

Council Agenda

October 27, 2008 6:30 p.m. Council Chamber

PRAYER AND PLEDGE OF ALLEGIANCE

ROLL CALL:

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

- July 28,
- August 11,
- August 25,
- September 8, and
- September 22, 2008 regular Council meetings

ANNOUNCEMENTS:

PUBLIC HEARINGS:

- Delta Steel Inc., for an Industrial Facilities Exemption Certificate at 1410 Webber Street, Saginaw, MI.

PERSONAL APPEARANCES:

- *(A list will be provided on Monday)*

REMARKS OF COUNCIL:

PETITIONS:

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

- Mayor Joyce Seals will give a briefing of the Planning Session in Washington, DC at the Department of Housing and Urban Development regarding the Housing and Economic Recovery Act; and the Michigan Cities of Promise Summit held in Detroit, MI.

REPORTS FROM MANAGER:

Management Update:

1. Odail Thorns, Development Director, will give an update on the HUD monitoring report and the 2002-2007 demolition cost issues.

Recommended Actions:

1. Recommending approval of the Use License Agreement with SMG Corporation, the managing agent for the Dow Event Center. The Agreement is approved by the City Manager as to substance and the City Attorney as to form. The City of Saginaw will hold its annual Arson Watch festivities on Thursday, October 30, 2008 at the Dow Event Center between the hours of 5:00 p.m. and 9:00 p.m. The Arson Watch event is designed to provide a safe place for young residents in the City of Saginaw to participate in Halloween activities. The City is not responsible for any expenses associated with the event.
2. Recommending approval of the year-end citywide budget adjustment.
3. Recommending approval of the quote received from Emerson Process Management and issuance of a purchase order to them in the amount of \$5,611.00 for a replacement flow meter. Emerson Process Management is the sole source provider for Rosemount flow meters in Michigan. Flow meters are required on all the retention basins by our National Pollutant Elimination System Permit. This vendor meets all requirements of the contract compliance provisions. Funds for this purchase are budgeted in the Sewer Operation and Maintenance Parts & Supplies Account No. 590 4835 861 7330.
4. Recommending that a final payment be made to Waterford Stone Supply in the amount of \$6,000.00 for the annual dozing and grading for the Right of Way Division. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Water and Sewer Operating Services Account Nos. 591 4721 861 8005 (\$3,000.00) and 590 4821 861 8005 (\$3,000.00).
5. Recommending acceptance of the low bid and issuance of a purchase order to Rapid Water Recovery in the amount of \$11,880.00 for annual testing on large water meters. Annual testing is performed on large cold-water meters to ensure their accuracy. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water Meter Operating Services Account No. 591 4720 861 80 05 (\$5,940.00) and the Sewer Meter Operating Services Account No. 590 4820 861 8005 (\$5,940.00).
6. Recommending acceptance of the low bid and issuance of a purchase order to Karbowski Oil in the amount of \$19,150.00 for the purchase of an annual supply of motor vehicle bulk fluids to be used by the City's motor pool operation. This vendor meets all requirements of the contract compliance provisions. Funds for this purchase are available in the Motor Pool Operation Motor Vehicle Supplies Account No. 661 4480 841 7312.
7. Recommending acceptance of the low bid and issuance of a purchase order to Valk Manufacturing in the amount of \$22,132.00 for the purchase of tungsten carbide grader blade tipped cutting edges. This vendor meets all requirements of the contract compliance provisions. Funds for this purchase are available in the Right of Way Division Streets Section/Major Streets Snow Removal Account No. 202 4655 841 7330.
8. Recommending approval of the agreement with Tetra Tech, Inc. and issuance of a purchase order to them in the amount of \$39,800.00 for engineering design, programming and startup services to connect a new Water Treatment Plant Disinfection System to the existing Supervisory Control and Data Acquisition system. This agreement has been 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. Funds are available in the Instrumentation & Process Controls Professional Services Account No. 591 4715 851 8001.

