



## Saginaw City Council Agenda

1315 S. Washington Avenue  
Council Chamber - Room 205  
989.399.1311  
February 4, 2019  
6:30 p.m.

### PRAYER AND PLEDGE OF ALLEGIANCE:

### ROLL CALL:

### ANNOUNCEMENTS:

### PUBLIC HEARINGS:

### PUBLIC INPUT:

*(A list will be provided following submittal deadline.)*

### REMARKS OF COUNCIL:

### REPORTS FROM MANAGER:

### CONSENT AGENDA:

1. Approve the January 25, 2019 regular council meeting minutes.
2. Approve the amendments to the FY 2019 Approved Budget to recognize changes that have occurred during the January period.
3. Approve a purchase with InSource Solutions Group for \$17,316.20 for the renewal of annual software maintenance and support fees and individual e-filing services.
4. Approve the revised guidelines for applicants requesting Poverty Exemptions.
5. Approve the amendment to the ESG Subrecipient Contract with United Way of Saginaw County to include \$1,499.30 in carryover for homelessness prevention and rapid rehousing (HPRP).
6. Approve the purchase with ContractSafe for \$5,988 for contract management software solution.
7. Approve a purchase with Ricoh USA for a five-year lease of three multi-function printers for various departments with \$4,390.08 in annual payments, for a total amount of \$21,950.40.
8. Approve a purchase with Canada Ticket, Inc. for parking ticket media and envelopes for \$4,660.06 for the Parking Operations Maintenance Division.
9. Approve a FY 2019 budget adjustment to recognize a \$4,635 donation from the Rotary Club of Saginaw for the Fire Department.

10. Approve the purchase with Graham Masonry & Waterproofing for \$9,430 for interior masonry repairs at the Saginaw Police Department.
11. Approve a FY 2019 budget adjustment to recognize a \$317.96 donation from the 100 Club of Saginaw County for the Saginaw Police Emergency Services Team.
12. Approve to increase the blanket purchase orders to various vendors by \$4,500, for a new total of \$8,490, for vehicle parts and supplies for the Garage Division.
13. Approve to increase the blanket purchase orders to various vendors by \$10,000, for a new total of \$18,000, for vehicle repairs for the Garage Division.
14. Approve the Andersen Splash Park Rehabilitation Contract with American Excavating, Inc. for \$159, 587 for the Engineering Section, Right of Way Division.
15. Approve the purchase with B & B Roadway Products for \$7,150 for LED navigational lights for the Court Street Bridge for the Traffic Maintenance Section, Right of Way Division.
16. Approve the purchase with Jack Doheny Companies for \$7,700 for an Insight Vision Opticam push sewer inspection camera and a cable and pipe locator for the Maintenance and Service Division.
17. Approve the purchase of Versalift Midwest for \$2,421.92 for parts to repair an Aerial Truck for the Traffic Engineering Division.

**BOARD/COMMISSION/COMMITTEE REPORTS:**

**APPOINTMENT OF BOARD/COMMISSION/COMMITTEE MEMBERS:**

1. Approve the Council reappointment of James Wagner to the Human Planning Commission with a term to expire January 31, 2021.

**ORDINANCE INTRODUCTION:**

**ORDINANCE CONSIDERATION AND ADOPTION:**

**RESOLUTIONS:**

1. Adopt the Municipal Employees' Retirement System of Michigan Retiree Health Funding Vehicle.
2. Authorizing signatories for MERS Contracts and Service Credit Purchase Approvals.

**UNFINISHED BUSINESS:**

**MISCELLANEOUS BUSINESS:**

**ADJOURNMENT:**

Timothy Morales  
City Manager

A REGULAR MEETING AND STRATEGIC PLANNING SESSION OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN, WAS HELD SATURDAY, JANUARY 25, 2019, AT 8:30 A.M. IN THE GARDEN ROOM AT ANDERSEN ENRICHMENT CENTER, 120 EZRA RUST DRIVE, SAGINAW, MICHIGAN.

#### PRAYER AND PLEDGE OF ALLEGIANCE

Council Member Bryant offered a prayer and led the pledge of allegiance of the United States of America.

#### ROLL CALL

Mayor Pro Tem Moore called the meeting to order. Council Members present: Jamie Forbes, Clint Bryant, Annie Boensch, Brenda Moore, Autumn Scherzer, John Milne, Michael Balls and Bill Ostash: 8. Council Members absent: Floyd Kloc: 1.

Also in attendance were the following City staff members: Tim Morales, City Manager; Vicki Davis, Executive Assistant to the City Manager; Amy Lusk, City Attorney; Yolanda Jones, Director of OMB/Community Services; Lori Brown, Finance Director; Janet Santos, City Clerk; Robert Ruth, Chief of Police; Christopher Van Loo, Fire Chief; Dennis Jordan, Director of Human Resources; Beth Carson-Church, Assistant Director of Human Resources; Jeff Klopocz, Director of Technology; Phil Karwat, Director of Public Services; John Stemple, Chief Inspector; Kim Mason, Director of Water and Wastewater Services; and Kristine Bolzman, Deputy City Clerk.

Members present from the Brownfield Redevelopment Authority were: Lori Brown, Bryan Weiss, and John Milne. Members present from the Zoning Board of Appeals were: Deanna Viriciglio, Jack Nash, David Helpap, and Bruce Gale. Members present from the Downtown Development Authority were: Paul Viriciglio, Mike Hanley, and Tom Basil. Members present from the Planning Commission were: Clint Bryant, Bob Hanley, and Yolanda Jones.

#### ANNOUNCEMENTS

Deputy City Clerk Kristine Bolzman announced that a portion of today's session will include an open discussion with members of City Council, Planning Commission, Zoning Board of Appeals, Downtown Development Authority, and Brownfield Redevelopment Authority.

#### PUBLIC INPUT

No members of the Public addressed the Council.

Moved by Council Member Bryant, seconded by Council Member Boensch to waive the Council Rules of Order and change the Order of Business to follow the Special Agenda prepared by the City Manager. 8 ayes, 0 nays, 1 absent. Motion approved.

#### REPORTS FROM CITY MANAGER

Mayor Pro Tem Moore welcomed all to the meeting.

*Mayor Kloc entered the meeting at 8:52 a.m.*

Director of OMB Yolanda Jones introduced Greg Branch, Brand Strategist with AMPM. Mr. Branch presented findings of the Marketing Communications Plan study as part of the Redevelopment Ready Community (RRC) project. Mr. Branch highlighted the research that was performed, target audiences that were identified, and goals and objectives to strive for. The tactical plan to obtain three strategic goals was outlined.

The three strategic goals are: Attract business, attract consumers, and attract real estate development. Mr. Branch reported that the business section of the City website is operational and that AMPM is working with Saginaw Future, Inc. to create a city-centric brochure for prospective businesses.

