

## COUNCIL AGENDA

For

October 23, 2006, 6:30 p.m., Council Chamber

ROLL CALL:

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

ANNOUNCEMENTS:

PUBLIC HEARINGS:

Obsolete Property Rehabilitation Exemption Certificate for the property located at 3037 Davenport.

PERSONAL APPEARANCES:

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

REMARKS OF COUNCIL:

PETITIONS:

06-37 From Dr. Samuel Shaheen, SSP Associates, requesting that the City of Saginaw establish an Obsolete Property Rehabilitation District to include 1413 Gratiot Avenue.

06-38 From David G. Bernier, Bernier Cast Metals, Inc., requesting Personal Property Tax Abatement for the property located at 2626 Hess Street.

06-39 From Tim Lynch, 2475 Midland Rd., requesting permission to erect a banner in the 500 block of Court Street from April 3, 2007 through May 3, 2007 for the purpose of promoting Saginaw County Law Day.

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES:

APPOINTMENT OF BOARDS AND COMMISSIONS MEMBERS:

1. Consideration of reappointing Thelma Ruffin and Barbara Roberts to the Saginaw Community Enrichment Commission with terms to expire 06/30/09.

2. Consideration of reappointing Daniel J. LaPan to the STARS Board with a term to expire 09/26/09.
3. Consideration of reappointing Michael A. Emmenecker to the City Planning Commission with a term to expire 12/31/09
4. Consideration of appointing Foster Charles Olmstead to the City Planning Commission to fill a vacancy with a term to expire 12/31/09.

#### REPORTS FROM MANAGER:

##### Management Update

##### Recommended Actions

1. Recommending approval of the Claims Service Contract with Alternative Service Concepts as the City's third party administrator for insurance claims. The third-party administrator reviews all claims and loss reports arising under the City's insurance policy and investigates, adjusts, settles, or resists all losses and/or claims with specific prior approval of the City. The total contract price is a flat fee of \$54,700.00. Funds are available in the Self-Insurance Fund, Insurance Expense Account No. 677 1762 711 8006.
2. Recommending approval of the Retired License Rights Form with Novell, Inc., and authorizing Jay Beelman, Information Services Director, to execute all documents relating to this transaction. The Retired License Form is a written notification to Novell that we will no longer use the software and will no longer pay maintenance fees for the license.
3. Recommending approval of the agreement with Trivalent Group in an amount not to exceed \$15,000.00 to assist with the installation and implementation of ZENworks Management Suite. ZENworks is a software product that simplifies the delivery and management of diverse information technology resources. 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.
4. Recommending that a budget adjustment be completed for Information Services Equipment Rental Account No. 658 1720 711 8550. This adjustment reflects an amendment to the service agreement with Citicorp Vendor Finance, Inc. The Information Services Equipment Rental Account No. 658 1720 711 8550 will be increased by \$17,033.44 from \$263,304.00 to \$280,337.44. Funds for the adjustment are available in Water Operations and Maintenance's Instrumentation and Process Control Account No. 591 4715 851 9720 in the amount of

\$12,775.08 and Sewer Operations and Maintenance's Instrumentation and Process Control Account No. 590 4815 851 9720 in the amount of \$4,258.36. The adjustment to Information Services Equipment Rental will be used to pay monthly equipment lease payments for the remainder of the 2006-07 fiscal year for a new phone system at the Water Treatment Plant and Maintenance & Service Division.

