them in the amount of \$42,176.14 for annual supplies of water main appurtenances to be used by the Maintenance and Service Division.

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 purchase are budgeted in Water Operation and Maintenance Fund Account No. 591-4721-861-7330 and will be accounted for in Water Stores Asset Inventory Account No. 591-0000-171-1130.

Justification:

On March 28, 2006, the Public Services Department, Maintenance & Service Division, received a bid from one vendor for a variety of materials that will be used in the construction and maintenance of the water distribution system. A cost comparison is not available. Following is a tabulation of bid received:

Vendor

East Jordan Iron Works Sunfield, MI	\$42,176.14
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Council Action:

COUNCIL COMMUNICATION

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Cambridge Integrated Services Group Inc. Agreement.

Manager's Recommendation:

I recommend approval of a three year agreement between the City of Saginaw ("City") and Cambridge Integrated Services Group Inc. ("Cambridge"). This company provides for third-party administration of the City's self-insured workers' compensation program. The agreement has been approved as to substance by the City Manager and to form by the City Attorney.

Further, I recommend that the purchase orders be approved and issued to them in the following amounts:

7/01/06 - 6/30/07:	\$28,900.00
7/01/07 - 6/30/08:	\$29,767.00
7/01/08 - 6/30/09:	\$30,660.00

Additional cost for medical bill review is 30% of savings and loss control services for risk management will be billed at \$125 per hour as requested. Funds for this service are budgeted in the Workers' Compensation Fund Account No. 678-1750-701.80-01.

Justification:

The purpose of the agreement is to renew an ongoing successful working relationship between Cambridge and the City. This third party administrator has provided service since September 1989. The present third year contract cost is \$45,088.00 and expired June 30, 2006. The renewal of a three-year agreement would provide a continued proactive approach to reducing our workers' compensation payroll and medical costs. A 36% reduction in the fee for these third party services is a direct result in our decrease in claims and competitive bidding.

The City received nine proposals for third party administration in the bidding process. The Bid Proposal Evaluation Committee met and made a quality-based selection. Points were assigned for quality of service, qualification of examiners, data management,

COUNCIL COMMUNICATION

references, financial stability and cost of services. Cambridge was awarded top points. The City has been very satisfied with their performance and management of long and short term claims.

This service provides for claims administration through a Mt. Clemens, Michigan branch office with services to include, data processing management, telephone reporting of injuries, cost containment services and utilization of Michigan Workers' Health Care Service Rules in auditing medical billings. It includes investigation of all claims by establishing files, providing necessary forms required of State of Michigan reporting, including our self-insured status, providing monthly Loss Run, monthly Deposit Account activity and periodic injury summary reports. The investigation of each claim determines if the claim will be administered, adjusted, settled or disputed on behalf of the City of Saginaw.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Liquor License for 1929 E. Genesee Avenue

Manager's Recommendation:

I recommend approval of the request from Ladi & Gurdev, Inc. to transfer stock interest in a 2005 SDD & SDM license to be located at 1929 E. Genesee Avenue.

Justification:

On or about March 20, 2006, the City received notice from the Michigan Liquor Control Commission of the request from Ladi & Gurdev, Inc. requesting to transfer stock interest in a 2005 SDM & SDD licensed corporation located at 1929 E. Genesee Avenue, Saginaw, MI 48601, in the County of Saginaw, through issuance of 1,000 shares of stock to new stockholder, Baljinder Kaur from the corporation.

The Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division completed the necessary inspections and have approved 1929 E Genesee 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," §111.12, "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.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Liquor License for 3267 Glenwood

Manager's Recommendation:

I recommend approval of the request from All Star Liquor, Inc. transferring ownership of a 2005 SDD & SDM license to be located at 3267 Glenwood.

Justification:

On or about March 14, 2006, the City received notice from the Michigan Liquor Control Commission of the request from All Star Liquor, Inc. requesting to transfer ownership of a 2005 SDM & SDD licensed business located at 3267 Glenwood, Saginaw, MI 48601, in the County of Saginaw, from Jotiar H. Joundi.

The Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division completed the necessary inspections and have approved 3267 Glenwood 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," §111.12, "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.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Liquor License for 1913 N. Michigan

Manager's Recommendation:

I recommend transfer of ownership of the 2005 Class C Licensed Business for 1913 N. Michigan.