*A short break was taken at 10:00 to 10:15 a.m.*

City Attorney Amy Lusk reported on the parameters of the Medical Marihuana Act (MMA), the Medical Marihuana Facilities Licensing Act (MMFLA), and the Michigan Regulation and Taxation of Marihuana Act (MRTMA). MRTMA was established by Proposal 1 in the November 2018 General Election and requires municipalities to opt in or out of allowing marihuana facilities by December 2019. Attorney Lusk presented several pros and cons of each option. City Manager Tim Morales commented that a misconception is that allowing these facilities is a revenue generator; however, licensing fees can only offset administrative costs and must remain revenue neutral. Discussion was held.

*A break was taken with a working lunch at 11:15 a.m.*

Mayor Kloc introduced Assistant Director of Human Resources Beth Carson-Church. Ms. Church presented the proposed Fiscal Year 2019 Mid-Year Personnel Complement changes.

Director of OMB Yolanda Jones introduced Dr. Eric Scorsone, Director of MSU Extension Center for Local Government Finance and Policy. Dr. Scorsone presented the national economic overview with a focus on economic conditions that may impact the City. Basic economic development strategies and tactics were highlighted, including exporting enhancement, importing substitution, and improving workforce productivity.

Dr. Scorsone pointed out potential challenges including declining population and potential downsizing in the auto industrial sector.

*A short break was taken at 1:22 to 1:40 p.m.*

Mayor Pro Tem Moore introduced Luke Forrest, Michigan Municipal League Director of Civic Innovations. Mr. Forrest presented an outlook on Opportunity Zones and Funds. Opportunity Zones that exist within the City were identified and possible approaches to potential investment projects were highlighted.

City Manager Tim Morales concluded the Management Update and thanked those that presented.

Moved by Council Member Bryant, seconded by Mayor Pro Tem Moore to return to regular order of business. 9 ayes, 0 nays, 0 absent. Motion approved.

CONSENT AGENDA:

1. Approve the January 7, 2019 regular council meeting minutes.
2. Approve the mid-year changes to the FY 2019 Personnel Complement.

3. Approve the filing of the 2019 Single Lot Special Assessment Tax Roll in the office of the City Clerk for public examination, and that City Council call a public hearing to be held on February 18, 2019.

4. Approve the insurance policy renewal with Chubb/Federal Insurance Company; Hanover Insurance Group; Cincinnati Insurance Company; and Scottsdale Insurance Company effective February 1, 2019 to February 1, 2020, for a total of \$364,774.

5. Approve the blanket purchase with Verizon Connect for Vehicle Monitoring Systems for \$4,548.00 for the remainder of FY 2019 and \$9,096.00 annually for FY 2020 through FY 2022.

6. Ratification of a purchase with Versalift Midwest for \$2,344.50 for Forestry Truck repair parts for the Streets Division.

Moved by Council Member Bryant, seconded by Council Member Scherzer to approve consent agenda items 1 through 6, as presented. 9 ayes, 0 nays, 0 absent. Motion approved.

#### ADJOURNMENT

Moved by Council Member Bryant, seconded by Council Member Boensch to adjourn the meeting at 2:19 p.m. 9 ayes, 0 nays, 0 absent. Motion approved.

As recorded by Deputy Clerk Kristine Bolzman.

Janet Santos, CMMC/MMC  
City Clerk

**From:** Timothy Morales, City Manager  
**Subject:** January Budget Adjustment  
**Prepared by:** Yolanda M. Jones, Office of Management and Budget

**Manager's Recommendation:**

I recommend approval of the amendments to the 2018/2019 Approved Budget for the listed funds. This adjustment is required to recognize any errors, omissions, or changes that have occurred within the month of January.

**Justification:**

The 2018/2019 annual budget will be adjusted in accordance with Public Act 2 of 1968, Uniform Budgeting and Accounting Act, the City Charter; and the approved 2019 Budget Resolution, which states that the City Manager must provide budget adjustments to City Council quarterly and/or as needed. As a result of the City Manager's monthly analysis for January, the below-mentioned budget adjustments take into consideration any errors, omissions, or changes in the funding levels and expenditures approved by City Council as prescribed by the City Charter.

In review of the General Fund, it is recommended that this fund be increased by \$4,317, from \$35,512,114 to \$35,516,431.

- A budget adjustment should be completed to recognize revenues in the amount of \$3,810 for the sale of property for the Police Department. Revenues will be recognized in the General Fund Revenue, Sale of Property - Police Account No. 101-0000-673.007. To offset the increase in revenues will be the same increase to the General Fund, Community Public Safety – Police, Police Building Maintenance Division, Vehicles Account No. 101-3514-982.000.
- A budget adjustment should be completed to recognize a \$507 reimbursement from the Department of Justice Bullet Proof Vest Grant. Revenues will be recognized in the General Fund Revenue, Other Federal Grants Account No. 101-0000-501.027. To offset the increase in revenues will be the same increase to the General Fund, Community Public Safety – Police, Police Building Maintenance Division, Clothing Supplies Account No. 101-3514-728.000.

The Major Street Fund (202) should be increased from \$7,354,535 to \$8,203,805. This represents an \$849,270 increase:

- In October 2018, the city was awarded \$827,802 of additional Gas and Weight funds through Public Act 207 of 2018. These funds will be utilized to complete additional mill and pave projects within the city and will be recognized in the Major Street Fund Revenue, State Grant Account No. 202-0000-539.000. To offset this increase in revenues will be an increase to the Major Street Fund,

Street Resurfacing Division, Street Resurfacing Account No. 202-4614-821.000 for the same amount.

- In addition, a budget adjustment is required to recognize \$21,468 for the Iron Bell Grant Reimbursement that was received in August 2018. These funds will be recognized in the Major Street Fund Revenue, State Grant Account No. 202-0000-539.000. To offset this increase in revenues will be an increase to the Major Street Fund, Street Resurfacing Division, Construction Project Account No. 202-4614-822.000 for the same amount.

The Department of Justice – DOJ JAG Fund (263) should be increased from \$72,587 to \$80,170. This is an increase of \$7,583. This budget adjustment recognizes unanticipated revenues. Revenues will be realized in the DOJ – JAG Fund’s Sale of Property Account No. 263-0000-673.003 in the amount of \$7,583. Revenues will be offset by the same appropriation in the JAG 2018 Division’s Vehicles Account No. 263-3337-982.000.

The Police ELERV Grant Fund (267) should be increased from \$163,850 to \$217,526. This represents a \$53,676 increase. This adjustment recognizes the additional funds received this fiscal year to complete the third year, ending September 30, 2018 of the ELERV Grant. These additional funds will be utilized towards the CAN Council Victims Services program. Revenues will be recognize in the Police ELERV Grant Revenue, Other Federal Grants Account No. 267-0000-501.027. To offset the increase in revenues will be an increase to this fund’s Professional Services Account No. 267-3341-801.000 by the same amount.

The Capital Project Fund (401) should be decreased from \$677,516 to \$663,879. This represents a \$13,637 reduction. This adjustment is a correction for a budget adjustment for the electronic sign. Therefore, the Facilities Division, Fixture Account No. 401-7575-985.000 should be reduced by \$13,637. This reduction is covered by the direct purchase from the Sewer Operations and Maintenance Fund \$7,451, Water Operations and Maintenance Fund \$5,683, and Technical Services – IS Fund \$2,000. To offset the reduction in expenditures will be a similar reduction to the Capital Project Fund, Transfer from Other Funds Account No. 401-0000-699.000 by the same amount.

