

Council Agenda

December 17, 2007, 6:30 p.m., Council Chamber

PRAYER AND PLEDGE OF ALLEGIANCE:

ROLL CALL:

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

ANNOUNCEMENTS:

PUBLIC HEARINGS:

PERSONAL APPEARANCES:

(A list will be provided on Monday)

REMARKS OF COUNCIL:

PETITIONS:

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES:

APPOINTMENT OF BOARDS AND COMMISSIONS MEMBERS:

1. Consideration of reappointing Dr. Jack Nash to the City Planning Commission with a term to expire December 31, 2010 and to the Zoning Board of Appeals with a term to expire December 31, 2010.
2. Consideration of appointing Diane Marie Herman and Tom Miller, Jr. to the Tax Increment Finance Authority with a term to expire December 17, 2011..
3. Consideration of appointing Michael J. Hanley to the Saginaw Riverfront Development Commission with a term to expire April 1, 2012.

REPORTS FROM MANAGER:

Management Update:

1. Update on the DNR Trust Fund grant for repurposing the Andersen Water Park.
2. City/Boys & Girls Club Law Enforcement and Youth Partnerships for crime prevention initiatives.

Recommended Actions:

1. Recommending payment to United Van Lines in the amount of \$2,394.96 and to E. Dean Holland, Fire Chief, in the amount of \$2,109.00 for hotel reimbursement. Funds are available in the Fire Department – Fire Administration’s Other Reimbursement Account No. 101 3750 751 8093 and Travel/Meals/Lodging Account No. 101 3750 751 8090.
2. Recommending that the 2007-08 citywide budget adjustment be amended.
3. Recommending approval of the request from Abbe of Saginaw, Inc. to transfer ownership of a 2006 Specially Designated Distributor (SDD) and Specially Designated Merchant (SDM) licenses, from Richard E. and Sandra K. Vargas, located at 1100 Kirk.
4. Recommending approval of the Agreement for Professional Legal Services with Dickinson Wright PLLC for the review of water and sewer bonds. The proposed Agreement will allow a continuation of that service. The legal fee will be in an amount not to exceed \$11,100.00, plus out of pocket expenses for legal services in connection with the issuance of approximately \$11,842,434.00 in general obligation bonds for work on the City’s wastewater treatment plant. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water Construction Bond Fund Account No. 598 4741 881 8001.
5. Recommending approval of the Agreement and issuance of a purchase order to Audio Central Alarm, Inc. for the installation and monitoring of an alarm system for the Saginaw Police Department. The amount of the agreement is \$1,175.00. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Police Department’s Operating Services Account No. 101 3014 721 8005.
6. Recommending approval of the Vehicle Lease Agreements with GMAC and the issuance of three purchase orders to Martin Chevrolet for the lease of 22 Chevrolet Impalas for the police department’s investigation and ancillary sections. This vendor meets all requirements of the contract compliance provisions. The total monthly payment for the vehicles is \$6,600.00. Funds are available in the Police Department’s Other Services / Rental Equipment Account No. 101 3014 721 8050, Auto Theft Account No. 289 3322 741 8050 and Drug Forfeiture Account No. 264 3040 731 8050.
7. Recommending that the purchase order issued to American Plumbing and Heating be increased by \$478.89 for the repair of the backflow preventer at the Hancock Retention Treatment Basin. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Remote Facilities General Repairs Account No. 590 4835 861 8040.

8. Recommending that a purchase order be approved and issued to HACH Company in the amount of \$2,691.70 for the purchase of an AutoCAT 9000 Chlorine Amperometric Titrator to be used by the Water Treatment Division. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water Treatment Operations Account No. 591 4730 861 9705.
9. Recommending acceptance of the quote from ITI and issuance of a purchase order to them in the amount of \$3,287.00 for additional telephones and the installation of another digital card at the Wastewater Treatment Plant. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Sewer Operation and Maintenance Fund Operating Services Account No. 590 4830 861 8005.
10. Recommending that a purchase order be approved and issued to the Miss Dig System for the annual membership fee in the amount of \$3,918.72. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water and Sewer Operation Operating Services Account Nos. 591 4721 861 8005 (\$979.68), 590 4821 861 8005 (\$979.68), and Information Services Dues and Subscriptions Account No. 658 1720 711 8067 (\$1,959.36).
11. Recommending acceptance of the low bid and issuance of a purchase order to Midwest Municipal Instrumentation, Inc. in the amount of \$3,992.00 for the purchase of eight P/I converters for use by the Wastewater Treatment Plant. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Sewer Operation and Maintenance Account No. 590 4830 861 7330.
12. Recommending approval of the agreement with Tetra Tech, Inc. in the amount of \$12,000.00 to provide professional services for the addition of a security fence along the front of the Water Treatment Plant. A Homeland Security Grant will fund the security fence, pending final approval. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water Operation and Maintenance Engineering Services Account No. 591 4730 861 8002.
13. Recommending approval of the MDOT Cost Agreement for the purpose of establishing the rights and obligations of the parties participating in traffic signal installation at the intersection of Gallagher Street and Williamson Streets. The City's estimated share is \$52,000.00 and is responsible for any cost overruns in excess of \$235,800.00. Funds will be budgeted in the FY 2009 Major Street Fund Construction Projects Account No. 202 4614 781 8047.

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

RESOLUTIONS:

1. Supporting Enactment of 2007 Biden Crime Bill.
2. Approving the Cost Agreement and authorizing the City to participate in traffic signal installation at the intersection of Gallagher Street and Williamson Streets and traffic signal installation at the intersection of Court Street and Congress Avenue.
3. Authorizing the issuance of Water Supply System Revenue Bonds, Series 2008.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS:

Darnell Earley
City Manager

COUNCIL COMMUNICATION

From: The City Manager

Subject: Miss Dig System Annual Membership Fee

Manager's Recommendation:

I recommend that a purchase order be approved and issued to the Miss Dig System for the Annual Membership fee in the amount of \$3,918.72.

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 Operation Account Nos. 591-4721-861.80-05 (\$979.68), 590-4821-861.80-05 (\$979.68), and Information Services Dues and Subscriptions Account No. 658-1720-711.80.67 (\$1,959.36).

Justification:

The City of Saginaw participates in a one-call staking center for underground excavating, hereinafter referred to as the Miss Dig System. The Miss Dig System notifies other utilities of our intent to dig and the City when other utilities intend to dig in the vicinity of our utilities, thereby requiring the owner to stake/flag the location of their utility for others, and preventing damage to the utility.