5. Recommending approval of the amendment to the Citicorp Vendor Finance, Inc. Agreement to upgrade the City's telecommunications system. Further recommend that the Information Services Director be authorized to execute all agreements as part of this implementation. This vendor meets all requirements of the contract compliance provisions. Funds to cover the lease agreement amendment through the remainder of this fiscal year are budgeted in Instrumentation and Process Control Account Nos. 591 4715 851 9720 (\$12,775.08) and 590 4815 851 9720 (\$4,258.36).
6. Recommending approval of a Quit Claim Deed conveying all remaining interest in the former Adeline Street to J & G Saginaw Investments LLC ("J & G"). The land will be incorporated into J & G's Family Dollar Store development project located at 1908 South Michigan.
7. Recommending that an agreement conveying an easement to Consumers Energy be approved for the property located at 172 Davenport.
8. Recommending that the City Manager or his designee be authorized to negotiate the sale of the parcels of real property known as 716 S. Park, 533 S. Park, 725 S. 4<sup>th</sup>, 3017 Grant, 2529 Thatcher, 3332 Grant, 2510 Douglass, 3415 Glasby, 1603 Johnson, 1607 Johnson, 2301 Lapeer and 3423 Glasby. Sale of the properties, even for a nominal amount, will alleviate the City's property tax and maintenance obligation and put these properties back into productive use by private parties.
9. Recommending acceptance of the quote received from WESCO Distribution, Inc. and that a purchase order be approved and issued to them in the amount of \$3,888.50 for the purchase of pump repair parts for the Webber Street Retention Treatment Basin. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Sewer Operation and Maintenance Fund Account No. 590 4830 861 7330.
10. Recommending acceptance of the quote and issuance of a purchase order to Martin Control Services in the amount of \$7,613.40 for repair of the Accusonic Transit-Time flow meters located at the Salt-Fraser and Weiss Street Retention Treatment Basins. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Sewer Operation and Maintenance Account No. 590 4835 861 8040.

11. Recommending acceptance of the quote and issuance of a purchase order to SolarBee in the amount of \$91,986.00 for SolarBee equipment used by the Water Treatment Division. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water Capital Surplus Account No. 577 4740 881 9741.

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

RESOLUTIONS:

1. Approving the appointment of Receiving Boards for the November 7, 2006 general election.
2. Approving the Obsolete Property Rehabilitation Exemption Certificate submitted by Yeo & Yeo Properties, LLC, for the property at 3037 Davenport.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

Darnell Earley  
City Manager

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** SolarBee Equipment

**Manager's Recommendation:**

I recommend that the quote from SolarBee be accepted and that a purchase order be approved and issued to them in the amount of \$91,986.00 for the purchase of SolarBee equipment used by the Water Treatment Division. Funds for this purchase are in the FY 2006 budget.

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

Funds for the lease-purchase agreement are available in the Water Capital Surplus Account No. 577-4740-881.97-41.

**Justification:**

On June 5, 2006, City Council approved a purchase agreement with SolarBee and a finance agreement with Wells Fargo to purchase two (2) SolarBees. Recently, Wells Fargo advised the City that it was submitting a new contract to replace the one approved by City Council on June 5, 2006. The parties could not reach a deal regarding the agreement. The new agreement was substantially different from the old agreement. In addition, City staff encountered problems with Wells Fargo that were not resolved to its satisfaction. Therefore, staff decided to purchase the equipment outright. The Water Treatment Division received the equipment and installed the equipment during the summer.

The SolarBees are solar powered reservoir circulators which will improve cost efficiency and the raw water quality in our storage reservoirs located at the Kochville Raw Water Pump Station. The recirculation units will either greatly reduce this need or eliminate it entirely. Further, the units reduce blue-green algae blooms which cause taste and odor problems by circulating and oxygenating the reservoir water.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Information Services Equipment Rental Budget Adjustment

**Manager's Recommendation:**

It is recommended that a budget adjustment be completed for Information Services Equipment Rental Account No. 658-1720-711.85-50. This adjustment reflects an amendment to the service agreement with Citicorp Vendor Finance, Inc.

The Information Services Equipment Rental Account No. 658-1720-711.85-50 will be increased by \$17,033.44 from \$263,304.00 to \$280,337.44. Funds for the adjustment are available in Water Operations and Maintenance's Instrumentation and Process Control Account No. 591.4715-851.97-20 in the amount of \$12,775.08 and Sewer Operations and Maintenance Instrumentation and Process Control Account No. 590-4815-851.97-20 in the amount of \$4,258.36.

**Justification:**

The adjustment to Information Services Equipment Rental will be used to pay monthly equipment lease payments for the remainder of the 2006/07 fiscal year for a new phone equipment system at the Water Treatment Plant and Maintenance & Service. The new phone equipment will make the two areas more compatible with the main City phone system.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Claims Service Contract with Alternative Service Concepts.

**Manager's Recommendation:**

I recommend approval of the Claims Service Contract with Alternative Service Concepts as the City's third party administrator for insurance claims.