The Sewer Operations and Maintenance Fund (590) should be decreased from \$24,977,582 to \$24,920,986 which represents a \$56,614 reduction.

- This decrease is primarily due to a reduction in purchase order 0502484 for the project at 1701 S. Jefferson Vehicle Storage Building (C-1619) in the amount of \$103,561. However, expenditures will be increased in the Debt Service Division’s Salt/Fraser CSO Account No. 590-4845-995.011 in the amount of \$46,947 for payment of the debt service. The total net reduction for expenditures is \$56,614.
- In order to balance the fund from the expenditures decrease, there will be a reduction to retained earnings in the amount of \$108,312. To slightly offset this

decrease to retained earnings will be an increase to revenues through the recognition of unanticipated revenues – special assessments \$41,415, sale of property items \$2,093 and reimbursement for retiree healthcare \$8,190. The total net reduction for revenues is \$56,614.

The Water Operations and Maintenance Fund's (591) should be increased from \$35,066,062 to \$35,207,862. This is an increase of \$141,800. This amendment is required to cover the cost of the preliminary design for Frankenmuth Parallel Transmission Main project in the amount of \$66,800 and the payment for a settlement that was approved by city council in November 2018 in the amount of \$75,000. To offset the increase in expenditures will be an increase to retained earnings \$131,923, and the recognition of unanticipated revenues – special assessments \$3,951, sale of property items \$1,387, and reimbursements for retiree healthcare \$4,539.

The Technical Services – Information Services (IS) Fund (658) should be increased from \$1,408,636 to \$1,414,624. This represents a \$5,988 increase. This adjustment is required to recognize the additional operating transfer from the General Fund to cover the cost to purchase ContractSafe, a computer software that assists with the tracking of purchase and development agreements and contracts for the city. Revenues will be recognized in the Technical Services – IS Fund, Contribution from Other Fund Account No. 658-0000-675.000 in the amount of \$5,988. To offset this increase in revenues will be an increase to the Technical Services – IS Fund, Computer Software Account No. 658-1720-741.000 for the same amount.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** InSource Solutions Group – Annual Renewal  
**Prepared by:** Janet Schramke, Income Tax Administrator

**Manager's Recommendation:**

I recommend the approval of a purchase with InSource Solutions Group for \$17,316.20 for the renewal of annual software maintenance and support fees including individual withholding and e-filing services for Fiscal Services - Income Tax Division.

**Justification:**

The City annually renews our maintenance and support fees for InSource Solutions Group employer tax withholding services. InSource Solutions Group is the proprietary owner and sole source of electronic employer withholding tax software and secure server host. This annual renewal of maintenance and support fees is for a 12-month period and increased \$1,234.20 from last year. This is the first increase in seven years.

E-filing services improve work and cash flow by eliminating manual tasks such as opening mail, inputting tax returns and payments. Also, InSource Solutions Group is partnered with our current software provider, Innovative Software Services, Inc. to provide a secure e-filing program for all users.

This vendor meets all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in the General Fund, Department of Fiscal Services, Income Tax Division, Operating Services Account No. 101-1745-805.000.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Revised Guidelines for Applicants Requesting Poverty Exemptions  
**Prepared by:** Linda Armintrout, Assessor Administrator

**Manager's Recommendation:**

I recommend approval of the revised Guidelines for Applicants Requesting Poverty Exemptions.

**Justification:**

The State Tax Commission is now requiring local governing bodies to annually approve guidelines establishing standards for the local board of review when granting Poverty Exemptions as authorized under MCL 211.7u. The exemption is for the principal residence of persons who, in the judgment of the board of review, by reason of poverty, are unable to contribute toward the public charges. The exemption may be in whole or in part from taxation under the act.

City Council last approved guidelines on June 18, 2018. The updated guidelines have been revised to adopt the federal poverty guidelines as determined annually by the U.S. Department of Health and Human Services and in accordance with State Tax Commission recommended standards.

I have approved the revised Poverty Exemption Guidelines as to substance and the City Attorney approves as to form.

**Council Action:**

Motion to approve the recommendation of the City Manager.

City of Saginaw  
City Assessors Office  
1315 S. Washington Ave.  
Saginaw, MI 48601  
989-759-1471



**GUIDELINES FOR APPLICANTS REQUESTING POVERTY EXEMPTIONS**  
**(Adopted by City Council ~~June 18, 2018~~ February 4, 2019)**

**BY LAW, ALL BOARD OF REVIEW MEETINGS AND INFORMATION DISCUSSED ARE SUBJECT TO THE OPEN MEETINGS ACT. EVIDENCE GIVEN TO THE BOARD OF REVIEW OR THE ASSESSOR IS SUBJECT TO THE FREEDOM OF INFORMATION ACT. INFORMATION MAY BE RELEASED TO THE PUBLIC.**

The City of Saginaw Board of Review will accept and evaluate applications for a property tax reduction or exemption based on the taxpayer's inability to pay property taxes or the taxpayer's poverty according to MCLA 211.7u. This hardship reduction is only available to residents of the City of Saginaw for their homestead. The Board of Review will objectively evaluate hardship reduction applications utilizing all available information, including statements, under oath, by applicants upon appearance before the Board of Review.

1. The taxpayer must complete an annual application for a one-year hardship reduction or exemption and submit it to the City of Saginaw Board of Review. Applications are available at the City of Saginaw Assessor's Office. If granted, exemptions are in effect for one year only.
2. Applicants must provide federal and state income tax returns for the current year or immediately preceding year for all members of the household. If an applicant was not required to file a federal or state income tax return for the current year or immediately preceding year, the applicant must submit an affidavit attesting to the same. In addition documentation to verify all income or assets is required which may include Social Security Statements, pay stubs, statements from Social Services and bank statements.
3. Applicants must produce a driver's license or other acceptable identification if asked by the Board of Review. Applicants must also produce a deed, land contract or other proof of property ownership if requested.
4. The Board of Review shall consider State Tax Commission Guidelines when granting a hardship exemption.
5. Applicants cannot have more than \$10,000 in assets to be eligible for consideration and no more cash than an amount equal to one month's gross household income. Assets do not include the homestead or an automobile. Assets do include: stocks, bonds, mutual funds, insurance policies, coin collections, boats, ORVs, motorcycles,

recreational vehicles, second homes or salable property, additional automobiles, retirement accounts, bank accounts, cash/money, jewelry, etc.

6. Applicants may be asked to appear in person and are subject to testimony under oath. An authorized agent may appear on an applicant's behalf. Applicants or their authorized agents may be asked to answer questions related to health or financial matters.

7. The Board of Review will evaluate each exemption based upon the guidelines as defined in this procedure, as set forth by the State Tax Commission, and as established by law. The Board of Review may deviate from the guidelines if there are substantial and compelling reasons such as extraordinary medical expenses or other unforeseen situations. The Board of Review will document any reasons for deviating from the guidelines in writing to the applicant.