The annual membership fee for this service is \$3,918.72, which is split equally between the Right of Way Division and Information Services.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Fire Chief's Moving Expenses

Manager's Recommendation:

I recommend payment to United Van Lines in the amount of \$2,394.96 and to E. Dean Holland, Fire Chief, in the amount of \$2,109.00 for hotel reimbursement.

Funds are available in the Fire Department – Fire Administration's Other Reimbursement Account No. 101-3750-751.80-93 and Travel/Meals/Lodging Account No. 101-3750-751.80-90.

Justification:

As part of the terms of employment, the City agreed to pay the moving and hotel costs of the newly hired Fire Chief.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: City-wide Budget Adjustment

Manager's Recommendation:

It is recommended that the 2007/2008 Approved Budget for the following funds be amended:

The General Fund's Reserve for Encumbrances of \$1,540.00 will be recorded for the fiscal year ending June 30, 2007. This will increase the FY 2008 budget by \$1,540.00, resulting in an increase of budgeted expenditures from \$33,269,978.00 to \$33,271,518.00. Available General Fund's fund balance will offset the increase in the fund.

Major Street Fund (202) will be increased by \$26,183.00 from \$4,974,449.00 to \$5,000,632.00. Available Major Street Funds' fund balance will offset the increase in the fund.

Local Street Fund (203) will be increase by \$2,345.00 from \$1,585,246.00 to \$1,587,591.00. This increase will be offset by available Local Street Fund's fund balance.

Sewer Surplus Fund (576) will be increased by \$1,116,558.00 from \$4,680,752.00 to \$5,797,310.00. Retained earning will offset the increase in expenditures.

Water Surplus Fund (577) will be increased by \$1,501,939.00 from \$5,868,752.00 to \$7,370,691.00. Available retained earning as well as operating transfer from the Water Construction Bond Fund (Fund 598), \$153,275.00 and \$1,348,664.00, respectively, will offset the increase in the expenditure budget.

COUNCIL COMMUNICATION

Sewer Operation and Maintenance Fund (590) will be increased by \$28,211.00 from \$20,757,470.00 to \$20,785,681.00. Retained earning will offset the increased expenditures.

Water Operation and Maintenance Fund (591) will be increased by \$34,110.00 from \$14,315,535.00 to \$14,349,645.00. Available retained earning will offset the increase in the expenditure budget.

Justification:

The incorporation of encumbrances dated 6/30/2007, which had previously been approved by City Council for various projects in the City, into the current fiscal year. This movement of monies into the current year with the approval by City Council, the City's 2007/2008 reserved for encumbrances will be established.

Council Action:

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

COUNCIL COMMUNICATION

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

Resolution to Support Enactment of 2007 Biden Crime Bill

Council _____ offered and moved adoption of the following resolution:

WHEREAS, The City of Saginaw has received valuable federal financial assistance in the past through the 1994 Crime Bill; and

WHEREAS, this assistance contributed to the reduction of violent crime rates in the nation and in this community; and

WHEREAS, unfortunately large cuts in federal financial assistance has reduced the effectiveness of this program; and

WHEREAS, Senator Joseph R. Biden, Jr. has proposed the 2007 Biden Crime Bill to address these issues and restore the reductions in services and funding; and

WHEREAS, in particular this bill would restore funding for Community Oriented Policing Services ("COPS"), address recidivism with treatment programs and vocational training and provide funding in many other needed areas; and

WHEREAS, the City of Saginaw would benefit materially and substantially by these and other changes proposed.

NOW, THEREFORE, BE IT RESOLVED, that the City of Saginaw hereby endorses and supports this proposed legislation and urges Congress to consider and enact this at its earliest opportunity and that the President sign it into law.

COUNCIL COMMUNICATION

From: The City Manager

Subject: Liquor License for 1100 Kirk

Manager's Recommendation:

I recommend approval of the request from Abbe of Saginaw Inc. to transfer ownership of a 2006 (SDD) Specially Designated Distributor and (SDM) Specially Designated Merchant licenses, from Richard E. and Sandra K. Vargas, located at 1100 Kirk, Saginaw, Michigan 48601, Saginaw County.

Justification:

On or about February 6, 2007, the City received notice from the Michigan Liquor Control Commission of the request from Abbe of Saginaw Inc. to transfer ownership of a 2006 (SDD) Specially Designated Distributor and (SDM) Specially Designated Merchant licenses, from Richard E. and Sandra K. Vargas, located at 1100 Kirk, Saginaw, Michigan 48601, Saginaw County.

The City of Saginaw Fire Prevention, City Building Inspections Division and the Michigan Department of Agriculture have completed the necessary inspections and have approved 1100 Kirk for the license as required by Chapter 110, "General Provisions," of Title XI, "Business Regulations" of the Saginaw Code of Ordinances. Under Chapter 111, "Alcoholic Beverages," §111.11, "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 Abbe of Saginaw Inc., I hereby recommend approval of the request from Abbe of Saginaw Inc. to transfer ownership of a 2006 (SDD) Specially Designated Distributor and (SDM) Specially Designated Merchant licenses, from Richard E. and Sandra K. Vargas, located at 1100 Kirk, Saginaw, Michigan 48601, Saginaw County.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Purchase of P/I Converters

Manager's Recommendation:

I recommend that the bid received from Midwest Municipal Instrumentation, Inc. be accepted and that a purchase order be issued to them in the amount of \$3,992.00.

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-~~4830-8614~~-73-30-~~05-5311-711-8005~~

Justification:

On October 10, 2007, the City received bids for the purchase of eight (8) P/I Converters for the Wastewater Treatment Plant. These signal converters are used to convert analog signals to digital signals for the computer control system. Two bids were received for this equipment . Following is a tabulation of the bids:

Midwest Municipal Instrumentation Inc. Jackson, MI	\$3,992.00
Tommark, Inc. Saginaw, MI	\$5,000.00

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Backflow Preventers Repair

Manager's Recommendation:

I recommend that Purchase Order # 034874 for \$1,685.61 to American Plumbing and Heating be increased by the amount of \$478.89 for the repair of the backflow preventer at the Hancock Retention Treatment Basin (RTB).

This vendor meets all requirements of the Contract Compliance Provisions, Title1, Chapter 14 §14.35-14.44, of the Saginaw Code of Ordinances.

Funds are available in the Remote Facilities General Repairs Account No. 590-4835-861.80-40.

Justification:

On August 15, 2007, the City received quotes for the repair the backflow preventers at the Hancock RTB and Salt/Fraser RTB. These devices assure that non-potable water does not enter the City's drinking water system. The expected cost was \$1,685.61. During the repair, it was discovered that the backflow preventer at the Hancock RTB required additional unanticipated parts and repairs. These parts and repairs cost \$478.89. This additional expense brings the total purchase order amount to \$2,161.50.