Justification:

Spiker & Volz, LLC, requests a transfer of ownership of the 2005 Class C Licensed Business from Torque's Bond Inn, Inc. The business is located at 1913 N. Michigan, Saginaw, MI, 48602, in the County of Saginaw.

The Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division have approved this transfer for 1913 N. Michigan.

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 FOR 1913 N. MICHIGAN

Council _____ offered and moved adoption of the following resolution:

WHEREAS, on or about March 22, 2006, the City Clerk's Office received a Local Approval Notice from the State of Michigan Liquor Control Commission; and

WHEREAS, said notice advised that Spiker & Volz, LLC, is transferring ownership of a 2005 Class C Licensed Business, located at 1913 N Michigan, Saginaw, Michigan, 48602, Saginaw County from Torque's Bond Inn, Inc.; and

WHEREAS, the Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division have approved 1913 N. Michigan for this transfer.

NOW, THEREFORE, BE IT RESOLVED, that the request from Spiker & Volz, LLC, to transfer ownership of a 2005 Class C Licensed Business located at 1913 N. Michigan, Saginaw, Michigan, 48602, Saginaw County 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: Overhead Door Repairs

Manager's Recommendation:

I recommend that purchase orders be approved and issued to Delta Door and Overhead Door for \$3,000.00 each (totaling \$6,000.00) for emergency repairs for the overhead doors at all four fire stations.

Both of these vendors meet all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, Sections 14.35-14.44, of the Saginaw Code of Ordinances.

Funds for this purchase are budgeted in the Saginaw Fire Department Suppression General Repairs Account No. 101-3751-751.80-40.

Justification:

Throughout the year, there are times when emergency repairs need to be made to the overhead doors at the fire stations. It is imperative that these repairs be made in a timely manner since the apparatus cannot be left out in the cold weather. Therefore, the Fire Department uses the services of both Delta Door and Overhead Door, whichever can provide the fastest service at any given time.

Council Action:

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

COUNCIL COMMUNICATION

**RESOLUTION AUTHORIZING ISSUANCE OF
GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2006**

Council _____ offered and moved adoption of the following resolution:

PRESENT: _____

ABSENT: _____

WHEREAS, the City Council of the City of Saginaw, Saginaw County, Michigan, held a regular meeting on August 7, 2006, at 6:30 o'clock p.m., Michigan Time; and

WHEREAS, the City Council of the City of Saginaw (the "City") has determined to undertake capital improvements to the City's wastewater treatment plant consisting of raw sewage pumping station improvements and related improvements (the "Project"); and

WHEREAS, the City is authorized to issue bonds under Section 517 of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") and use the proceeds of the sale of such bonds to pay all or part of the cost of capital improvement items such as the Project; and

WHEREAS, the City has determined that it is in the best interest of the City to issue bonds under Section 517 of Act 34 for the purpose of paying all or part of the cost of the Project and to sell the bonds in a private negotiated sale to the Michigan Municipal Bond Authority (the "MMBA") as authorized by Act 227, Public Acts of Michigan, 1985, as amended ("Act 227"), in order to enable the MMBA to provide assistance with respect to the Project from the proceeds of the State Water Pollution Control Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAGINAW, MICHIGAN, as follows:

COUNCIL COMMUNICATION

1. AUTHORIZATION OF BONDS - PURPOSE. Bonds of the City aggregating the principal sum of not to exceed One Million Seven Hundred Thousand Dollars (\$1,700,000) shall be issued and sold for the purpose of defraying all or part of the cost of the Project.

2. BOND DETAILS. The bonds shall be designated "General Obligation Limited Tax Bonds, Series 2006"; shall be dated as of such date as approved by the Mayor at the time of sale; shall be numbered from 1 upwards; shall be fully registered; shall be in the denomination of \$5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof (provided, however, that so long as the bonds are registered in the name of the MMBA, the bonds may be in the form of a single bond in the denomination of \$1,700,000, or such lower amount as shall be approved by the Mayor at the time of sale, with an exhibit attached thereto which identifies the annual maturities for the bonds, and the references herein to "bonds" shall mean that single bond registered in the name of the MMBA); shall bear interest at a rate that shall not exceed 4% per annum from the date of delivery of the various principal installments as hereinafter described, payable on such dates as shall be determined by the Mayor at the time of sale; and shall mature on such dates and in such years as shall be determined by the Mayor at the time of sale.