8. Applicants cannot be considered for an exemption if their total household gross income exceeds the Federal Poverty guidelines as updated annually by the U.S. Department of Health and Human Services. The guidelines for ~~2018~~ 2019 exemptions are as follows:

2019 FEDERAL POVERTY GUIDELINES	
Size of Family Unit	Poverty Guidelines
1	\$ 12,140
2	\$ 16,460
3	\$ 20,780
4	\$ 25,100
5	\$ 29,420
6	\$ 33,740
7	\$ 38,060
8	\$ 42,380
For each additional person	\$ 4,320

9. All applicants, if approved by the Board of Review, shall pay taxes equal to 3.5% of their total household gross income. Applicants over 65, paraplegic, quadriplegic, hemiplegic or totally and permanently disabled as defined under Social Security Guidelines 42 USC 416, will pay taxes equal to the following percentages:

Total household gross income less than \$6,000	0%
Total household gross income \$6,001 to \$7,000	1%
Total household gross income \$7,001 to \$8,000	2%
Total household gross income \$8,001 to \$9,310	3%
Total household gross income greater than \$9,310	3.5%

10. Applicants will be sent a written notification of the Board of Review decision. An applicant or the Assessor may appeal the Board of Review decision to the Michigan Tax Tribunal.

*The City of Saginaw Poverty Exemption guideline uses the following definitions:*

*Household Income:* total household resources as set forth in the Michigan Homestead Property Tax Credit Claim Form.

*Paraplegic, Quadriplegic, Hemiplegic and Total and Permanently Disabled:* as defined by the Michigan Department of Treasury.

*Homestead:* as defined by Michigan's General Property Tax Act.

*Homestead Property Tax Credit:* a program authorized by State Statute and managed by the Department of Treasury to provide a credit for homestead property taxes for eligible individuals.

**From:** Timothy Morales, City Manager

**Subject:** HUD Emergency Solutions Grant (ESG) Subrecipient Contract Amendment for United Way of Saginaw County

**Prepared by:** Leticia Trevino, CDBG Specialist

**Manager's Recommendation:**

I recommend the approval of the amendment to the ESG Subrecipient Contract with United Way of Saginaw County to include \$1,499.30 in carryover for homelessness prevention and rapid rehousing (HPRP).

**Justification:**

The following information outlines the scope of activity and the original funding level for the project under the Emergency Solutions Grant contract between the United Way of Saginaw County, the Subrecipient, and the City:

United Way of Saginaw Co. HPRP \$35,642.00

This activity is administered through the United Way of Saginaw County. The program assists homeless clients find safe and affordable housing by providing short term rental assistance along with intense case management.

The original agreement will be increased by \$1,499.30 bringing their total allocation to \$37,141.30. City Council approved the original Sub recipient Agreement with United Way on September 24, 2018 for Fiscal Year 2018-2019.

I have approved the Amendment to the Emergency Solutions Grant Sub recipient Agreement between the City and United Way of Saginaw County as to substance and the City Attorney approves as to form.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Contract Management Software Purchase  
**Prepared by:** Jeff Klopcic, Technical Services Department

**Manager's Recommendation:**

I recommend approval of a purchase with ContractSafe for \$5,988.00 for a contract management software solution to assist with the tracking, managing and reporting functions of each contract.

**Justification:**

The City of Saginaw enters into many contracts throughout the year, and have found it difficult to properly manage these contracts. We would like to purchase contract management solution software that will help City staff with the tracking, managing and reporting functions of each contract. It would greatly benefit the City to have a digital central repository of all contracts that would allow staff to quickly access and track changes to contracts, ensure the proper compliance is being executed, and have the ability to receive alerts pertaining to upcoming deadlines or renewals. We feel ContractSafe will help with the managing of new and old contracts, and allow the City to follow the contract through its entire legal term.

This vendor meets all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in the Technical Services Department, Information Services Computer Software Account No. 658-1720-741.000.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Ricoh Multi-Function Copy Machine Lease Renewals  
**Prepared by:** Jeff Klopac, Technical Services Department

**Manager's Recommendation:**

I recommend approval of a purchase with Ricoh USA at the State bid price of \$21,950.40. This amount consists of three multi-function copiers, with \$4,390.08 in annual payments due on a five-year lease.

**Justification:**

The Technical Services Department conducted a copy/print study in 2011. The study concluded the City would see a dramatic decrease in print related cost if it were to remove all personal desktop printers from employees' desks and replace them with multi-function printers that were shared by a group of employees.

The Community Development Block Grant and Fire Department will each be replacing end lease multi-function copy machines, while the Saginaw Economic Development Corporation will be leasing a new multi-function copy machine. Each lease will be responsible for monthly payments for the next five years.

This vendor meets all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in the General Fund, Community Public Safety – Fire – Fire Administration Division, Operating Services Account No. 101-3550-805.000 in the amount of \$915.84, and in the Office of Neighborhood Services and Inspections, Planning and Zoning Division, Operating Services Account No. 101-3863-805.000 in the amount of \$479.82, and Inspections Division, Operating Services Account No. 101-3865-805.000 in the amount of \$479.82, and in the Rubbish Collection Fund – Environmental Improvement Division, Operating Services Account No. 226-4583-805.000 in the amount of \$479.82, and in the Community Development Block Grant Fund, Saginaw Economic Development Division, Operating Services Account No. 275-6520-805.000 in the amount of \$1,554.96, and in the CDBG – Residential Loan Fund, Residential Loan Division, Operating Services Account No. 276-6540-805.000 in the amount of \$479.82.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Purchase of Parking Ticket Media  
**Prepared by:** Darrin Jerome, Chief Inspector

**Manager’s Recommendation:**

I recommend approval of a purchase with Canada Ticket, Inc. for parking ticket media and envelopes for \$4,660.06 for the Parking Operations & Maintenance Division.

**Justification:**

On October 9, 2018 the City accepted bids for the purchase of parking ticket media as well as envelopes. This purchase was originally approved to the low bidder F. P. Horak on November 5, 2018. They were unable to provide specified envelope material thus making Canada Ticket, Inc. the low bidder.

Bids were received from the following vendors:

Canada Ticket, Inc. Langley, BC V1M 3B5	\$4,660.06
Safeguard Business Systems Fort Wayne, IN 46825	\$5,436.70
AVE Solutions Southfield, MI 48033	\$14,592.00

This vendor meets all requirements of §14.33, “Vendors,” of “Purchasing, Contracting, and Selling Procedure,” of Chapter 14, “Finance and Purchasing,” of Title I, “Administrative Code,” of the Saginaw Code of Ordinances 0-204.