Council Action

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: ~~Total Toxic Organics~~ ~~Printing and Mailing of Water Bills~~ Wastewater Treatment Plant Telephone System

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Manager's Recommendation:

I recommend that the ~~low~~-quote ~~from Test America Analytical Testing~~ ~~ow bid from TBF Graphics~~ I.T.I., Bridgeport, MI, be accepted and that a purchase order be issued to them in the amount of \$3,287.00 ~~10,920.60,600.00~~

~~for Fiscal Year 2003-04.~~ 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 service ~~will be~~ ~~budgeted~~ ~~are available~~ in the Sewer Operation and Maintenance Fund Operating Services / Operating Services Account No. 590-~~4830-8614~~, 80-05-~~05-5311-711-8005~~ ~~pending City Council budget adoption.~~ (\$30,300.00), and ~~Water Operation and Maintenance Fund Account No. 591-5310-711-8005 (\$30,300.00).~~

Justification:

The Preliminary Treatment System Improvements construction project at the Wastewater Treatment Plant added two new areas that required telephones. I.T.I. is the sole source of the telephones that are compatible with the existing system. I.T.I.'s service personnel performed the installation. During the installation, it was discovered that adding two telephones to the plant system required the installation of another digital card. The card was added so that installation could be completed.

Council Action:

~~KAR Laboratories~~ ~~\$23,700.00~~
~~Kalamazoo, MI~~

COUNCIL COMMUNICATION

~~Trinity Analytical Laboratories~~ ~~\$26,100.00~~
~~Mound Valley, KS~~

~~Saginaw, MI (In-city)~~

~~The proposed cost is a 27.2% decrease from the current fiscal year a 54% decrease in cost from previous years.~~

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Sale of 3800 East St.

Manager's Recommendation:

I recommend that the agreement with Mr. Frank Leach or his designee be approved and that the City Manager or his designee be authorized to execute the agreement, the deed and all related documents. This agreement is subject to approval by the City Manager as to substance and the City Attorney as to form.

Justification:

The Department of Development has negotiated the sale of 3800 East St., a 63.85 acre parcel of agricultural property located in the southeast side of the City. Mr. Leach has leased this farm property from the City of Saginaw for many years. It is located in the 100 year floodplain and is zoned R1-A (Agricultural Residential District). The property has become less valuable as farmland because the drainage ditches have not been maintained, and in order to effectively farm this land it must be tilled at a cost exceeding \$20,000. Mr. Leach is reluctant to make this investment unless he owns the property. The property has a State Equalized Value (SEV) of \$42,298.00 or true cash value of \$84,596.00. Mr. Leach has offered to purchase the property for \$84,596.00. The City of Saginaw Department of Development has reviewed this request to purchase this property and because the City has no short or long term plans for it, the department recommends its sale. Further, because Mr. Leach has offered a fair price for the property and the land has been a part of his farming operation for many years, competitive bidding was not sought. The Department of Development recommends that the City Council waive this requirement.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Audio Central Alarm Inc. Agreement

Manager's Recommendation:

I recommend approval of the Agreement and issuance of a purchase order to Audio Central Alarm Inc. ("ACA") for the installation and monitoring of an alarm system for the Saginaw Police Department. The amount of the Agreement is \$1,175.00. The Agreement is 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 the Agreement are available in the Police Department's Operating Services Account No. 101-3014-721-8005.

Justification:

The former fire station located at 1605 Boxwood Street is now used by the Saginaw Police Department for storage of specialized police vehicles and equipment. In addition, the building is used as a training facility. The building has been burglarized twice in the past few months. The equipment stored there is of value and the installation of an alarm will help prevent vandalism. A review of the Agreement discloses there is a term not favorable to the City contained within it. Specifically, the term states that the City authorizes ACA to enter the premises and to indemnify ACA and hold it harmless from any liability or cost of expense. It is recommended that the City accept the term because it is standard in the industry.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: GMAC (Martin Chevrolet) Vehicle Lease Agreement

Manager's Recommendation:

I recommend approval of the Vehicle Lease Agreements ("Agreement") with GMAC. Further, it is recommended that the issuance of three (3) purchase orders to the dealer, Martin Chevrolet, be approved for the lease of 22 Chevrolet Impalas for the Saginaw Police Department's investigation and ancillary sections. Also, it is recommended that the City Manager or his designee be authorized to sign the Agreements. I have approved the Agreements 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 the Agreements are available in the Police Department's Other Services / Rental Equipment Account No. 101-3014-721-8050, Auto Theft Account No. 289-3322-741-8050 and Drug Forfeiture Account No. 264-3040-731-8050.

Justification:

The current leases for police vehicles expire on December 26, 2007, January 13, 2008 and January 30, 2008. The current vehicles will be returned to General Motors Corporation on those dates. The City must lease 22 Chevrolet Impalas for the Saginaw Police Department's investigation and ancillary sections. In addition, the Deputy Chief of Police vehicle is included in that total. The total monthly payment for the 22 vehicles for 39 months is \$6,600.00.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Water Treatment Plant AutoCAT 9000 Titrator

Manager's Recommendation:

I recommend that a purchase order be approved and issued to HACH Company, Loveland, CO, in the amount of \$2,691.70 for Fiscal Year 2007/2008.

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 Water Treatment Operations Account No. 591-4730-861.97-05.

Justification:

The City received a quote from HACH Company, a sole source, for a HACH AutoCAT 9000 Chlorine Amperometric Titrator. This quote is for a demo unit at a discount of 20% off through December 31, 2007. The list price is \$3,306.50, for a savings of \$661.30. The AutoCAT 9000 will be used for chlorine analysis, as required by the Michigan Department of Environmental Quality, and will replace current, less accurate equipment. No price comparison is available.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Tetra Tech Inc. Security Fence Agreement

Manager's Recommendation:

I recommend that the Agreement with Tetra Tech Inc. ("Tetra Tech") be approved in the amount of \$12,000.00. The Agreement has been approved by me as to substance and by 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 project are available in the Water Operation and Maintenance Engineering Services Account No. 591-4730-861-8002.

Justification:

On November 14, 2007, the City received an Agreement from Tetra Tech to provide professional engineering services for the addition of a security fence along the front of the Water Treatment Plant. Services include creation of a site plan, details of construction, specifications, bidding documents, review of bids, review of shop drawings, two inspections, and review of pay requests. The security fence will be funded by a Homeland Security Grant (\$160,000.00), provided approval is finalized. The fence is to be fortified to provide security from potential intruders including climbing over, under, or driving through. The project will not go forward without grant funding. The project needs to be ready for bid before or soon after approval of funding to prevent loss of funds to another regional need.