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

**Justification:**

Alternative Services Concepts, LLC (ASC) has been the City's third party administrator since the City first switched insurance carriers in 1995. The third party administrator reviews all claims and loss reports arising under the City's insurance policy and investigates, adjusts, settles, or resists all losses and/or claims with specific prior approval of the City. The contract is for one year from July 1, 2006 to June 30, 2007. The total contract price is a flat fee of \$54,570.00, which has not increased from last year. ASC will indemnify and hold the City harmless for any claims asserted as a result of any errors, omissions, torts, intentional torts or other negligence on the part of ASC or its employees, unless the complained of actions of ASC were taken at the specific direction of the City.

**Council Action:**

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

# COUNCIL COMMUNICATION

## APPOINTMENT OF RECEIVING BOARDS FOR THE NOVEMBER 7, 2006 GENERAL ELECTION

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

WHEREAS, a General Election will be held in the City of Saginaw on Tuesday, November 7, 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 November 7, 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



# COUNCIL COMMUNICATION

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.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** 3037 Davenport - Obsolete Property Rehabilitation Certificate

**Manager's Recommendation:**

I recommend that Council approve the Obsolete Property Rehabilitation Exemption Certificate submitted by the developer, Yeo & Yeo Properties, LLC, for the property at 3037 Davenport.

**Justification:**

Under the Obsolete Property Exemption Certificate, eligible properties can receive up to a 12-year tax abatement on improvements only, with the exception of local and state school taxes that must be paid in full. The formation of such districts and their associated tax exemption certificates are allowed under the Obsolete Property Rehabilitation Act (OPRA), P.A. 146 of 2000. Formation of an Obsolete Property District at 3037 Davenport was approved at the June 19, 2006, Council meeting.

The developers plan to invest \$175,000 and create twelve (12) new jobs by developing the property into "a medical billing and consulting division."

The 2006 Taxable Value on the property is \$89,315 with the City of Saginaw receiving \$723.82 in tax revenue in 2005. The city will continue to receive this amount through the time period of the exemption.

The attached resolution is listed under the regular order of business that approves the OPRA certificate. If approved, the exemption certificate granted by City Council will undergo final review by the State Tax Commission. If approved by the State Tax Commission, the certificate would go into effect for the 2007 tax year.

**Council Action:**

This Council Communication is for explanation purposes only of the resolution to be adopted and needs no separate approval.

# COUNCIL COMMUNICATION

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

## **RESOLUTION APPROVING OPRA CERTIFICATE FOR YEO & YEO PROPERTIES, L.L.C. AT 3037 DAVENPORT**

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

WHEREAS, the City of Saginaw is a Qualified Local Governmental Unit; and

WHEREAS, under P.A. 146 of 2000, the City of Saginaw is authorized to form Obsolete Property Rehabilitation Districts and approve applications for Obsolete Property Exemption Certificates; and

WHEREAS, the City of Saginaw Council approved the formation of an Obsolete Property Rehabilitation District at 3037 Davenport, TAX ID 13 0948 00100, "the facility", on June 19, 2006, following a public hearing regarding district formation; and

WHEREAS, the proposed rehabilitation of the facility will not result in aggregate exemptions, under P.A. 146 of 2000, exceeding 5% of the total taxable value of the City of Saginaw; and

WHEREAS, a public hearing was held on October 23, 2006, and the Obsolete Property Exemption Certificate application was approved by the City of Saginaw Council; and

WHEREAS, the applicant, Yeo & Yeo Properties, L.L.C, is not delinquent in any taxes related to the facility; and

WHEREAS, the facility has been deemed obsolete by the City of Saginaw pursuant to P.A. 146 of 2000; and

WHEREAS, the applicant has submitted items A through E on the Michigan Department of Treasury form 3674 (5-06); and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the facility is located within an Obsolete Property Rehabilitation District and its rehabilitation will constitute a rehabilitated facility pursuant to P.A. 146 of 2000; and

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WHEREAS, the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, create employment, retain employment, prevent a loss of employment, and revitalize an urban area; and

WHEREAS, the rehabilitation will result in an investment that exceeds 10% or more of the true cash value of the property pursuant to P.A. 146 of 2000; and

WHEREAS, the City of Saginaw is stipulating that the applicant complete the rehabilitation by April 15, 2007; and

WHEREAS, the certificate shall be in effect for a period of twelve (12) years;

NOW, THEREFORE, BE IT RESOLVED that the City of Saginaw hereby approves the Obsolete Property Rehabilitation Exemption Certificate application, pursuant to Public Act 146 of 2000, as amended, for the eligible property legally described as:

3037 DAVENPORT, SAGINAW, MICHIGAN

ASSESSOR'S FILE #: 13 0948 00100

S. 234 FT. OF N. 240 FT. OF LOT 2, BLK. 4, ANNIE F. MC EWAN'S

ADDITION

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Novell Retired License Rights Form

**Manager's Recommendation:**

I recommend approval of the Retired License Rights Form with Novell, Inc., and authorize Jay Beelman, the City of Saginaw Information Services Director, to execute all documents relating to this transaction. This document has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

The City of Saginaw no longer uses BorderManager, a software product from Novell. The Retired License Form is a written notification to Novell that we will no longer use the software and will no longer pay maintenance fees for the license.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Trivalent Group Block Time Agreement

**Manager's Recommendation:**

I recommend that the agreement with Trivalent Group ("Trivalent") be approved in an amount not to exceed Fifteen Thousand Dollars and 00/100 (\$15,000.00). This agreement was approved by the City Manager as to substance and the City Attorney as to form.

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

Funds for this purchase is available in Information Services Operating Services Account Number 658-1720-711.80-05.

**Justification:**

Trivalent will assist with the installation and implementation of ZENworks Management Suite ("ZENworks"). ZENworks is a software product that simplifies the delivery and management of diverse information technology resources. ZENworks will allow the City to manage the entire lifecycle of desktops, laptops, servers and handheld devices. It decreases administrative burdens and increases enterprise-wide business efficiency. With ZENworks, the City can lower information technology costs, efficiently manage desktops, simplify server management, automate patch management, protect user data and simplify software packaging.

The City currently has a license to use ZENworks but it has not yet been installed or implemented. The requested purchase order is for prepayment of a block of Trivalent support hours that will be used to assist City Information Services staff with implementing ZENworks. By purchasing a prepaid block of hours, the City will receive an additional Two Thousand Two Hundred and Fifty Dollars and 00/100 (\$2,250.00) of service credits at no cost.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Retention Treatment Basins Flow Meters Service

**Manager's Recommendation:**

I recommend that the quotation received from Martin Control Services be accepted and that a purchase order be issued to them in the amount of \$7,613.50 for repair of the Accusonic Transit-Time flow meters located at the Salt-Fraser and Weiss Street Retention Treatment Basins (RTBs).

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 Operation and Maintenance

Account No. 590-~~4835-8614~~-80-40-~~05-5311-711-8005~~

**Justification:**

On September 1, 2006 the City received a quotation from Martin Control Services for repair of the Accusonic Transit-Time flow meters located at the Salt-Fraser and Weiss Street Retention Treatment Basins (RTBs). The Wastewater Treatment Plant's National Pollutant Discharge Elimination System Permit requires metering of the flow at the RTBs. The repair and service of these meters would include training the City's personnel to perform preventative maintenance on the meters. Martin Control Services is the sole source for service in this region of the Accusonic Meters.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Pump Repair Parts for Webber Street Retention Treatment Basin

**Manager's Recommendation:**

I recommend that the quote received from WESCO Distribution, Inc. be accepted and that a purchase order be issued to them in the amount of \$3,888.50 for the purchase of pump repair parts for the Webber Street Retention Treatment Basin (RTB).

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 Operation and Maintenance Fund Account No. 590 4830 861 7330

**Justification:**

On October 5, 2006 the City received a quotation for the purchase of pump repair parts for the Webber Street Retention Treatment Basin (RTB). These parts include a computer card for the electronic starter and auxiliary contacts. This is a sole source purchase available only from the manufacturer's distributor, WESCO Distribution, Inc. This equipment is necessary to allow the pump to start automatically during rain events.

**Council Action:**

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



# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Sale of City Owned Properties

**Manager's Recommendation:**

I recommend that the City Manager or his designee be authorized to negotiate the sale of the parcels of real property known as 716 S. Park, 533 S. Park, 725 S. 4<sup>th</sup>, 3017 Grant, 2529 Thatcher, 3332 Grant, 2510 Douglass, 3415 Glasby, 1603 Johnson, 1607 Johnson, 2301 Lapeer and 3423 Glasby. Further, I recommend that the City Manager or his designee be authorized to execute all documents necessary to dispose of these properties, it being clearly to the City's advantage to do so without competitive bidding.