The bonds are expected to be delivered to the MMBA as the initial purchaser thereof in installments (the "Installments") equal to the amounts advanced from time to time by the MMBA to the City pursuant to the Purchase Contract and the Supplemental Agreement (each as hereinafter defined).

3. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the bonds shall be payable in lawful money of the United States. So long as the bonds are registered in the name of the MMBA, the bonds are payable as to principal, redemption premium, if any, and interest at J.P. Morgan Trust Company, National Association, Detroit, Michigan, or at such other place as shall be designated in writing to the City by the MMBA (the "MMBA's Depository"). So long as the MMBA is the owner of the bonds, the City agrees that it will deposit with the MMBA's Depository payments

COUNCIL COMMUNICATION

of the principal of, premium, if any, and interest on the bonds in immediately available funds at least five business days prior to the date on which any such payment is due, whether by maturity, redemption or otherwise. If the bonds are not registered in the name of the MMBA, the principal of and premium, if any, on the bonds are payable upon surrender thereof at the office of the bond registrar and paying agent and the interest is payable by check or draft mailed by the bond registrar and paying agent to the registered owner of the bonds at the address appearing on the registration books of the City kept by the bond registrar and paying agent as of the 15th day of the month preceding the month in which an interest payment is due.

4. PRIOR REDEMPTION. The bonds shall be subject to redemption prior to maturity only with the prior written consent of the MMBA and on such terms and conditions as may be required by the MMBA.

5. BOND REGISTRAR AND PAYING AGENT. Until a successor is appointed by the City Council, the City Treasurer shall act as bond registrar and paying agent for the bonds.

6. EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS. The bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the City Clerk and authenticated by the manual signature of an authorized representative of the bond registrar and paying agent, and the seal of the City (or a facsimile thereof) shall be impressed or imprinted on the bonds. After the bonds have been executed and authenticated for delivery to the original purchaser thereof, they shall be delivered by the City Treasurer to the purchaser upon receipt of the purchase price. Additional bonds bearing the facsimile signatures of the Mayor and the City Clerk and upon which the seal of the City (or a facsimile thereof) is impressed or imprinted may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of bonds. The bond registrar and paying agent shall indicate on each bond the date of its authentication.

7. EXCHANGE AND TRANSFER OF BONDS. Any bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered

COUNCIL COMMUNICATION

owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond.

Each bond shall be transferable only upon the books of the City, which shall be kept for that purpose by the bond registrar and paying agent, upon surrender of such bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any bond, the bond registrar and paying agent on behalf of the City shall cancel the surrendered bond and shall authenticate and deliver to the transferee a new bond or bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered bond. If, at the time the bond registrar and paying agent authenticates and delivers a new bond pursuant to this section, payment of interest on the bonds is in default, the bond registrar and paying agent shall endorse upon the new bond the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is _____."

The City and the bond registrar and paying agent may deem and treat the person in whose name any bond shall be registered upon the books of the City as the absolute owner of such bond, whether such bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of Section 3 of this Bond Resolution shall be valid and effectual to satisfy and discharge the liability upon such bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar and paying agent shall be affected by any notice to the contrary. The City agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

COUNCIL COMMUNICATION

For every exchange or transfer of bonds, the City or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

8. FORM OF BONDS. The bonds shall be in substantially the following form:

COUNCIL COMMUNICATION

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF SAGINAW
CITY OF SAGINAW
GENERAL OBLIGATION LIMITED TAX BOND
SERIES 2006

INTEREST RATE MATURITY DATE DATE OF ORIGINAL ISSUE

See Exhibit A

Registered Owner:

Principal Amount:

The City of Saginaw, County of Saginaw, State of Michigan (the "City"), acknowledges itself indebted to, and for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, the Principal Amount set forth above or so much thereof as shall have been advanced to the City pursuant to a Purchase Contract between the City and the Michigan Municipal Bond Authority (the "MMBA") and a Supplemental Agreement by and among the City, the MMBA and the State of Michigan acting through the Department of Environmental Quality on the maturity dates and in the amounts set forth on Exhibit A attached hereto unless redeemed prior thereto as hereinafter provided, the final payment to be made upon presentation and surrender of this bond at the office of the City Treasurer, Saginaw, Michigan, the bond registrar and paying agent, or at such successor bond registrar and paying agent as may be designated pursuant to the Resolution identified below, and to pay to the Registered Owner at the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount, to the extent advanced to the City pursuant to the Purchase Contract and the Supplemental Agreement until the City's obligation with respect to the payment of such Principal Amount is discharged, at the rate per annum specified above. Interest is payable on the first days of April and October in each year, commencing on _____. Principal and interest are payable in lawful money of the United States of America.