9. Recommending that payment be made to R & R Ready Mix Concrete in the amount of \$43,763.75 for the purchase of ready mix concrete to be used by the Maintenance and Service Division for the restoration of utility cuts in the water and sewer systems. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water and Sewer Section Road Materials Supplies Account Nos. 590 4821 861 7340 (\$21,881.88) and 591 4721 861 7340 (\$21,881.87).

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

RESOLUTIONS:

1. Approval of the Industrial Facilities Tax Exemption Certificate for Delta Steel, Inc. located at 1410 Webber Street, Saginaw, MI.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS:

Darnell Earley
City Manager

COUNCIL COMMUNICATION

From: The City Manager

Subject: Replacement Flow Meter

Manager's Recommendation:

I recommend that the quote from Emerson Process Management be accepted and a purchase order be issued to them in the amount of \$5,611.00 for a replacement flow meter.

Emerson Process Management is the sole source for Rosemount flow meters in Michigan.

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 Sewer Operation and Maintenance Parts and Supplies Account No. 590-4835-861.73-30.

Justification:

The flow meter for the Salt/Fraser retention basin has failed and needs to be replaced. As retention basin flow meters fail, we have been replacing them with Rosemount meters because they have proven to be the most reliable. This practice also allows us to stock fewer spare parts. Flow meters are required on all the retention basins by our National Pollutant Discharge Elimination System Permit.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Tetra Tech, Inc. Contract

Manager's Recommendation:

I recommend that an agreement with Tetra Tech, Inc. be approved and that a purchase order be issued to them in the amount of \$39,800.00. This agreement has been 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 are available in the Instrumentation and Process Controls Professional Services Account No. 591-4715-851.80-01.

Justification:

On September 25, 2008, Tetra Tech, Inc. submitted a proposal in the amount of Thirty Nine Thousand Eight Hundred Dollars and 00/100 (\$39,800.00) for engineering design, programming and startup services to connect a new Water Treatment Plant Disinfection System to the existing Supervisory Control and Data Acquisition (SCADA) system. Proposals were not solicited from other vendors since Tetra Tech, Inc. is the design engineer for this system.

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:

INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE

FOR DELTA STEEL, INC., 1410 WEBBER

Council _____ offered and moved adoption of the following resolution:

WHEREAS, Delta Steel, Inc., did on October 3, 2008, file its application for an Industrial Facilities Tax Exemption Certificate as provided by Act 198, P.A. of 1974, as amended, hereinafter referred to as the Act, receipt of said application having been reported to City Council on September 8, 2008, and said application being on file in City Clerk's File 080-36; and

WHEREAS, the Council has carefully considered said application and all information pertinent thereto.

NOW, THEREFORE, BE IT RESOLVED, that the Council hereby finds and determines as follows:

1. The Council of the City of Saginaw on May 27, 1980, on the petition of Delta Steel, Inc., did lawfully establish in the City of Saginaw, an Industrial Development District pursuant to the Act, said district comprising that certain piece or parcel of land in the State of Michigan, County of Saginaw and City of Saginaw under the City of Saginaw Tax Roll No. 11 1200 00000 commonly known as 1410 Webber, Saginaw, Michigan.

2. Upon receipt of the above-mentioned application for an Industrial Facilities Tax Exemption Certificate from Delta Steel, Inc. the City Clerk did notify in writing the Assessor of the City of Saginaw and the legislative body of each taxing unit which levies

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ad valorem property taxes in the City of Saginaw, this being the governmental unit in which the facility for an Industrial Facilities Tax Exemption Certificate is sought to be located, said taxing units being the Intermediate School District, the School District of the City of Saginaw, the County of Saginaw, Saginaw Public Libraries, Delta College and Saginaw Transit Authority Regional Services, enclosing a copy of the above-described application for Industrial Facilities Tax Exemption Certificate and notifying each that it would be given an opportunity to be heard on this matter by the Council at its regular meeting on Monday, October 27, 2008.