Council Action:

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

COUNCIL COMMUNICATION

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

MDOT RESOLUTION TO APPROVE COST AGREEMENT NUMBER 07-5652

Council _____ offered and moved adoption of the following resolution:

WHEREAS, a Cost Agreement, Number 07-5652, has been submitted by the Michigan Department of Transportation, which requires the City of Saginaw to adopt a resolution indicating its willingness to participate in traffic signal installation at the intersection of Gallagher Street and Williamson Street, including removal of Wilkins Street between Gallagher and Williamson Streets and traffic signal installation/modernization at the intersection of Court Street and Congress Avenue including boulevard removal with left-turn lane installation work along Court Street from Handley Street to Elmview Court, in the City of Saginaw; and

WHEREAS, these intersection improvements will improve safety for both motoring and pedestrian traffic; and

WHEREAS, the Agreement has been approved by the City Manager as to substance and by the City Attorney as to form.

NOW, THEREFORE, BE IT RESOLVED, that City officials be authorized to execute said Cost Agreement on behalf of the City of Saginaw.

12-17-15

COUNCIL COMMUNICATION

From: The City Manager

Subject: Michigan Department of Transportation Cost Agreement Number 07-5652

Manager's Recommendation:

I recommend that the Cost Agreement Number 07-5652 ("Agreement") be approved. The Agreement has been approved by me as to substance and the City Attorney as to form. A Resolution to approve the Agreement appears under the regular order of business for your consideration.

Justification:

Transmitted herewith is a proposed Agreement (City Clerk's File No. _____) with the Michigan Department of Transportation ("MDOT") for the purpose of establishing the rights and obligations of the parties participating in traffic signal installation at the intersection of Gallagher Street and Williamson Street, including the removal of Wilkins Street between Gallagher and Williamson Streets. In addition, the City will perform traffic signal installation/modernization at the intersection of Court Street and Congress Avenue including boulevard removal with left-turn lane installation work along Court Street from Handley Street to Elmview Court.

These intersection improvements will improve safety for both motoring and pedestrian traffic. The total project is estimated to cost \$235,800.00. Federal funds will pay \$183,800.00. The City's estimated share is \$52,000.00. The City is responsible for any cost overruns in excess of \$235,800.00.

Funds for the City's share will be budgeted in the FY 2009 Major Street Fund Construction Projects Account No. 202-4614-781-8047 (\$52,000.00). The project numbers are TS 0701 and TS 0705.

Council Action:

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

COUNCIL COMMUNICATION

From: The City Manager

Subject: Dickinson Wright, PLLC Agreement.

Manager's Recommendation:

I recommend approval of the Agreement for Professional Legal Services with Dickinson Wright PLLC. Further, it is recommended that either the City Manager or his designee be authorized to execute the Agreement. This Agreement has been approved by the City Manager as to substance and the City Attorney as to form.

This vendor meets all the requirements of the Contract Compliance Provisions, Title 1, Chapter 19, §14.35-14.44, of the Saginaw Code of Ordinances.

Funds are available in the Water Construction Bond Fund, Number 598-4741-881-8001.

Justification:

The City routinely uses the services of attorney Terence M. Donnelly of the law firm of Dickinson Wright for review of water and sewer bonds. The proposed Agreement will allow a continuation of that service. The legal fee will be in an amount not to exceed \$11,100.00, plus out of pocket expenses for legal services in connection with the issuance of approximately \$11,842,434.00 in general obligation bonds for work on the City's wastewater treatment plant.

Council Action:

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

COUNCIL COMMUNICATION

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

SUPPLEMENTAL RESOLUTION AUTHORIZING ISSUANCE OF WATER SUPPLY SYSTEM REVENUE BONDS, SERIES 2008

WHEREAS, by resolution adopted on March 6, 2000 (the "Resolution"), the City Council of the City of Saginaw authorized the issuance of its Water Supply System Revenue and Revenue Refunding Bonds, Series 2000 in the aggregate principal amount of \$10,010,000 (the "Series 2000 Bonds") under Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), to finance improvements to the System (as hereinafter defined) and to refund then outstanding water supply system revenue bonds of the City; and

WHEREAS, the Resolution authorizes the issuance of Additional Bonds (as defined therein) of equal standing with the Series 2000 Bonds for the acquisition and construction of repairs, enlargements, extensions, additions and improvements to the System if the actual or augmented Net Revenues (as defined therein) of the System for the then last preceding audited Fiscal Year (as defined therein) shall be equal to at least 125% of the Maximum Annual Debt Service (as defined therein) on the Series 2000 Bonds and any Additional Bonds then being issued; and

WHEREAS, the only Bonds outstanding on the date hereof under the Resolution are the Series 2000 Bonds; and

WHEREAS, the Net Revenues of the System will be sufficient to satisfy the requirement that such Net Revenues shall be equal to at least 125% of the Maximum Annual Debt Service of the Series 2000 Bonds and the hereinafter described Series 2008 Bonds; and

WHEREAS, this City Council does hereby determine that it is necessary to acquire and construct the hereinafter described improvements to the System (the "2008 Project"); and

WHEREAS, the cost of the 2008 Project is estimated to be Eleven Million, Eight Hundred and Forty Two Thousand, Four Hundred and Thirty Four Dollars (\$11,842,434); and

COUNCIL COMMUNICATION

WHEREAS, the City desires to issue a series of Additional Bonds, as authorized by the Resolution and Act 94, to pay all or part of the cost the acquiring, constructing and installing the 2008 Project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Saginaw, Saginaw County, Michigan, as follows:

1. 2008 SUPPLEMENTAL RESOLUTION. This resolution (hereinafter referred to as the “2008 Supplemental Resolution”) is adopted in accordance with Section 26(a)(i) of the Resolution and pursuant to the authority contained in Act 94.

2. DEFINITIONS. All terms which are defined in Section 1 of the Resolution shall have the same meanings in this 2008 Supplemental Resolution including the preambles thereto. In addition, the following terms shall have the following meanings in this 2008 Supplemental Resolution:

(a) “Series 2008 Bonds” means the City’s Water Supply System Revenue Bonds, Series 2008, as authorized by this 2008 Supplemental Resolution.

(b) “Series 2008 Issue Date” means the date on which the Series 2008 Bonds are issued and delivered to the original purchaser(s) upon receipt of payment therefore.

(c) “2008 Project” means the following improvements to the System: the replacement of water mains along Johnson Street, vacated Water Street, Hamilton Street, Woodbridge Street and Cherry and 6th Streets in the City; the replacement of a water main along Davis Road in Kochville Township; the construction of a new water main along M-46 in Saginaw Township and Thomas Township; the construction of improvements to the M-46 pump station in Saginaw Township; the construction of improvements to the City’s water treatment plant on Ezra Rust Drive; and the acquisition of electronic meter reading equipment.