Funds are budgeted in the General Fund - Office of Neighborhood Services and Inspections, Parking Operations and Maintenance Division, Printing Account No. 101-3868-900.000.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Tim Morales, City Manager  
**Subject:** Saginaw Rotary Club Donation and Budget Adjustment  
**Prepared by:** Christopher Van Loo, Fire Chief

**Manager's Recommendation:**

I recommend that a budget adjustment be completed to increase the General Fund Revenues Fire Donations Account No. 101-0000-674.010 from \$3,600 to \$8,235. This increase in revenues is to recognize a \$4,635 donation from the Saginaw Rotary Club. To offset this increase in revenues, the Community Public Safety – Fire, Fire Operations Division's Parts and Supplies Account No. 101-3551-742.000 will be increased by the same.

**Justification:**

On January 23, 2019, the Saginaw Rotary Club presented the Saginaw Fire Department a \$4,635 donation to be used for fire department equipment needs. The Fire Department will use these funds toward the purchase of new thermal imaging cameras (TIC) for our front line apparatus. A council communication for purchase approval for the new TICs will be brought forward at a future Council meeting.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Stairwell Masonry Repairs and Painting  
**Prepared by:** Brian Rowell, Community Public Safety – Police

**Manager’s Recommendation:**

I recommend the approval of purchase with Graham Masonry & Waterproofing for \$9,430 for interior masonry repairs at the Saginaw Police Department.

**Justification:**

On January 11, 2019, the City of Saginaw published a ‘Request for Quote’ with a due date of January 22, 2019, for emergency masonry repairs at the Saginaw Police Department. The City is using a quote due to the need for the repairs to be completed as soon as possible to reduce and eliminate continued deterioration of the building. The repairs include: mortar work, pinning, grouting, sealing, priming, and painting.

The following is a tabulation of the quotes received:

VENDOR & LOCATION	TOTAL COST
J.M. Graham Masonry & Waterproofing Saginaw, MI	\$9,430.00
D.C. Byers Company East Lansing, MI	\$23,700.00

This vendor meets all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in the General Fund, Community Public Safety-Police, Police Building Management Division’s Repairs and Replacements Account No. 101-3514-974.000.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Grant Award from the 100 Club of Saginaw County  
**Prepared by:** Brian Rowell, Community Public Safety – Police

**Manager’s Recommendation:**

I recommend the approval of the grant award of \$317.96 from the 100 Club of Saginaw County to the Saginaw Police Department for the purchase of various items for the Saginaw Police Emergency Services Team.

I also recommend that a budget adjustment be completed to increase the General Fund Revenue’s Police Donations Account No. 101-0000-674.009 by \$317.96. To offset the increase in revenues will be an increase to the Community Public Safety - Police, Police Administrative Services Division’s Capital less than \$5,000 Account No. 101-3512-742.000 by the same.

**Justification:**

The 100 Club of Saginaw County is an organization of Saginaw Area residents founded in 1996 who contribute money each year for the benefit of families of police officers, firefighters, and FBI and A.T.F. agents who have been killed in the line of duty in Saginaw County. Additionally, the 100 Club of Saginaw County annually recognizes the outstanding efforts of first responders and provides grant funding opportunities for police and fire agencies for the purchase of life-saving equipment and tangible assets.

In September of 2018 the Saginaw Police Department submitted a grant request to The 100 Club of Saginaw County for the purchase of various tools to be utilized by the EST to better provide safety and security to law enforcement agencies and communities in Saginaw County during high risk situations utilizing specialized tools and tactics that are not provided to the ordinary police officer.

On December 19, 2018 the Saginaw Police Department was notified that the grant request was approved. The total grant award is \$317.96 with no matching fund requirement by the City of Saginaw. A formal presentation of the grant award occurred on January 23, 2019 at the 23<sup>rd</sup> Annual Business Meeting of the 100 Club of Saginaw County.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Increase Blanket Purchase Order for Vehicle Parts  
**Prepared by:** Don Riley, Public Services Department

**Manager's Recommendation:**

I recommend the approval to increase blanket purchase orders issued to various vendors by \$4,500, for a new total of \$8,490, for vehicle parts and supplies for the Garage Division.

**Justification:**

On July 9, 2018, the purchase orders listed below were issued to vendors in amounts totaling \$4,500. The City's Municipal Garage requires parts sold by these vendors for various repairs of fleet vehicles from July 1, 2018 to June 30, 2019.

In FY 2018, the garage spent \$4,531.13 on parts from Interstate Truck Source. In the current fiscal year we have spent \$1,409.13, leaving a balance of \$585.87. The Garage has replaced multiple parts on packer trucks used by the Environmental, Rubbish, and Streets Divisions. The Garage will continue requesting quotes for needed parts and purchase from the lowest vendor.

In FY 2018, the garage spent \$2,348.33 on parts from Joint Clutch and Gear. In the current fiscal year we have spent \$1,656.30, leaving a balance of \$338.70. The garage purchases parts for heavy equipment used in the Traffic, Maintenance and Service, and Streets Divisions. The Garage will continue requesting quotes for needed parts and purchase from the lowest vendor.

There are no feasible means to predetermine what parts will be needed to be replaced on these vehicles. To issue individual purchase orders is costly and administratively time consuming. The Garage Division's personnel obtain price quotes for parts and services awarding purchases to the lowest and best vendor for each item. The original and increase blanket purchase order information is as follows:

<b><u>PO Number</u></b>	<b><u>Vendor</u></b>	<b><u>Current PO Amount</u></b>	<b><u>Recommended Increase</u></b>	<b><u>New Total PO Amount</u></b>
0503743	Interstate Truck Source	\$1,995	\$2,500	\$4,495
0503761	Joint Clutch and Gear	<u>\$1,995</u>	<u>\$2,000</u>	<u>\$3,995</u>
	<b>Total</b>	\$3,990	\$4,500	\$8,490

These vendors meets all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in the Motor Pool Operation Fund, Garage Operations Division's Motor Vehicle Supplies Account No. 661-4481-737.000, \$8,490, and will be accounted for in the Motor Pool Operation Fund, Inventory Account No. 661-0000-110.001.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Increase Blanket Purchase Order  
**Prepared by:** Don Riley, Public Services Department

**Manager's Recommendation:**

I recommend the approval to increase blanket purchase orders to various vendors by \$10,000, for a new total of \$18,000, for vehicle repairs for the Garage Division.

**Justification:**

On July 9, 2018, the purchase orders listed below were issued to vendors in amounts totaling \$8,000. The City's Municipal Garage requires these vendors for various service repairs of fleet vehicles from July 1, 2018 to June 30, 2019.

The City's Municipal Garage requires the services of Michigan Cat for repairs to equipment used mainly by the Maintenance and Service, and Streets Divisions from July 1, 2018 to June 30, 2019. In FY 2018, the Garage spent \$1,924.94 with Michigan Cat. In the current fiscal year we have spent \$2,684.00, leaving a balance of \$316.00. Michigan Cat is the sole source for repairs to Caterpillar equipment.

The City's Municipal Garage requires the services of Michigan Truck Spring for suspension repairs on heavy equipment used by various departments throughout the City from July 1, 2018 to June 30, 2019. In FY 2018, the garage spent \$3,546.86 with Michigan Truck Spring. In the current fiscal year we have spent \$3,921.81, leaving a balance of \$1,078.19. The Garage Division's personnel obtain price quotes for parts and services awarding purchases to the lowest and best vendor for each item.

