

## COUNCIL AGENDA

For

October 9, 2006, 6:30 p.m., Council Chamber

ROLL CALL:

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

April 3, 2006, April 17, 2006 and May 1, 2006 Regular Meetings and May 8, 2006 Special Meeting

ANNOUNCEMENTS:

PUBLIC HEARINGS:

PERSONAL APPEARANCES:

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

REMARKS OF COUNCIL:

PETITIONS:

06-35 from John M. Kunitzer, Yeo & Yeo Properties, submitting an application for an Obsolete Property Rehabilitation Exemption Certificate for the property located at 3037 Davenport.

06-36 from Sherry Holley, 5470 Davis Road, requesting permission to erect a banner in the 300 block of South Michigan from November 1, 2006 through November 30, 2006 for the purpose of promoting the Girl Scouts of Mitten Bay Cookie Program.

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES:

APPOINTMENT OF BOARDS AND COMMISSIONS MEMBERS:

REPORTS FROM MANAGER:

Management Update

Recommended Actions

1. Recommending that a purchase order be approved and issued to Novell in the amount of \$12,775.00 for the annual maintenance of the citywide network software. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Information Services Operating Services Account No. 658 1720 711 8005.
2. Recommending approval of the insurance proposal with Illinois Union Insurance Company/ACE for Storage Tank Liability/Pollution coverage for the City's five underground storage tanks and eight above-ground storage tanks as outlined in Option #2, for the period of October 9, 2006 through October 9, 2007, for a total cost of \$10,470.00. Further recommend that the City Manager and/or his designee be authorized to execute any and all necessary insurance documents under the plan.
3. Recommending approval of the Release and Assignment Agreement with Travelers Casualty and Surety Company to resolve a pending insurance claim and to authorize the City Manager or his designee to execute all documents relating to this claim.
4. Recommending approval of the Termination Agreement with the Downtown Development Authority and T.E.D., LLC and approval of the new Development Agreement with DDA and CMS. Further recommend that the City Manager or his designee be authorized to execute all documents relating to this transaction.
5. Recommending approval of the Parking Lot Agreement with SMG and authorizing the City Manager or his designee to execute all documents relating to this transaction. The City of Saginaw entered into a Parking Lot Lease on June 30, 2003 with SMG, the management company that operates the Dow Event Center. This lease involved the use of City owned lots 4 and 23 during events at the Dow Event Center. The Agreement expired on September 30, 2006, and the parties wish to renew it for an additional three years under the same terms and conditions, effective from October 1, 2006.
6. Recommending approval of the request from American Lovers LLC for a transfer of ownership of SDM license located at 1925 Janes Avenue, Saginaw, MI. Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division completed the necessary inspections and have approved this transfer.

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

1. An Ordinance to amend §52.33, "Charge for premises within City," and §52.34, "Charge for premises outside City" of Chapter 52, "Water" of Title V, "Public Works," of the Saginaw Code of Ordinances, O-1.

RESOLUTIONS:

1. Approving the Neighborhood Enterprise Zone Certificates for Neighborhood Enterprise Zone 9.
2. Approving the apportionment of the 2006 annual operating costs for the Saginaw Area Storm Water Authority (Authority) and receiving and filing the 2006 annual budget of the Authority.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

Motion to go into closed session to (1) discuss a written legal opinion concerning an employment contract and (2) to discuss the negotiation of a collective bargaining agreement.

Darnell Earley  
City Manager

# COUNCIL COMMUNICATION

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

**RESOLUTION APPROVING NEIGHBORHOOD ENTERPRISE ZONE CERTIFICATES  
FOR NEIGHBORHOOD ENTERPRISE ZONE 9**

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

WHEREAS, pursuant to provisions of Sections 207.771 thru 207.787 inclusive of Michigan Compiled Laws, the City Council of the City of Saginaw hereby finds that the several residential properties listed below lie within Neighborhood Enterprise Zone #9, established on August 22, 2005, as authorized by Act 147 of the Michigan Public Acts of 1992 (as amended); and

WHEREAS, on July 28, 2006, Council received a request from the Saginaw Habitat for Humanity (Petitions 06-24 through 06-32) for Neighborhood Enterprise Zone Certificates for new single family homes to be constructed in the City of Saginaw Neighborhood Enterprise Zone Number 9; and

WHEREAS, the Council of the City of Saginaw further finds these properties each are new single family residential structures and otherwise comply with provisions of Sections 207.771 thru 207.787 inclusive; and

WHEREAS, Properties included as part of this resolution are:

PETITION NO.	TAX I.D.	PROPERTY ADDRESS	PROPERTY OWNER
06-24	09 0377 00000	1202 S. Warren	Ruby Vann
06-25	09 0376 00000	1210 S. Warren	Roslynn Williams
06-26	09 0977 00000	1220 S. Warren	Dept. of Natural Resources
06-27	09 0679 00000	1223 S. Warren	Ollie Broxton
06-28	09 0680 00000	1227 S. Warren	Daphne Espinoza

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06-29	09 0975 00000	1230 S. Warren	Kenneth & Shelina Wilson
06-30	09 0681 00000	1235 S. Warren	Lisa Fuller
06-31	09 0682 00000	1237 S. Warren	Kimberly Austin
06-32	09 0665 00000	1238 Cornelia (f/k/a 1007 Atwater)	Habitat for Humanity

NOW, THEREFORE, BE IT RESOLVED, as provided by said Sections 207.771 thru 207.787 inclusive, the City Council of the City of Saginaw, Michigan hereby approves the application for a Neighborhood Enterprise Zone Certificate for each of the properties listed above and recommends they be granted a 12 year abatement of property taxes by the State of Michigan.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Storage Tank Liability/Pollution Policy Insurance Proposal with Illinois Union Insurance Company / ACE

**Manager's Recommendation:**

I recommend approval of the insurance proposal with Illinois Union Insurance Company/ACE for Storage Tank Liability/Pollution coverage for the City's five (5) underground storage tanks and eight (8) above ground storage tanks as outlined in Option #2, for the period October 9, 2006 through October 9, 2007, for a total cost of \$10,470, and that I, and/or my designee, be authorized to execute any and all necessary insurance documents under the plan.

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

**Justification:**

For the past several years, the City has had pollution liability coverage for its storage tanks through Zurich U. S. Environmental. Upon renewal of the policy this year, the City was advised by Zurich that they will no longer cover the City's above ground storage tanks. Apparently, many companies do not write policies for non-petroleum based products as these tanks often carry varying contents, some of which affect the groundwater at a greater intensity than petroleum based tanks. Saginaw Bay Underwriters made inquiries to several companies and received a proposal from Illinois Union Insurance Company / ACE as follows:

**OPTION #1**

<b><u>Policy Limits:</u></b>	\$1,000,000	per "storage tank incident" (UST's)
	\$2,000,000	aggregate (UST's)
	\$1,000,000	per "storage tank incident" (AST's)
	\$2,000,000	aggregate (AST's)
	\$4,000,000	aggregate all "storage tank incidents" (UST's/AST's)
	\$2,000,000	aggregate all "legal defense expenses"

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**Deductible:** \$10,000 per “storage tank incident” or optional  
\$25,000 per “storage tank incident”

**Annual Premium: \$8,889 with \$10,000 deductible**  
**Annual Premium: \$7,110 with \$25,000 deductible**

**OPTION #2**

**Policy Limits:** \$2,000,000 per “storage tank incident” (UST’s)  
\$2,000,000 aggregate (UST’s)

\$2,000,000 per “storage tank incident” (AST’s)  
\$2,000,000 aggregate (AST’s)

\$4,000,000 aggregate all “storage tank incidents” (UST’s/AST’s)

\$2,000,000 aggregate all “legal defense expenses”

**Deductible:** \$10,000 per “storage tank incident” or optional  
\$25,000 per “storage tank incident”

**Annual Premium: \$10,470 with \$10,000 deductible**  
**Annual Premium: \$8,376 with \$25,000 deductible**

Both options include coverage for 13 storage tanks at 5 facilities, first party clean-up costs if release is from a covered storage tank, and have a retroactive coverage date of 6/29/1999.

Although the City has not had a pollution claim to date, in the event it does, it is likely to carry excessive exposure. As such, Option #2 is recommended, which has higher policy limits. Note the \$2,000,000 per occurrence with a \$2,000,000 aggregate is the highest limits available. The City would have to obtain a separate excess liability policy for additional coverage. As there is little difference in the annual premium costs, the \$10,000 deductible is further recommended. This is the same deductible the City had with Zurich.

Funds for the insurance premium are budgeted in the various departmental budgets wherein the storage tanks are located.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Novell Licenses and Annual Maintenance payment

**Manager's Recommendation:**

I recommend that a purchase order be issued to Novell in the amount of \$12,775 for annual maintenance of the citywide network software.

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

Funds are available in the Information Services Operating Services Account No. 658-1720-711-8005.