**Justification:**

The City of Saginaw owns various parcels of land that are held in anticipation of economic development, received by default from the State of Michigan through the tax reversion process, or held for development of parkland. These parcels are not used for a public purpose, so they are taxable, and the City of Saginaw is obligated, the same as any property owner, to pay the property taxes. The Department of Development Staff has inventoried all of the properties that are owned by the City and is beginning a process to put these non-strategic parcels back into use. The above listed parcels have been identified as non-strategic and disposal is appropriate. The City of Saginaw does not have a purpose for these parcels nor can staff foresee a use for them in the immediate future. These properties typically have a value of less than \$1,000.00, and may be of use only to adjoining property owners for yard expansion. Sale of the properties, even for a nominal amount, will alleviate the City's property tax and maintenance obligation and put these properties back into productive use by private parties.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Consumers Energy Easement

**Manager's Recommendation:**

I recommend that an agreement conveying an easement to Consumers Energy be approved. The agreement has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

Recently, the City received a request from Consumers Energy ("Consumers") for an easement on its property located at 172 Davenport Avenue. Specifically, Consumers is requesting an easement to install electric power lines on the City's property, in order to provide service to Lamar Advertising ("Lamar") billboard. Lamar's billboard is located near the City's property at 2602 Carrollton Road. Consumers will indemnify, defend and hold harmless the City from any liability claims.

Pursuant to the terms of the easement, the City cannot locate any buildings or structures on the easement area and cannot raise the grade by more than three (3) feet without Consumers' prior written consent. If the City fails to do so, Consumers can relocate an electric line or lateral line on another portion of 172 Davenport and the easement will automatically apply to the relocated line.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Adeline Street Quit Claim Deed

**Manager's Recommendation:**

I recommend Council approve a Quit Claim Deed conveying all remaining interest in the former Adeline Street to J & G Saginaw Investments LLC ("J & G"). The land will be incorporated into J & G's Family Dollar Store development project located at 1908 South Michigan. The Quit Claim Deed has been approved by me as to substance and the City Attorney as to form.

**Justification:**

On March 25, 1919, the City of Saginaw vacated Adeline Street bounded by South Michigan Avenue, Stewart Street, South Hamilton Street and Florence Street. The City reserved an easement for public utilities on this property. City staff has determined that the City does not need the easement and that it has no utilities in this former alley and there is no need to place utilities there in the future. Further, City staff determined that the easement should be quit claimed to J & G so that it can be incorporated into the Family Dollar Store development. This Quit Claim Deed will release the easement so that J & G has full title to the property.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Amendment to Citicorp Vendor Finance Inc. Agreement

**Manager's Recommendation:**

I recommend that the amendment to the Citicorp Vendor Finance, Inc. Agreement be approved. The amendment has been approved by the City Manager as to substance and the City Attorney as to form. Further, it is recommended that the Information Services Director, Jay Beelman, be authorized to execute all agreements as part of this implementation.

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 to cover the lease agreement amendment through the remainder of this fiscal year are budgeted in Instrumentation and Process Control Account Nos. 591-4715-851-97.20 (\$12,775.08) and 590-4815-851-97.20 (\$4,258.36). A budget adjustment will be done to transfer the funds to the Information Services Equipment Rental Account No. 658-1720-711-80.50. Funds to cover the remaining lease payments for future fiscal years will be budgeted for in the Information Services Equipment Rental account.

**Justification:**

On March 8, 2004, City Council approved an agreement with CitiCapital Technology Finance, Inc. ("CitiCapital") to upgrade the City's telecommunications system. Subsequently, CitiCapital changed its name to Citicorp Vendor Finance, Inc. ("Citicorp"). On August 31, 2006, the City received an amended agreement to add additional city locations. Specifically, implementation of upgraded desk phone service

# COUNCIL COMMUNICATION

at the Maintenance and Service Offices and Water Treatment Plant would provide the tools required to increase performance, service and efficiency as well as realize a cost savings. Projected savings from switching the analog phone system currently in place is approximately \$700.00 per month. The supplier of the equipment, I.T.I., will install the leased hardware and provide training, which will result in improved voice and data communications. The amendment will be in the additional amount of \$2,129.18 per month for hardware, line charges, installation and maintenance for a total of \$57,487.86 over the remaining 27 months of the original agreement

**Council Action:**

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