There are no feasible means to predetermine what services will be needed. Issuing individual purchase orders (PO) is costly and administratively time consuming. The Garage Division's personnel obtain price quotes for parts and services awarding purchases to the lowest and best vendor for each item. The original and increase blanket purchase order information is as follows:

<b><u>PO Number</u></b>	<b><u>Vendor</u></b>	<b><u>Current PO Amount</u></b>	<b><u>Recommended Increase</u></b>	<b><u>New Total PO Amount</u></b>
0503801	Michigan Cat	\$3,000	\$6,000	\$9,000
0503802	Michigan Truck Spring	<u>\$5,000</u>	<u>\$4,000</u>	<u>\$9,000</u>
		\$8,000	\$10,000	\$18,000

These vendors meet all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in Motor Pool Operation Fund, Garage Operations Division's Motor Vehicle Repairs Account No. 661-4481-931.000, \$10,000.00.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Andersen Splash Park Repairs  
**Prepared by:** Bruce Caradine, Public Services Department

**Manager's Recommendation:**

I recommend the approval of the Andersen Splash Park Rehabilitation Contract with American Excavating, Inc. for \$159,587 for the Engineering Section, Right of Way Division.

**Justification:**

On December 17, 2018, City Council approved the award of the Andersen Splash Park Rehabilitation Contract with American Walls for \$151,581.75. This award process failed as the vendor was unable to obtain the necessary bonding.

In a continuing effort to get the repairs completed at a reasonable cost, the City reached out to a local excavating contractor American Excavating to request a quote for the repairs. They supplied the above recommended quote amount and met the necessary bonding requirement.

The City filed an insurance claim for the damaged water park features and underground piping. The insurance company will reimburse the City for all construction and engineering costs over and above the City's \$100,000 deductible. To date, the City has incurred engineering costs of \$18,500 and expects to incur an additional \$7,000 for construction engineering administration.

This vendor meets all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in the Capital Project Fund, Celebration Park Division, Repairs and Replacement Account No. 401-7580-974.000 \$100,000, and insurance company reimbursement of \$59,587. Should the insurance company provide a reimbursement it should be allocated to 401-0000-676.000 Reimbursements. Another budget adjustment will be completed for January 2019 to recognize the revenues.

The contract is subject to the City Manager's approval as to substance and the City Attorney as to form.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Purchase of Navigational Lighting Fixtures  
**Prepared by:** Beth London, Public Services Department

**Manager's Recommendation:**

I recommend the approval of a purchase with B & B Roadway Products for \$7,150.00 for LED navigational lights for the Court Street Bridge for the Traffic Maintenance Section, Right of Way Division.

**Justification:**

On January 15, 2019, the City received three bids for the LED upgrade and replacement of six navigational lights for the Court Street Bridge. The Traffic Maintenance Section, Right of Way Division is required to maintain and replace, when necessary, the navigational lighting on the City's five bridges over the Saginaw River. The following is a tabulation of the bids received:

<u>Vendor</u>	<u>Costs</u>
B & B Roadway Products Russellville, AL	\$ 7,150.00
Bridge Roadway Products Elburn, IL	\$ 7,378.00
Decima, LLC Auburn, IN	\$ 11,299.00

This vendor meets all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in the General Fund, Department of Public Services Street Lighting Division's Parts and Supplies Account No. 101-4620-742.000.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Portable Sewer Inspection Camera  
**Prepared by:** Joshua Hoffman, Public Services Department

**Manager's Recommendation:**

I recommend the approval of a purchase with Jack Doheny Companies for \$7,700.00 for an Insight Vision Opticam push sewer inspection camera and a RD71000DL(G) cable and pipe locator for the Maintenance and Service Division.

**Justification:**

On January 8, 2019, the Maintenance and Service Division received one qualified bid for the purchase of an Insight Vision Sewer Inspection Camera and Cable / Pipe locator that will be utilized in the maintenance and construction of the City's sewer collection system. This unit will be a direct replacement for a seven year old sewer camera and locator that is in disrepair and parts are no longer available.

This vendor meets all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in the Sewer Operations and Maintenance Fund, Maintenance and Service Division's Repairs and Replacements Account No. 590-4821-974.000.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager  
**Subject:** Purchase for Traffic Truck Repair Parts  
**Prepared by:** Don Riley, Public Services Department

**Manager's Recommendation:**

I recommend a purchase with Versalift Midwest for \$2,421.92 for parts to repair an Aerial Truck for the Traffic Engineering Division.

**Justification:**

On January 8, 2019, Versalift Midwest inspected truck No. 30-0845, a 1999 International Aerial Tower, for recertification purposes. This truck failed the inspection as Versalift determined it requires the replacement of the bucket assembly and repairs to control valves. Versalift Midwest of Shelby Twp, MI is the sole source vendor for this manufacturer in this area. This truck is used in the daily maintenance of street signage, lighting, and traffic signals, and also for emergency repair of accident and storm damage to this equipment. As an emergency response vehicle, it must be maintained in a constant state of readiness and this is a required repair for this vehicle to remain in service.

This vendor meets all requirements of §14.33, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "Administrative Code," of the Saginaw Code of Ordinances, O-204.

Funds are budgeted in the Motor Pool Operation Fund, Garage Operations Division's Motor Vehicle Supplies Account No. 661-4481-737.000, \$2,421.92, and will be accounted for in the Motor Pool Operation Fund, Garage Division's Inventory Account No. 661-0000-110.001.

**Council Action:**

Motion to approve the recommendation of the City Manager.

**From:** Timothy Morales, City Manager

**Subject:** MERS Retiree Health Funding Vehicle Resolution

**Prepared by:** Dennis Jordan, ACM/Human Resources Director

**Manager's Recommendation:**

I recommend approval of the Resolution to Adopt the Municipal Employees Retirement System of Michigan (MERS) Retiree Health Funding Vehicle.

**Justification:**

The City of Saginaw is required to comply with PA 202. The act sets forth provisions outlining steps that employers must take to offset unfunded liabilities with retiree health care and pension plans. On October 8, 2018, City Council approved the OPEB corrective action plan for submission to the Michigan State Treasury for their review and approval. Included in that corrective action plan was the establishment of a retiree healthcare trust for the purpose of accumulating assets to pay for retiree healthcare expenses. The Michigan State Treasury approved the plan in December 2018.

It is through the MERS Retiree Health Funding Vehicle (RHFV) Uniform Resolution, included in this agenda packet for City Council approval, that the trust will be established.

**Council Action:**

This communication is for explanation purposes of the resolution to be adopted.

