

REVISED COUNCIL AGENDA

August 22, 2016 – 6:00 p.m.

Council Chamber

6:00 P.M. COMMITTEE OF THE WHOLE MEETING

ROLL CALL:

REPORTS FROM MANAGER:

Management Update:

1. Interview council applicants to fill the vacancy created by Larry Coulouris.

ADJOURN:

6:30 P.M. REGULAR MEETING

PRAYER AND PLEDGE OF ALLEGIANCE:

ROLL CALL:

ANNOUNCEMENTS:

1. Motorfest/Michigan Memorial Wall Committee to recognize the Saginaw Police Department K-9 Unit for their assistance with the July 2016 traveling Vietnam Memorial Wall and Car Show.

PUBLIC HEARINGS:

PERSONAL APPEARANCES:

(A list will be provided following submittal deadline.)

REMARKS OF COUNCIL:

REPORTS FROM MANAGER:

Management Update:

CONSENT AGENDA:

1. Approve the August 8, 2016 closed session and regular council meeting minutes.
2. Approve Petition 16-17 from Pulse 3 Foundation to erect banner located at Court Street from August 23 through September 12, 2016 to promote "Run for Your Heart" race.
3. Approve the amendments to the 2016/2017 Approved Budget to recognize any changes that have occurred during the August period.

REVISED COUNCIL AGENDA

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Council Chamber

4. Approve the Certificate of Consistency on behalf of the Saginaw County Consortium of Homeless Assistance Providers as part of their grant application to the U. S. Department of Housing and Urban Development.
5. Approve the grant agreements between the Saginaw Housing Commission and the U.S. Department of Housing and Urban Development (HUD) for the FY 2015 Continuum of Care Program and the FY 2016 Family Self-Sufficiency Program.
6. Approve the appointment of Grace DeLeon as officer delegate and Dennis Jordan as alternate officer delegate, and Lori Brown as employee delegate and Heather Howe as alternate employee delegate, to attend the Municipal Employees Retirement System's 70th Annual Meeting.
7. Approve a purchase order to IBM Corporation for \$17,000 for the renewal of the City's Lotus Notes/IBM Notes software subscription and license fees to operate the City of Saginaw's e-mail, calendar and workflow system.
8. Approve the payment to BS&A Software for \$84,992 for the renewal of annual software maintenance/support.
9. Approve a purchase order to Tri-Star Roofing & Sheet Metal, LLC for \$140,000 for removal of the existing roofing system and installation of a new mechanically fastened Carlisle Syn Tec Roof System at the Police Department Building.
10. Approve a purchase order to William Walter Mechanical for \$5,245 for a wall mounted indoor air conditioner and outdoor condensing unit in the City Hall Building Elections Center.
11. Approve a blanket purchase order to Lansing Sanitary Supply for \$8,250 for general janitorial supplies for the City's buildings and facilities for FY 2017.
12. Adopt the Resolution to approve Cost Agreement Amendment No. 16-5318 with the Michigan Department of Transportation to increase the federal funding participation amount of MDOT Cost Agreement 16-5084 by \$49,169 for reconstruction work on S. Warren Avenue from Millard Street to Genesee Avenue.
13. Approve the Professional Services Agreement with Spicer Group for \$1,055,500 for design and construction administrative services for the Davis Road water system improvements.
14. Approve a purchase order to Pro-Seal Service Group, a sole source, for \$2,410.45 for a 55 gallon drum of Royal Purple Synfilm 68 Synthetic Oil for the Water Treatment Division.
15. Approve a purchase order to MLive for \$3,100.38 for the publication of the issuance of the Water Supply System Revenue and Revenue Refunding Bond, Series 2016.

REVISED COUNCIL AGENDA

August 22, 2016 – 6:00 p.m.

Council Chamber

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

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

RESOLUTIONS:

1. Adopt the Resolution authorizing issuance of Water Supply System Revenue and Revenue Refunding Bonds, Series 2016.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS BUSINESS:

1. Motion to appoint council applicant to fill the vacancy created by Larry Coulouris.
2. Consideration of a motion to go into a closed session under MCL 15.268(c) for a strategy session connected with the negotiations of collective bargaining agreements.

ADJOURN:

Timothy Morales
City Manager

IF YOU ARE DISABLED AND NEED ACCOMMODATION TO PROVIDE YOU WITH AN OPPORTUNITY TO PARTICIPATE OR OBSERVE IN PROGRAMS, SERVICES, OR ACTIVITIES, PLEASE CALL THE SAGINAW CITY CLERK, 1315 S. WASHINGTON AVE., 759-1480.

A REGULAR MEETING OF THE COUNCIL OF THE CITY OF SAGINAW, MICHIGAN, HELD MONDAY, AUGUST 8, 2016, AT 6:30 P.M. IN THE COUNCIL CHAMBER AT CITY HALL, 1315 SOUTH WASHINGTON AVENUE, SAGINAW, MICHIGAN.