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the "additional interest") at a rate equal to the rate of interest which is two percent above the MMBA's cost of providing funds (as determined by the MMBA) to make payment on the bonds of the MMBA issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue until the MMBA has been fully reimbursed for

COUNCIL COMMUNICATION

all costs incurred by the MMBA (as determined by the MMBA) as a consequence of the City's default. Such additional interest shall be payable on the interest payment date following demand of the MMBA. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the MMBA) the investment of amounts in the reserve account established by the MMBA for the bonds of the MMBA issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the MMBA issued to fund such account, the City shall and hereby agrees to pay on demand only the City's pro rata share (as determined by the MMBA) of such deficiency as additional interest on this bond.

During the time funds are being drawn down by the City under this bond, the MMBA periodically will provide the City a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the MMBA to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the City of its obligation to repay the outstanding principal amount actually advanced, all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

This bond is one of a series of bonds aggregating the principal sum of _____ Dollars (\$_____) issued by the City under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act 34, Public Acts of 2001, as amended), the Charter of the City and a bond authorizing resolution adopted by the City Council of the City (the "Resolution") to defray all or part of the costs of making capital improvements to the City's wastewater treatment plant consisting of raw sewage pumping station improvements and related improvements. The full faith and credit of the City have been pledged to the prompt payment of the principal of and interest on this bond. The principal of and interest on the bonds of this series are payable as a first budget obligation of the City from its general funds. The ability of the City to raise such funds is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

This bond is transferable, as provided in the Resolution, only upon the books of the City kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in the denomination of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

COUNCIL COMMUNICATION

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds which have been selected for redemption.

This bond is subject to redemption prior to maturity at the option of the City and with the prior written consent of the MMBA, on such terms as may be required by the MMBA, on any one or more interest payment dates. This bond may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than the entire principal amount of the bond maturing in any year is to be redeemed, the portion of the bond to be redeemed shall be selected by lot. The redemption price shall be the par value of the bond or portion of the bond called to be redeemed plus interest to the date fixed for redemption. Not less than thirty days notice of redemption shall be given to the holder of the bond called to be redeemed by mail to the registered holder at the registered address. That portion of the bond called for redemption shall not bear interest after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

Notwithstanding any other provision of this bond, so long as the MMBA is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at J.P. Morgan Trust Company, National Association, Detroit, Michigan or at such other place as shall be designated in writing to the City by the MMBA (the "MMBA's Depository"); (b) the City agrees that it will deposit with the MMBA's Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the MMBA's Depository has not received the City's deposit by 12:00 noon on the scheduled day, the City shall immediately pay to the MMBA as invoiced by the MMBA an amount to recover the MMBA's administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the City and received by the MMBA's Depository at least 40 days prior to the date on which redemption is to be made.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the City, including the series of bonds of which this bond is one, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City of Saginaw, Saginaw County, Michigan, by its City Council, has caused this bond to be executed in its name by the manual or facsimile signatures of the Mayor and the City Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted hereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

COUNCIL COMMUNICATION

CITY OF SAGINAW
(SEAL)

By: _____
City Clerk

By: _____
Mayor

COUNCIL COMMUNICATION

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

Treasurer, City of Saginaw
Bond Registrar and Paying Agent

AUTHENTICATION DATE:

COUNCIL COMMUNICATION

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

(please print or type name, address and taxpayer identification number of transferee)
the within bond and all rights thereunder and does hereby irrevocably constitute and
appoint _____

attorney to transfer the within bond on the books kept for registration thereof, with full
power of substitution in the premises.

Dated: _____

Signature Guaranteed

Signature(s) must be guaranteed by an eligible guarantor institution participating in a
Securities Transfer Association recognized signature guarantee program.