## MERS RETIREE HEALTH FUNDING VEHICLE

Moved by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_ to adopt the following resolution:

**WHEREAS:** the Municipal Employees' Retirement Act, authorized the Municipal Employees' Retirement Board ("Board") to establish additional programs including but not limited to Defined Benefit and Defined Contribution programs (MERS Plan Document Section 71(2)(a)); and the Municipal Employees Retirement Act of 1984, Section 36(2)(a) as amended by 1996 PA 220, MCL 38.1536(2)(a)); and

**WHEREAS:** the Board has authorized MERS' establishment of a retiree health funding vehicle ("RHFV" or "Program"), which a participating municipality or court, or another eligible public employer that constitutes a "municipality" under MERS Plan Document Section 2(23); MCL 38.1502b(2) ("Eligible Employer"), may adopt; and

**WHEREAS:** the Board has established a governmental trust under Internal Revenue Code Section 115 of the Internal Revenue Code (the "Trust Fund") to hold the assets of the RHFV, which Trust Fund shall be administered under the discretion of the Board as fiduciary, directly by (or through a combination of) MERS or MERS duly-appointed Program Administrator, and is tax-exempt under Code Section 115 as confirmed by MERS' Private Letter Ruling dated January 13, 2004; and

**WHEREAS:** 1999 PA 149, the Public Employee Health Care Fund Investment Act, MCL 38.1211 et seq. ("PA 149") provides for the creation by a public corporation of a public employee health care fund, and its administration, investment, and management, in order to accumulate funds to provide for the funding of health benefits for retirees and beneficiaries; and

**WHEREAS:** a separate MERS health care trust fund created under PA 149 also constitutes a governmental trust established by an Eligible Employer, under Section 115 of the Internal Revenue Code; provided further that PA 149 trust, shall not accept assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code; and

**WHEREAS:** the Board acts as investment fiduciary for the pooled assets of each MERS participating municipality and court as defined by applicable law, on whose behalf MERS performs all plan administration and investment functions, and such participating municipalities and courts have full membership, representation and voting rights at the Annual Meeting as provided under Plan Section 78; MCL 38.1545; and

**WHEREAS:** the Board also acts as investment fiduciary for those Eligible Employers who are non-MERS participating municipalities and courts that have adopted the MERS Health Care Savings Program, Retiree Health Funding Vehicle, or Investment Services Program, and such entities are not accorded membership, representation or voting rights provided to MERS participating municipalities and courts at the MERS Annual Meeting under Plan Section 78; MCL 38.1545; and

**WHEREAS:** adoption of this Uniform Resolution (the “Uniform Resolution”) by the Eligible Employer is necessary and required in order that the benefits available under the MERS Retiree Health Funding Vehicle may be extended to Eligible Employers; and

**WHEREAS:** this Uniform Resolution has been approved by the Board under the authority of 1996 PA 220, MERS Plan Document Section 71(2)(a), MCL 38.1536(2)(a), declaring that the Board “shall determine and establish” all provisions of the Retirement System. The MERS RHFV shall not be implemented with respect to any Eligible Employer unless in strict compliance with the terms and conditions of this Resolution, the Trust Document, and Trust Agreement.

- It is expressly agreed and understood as an integral and non-severable part of extension or continuation of coverage under this Uniform Resolution Adopting MERS Retiree Health Funding Vehicle, that Section 43 of the MERS Plan Document shall not apply to this Uniform Resolution Adopting MERS Retiree Health Funding Vehicle, the Trust Agreement, its administration or interpretation.

- In the event any alteration of the language, terms or conditions stated in this Uniform Resolution Adopting MERS Retiree Health Funding Vehicle is made or occurs under MERS 401(a) Plan Document Section 43 or other plan provision or other law, it is expressly recognized that MERS and the Board, as fiduciary of the MERS Plan and its trust reserves, and whose authority is non-delegable, shall have no obligation or duty: to administer (or to have administered) the MERS RHFV or its Trust Fund; or to continue administration.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body adopts the MERS Retiree Healthcare Funding Vehicle as provided below.

## **I. MERS RETIREE HEALTH FUNDING VEHICLE**

**EFFECTIVE** March, 2019, the MERS Retiree Health Funding Vehicle is hereby adopted by the City of Saginaw.

**CONTRIBUTIONS** shall be made only by the Eligible Employer, remitted to MERS by the Eligible Employer, and credited to the Eligible Employer’s separate fund within the Trust Fund for MERS RHFV. As this Plan is funded solely by employer, on a cash or actuarial basis as determined by the employer, there is no requirement for a

Participation Agreement establishing the schedule of contributions. Amounts in a Participating Employer's RHFV account shall be used to provide or subsidize the provision of health insurance for Eligible Retirees to provide health benefits as defined by Code Section 213 and excludable from income under Code Sections 105 and 106 as may be amended from time to time.

**INVESTMENT** of funds accumulated and held in the Trust Fund shall be held in a separate reserve and invested on a pooled basis by MERS subject to the Public Employee Retirement System Investment Act ("PERSIA"), 1965 PA 314, as provided by MERS Plan Document Section 76; MCL 38.1539, and PA 149.

**THE ELIGIBLE EMPLOYER** shall abide by the terms of MERS RHFV, including the MERS RHFV Plan Document, RHFV Trust Agreement, all investment, administration, and service agreements, and all applicable provisions of the Code and other law. It is affirmed that no assets from any defined benefit health account established under Section 401(h) of the Internal Revenue Code shall be transferred to, or accepted by, MERS.

**DISTRIBUTIONS** In order to receive distribution for allowable expenses, an Employer must complete the Applicable Form. The Program Administrator shall establish any procedures necessary to process distribution requests and transfer funds within the time frame set by the Program Administrator.

## **II. IMPLEMENTATION DIRECTIONS FOR MERS AS RHFV INVESTMENT FIDUCIARY AND TRUSTEE**

(A) The governing body of this Eligible Employer desires that all assets placed in its MERS RHFV (as a sub-fund within all pooled Trust Funds with MERS) be administered by MERS, which shall act as investment fiduciary with all powers provided under Public Employee Retirement System Investment Act, PA 149, all applicable provisions of the Internal Revenue Code and other relevant law.

(B) The governing body desires, and MERS upon its approval of this Resolution agrees, that all funds accumulated and held in the MERS RHFV Trust Fund shall be invested and managed by MERS within the collective and commingled investment of all RHFV funds held in trust for all Eligible Employers.

(C) The RHFV is designed as an IRC Section 115 and PA 149 compliant trust. All assumptions, including the rate of investment return used in any OPEB valuation, are the responsibility of the employer in conjunction with any advice they may obtain from their health care actuary and/or auditor, if any. The Employer acknowledges and affirms the responsibility for selecting the investment option(s) from the MERS investment funds for their RHFV account.

All allocations must use a whole percentage, and the total percentage of amount allocated must equal 100%.

Please refer to the Fund Summary Sheets for information regarding each investment option, including potential redemption fees, and restrictions ([www.mersofmich.com](http://www.mersofmich.com)).