PRAYER AND PLEDGE OF ALLEGIANCE

Mayor Browning offered a prayer and led the pledge of allegiance of the United States of America.

ROLL CALL

Mayor Browning called the meeting to order. Council Members present: Demond Tibbs, Annie Boensch, Mayor Pro Tem Floyd Kloc, Michael Balls, Clint Bryant, and Mayor Dennis Browning: 6. Council Members absent: Dan Fitzpatrick, and Brenda Moore: 2.

ANNOUNCEMENTS

City Clerk Janet Santos announced that the City's Waste Convenience Station is open to City residents the second Saturday of the month from 10:00 am to 2:00 pm at the Public Works Building, entrance located off Holland Ave. City residents may dispose of items such as building materials, recycling for glass, plastic and paper. The next collection day will this Saturday, August 13th.

Council Member Fitzpatrick entered the meeting at 6:33 p.m.

Mayor Browning presented a proclamation designating August 12-14, 2016 as Saginaw African Cultural Festival Weekend. The proclamation was accepted by Charles McNair and Karen Lawrence-Webster.

PERSONAL APPEARANCES

The following personal appearances addressed City Council: Tom Brubaker, John Milne, and Corneathia Harvey.

REMARKS OF COUNCIL

Remarks were heard from the following Council Members: Fitzpatrick, Bryant, Balls, Mayor Pro Tem Kloc, Boensch, Tibbs, and Mayor Browning.

REPORTS FROM CITY MANAGER

City Manager Tim Morales provided informational updates on meetings and departmental projects. Manager Morales introduced Brian Lechel, Director of Saginaw County Parks. Mr. Lechel presented an update of the use, and maintenance projects of the County Parks.

CONSENT AGENDA:

1. Approve the July 25, 2016 regular council meeting minutes.
2. Approve a FY 2017 budget adjustment to recognize funds received from the FEMA AFG Extrication Equipment Grant. Further, approve a purchase order to Apollo Fire Equipment, a sole source, for \$48,700 for two sets of Hurst battery powered extrication tools for the Fire Department.

3. Approve a blanket purchase order to Kay Communications, a sole source, for \$10,000 for in-car camera repairs and replacements for Police Department patrol vehicles.
4. Approve ratification of emergency purchase order no. 499528 and payment to Martin Chevrolet for \$3,484.16 for repairs to Police K9 Tahoe No. 90-1151.
5. Approve a purchase order to AIS Construction Equipment for \$10,083 for a Bil-Jax ET-7000 Drop-deck Tandem axle trailer for the Maintenance and Service Division.
6. Approve a purchase order to Rodney Woods Builder for \$120,000 for FY2017; and pending approval of the budget, for \$125,000 for FY 2018, for the annual supply of Class II Sand for the Maintenance and Services Division.
7. Approve a purchase order to Ace Cutting Equipment & Supply, Inc. for \$16,582.88 for two Minnich A-1-30" Concrete Air Drills and accessories for the Right of Way Streets Division and Maintenance and Service Division.
8. Approve a purchase order to Etna Supply, for \$34,170 for 456 Sensus replacement water meters for the Maintenance and Service Division.
9. Approve the contract agreement and purchase order to R.C. Hendrick & Sons, Inc. for \$899,000 for the Water Treatment Plant Building Repairs, Parking Lot Replacement and Booster Pump Station Building Repairs Contract, C-1632.

Moved by Council Member Fitzpatrick, seconded by Council Member Boensch to approve consent agenda items 1 through 5, and 7 through 9, as presented. 7 ayes, 0 nays, 1 absent. Motion approved.

Moved by Council Member Tibbs, seconded by Council Member Fitzpatrick to approve consent agenda item 6 as presented. Mayor Browning asked Clerk Santos to conduct a roll call vote.

Ayes: Boensch, Balls, Bryant, Fitzpatrick, Mayor Browning

Nays: Tibbs, Mayor Pro Tem Kloc

Absent: Moore

Abstain: None

Motion approved.

REPORTS FROM BOARDS; COMMISSIONS AND COMMITTEES, AND APPOINTMENT OF BOARD AND COMMISSION MEMBERS

Moved by Council Member Boensch, seconded by Council Member Fitzpatrick to appoint Clint Bryant to the City Planning Commission as the Council representative with a term to expire with his term on City Council. 7 ayes, 0 nays, 1 absent. Motion approved.

MOTIONS AND MISCELLANEOUS BUSINESS

Moved by Council Member Balls, seconded by Council Member Fitzpatrick to receive petition #16-15 application for the Farmland and Open Space Preservation Program submitted by Anthony Czymbor. 7 ayes, 0 nays, 1 absent. Motion approved.

Moved by Council Member Bryant, seconded by Council Member Fitzpatrick to go into closed session for consideration of a written legal opinion. Mayor Browning asked Clerk Santos to conduct a roll call vote.