3. NECESSITY; PUBLIC PURPOSE. It is hereby determined to be a necessary public purpose of the City to acquire, construct and install the 2008 Project.

4. ESTIMATES OF PERIOD OF USEFULNESS AND COST. The Council adopts the estimates of twenty years and upwards as the period of usefulness of the

COUNCIL COMMUNICATION

2008 Project and \$11,842,434 as the cost of the 2008 Project (including no capitalized interest), which estimates are now on file with the City Clerk.

5. AUTHORIZATION OF SERIES 2008 BONDS - PURPOSE. The Series 2008 Bonds, aggregating the principal sum of Eleven Million One Hundred Thousand Dollars (\$11,100,000), shall be issued and sold as revenue bonds pursuant to Act 94, for the purpose of defraying all or part of the cost of acquiring, constructing and installing the 2008 Project, including payment of bond insurance premiums, if any, legal, financial and other expenses incident thereto and incident to the issuance and sale of the Series 2008 Bonds.

6. SERIES 2008 BOND DETAILS. The Series 2008 Bonds shall be designated “Water Supply System Revenue Bonds, Series 2008;” shall be payable out of the Net Revenues, as set forth more fully in Section 7 of the Resolution; shall be dated February 1, 2008 or such other date determined by the City Manager 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 principal amount for each maturity at the option of the purchaser thereof; shall bear interest at a rate or rates not exceeding 6% per annum to be determined upon the sale thereof payable on July 1, 2008, and semiannually thereafter; and shall mature on July 1 in each year as follows:

<u>Year</u>	<u>Principal Maturity</u>	<u>Year</u>	<u>Principal Maturity</u>
2009	\$250,000	2019	\$600,000
2010	250,000	2020	600,000
2011	300,000	2021	600,000
2012	350,000	2022	700,000
2013	350,000	2023	700,000
2014	400,000	2024	700,000
2015	400,000	2025	800,000
2016	500,000	2026	800,000
2017	500,000	2027	900,000
2018	500,000	2028	900,000

7. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Series 2008 Bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the Series 2008 Bonds to

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the Bond Registrar as they severally mature. Interest shall be paid to the registered owner of each Series 2008 Bond as shown on the registration books of the City kept by the Bond Registrar at the close of business on the 15th day of the calendar month preceding the month in which the interest payment is due (the "Record Date"). Interest shall be paid when due by check or draft drawn upon and mailed by the Bond Registrar to the registered owner on the Record Date at the registered address as of said Date. Interest on the Series 2008 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

8. MANDATORY PRIOR REDEMPTION. If any of the Series 2008 Bonds are designated by the original purchaser as term bonds such Series 2008 Bonds shall be subject to mandatory prior redemption at par and accrued interest in accordance with the maturity schedule set forth in Section 6 hereof and upon the terms and conditions set forth in the form of Series 2008 Bonds contained in Section 14 hereof. The Series 2008 Bonds to be so redeemed shall be selected by lot.

9. OPTIONAL PRIOR REDEMPTION. The Series 2008 Bonds shall be subject to optional redemption prior to maturity as set forth in the form of Series 2008 Bonds in Section 14 hereof.

10. BOOK-ENTRY SYSTEM. Initially, one fully-registered Series 2008 Bond for each maturity, in the aggregate amount of such maturity, shall be issued in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") for the benefit of other parties (the "Participants") in the book-entry-only transfer system of DTC. In the event the City determines that it is in the best interest of the City not to continue the book-entry system of transfer or that the interests of the holders of the Series 2008 Bonds might be adversely affected if the book-entry system of transfer is continued, the City may notify DTC and the Bond Registrar, whereupon DTC will notify the Participants of the availability through DTC of Series 2008 Bond certificates. In such event, the Bond Registrar shall deliver, transfer and exchange Series 2008 Bond certificates as requested by DTC and any Participant or "beneficial owner" in appropriate amounts in accordance with the Resolution and this 2008 Supplemental Resolution. DTC may determine to discontinue providing its services with respect to the Series 2008 Bonds at

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any time by giving notice to the City and the Bond Registrar and discharging its responsibilities with respect thereto under applicable law or the City may determine that DTC is incapable of discharging its duties and may so advise DTC. In either such event, the City shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor securities depository), the City and the Bond Registrar shall be obligated to deliver Series 2008 Bond certificates in accordance with the procedures established by the Resolution and this 2008 Supplemental Resolution. In the event Series 2008 Bond certificates are issued, the provisions of this Resolution shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City and the Bond Registrar to do so, the City and the Bond Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the Series 2008 Bonds to any Participant having Series 2008 Bonds certificated to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the Series 2008 Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Series 2008 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, interest on and redemption premium, if any, on the Series 2008 Bonds and all notices with respect to the Series 2008 Bonds shall be made and given, respectively, to DTC as provided in the Blanket Issuer Letter of Representations between the City and DTC. The City Manager is authorized to sign the Blanket Issuer Letter of Representations on behalf of the City in such form as the City Manager deems necessary or appropriate in order to accomplish the issuance of the Series 2008 Bonds in accordance with law and the Resolution and this 2008 Supplemental Resolution.

11. EXECUTION AND DELIVERY OF SERIES 2008 BONDS. The Series Bonds shall be executed in the name of the City with the facsimile signatures of the Mayor and City Clerk and shall have a facsimile of the City's seal printed thereon. No Series 2008 Bond shall be valid until authenticated by an authorized representative of

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the Bond Registrar. The Series 2008 Bonds shall be delivered to the Bond Registrar for authentication and be delivered by the Bond Registrar to the City Treasurer for delivery to the purchasers upon payment of the purchase price for the Series 2008 Bonds.

12. PAYMENT OF BONDS; DEFEASANCE. As provided in Section 7 of the Resolution, the Bonds and the interest thereon shall be payable solely from the Net Revenues (except to the extent payable from the proceeds of bond insurance or other credit enhancement or from the proceeds of Bonds), and to secure such payment there is hereby created a statutory lien upon the whole of the Net Revenues which shall be a first lien, to continue until payment in full of the principal of and interest on all Bonds (including the Series 2000 Bonds, the Series 2008 Bonds and any Additional Bonds) payable from the Net Revenues, or, until Sufficient cash, Sufficient Government Obligations, Sufficient Municipal Obligations or combination thereof shall have been deposited in trust for payment in full of the principal of and the interest on all Bonds to be paid or defeased to their maturity, or, if called or if irrevocable instructions have been given to call for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of Sufficient cash, Sufficient Government Obligations, Sufficient Municipal Obligations or any combination thereof, as provided in the previous sentence, the statutory lien herein created shall be terminated with respect to the Bonds to be defeased, the holders of these Bonds shall have no further rights under this Resolution except for payment from the deposited funds and for rights of replacement, registration and transfer, and such Bonds shall no longer be considered to be outstanding under this Resolution.