The Participating Employer makes the following initial fund election (subsequent changes may be made by the RHFV Investment Change Form RH-602). Percentage of assets to be invested in fund selected:

<i>Portfolios Built for You (Stocks/Bonds)</i>	
MERS Total Market Portfolio	%
MERS Global Stock Portfolio (100/0)	%
MERS Capital Appreciation Portfolio (80/20)	%
MERS Established Market Portfolio (60/40)	%
MERS Balanced Income Portfolio (40/60)	%
MERS Capital Preservation Portfolio (20/80)	%
MERS Diversified Bond Portfolio (0/100)	100%

<i>Funds to Build Your Own Portfolio</i>	
Large Cap Stock Index	%
Mid Cap Stock Index	%
Small Cap Stock Index	%
International Stock Index	%
Emerging Market Stock	%
Short-Term Income	%

All allocations must use a whole percentage, and the total percentage of amount allocated must equal 100%.

*Please refer to the Fund Summary Sheets for information regarding each investment option, including potential redemption fees, and restrictions ([www.mersofmich.com](http://www.mersofmich.com)).*

(D) Changes in the fund choices or allocations made in paragraph (C) may be made in writing using the designated MERS form addressed to the MERS RHFV Program Administrator and shall be made by (select one):

- RHFV Investment Change Form #RH-602 and supporting certified minutes stating Governing Body approval.
- The designated employer contacts (ongoing fund elections may be made either through your online account or by the RHFV Investment Change Form RH-602).

(E) All monies in the MERS RHFV Trust Fund (and any earnings thereon, positive or negative) shall be held and invested for the sole purpose of paying health care benefits for the exclusive benefit of “Eligible Employees” who shall constitute “qualified persons” who have retired or separated from employment with the Eligible Employer, and for any expenses of administration, and shall not be used for any other purpose, and shall not be distributed to the State.

(F) The Eligible Employer will fund its MERS RHFV Trust sub-fund to provide funds for health care benefits for “Eligible Employees” who shall constitute “qualified persons.” Participation in and any coverage under RHFV shall not constitute nor be construed to constitute an “accrued financial benefit” under Article 9 Section 24 of the Michigan Constitution of 1963, nor shall any contribution method for Eligible Employer funding other than “pay as you go” cash funding be required or imposed, and all benefits, rights, and obligations conferred by or arising under RHFV shall be as provided under the RHFV documents.

(G) The Eligible Employer will determine who constitutes “Eligible Employees” to receive retiree health care benefits subsidized under the MERS RHFV trust sub-fund. The Eligible Employer will provide proof of liability for retiree health care benefits by way of the collective bargaining agreement and/or personnel policy, OPEB Valuation, or most recent and active contract with health insurer.

(H) The Eligible Employer may designate the appropriate employer contacts who may request distributions of fund monies for the benefit of the Eligible Employees under any retiree health care benefit program, including, but not limited to, MERS HCSP; make investment allocations of the Employer’s fund assets within MERS-approved funds to the extent authorized in paragraph (C); receive necessary reports, notices, etc.; act on behalf of the Eligible Employer; and delegate any administrative duties relating to the Fund to appropriate departments.

### **SECTION 3. PLAN TERMINATION**

Plan Termination may occur for any of the following reasons: Automatic Termination, Plan Asset Transfer, or Satisfaction of RHFV Liabilities. The Program Administrator shall determine what documentation is necessary to demonstrate termination of any of the above circumstances. After such determination, the Program Administrator will supply the Participating Employer with any and all applicable forms for termination.

### **SECTION 4. EFFECTIVENESS OF THIS RHFV UNIFORM RESOLUTION**

This Resolution shall have no legal effect until an executed copy of this adopting Resolution is filed with MERS, and MERS determines that all necessary requirements under MERS Plan Document Section 71, PA 149 and other relevant laws, and this Resolution have been met. Upon MERS’ determination that all necessary documents have been submitted, MERS shall execute this Resolution, and return a copy to the Eligible Employer’s designated primary contact.

In the event an amendatory resolution or other action by the Eligible Employer is required by MERS, such Resolution or action may be deemed effective as of the date of the initial Resolution or action where concurred in by this governing body and MERS (and the Program Administrator if necessary). Section 86 of the MERS Plan Document shall apply to this Resolution and all acts performed under MERS' authority. The terms and conditions of this Resolution supersede and stand in place of any prior resolution, and its terms are controlling.

Ayes:  
Nays:  
Absent:  
Abstain:

## RESOLUTION DECLARED ADOPTED

I, Janet Santos, City Clerk of the City of Saginaw, Michigan, do hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City of Saginaw, Saginaw County, State of Michigan, at a public meeting held on February 4, 2019; the original thereof is on file in the records of my office; the meeting was conducted and public notice of said meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, and minutes of this meeting were kept and will be made available as required.

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Janet Santos, CMMC/MMC  
City Clerk

## ESTABLISHING AUTHORIZED SIGNATORIES FOR MERS CONTRACTS AND SERVICE CREDIT PURCHASE APPROVALS

Moved by Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_ to adopt the following resolution:

**WHEREAS:** this Resolution is entered into under the provisions of P.A. 220 of 1996 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan document, as each may be amended, and applies to reporting unit(s) #730101 of the City of Saginaw; and

**WHEREAS:** the City of Saginaw ("Employer") is a participating municipality with the Municipal Employees' Retirement System of Michigan ("MERS") and has adopted one or more retirement, insurance, investment or other post-employment benefit products administered by MERS; and

**WHEREAS:** MERS requires signatures of an authorized representative of the Employer to execute contracts with MERS, the entry of which is authorized by the governing body and permitted under the applicable MERS Plan Document(s); and

**WHEREAS:** the Employer wishes to designate certain job position(s), the holder(s) of which may sign MERS' contracts relating to the adoption, amendment and termination of MERS' products, and defined benefit service credit purchase approvals on behalf of Employer to implement decisions and actions of the governing body; and

**WHEREAS:** this Resolution is not intended to apply to MERS forms or any other MERS document except as specifically mentioned herein.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council authorizes:

1. The City Manager to sign: (1) MERS Adoption Agreements, Participation Agreements, Administrative Services Agreements, Withdrawal Agreements and any other contracts between MERS and the Employer with respect to Employer's participation in any MERS-administered product and any amendments and addendums thereto, and (2) MERS Defined Benefit service credit purchase approvals.
2. The City Clerk to sign Resolutions in regards to Employer's participation in any MERS-administered product.

**BE IT FURTHER RESOLVED,** that this Resolution may be revoked in writing or amended by the City of Saginaw at any time, provided that it will not be effective until such writing or amended Resolution is received by MERS. The City of Saginaw agrees that MERS may rely upon this Resolution as conferring signing authority upon the City Manager to bind Employer with respect to MERS.

Ayes:  
Nays:  
Absent:  
Abstain:

## RESOLUTION DECLARED ADOPTED

I, Janet Santos, City Clerk of the City of Saginaw, Michigan, do hereby certify that the foregoing is a true and complete copy of the resolution adopted by the City of Saginaw, Saginaw County, State of Michigan, at a public meeting held on February 4, 2019; the original thereof is on file in the records of my office; the meeting was conducted and public notice of said meeting was given pursuant to Act No. 267, Public Acts of Michigan, 1976, as amended, and minutes of this meeting were kept and will be made available as required.

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Janet Santos, CMMC/MMC  
City Clerk