3. The Council has on this date and earlier in this meeting afforded Delta Steel, Inc., the Assessor of the City of Saginaw, and a representative of each affected taxing unit an opportunity for a hearing on the above-mentioned application for Industrial Facilities Tax Exemption Certificate, and the Council has given due consideration to all information presented at said hearing.

4. The City Assessor has heretofore determined and furnished to the Council the value of the property to which the above-mentioned application pertains, the aggregate state equalized valuation of real and personal property which would be exempt from ad valorem taxes under the Act in the City of Saginaw after granting the above-petitioned Industrial Facilities Tax Exemption Certificate and the sum of the state equalized valuation of the City of Saginaw and the aggregate state equalized valuation of real and personal property exempt from ad valorem taxes under the Act in the City of Saginaw.

5. Construction of the facility or installation of machine and equipment, which is the subject of the above-mentioned application, was not begun earlier than six (6)

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months before the filing of the application for the Industrial Facilities Tax Exemption Certificate.

6. The application filed for the certificate indicates two (2) new jobs will be created and eighteen (18) current jobs will be retained, in the City of Saginaw, this being the community in which the facility is situated.

7. The aggregate state equalized valuation of real and/or personal property exempt from ad valorem taxes under the Act in the City of Saginaw after granting the Industrial Facilities Tax Exemption Certificate applied for will not exceed 5 percent of an amount equal to the sum of the state equalized valuation of real and/or personal property exempt from ad valorem taxes under the Act in the City of Saginaw.

8. Irrespective of the findings in paragraph 7 above, granting of the Industrial Facilities Tax Exemption Certificate considered with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act. No. 255 of the Public Acts of 1978 shall not have the effect of substantially impeding the operation of local government or impairing the financial soundness of any unit of local government.

9. The aforementioned application complies in all respects with the applicable provisions of the Act, and all actions and proceedings necessary for the approval of said application by the Council of the City of Saginaw have been accomplished as required by said public act.

BE IT FURTHER RESOLVED, that the Council of the City of Saginaw does hereby approve the above-described application of Delta Steel, Inc., for an Industrial Facilities Tax Exemption Certificate for a period of 12 years.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Large Water Meter Testing

Manager's Recommendation:

I recommend that the low bid from Rapid Water Recovery be accepted and a purchase order be issued to them in the amount of \$11,880.00 for annual testing on large water meters.

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

Funds for this purchase are budgeted in the Water Meter Operating Services Account 591-4720-861-80-05 (\$5,940.00) and Sewer Meter Operating Services Account 590-4820-861-80-05 (\$5,940.00).

Justification:

Annual testing is performed on large cold-water meters to ensure their accuracy. Rapid Water Recovery submitted the lowest bid to test and repair the water meters. Any parts required will either be supplied from our stock or the vendor will supply and charge list price for them. Charges for parts supplied by the vendor would be an additional charge to the original bid price. It would be in the best interest of the City to issue a single purchase order for all the work, with the additional \$2,500.00 for parts, if needed, added to the \$9,380.00 of the original bid. Following is a tabulation of the bids received:

Vendor

Rapid Water Recovery	\$ 9,380.00
Armuchee, GA	<u>2,500.00</u> (additional parts)
	\$11,880.00

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Hydro Meter
Pontiac, MI. \$11,999.00

Unity Water Service
Trion, GA \$13,300.00

Van Guard
Owensboro, KT \$13,605.00

Council Action:

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

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From: The City Manager

Subject: Final Vendor Payment for FY2008 Dozing and Grading

Manager's Recommendation:

I recommend that a payment be made in the amount of \$6,000.00 to Waterford Stone Supply for the annual dozing and grading for the Right of Way Division.