13. SERIES 2008 BOND PROCEEDS. On the Series 2008 Issue Date, the proceeds of the sale of the Series 2008 Bonds shall be deposited as follows:

(a) First, there shall be deposited in the Redemption Fund an amount equal to the accrued interest and premium, if any, received on the delivery of the Series 2008 Bonds and the City may take credit for the amount so deposited against the amount required to be deposited in the Redemption Fund for payment of the next maturing interest on the Series 2008 Bonds.

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(b) Next there shall be deposited in the Bond Reserve Account an amount sufficient, when added to any other deposits made by the City, to meet the Bond Reserve Requirement, but not in excess of the maximum permitted by the Code.

(c) The balance of the proceeds of the sale of the Series 2008 Bonds shall be deposited in the Construction Fund and used to pay the cost of acquiring, constructing and installing the 2008 Project including engineering fees, legal and financial advisor fees, bond insurance premiums or other credit enhancement fees, if any, rating agency fees and other expenses incident to the acquisition, construction and installation of the 2008 Project and the issuance of the Series 2008 Bonds therefore.

14. FORM OF SERIES 2008 BONDS. The Series 2008 Bonds shall be in substantially the following form, with such changes and additions as shall be determined to be appropriate.

* * * *

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF SAGINAW

CITY OF SAGINAW
WATER SUPPLY SYSTEM REVENUE BOND
SERIES 2008

INTEREST RATE MATURITY DATE DATE OF ORIGINAL ISSUE CUSIP

Registered Owner:

Principal Amount:

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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 on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at _____ in the City of _____, Michigan, the bond registrar and paying agent, or at such successor bond registrar and paying agent as may be designated pursuant to the Resolution (as hereinafter defined), and to pay to the Registered Owner, as shown on the registration books 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 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 January and July in each year, commencing on July 1, 2008. Principal and interest are payable in lawful money of the United States of America.

This bond is one of a series of bonds (the "Series 2008 Bonds") of even date and like tenor, except as to denomination, rate of interest and date of maturity, aggregating the principal sum of _____ Dollars (\$_____) issued by the City under and pursuant to a resolution duly adopted by the City Council of the City on March 6, 2000, as supplemented by a resolution adopted by the City Council of the City on December 17, 2007 (as supplemented, the "Resolution") and an order of the City Manager of the City and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended, for the purpose of paying the cost of acquiring, constructing and installing improvements to the Water Supply System of the City (the "System") and the costs of issuing the Series 2008 Bonds.

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OPTIONAL PRIOR REDEMPTION

Series 2008 Bonds maturing prior to July 1, 2019, are not subject to optional redemption prior to maturity. Series 2008 Bonds maturing on and after July 1, 2019, are subject to redemption prior to maturity at the option of the City, in such order as shall be determined by the City, on any on or more dates on and after July 1, 2018. Series 2008 Bonds of a denomination greater than \$5,000 may be partially redeemed in the amount of \$5,000 or any integral multiple thereof. If less than all of the Series 2008 Bonds maturing in any year are to be redeemed, the Series 2008 Bonds or portions of Series 2008 Bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the Series 2008 Bond or portion of the Series 2008 Bond called to be redeemed plus interest to the date fixed for redemption without premium.

MANDATORY PRIOR REDEMPTION

Series 2008 Bonds maturing in the year _____ are subject to mandatory prior redemption at par and accrued interest as follows:

<u>Redemption Date</u>	<u>Principal Amount of Series 2008 Bonds to be Redeemed</u>
------------------------	---

Series 2008 Bonds or portions of Series 2008 Bonds to be redeemed by mandatory redemption shall be selected by lot.

In case less than the full amount of an outstanding Series 2008 Bond is called for redemption, the bond registrar and paying agent, upon presentation of the Series 2008 Bond called in part for redemption, shall register, authenticate and deliver the registered owner a new Series 2008 Bond in the principal amount of the portion of the original Series 2008 Bond not called for redemption.

Not less than thirty days notice of redemption shall be given to the holders of Series 2008 Bonds called to be redeemed by mail to the registered holder at the registered address. Series 2008 Bonds or portions of Series 2008 Bonds called for

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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.

This bond is a self-liquidating bond and is not a general obligation of the City and does not constitute an indebtedness of the City within any constitutional, statutory or charter limitation, but is payable, both as to principal and interest, solely from the net revenues of the System, including all appurtenances, extensions and improvements thereto, after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"). The principal of and interest on this bond are secured by a statutory lien on the Net Revenues. The bonds of this series shall have equal standing with outstanding bonds issued pursuant to the Resolution and with any additional bonds that may be issued pursuant to the Resolution.

For a complete statement of the revenues and reserves from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of equal standing may hereafter be issued, the rights and limitations on the owner of this bond and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Resolution.

The City has covenanted and agreed, and does hereby covenant and agree to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on this bond and any other bonds payable from the Net Revenues as and when the same shall become due and payable, and to maintain a bond redemption fund and a bond reserve account therefore, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Resolution.

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

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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 therefore 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.

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 this bond 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, County of Saginaw, State of Michigan, by its City Council, has caused this Series 2008 Bond to be executed in its name by the manual or facsimile signatures of its Mayor and City Clerk and its corporate seal (or facsimile thereof) to be impressed or imprinted hereon, all as of the Date of Original Issue. This Series 2008 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.

CITY OF SAGINAW
(Seal)

By: _____
City Clerk

By: _____
Mayor

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CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2008 Bonds described in the within mentioned Resolution.

Bond Registrar and Paying Agent

By: _____
Authorized Representative

Date of Authentication:

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 hereby irrevocably constitutes and _____ appoints

_____ 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.

[END OF SERIES 2008 BOND FORM]

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15. COVENANTS. The City covenants and represents to the register owners of the Bonds that so long as any of the Bonds remain outstanding and unpaid as to either principal or interest:

(a) The City shall acquire and construct the 2008 Project promptly and in accordance with the plans therefore.

(b) The City agrees to take all action, and refrain from taking any action, that is necessary, including making any rebate payments to the United States government that may be required by the Code, which are hereby authorized to be paid from the Operation and Maintenance Fund as an expense of the System, so as not to impair the exclusion of the interest on the Series 2008 Bonds from gross income for federal income tax purposes.

16. APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY. The issuance and sale of the Series 2008 Bonds shall be subject to permission being granted therefore by the Department of Treasury of the State of Michigan and the City Manager is authorized and directed, if necessary, to make application to the Department of Treasury for permission to issue and sell the Series 2008 Bonds as provided by the terms of this 2008 Supplemental Resolution.

17. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF SERIES 2008 BONDS. The City Manager shall sell the Series 2008 Bonds at not less than 99% nor more than 101% of their par value and accrued interest in accordance with the laws of this state. The Mayor, the City Clerk, the City Manager and the City Treasurer are each authorized to execute and deliver such certificates or documents as bond counsel shall require and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Series 2008 Bonds in accordance with the provisions of the Resolution and this 2008 Supplemental Resolution.

18. BOND REGISTRAR AND PAYING AGENT. U.S. Bank National Association is hereby appointed bond registrar and paying agent for the Series 2008 Bonds, and the City Manager may enter into an agreement with such bond registrar and paying agent. The City Manager from time to time may designate, and may enter into an agreement with, a new bond registrar and paying agent, which shall be a bank or

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trust company located in the State of Michigan which is qualified to act in such capacity under the laws of the United States of America or the State of Michigan.

19. NOTICE OF SALE. Sealed bids for the purchase of the bonds shall be received up to such time as shall hereafter be determined by the City Manager. The Notice of Sale for the bonds shall be published in accordance with law in *The Bond Buyer* and shall be in substantially the following form:

OFFICIAL NOTICE OF SALE
\$11,100,000
CITY OF SAGINAW
COUNTY OF SAGINAW, STATE OF MICHIGAN

WATER SUPPLY SYSTEM REVENUE BONDS,
SERIES 2008

SEALED BIDS for the purchase of the above bonds will be received by an agent of the undersigned at the offices of Bendzinski & Co., Municipal Finance Advisors, 607 Shelby, Suite 600, Detroit, Michigan 48226, on _____, the ____ day of _____, 2007, until _____, ____M., Eastern Standard Time, at which time and place said bids will be publicly opened and read.

IN THE ALTERNATIVE: Bids may be submitted electronically via PARITY pursuant to this Notice on the same date and until the same time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice, the terms of this Notice shall control. For further information about PARITY, potential bidders may contact Bendzinski & Co. at (313) 961-8222 or PARITY at (212) 849-5021.

BOND DETAILS: The bonds will be fully registered bonds of 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, dated February 1, 2008,

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and will bear interest from their date payable on July 1, 2008, and semi-annually thereafter.

Said bonds will mature on the first day of July as follows:

<u>Year</u>	<u>Principal Maturity</u>	<u>Year</u>	<u>Principal Maturity</u>
2009	\$250,000	2019	\$600,000
2010	250,000	2020	600,000
2011	300,000	2021	600,000
2012	350,000	2022	700,000
2013	350,000	2023	700,000
2014	400,000	2024	700,000
2015	400,000	2025	800,000
2016	500,000	2026	800,000
2017	500,000	2027	900,000
2018	500,000	2028	900,000

TERM BOND OPTION: Bidders shall have the option of designating bonds maturing in the years 2019 through final maturity as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2019 through final maturity represent a serial maturity or a mandatory redemption requirement for a term bond maturity. In any event, the above principal amount scheduled for the years 2019 through final maturity shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

PRIOR REDEMPTION:

A. MANDATORY REDEMPTION. Bonds designated as term bonds shall be subject to mandatory redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities hereinbefore set forth. The bonds or portions of bonds to be redeemed shall be selected by lot.

B. OPTIONAL REDEMPTION. Bonds maturing on and after July 1, 2019, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part, in any order, on any date on and after July 1, 2018. Bonds of a denomination greater than \$5,000 may be redeemed in part in amounts of \$5,000 or any integral multiple thereof. If less than all of the bonds maturing in any year are to be redeemed, the bonds or

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portions of bonds 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.

C. NOTICE OF REDEMPTION. Not less than thirty days' notice of redemption shall be given by mail to the registered owners of bonds called to be redeemed at the registered address. Bonds or portions of bonds 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.

INTEREST RATE AND BIDDING DETAILS: The bonds shall bear interest at a rate or rates not exceeding 6% per annum, to be fixed by the bids therefore, expressed in multiples of 1/8 or 1/20 of 1%, or both. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. The difference between the highest and lowest interest rate on the bonds shall not exceed 2 percentage points. No proposal for the purchase of less than all of the bonds or at a price less than 99% or more than 101% of their par value will be considered.

BOOK-ENTRY-ONLY: The bonds will be issued in book-entry-only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds. Purchase of the bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in bonds purchased. The book-entry-only system is described further in the preliminary official statement for the bonds.

BOND REGISTRAR AND PAYING AGENT: The bonds shall be payable as to principal in lawful money of the United States upon surrender thereof at the corporate trust office of U.S. Bank National Association, Detroit, Michigan, the bond registrar and paying agent. Interest shall be paid to the registered owner of each bond as shown on the registration books at the close of business on the 15th day of the calendar month

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preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon and mailed by the bond registrar and paying agent to the registered owner at the registered address. As long as DTC, or its nominee Cede & Co., is the registered owner of the bonds, payments will be made directly to such registered owner. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the bonds is the responsibility of DTC participants and indirect participants as described in the preliminary official statement for the bonds. The City may from time to time as required designate a successor bond registrar and paying agent.

PURPOSE AND SECURITY: The bonds are issued under the provisions of Act 94, Public Acts of Michigan, 1933, as amended, and a resolution duly adopted by the City Council of the City of Saginaw on March 6, 2000, as supplemented on December 17, 2007 (as supplemented, the "Resolution"), for the purpose of defraying the cost of acquiring and constructing improvements to the water supply system of the City of Saginaw (the "System"). The bonds are payable solely from the net revenues of the System and any additions thereto, and a statutory first lien on said revenues has been established by the Resolution. The bonds have equal standing with the City's Water Supply System Revenue and Revenue Refunding Bonds, Series 2000 and any additional bonds that may be issued pursuant to the Resolution. The bonds do not constitute a general obligation of the City. The City has covenanted and agreed to fix and maintain at all times while any of such bonds shall be outstanding such rates for service furnished by the System as shall be sufficient to provide in each fiscal year revenues (a) for the necessary expenses of operation, maintenance and administration of the System and all other requirements, expenditures and funds for the System for such year, including a bond reserve account, and (b) for 110% of the principal of and interest on all bonds payable in such year from the net revenues of the System.

ADDITIONAL BONDS: For the terms upon which additional bonds of equal standing as to revenues of the System may be issued reference is made to the Resolution.