COUNCIL COMMUNICATION

EXHIBIT A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the bond to which this Exhibit A is attached (the "Bond") shall be made until the full amount advanced to the City is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the City and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order or (2) that less than the principal amount of assistance approved by the Order is disbursed to the City by the Authority, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the City.

The principal amounts and maturity dates applicable to the bond to which this Exhibit A is attached are as follows:

MATURITY
DATE

PRINCIPAL
MATURITY

END OF BOND FORM

COUNCIL COMMUNICATION

9. SECURITY. The bonds shall be limited tax general obligations of the City. The full faith and credit of the City are pledged for the prompt payment of the principal of and interest on the bonds as the same shall become due. Each year the City shall include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due. The ability of the City to raise funds to pay such amounts is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

10. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the bonds, or any portion thereof, shall have been deposited in trust, this Bond Resolution shall be defeased with respect to such bonds, and the owners of the bonds shall have no further rights under this Bond Resolution except to receive payment of the principal of, premium, if any, and interest on such bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange bonds as provided herein.

11. PRINCIPAL AND INTEREST FUND. There shall be established for the bonds a Principal and Interest Fund which shall be kept in a separate bank account. From the proceeds of the sale of the bonds there shall be set aside in the Principal and Interest Fund any premium and accrued interest received from the purchaser of the bonds at the time of delivery of the same. All payments made by the City pursuant to Section 9 of this Bond Resolution are pledged for payment of the principal of and interest on the bonds and as made shall be placed in the Principal and Interest Fund.

12. CONSTRUCTION FUND. The remainder of the proceeds of the sale of the bonds shall be set aside in a construction fund for the Project and used to acquire and construct the Project.

COUNCIL COMMUNICATION

13. ESTIMATES OF PERIOD OF USEFULNESS AND COST. The estimates of \$1,600,000 as the cost of the Project and of 20 years and upwards as the period of usefulness thereof, as submitted to this City Council, are approved and adopted.

14. APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY. The issuance and sale of the bonds is subject to approval being granted therefor by the Department of Treasury of the State of Michigan in accordance with Act 34, and the City Manager or City Clerk is authorized and directed to file an application with the Department of Treasury for permission to issue and sell the bonds as provided in Act 34.

15. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS. The bonds shall be sold at a private, negotiated sale to the MMBA, as authorized by Act 227. The sale shall be made pursuant to the terms and conditions to be set forth in a Purchase Contract (the "Purchase Contract") and a Supplemental Agreement (the "Supplemental Agreement") and the Mayor and/or the City Clerk are each authorized to execute and deliver the Purchase Contract and the Supplemental Agreement in such form as shall be approved by the Mayor at the time of sale. In addition, the Mayor, the City Clerk and the City Treasurer and other City employees and officials are authorized to execute and deliver to the MMBA an Issuer's Certificate and such other certificates or documents as the MMBA or bond counsel shall require and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the bonds in accordance with the provisions of this Bond Resolution.

16. REPLACEMENT OF BONDS. Upon receipt by the City Clerk of proof of ownership of an unmatured bond, of satisfactory evidence that the bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity which complies with applicable law and is satisfactory to the City Clerk, the City Clerk may authorize the bond registrar and paying agent to deliver a new executed bond to replace the bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured bond is lost, apparently destroyed or wrongfully taken, the City Clerk may authorize the bond registrar and paying agent to pay the bond without presentation upon the receipt of the same documentation required for the

COUNCIL COMMUNICATION

delivery of a replacement bond. The bond registrar and paying agent, for each new bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the City in the premises. Any bond delivered pursuant the provisions of this Section 16 in lieu of any bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the bond in substitution for which such bond was delivered.

17. TAX COVENANT. The City covenants to comply with all requirements of the Internal Revenue Code of 1986, as amended, necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes. The Mayor, the City Clerk, the City Treasurer and other appropriate City officials are authorized to do all things necessary to assure that the interest on the bonds will be and will remain excludable from gross income for federal income tax purposes.

18. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

YEAS: _____

NAYS: _____

RESOLUTION ADOPTED.

COUNCIL COMMUNICATION

STATE OF MICHIGAN)
) SS:
COUNTY OF SAGINAW)

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Saginaw, Saginaw County, Michigan, at a regular meeting held on August 7, 2006, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with the provisions of the open meetings act.