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

Funds for this purchase are budgeted in the Water and Sewer Operating Services Account Nos. 591-4721-861.80-05 (\$3,000.00) and 590-4821-861.80-05 (\$3,000.00) respectively.

Justification:

During fiscal year 2008 Waterford Stone (the low bidder) was issued a purchase order for the annual dozing and grading on an “as needed basis”. The purchase order provided for a set number of site visits at a rate of \$1,500.00 per visit. Waterford Stone made four (4) additional site visits due to the need for the services and incurred additional cost. The City’s purchasing office, City Attorney’s office and the Right of Way Division reviewed the contractor’s request and concurred that the charges were within the annual purchase order and should be paid.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: SMG Corporation (Dow Event Center) Use License Agreement

Manager's Recommendation:

I recommend approval of the Use License Agreement with SMG Corporation, the managing agent for the Dow Event Center. The Agreement is approved by the City Manger as to substance and the City Attorney as to form.

Justification:

The City of Saginaw will hold its annual Arson Watch festivities on Thursday, October 30, 2008 at the Dow Event Center. The Arson Watch event is designed to provide a safe place for young residents in the City of Saginaw to participate in Halloween activities. The event will occur between the hours of 5:00 p.m. and 9:00 p.m. The City is not responsible for any expenses associated with the event. The Saginaw Community Foundation provided a grant to pay for all costs.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Tungsten Carbide Grader Blade Tipped Cutting Edges

Manager's Recommendation:

I recommend that the low bid from Valk Manufacturing be accepted and a purchase order be issued to them in the amount of \$22,132.00 for the purchase of tungsten carbide grader blade tipped cutting edges.

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 Right of Way Division's Streets Section/Major Streets Snow Removal Account No. 202-4655-841-73.30.

Justification:

On June 10, 2008 the City received five (5) bids for a durable cutting edge that could withstand the wear and tear of winter snow operations. A tungsten carbide grader reinforced blade was chosen due to our experience with them when the City borrowed two (2) Saginaw County trucks to assist our plowing operations. The bid from Michigan Cat did not meet specifications as to size. Truck and Trailer Specialties could only hold their pricing for 6 days beyond the opening bid date, which is not enough time to evaluate the bids and submit a recommendation. Following is a tabulation of the bids received:

Michigan Cat Novi, MI	\$16,144.06
Truck & Trailer Specialties Boyne Falls, MI	\$22,072.00

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Valk Manufacturing New Kingstown, PA	\$22,132.00
Shults Equipment Ithaca, MI	\$23,839.00
St Regis Culvert Inc. Charlotte, MI	\$25,220.00

Council Action:

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

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From: The City Manager

Subject: Annual Supply of Motor Vehicle Bulk Fluids

Manager's Recommendation:

I recommend that the low bid from Karbowski Oil be accepted and a purchase order be issued to them in the amount of \$19,150.00 for the purchase of an annual supply of motor vehicle bulk fluids.

This vendor meets all the 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 Motor Pool Operation Motor Vehicle Supplies Account No. 661-4480-841.73-12.

Justification:

On October 7, 2008 the City received bids for an annual supply of bulk fluids. The City's Motor Pool Operation requires various lubricants to maintain its fleet. The following is a tabulation of the bids received:

Karbowski Oil Bay City, MI	\$19,150.50
Valley Petroleum Swartz Creek, MI	\$21,573.75
Lyden Oil Lansing, MI	\$22,411.30
Michigan Petroleum Clio, MI	\$22,710.45

Council Action:

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

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From: The City Manager

Subject: Year-End Citywide Budget Adjustment

Manager's Recommendation:

It is recommended that the 2008/2009 Approved Budget for the following funds be amended:

The General Fund (101) will be increased by \$666,408.00 from \$827,937.00 to \$1,494,345.00. Available General Fund's fund balance will offset the increase.

Major Street Fund's (202) Operating Transfer From Other Funds Account No. (202-0000-691.69.01) will be increased from \$0.00 to \$2,808.00. A transfer from the General Fund will offset this increase.