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GOOD FAITH: A certified or cashier's check drawn upon an incorporated bank or trust company or a Financial Surety Bond in the amount of \$111,000 and payable to the order of the Treasurer of the City of Saginaw must accompany each bid as a guarantee of good faith on the part of the bidder, to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the bonds. If a check is used, it must accompany each bid. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Michigan and such bond must be submitted to the City's Financial Consultant referred to below prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose good faith deposit is guaranteed by such Financial Surety Bond. If the bonds are awarded to a bidder utilizing a Financial Surety Bond, then the purchaser (the "Purchaser") is required to submit its good faith deposit to the City in the form of a cashier's check (or wire transfer such amount as instructed by the City) not later than Noon, Eastern Standard Time, on the next business day following the award. If such good faith deposit is not received by that time, the Financial Surety Bond may be drawn upon by the City to satisfy the good faith deposit requirement. The good faith deposit will be applied to the purchase price of the bonds. In the event the Purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith checks and checks of the unsuccessful bidders will be promptly returned to each bidder's representative or by overnight courier service. The good faith check of the successful bidder will be immediately cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost to the City. True interest cost shall be computed by determining the annual interest rate (compounded semiannually) necessary to discount the debt service payments on the bonds from the payment dates thereof to _____, 2008, and to the price bid, excluding accrued interest.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Dickinson Wright PLLC, attorneys of Detroit, Michigan, the original of which will be furnished

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without expense to the purchaser of the bonds at the delivery thereof. The fees of Dickinson Wright PLLC for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the above bonds, Dickinson Wright PLLC has made no inquiry as to any financial information, statements or materials contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

TAX MATTERS: The approving opinion of bond counsel will include an opinion to the effect that under existing law, the interest on the bonds (a) is excluded from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; such opinion will note, however, that certain corporations must take into account interest on the bonds in determining adjusted current earnings for the purpose of computing such alternative minimum tax. The opinion set forth in clause (a) above will be subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the bonds in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the bonds to be included in gross income retroactive to the date of issuance of the bonds. The City has covenanted to comply with all such requirements. Bond counsel will express no opinion regarding other federal tax consequences arising with respect to the bonds.

The City has not designated the bonds as "qualified tax exempt obligations" for purposes of Section 265(b)(3) of the Code.

The successful bidder will be required as a condition of delivery of the bonds, to certify the "issue price" of the bonds within the meaning of Section 1273 of the Code. In

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addition, if the successful bidder will obtain a municipal bond insurance policy or other credit enhancement for the bonds in connection with their original issuance, the successful bidder will be required, as a condition of delivery of the bonds, to certify that the premium therefore will be less than the present value of the interest expected to be saved as a result of such insurance or other credit enhancement. The form of an acceptable certificate will be provided by bond counsel.

In addition, the approving opinion of bond counsel will include an opinion to the effect that under existing law, the bonds and the interest thereon are exempt from taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

CUSIP: CUSIP numbers will be imprinted on all bonds of this issue at the City's expense. Neither the failure to print numbers nor an improperly printed number will constitute basis for the purchaser to refuse to accept delivery. The purchaser shall be responsible for requesting assignment of numbers and for the payment of any charges for the assignment of numbers.

OFFICIAL STATEMENT: A copy of the preliminary official statement relating to the bonds may be obtained by contacting the Financial Consultant to the City referred to below. The preliminary official statement is in a form deemed final by the City for purposes of paragraph (b)(1) of SEC Rule 15c2-12 (the "Rule"), but is subject to revision, amendment and completion in a final official statement.

After the award of the bonds, the City will provide on a timely basis 150 copies of a final official statement, as that term is defined in paragraph (f)(3) of the Rule, at the expense of the City (and such additional copies of the final official statement as reasonably requested by, and at the expense of, the successful bidder or bidders) to enable the successful bidder or bidders to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board. Requests for such additional copies of the final official statement shall be made to the Financial Consultant to the City, within 24

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hours of the award of the bonds.

CONTINUING DISCLOSURE: In order to assist bidders in complying with paragraph (b)(5) of the Rule, the City will undertake, pursuant to a resolution adopted by its governing body and a continuing disclosure certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the preliminary official statement and will also be set forth in the final official statement.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC, New York, New York. The usual closing documents including a continuing disclosure certificate and a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of the delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, Eastern Standard Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned, in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds. Accrued interest to the date of delivery of the bonds shall be paid by the purchaser at the time of delivery.

FINANCIAL CONSULTANT: Further information with respect to the bonds may be obtained from Bendzinski & Co., Municipal Finance Advisors, 607 Shelby, Suite 600, Detroit, Michigan 48226, Telephone (313) 961-8222, Fax (313) 961-8220, Financial Consultant to the City.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

ENVELOPES containing the bids should be plainly marked "Proposal for Bonds".

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City Manager
City of Saginaw

20. OFFICIAL STATEMENT; CONTINUING DISCLOSURE: The City Manager is authorized to cause the preparation of a preliminary official statement and a final official statement for the Series 2008 Bonds for the purpose of enabling compliance with SEC Rule 15c2-12 (the “Rule”) by the successful bidder or bidders and to do all other things necessary to enable compliance with the Rule by the successful bidder or bidders. After the award of the bonds, the City shall provide, on a timely basis, up to 150 copies of the final official statement at its expense (and such additional copies of the final official statement as reasonably requested by, and at the expense of, the successful bidder or bidders) to enable the successful bidder or bidders to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

The City Manager is authorized to deliver a continuing disclosure certificate to the purchasers of the Series 2008 Bonds, pursuant to which the City will undertake to provide annual reports and notices of certain events to assist the purchasers of the Series 2008 Bonds in complying with paragraph (b)(5) of the Rule.

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21. SEVERABILITY; SECTION HEADINGS. If any section, paragraph, clause or provision of this 2008 Supplemental Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this 2008 Supplemental Resolution. The section headings in this 2008 Supplemental Resolution are furnished for convenience of reference only and shall not be considered to be part of this 2008 Supplemental Resolution.

22. PUBLICATION AND RECORDATION. This 2008 Supplemental Resolution shall be published in full in the *Saginaw News*, a newspaper of general circulation in the City qualified under State law to publish legal notices, promptly after its adoption and shall be recorded in the official proceedings of the City Council and such recording shall be authenticated by the signature of the Mayor and the City Clerk.

23. RATIFICATION OF RESOLUTION; CONFLICTING RESOLUTIONS. The Resolution, as amended and supplemented herein, is hereby ratified and confirmed. All other resolutions and parts of other resolutions insofar as they may be in conflict herewith are hereby rescinded.

24. EFFECTIVE DATE. This 2008 Supplemental Resolution shall take effect immediately.