City Clerk
City of Saginaw

COUNCIL COMMUNICATION

From: The City Manager

Subject: Approving payment to Servpro of Saginaw for emergency cleanup of sewage backup

Manager's Recommendation:

I recommend approval of payment to Servpro of Saginaw in the amount of \$2,846.91 for providing emergency cleanup services for a residence affected by a sewer backup.

Justification:

On Thursday, July 13, 2006, the owner of a residence at 204 Bradley reported a sewer backup that produced up to five inches of sewage in the basement. This was the result of a rainstorm the previous evening. The owner also used the house as a day care center and had to suspend operations. The City processed the claim on Friday, July 14, 2006 and contacted Servpro of Saginaw on the same day to make an initial assessment. It indicated that the cost of the initial cleanup might exceed \$3,000. The temperatures were expected to exceed ninety degrees in the next few days and there was a clear public health issue involved. Rather than go through the competitive bidding process or waiting for specific Council authorization, the City asked the vendor to proceed with the cleanup. Servpro provided the services on Monday, July 17, 2006, and the total bill was \$2,846.91.

The City does not acknowledge responsibility for the sewer backup by providing this service. The owner has additional claims for property and business loss damages and has not waived her claim by accepting this service. The purpose of this cleanup was to alleviate an acute public health danger. The residual claim will be processed in the normal manner.

Funds for this are available in the Insurance Account No. 677-1762-711-8074.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Application for Transportation Enhancement Funds

Manager' Recommendation:

I recommend that the City actively seek Transportation Enhancement funds and participate in the proposed streetscape project on Johnson Street between N. Washington Avenue (M-13) and N. Second Avenue. MDOT requests, as part of the application process, that a resolution be adopted by City Council indicating their support of the enhancement project.

Justification

The Michigan Department of Transportation has announced its call for applications for Transportation Enhancement funds for proposed non-motorized enhancements/beautification improvements. The City is proposing to install streetscape amenities on Johnson Street from N. Washington Avenue (M-13) to N. Second Avenue. The streetscape items include decorative streetlights, colored stamped sidewalk and crosswalks, decorative stone half-walls and decorative fencing, benches, trash receptacles, and landscaping including trees. This project will extend an existing downtown streetscape located on N. Washington Avenue (M-13). The streetscape enhancements will be constructed in conjunction with the reconstruction of Johnson Street from N. Washington Avenue (M-13) to N. Sixth Avenue. The reconstruction of Johnson Street is scheduled for the 2007 construction season. The current five lane boulevard cross section from N. Washington Avenue to N. Second Avenue will be reconstructed to a three lane cross section with a continuous center-turn lane. The enhancement of this entrance to the downtown will improve the economic viability of the downtown area. The proposed roadway improvements will improve vehicular traffic flow and both vehicular and pedestrian safety.

The total estimated cost of this project is \$3,550,000.00; of which, \$430,000.00 is the estimated cost of the water main improvements and \$1,820,000.00 is the estimated cost of the roadway improvements, including traffic signal equipment upgrades, and \$1,300,000 is the estimated cost of the streetscape improvements. City Water Surplus funds will be used to fund the water main improvements. Federal STP Urban funds will be used to pay for \$1,200,000.00 of said road improvements. Federal Safety funds will pay for

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\$112,000.00 towards traffic signal upgrades. Transportation Enhancement funds, if approved by the State of Michigan, will pay for \$1,003,000.00 of enhancement/streetscape items. The required City match monies for this project may come from ACT 51 funds, Community Development Block Grant funds, and Sewer Surplus or Water surplus funds. Should the State not approve the project for Transportation Enhancement monies, the project scope will be drastically reduced to eliminate many of the enhancement items and project estimate. Transportation Economic Development Category F funds (TEDF-F), if approved by the State of Michigan, will pay for \$375,000.00 of said road improvements. Should the State not approve the project for TEDF-F funding, the City will need to reduce project limits from Sixth Avenue to Second Avenue or fund its share of the roadway improvement costs with ACT 51 Major Street funds, Community Development Block Grant funds, Sewer Surplus funds or Water Surplus funds. The City of Saginaw will provide full design engineering and construction administration services for the project.

Council Action

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