Local Street Fund's (203) Operating Transfer From Other Funds Account No. (203-0000-691.69.01) will be increased from \$0.00 to \$1,453.00. A transfer from the General Fund will offset this increase.

The Public Safety Fund (205) Fund's Operating Transfer From Other Funds Account No. (205-0000-691.69.01) will be increased from \$0.00 to \$23,482.00. A transfer from the General Fund will offset this increase.

The Rubbish Collection (226) Fund should be increased by \$16,143.00. Available unrestricted and undesignated fund balance will offset this increase.

The Park Operations Fund (516) Fund's Operating Transfer From Other Funds Account No. (516-0000-691.69.01) will be increased from \$0.00 to \$423.00. A transfer from the General Fund will offset this increase.

The Sewer Surplus Fund's (576) Use of Fund Equity Account No. (576-0000-680.00-00) will be increased from \$2,243,844.00 to \$2,795,912.00, which equates to a

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\$552,068.00 increase. An available appropriation of retained earnings will offset the revenue increase.

The Water Surplus Fund's (577) Use of Fund Equity Account No. (577-0000-680.00-00) will be increased from \$2,716,344.00 to \$3,084,741.00, which equates to an increase of \$368,397.00. An available appropriation of retained earnings will offset the increase in the fund.

The Sewer Operations and Maintenance Fund's (590) Use of Fund Equity Account No. (590-0000-680.00-00) will be increased by \$105,921.00, from \$2,132,728.00 to \$2,238,649.00. An available appropriation of retained earnings will offset the increase in the fund.

The Water Operations and Maintenance Fund's (591) Use of Fund Equity Account No. (591-0000-680.00-00) will be increased from \$566,851.00 to \$752,521.00, which equates to an increase of \$185,670.00. An available appropriation of retained earnings will offset the fund's increase.

The Sewer Construction Bond (595) will be increased by \$2,725,626.00 from \$8,493,588.00 to \$11,219,214.00. An Operating Transfer from the Sewer Operations and Maintenance Fund will offset this increase.

The Water Construction Bond (598) will be increased by \$482,209.00 from \$27,717,500.00 to \$28,199,709.00. The increase in the fund will be offset by an increase in the use of available retained earnings.

The Public Works Building Fund's (641) should be increase from \$0 to \$361.00. This increase will be offset by available fund balance.

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The Geographical Information Systems Fund (650) should be increase from \$501,627.00 to \$510,478.00. This is an \$8,851.00 increase. The increase in expenditures will be offset by available undesignated and unrestricted fund balance.

Information Services Fund (658) should be increased from \$1,443,902.00 to \$1,453,607.00. This equates to an increase of \$9,705.00. The increase in the fund will be offset by the use of retained earnings.

The Motor Pool Operations (661) will be increased by \$48,053.00 from \$2,539,109.00 to \$2,587,162.00. The increase in the fund will be offset by an increase in the use of retained earnings.

Justification:

In accordance with the City Charter and the approved 2009 Budget Resolution, the City Manager must provide annual purchase order carry forward as well as quarterly budget adjustments to City Council as a result of an analysis of the budget to actual. As part of this process, the City Manager recommends the aforementioned budget adjustments.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Ready Mix Concrete

Manager's Recommendation:

I recommend that payment be made to R & R Ready Mix Concrete in the amount of \$43,763.75 for the purchase of ready mix concrete.

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 Water and Sewer Section Road Material Supplies Account Nos. 590-4821-861-73-40 (\$21,881.88) and 591-4721-861-73-40 (\$21,881.87).

Justification:

The Right of Way Division, Maintenance & Service Section, uses ready mix concrete in the restoration of utility cuts in the maintenance of the water and sewer systems. Due to the need to continue the work while the budget process was being completed, last year's vendor continued supplying the division with concrete while budgets and contracts were finalized.

Council Action:

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