**Justification:**

The City received a proposal for annual maintenance of the citywide network software. By participating in the State of Michigan Master License Agreement with Novell, which is renewable on an annual basis, the City realizes a 50% savings over standard pricing of the software and maintenance. The total price for 10/01/2006 through 9/30/2007 is \$12,775. A reduction in licensed products results in an overall decrease of thirteen percent (13%) percent since October 2005.

**Council Action:**

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



# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Liquor License for 1925 Janes Avenue

**Manager's Recommendation:**

I recommend approval of the request from American Lovers LLC for a transfer of ownership of SDM License located at 1925 Janes Avenue.

**Justification:**

On or about June 23, 2006, the City received notice from the Michigan Liquor Control Commission of the request from American Lovers LLC for a transfer of ownership of SDM License located at 1925 Janes Avenue, Saginaw, MI, 48601 in the County of Saginaw.

The Saginaw County Health Department, City of Saginaw Fire Prevention and the City Building Inspections Division completed the necessary inspections and have approved 1925 Janes Avenue 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. Since the necessary requirements have been met by American Lovers LLC, I hereby recommend approval of the SDM License for 1925 Janes Avenue.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** SMG Parking Lot Agreement

**Manager's Recommendation:**

I recommend approval of the Parking Lot Agreement with SMG and to authorize the City Manager or his designee to execute all documents relating to this transaction. This Agreement has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

The City of Saginaw entered into a Parking Lot Lease on June 30, 2003 with SMG, the management company that operates the Dow Event Center, f/k/a the Saginaw County Event Center. This lease involved the use of City owned lots 4 and 23 during events at the Dow Event Center. SMG charged for parking and the City received 50% of gross revenues collected by SMG. SMG also indemnified the City for certain claims and provided required insurance. The Agreement expired on September 30, 2006, and the parties wish to renew it for an additional three years under the same terms and conditions, effective from October 1, 2006

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** T.E.D. and CMS Development Agreements

**Manager's Recommendation:**

I recommend approval of the Termination Agreement with the DDA and T.E.D., L.L.C. and approval of the new Development Agreement with the DDA and CMS and to authorize the City Manager or his designee to execute all documents relating to this transaction. These Agreements has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

The City of Saginaw entered into a Purchase and Development Agreement with the Downtown Development Authority ("DDA") and T.E.D., L.L.C. on July 29, 2002. It involved three parcels of land. T.E.D. purchased land at 514 S. Washington Avenue. The DDA and the City conveyed adjoining parcels at 507 and 511 S. Franklin St. The resulting combined parcel was to be used for a new office building but that building was not constructed. A new developer has shown an interest in the property and the original three parties wish to terminate the original agreement so that the new development may proceed.

CMS Property Development LLC ("CMS") wishes to acquire the three parcels and construct a funeral home on the property. CMS has already had its site plan approved by the Planning Commission. The new Development Agreement would convey the interests of the DDA and the City in this property in exchange for CMS's agreement to develop the property within the standards and timeline set by the Planning Commission.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** St. Paul Travelers Release and Assignment Agreement

**Manager's Recommendation:**

I recommend approval of the Release and Assignment Agreement with Travelers Casualty and Surety Company to resolve a pending insurance claim and to authorize the City Manager or his designee to execute all documents relating to this claim. This Agreement has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

The City of Saginaw has an insurance policy with Travelers Casualty and Surety Company ("Travelers") protecting the City against loss by actions of its own employees. The City suffered such a loss in the Fiscal Services Department and made a claim with Travelers against this policy. The amount of loss has been determined after a lengthy investigation, and the parties agree that the total loss is \$72,095.80. The policy provides for a deductible amount of \$5,000.00, and the parties have agreed that the City should receive a total of \$67,095.80 in payment of this claim.

In exchange for the payment, the City will release Travelers from any further claim for this loss and will assign to Travelers the right to pursue reimbursement of the lost funds.

**Council Action:**

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

# COUNCIL COMMUNICATION

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

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

WHEREAS, the City of Saginaw has previously joined the Saginaw Area Storm Water Authority, hereafter "Authority," and is a constituent municipality pursuant to the Articles of Incorporation adopted by the Authority; and

WHEREAS, two-thirds of the legislative bodies of the Member Municipalities are required to approve the apportionment of the annual operating costs of the Authority; and

WHEREAS, the Authority is required to file with the legislative bodies of the Member Municipalities an annual budget for the next fiscal year covering the proposed expenditures to be made for the organization and operation of the Authority,

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

1. The apportionment of the 2007 annual operating costs for the Authority is approved as presented.
2. The 2007 annual budget of the Authority is received and accepted as presented.