Ayes: Balls, Bryant, Fitzpatrick, Tibbs, Boensch, Mayor Pro Tem Kloc, Mayor Browning
Nays: None
Absent: Moore
Abstain: None
Motion approved.

Council entered a closed session at 7:34 p.m. and returned to Council Chamber at 7:56 p.m.

Moved by Mayor Pro Tem Kloc, seconded by Council Member Bryant to return to regular session. 7 ayes, 0 nays, 1 absent. Motion approved.

Moved by Mayor Pro Tem Kloc, seconded by Council Member Fitzpatrick to uphold the denial of the FOIA request. Mayor Browning asked Clerk Santos to conduct a roll call vote.

Ayes: Fitzpatrick, Mayor Browning
Nays: Boensch, Mayor Pro Tem Kloc, Balls, Bryant, Tibbs,
Absent: Moore
Abstain: None
Motion denied.

Moved by Mayor Pro Tem Kloc, seconded by Council Member Boensch to grant the FOIA request appeal. Mayor Browning asked Clerk Santos to conduct a roll call vote.

Ayes: Mayor Pro Tem Kloc, Balls, Bryant, Tibbs, Boensch
Nays: Fitzpatrick, Mayor Browning
Absent: Moore
Abstain: None
Motion approved.

ADJOURNMENT

Moved by Mayor Pro Tem Kloc, seconded by Council Member Bryant to adjourn the meeting at 8:01 p.m. 7 ayes, 0 nays, 1 absent. Motion approved.

Janet Santos, CMMC/CMC/MMC
City Clerk

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Petition for Banner

RECEIVED
CITY CLERK
CITY OF SAGINAW

AUG 12 2016

PETITION CAN NOT BE ACCEPTED SIX (6) MONTHS PRIOR TO EVENT

TO SAGINAW CITY COUNCIL:

We, the undersigned, do hereby petition the Honorable City Council to give favorable consideration to erect a banner at **not more than two** of the locations listed below. We understand that the \$150.00 banner fee per location must be paid to the Department of Engineering prior to hanging the banner and that the banner/s must be picked up within ten days after the FINAL display date. Fee established by Council resolution on June 7, 2004.

#16-17

- | | |
|---|--|
| <input checked="" type="checkbox"/> 500 Block of Court Street | <input type="checkbox"/> 300 Block of South Michigan |
| <input type="checkbox"/> 200 Block of West Genesee | <input type="checkbox"/> 1000 Block of East Genesee Avenue |

Pulse3 Foundation

Organization Name

Advertise the Run for Your Heart Community Races

Purpose of Banner

Run for Your Heart Community Races

MESSAGE ON BANNER: Saturday, September 10, 2016 www.runforyourheart.org

Display Dates Requested: 08/23/2016 to 09/12/2016
Not to exceed 30 days

PETITIONERS

- | | |
|---------------------|---------|
| 1 <u>Diane Fong</u> | 2 _____ |
| 3 _____ | 4 _____ |

CONTACT PERSON INFORMATION:

NAME Diane Fong PHONE (989) 754-7283
 ADDRESS 1015 S. Washington Avenue, Saginaw, MI 48601
 EMAIL dfong@pulse3.org

-----CLERK'S OFFICE USE ONLY-----

EMAIL TO ENGINEERING: _____ BY: _____

APPROVED BY COUNCIL: _____

CITY CLERK

From: Timothy Morales, City Manager

Subject: 2016/2017 August Budget Adjustment

Prepared by: Yolanda M. Jones, Office of Management and Budget

Manager's Recommendation:

It is recommended that the 2016/2017 Approved Budget for the listed funds be amended. This adjustment is required to recognize any errors, omissions, or changes that have occurred within the month of August.

Justification:

The 2016/2017 annual budget will be adjusted in accordance with Public Act 2 of 1968, Uniform Budgeting and Accounting Act, the City Charter; and the approved 2017 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 2nd period analysis, 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 \$535, from \$31,972,792 to \$31,973,327.

- The General Fund Revenue's Sale of Material and Services Account No. (101-0000-674.005) will increase \$535. This increase is due to the Election workers purchasing T-Shirts from the city for the 2016 Presidential Election. The increase in revenues will result in the same increase in the Election Division's Clothing Supplies Account No. (101-1731-728.000).

The Public Works Building Fund (641) should be decreased from \$545,283 to \$538,039. This represents a \$7,244 reduction. This decrease is due to an overstatement of the amount to be received from user departments. On the revenue side, the Contributions from Other Funds Account No. (641-0000-675.000) will be reduced by \$7,244. To offset this reduction, the Utilities Account No. (641-4439-920.000) will also be decreased by the same amount.

The Radio Operation and Maintenance Fund (660) should be increased from \$141,276 to \$197,350. This represents a \$56,074 increase. This increase is due to the recognition of replacement costs in this fund by user departments. On the revenue side, the Capital Replacement/Other Account No. (660-0000-671.011) will be increased by \$56,074. To offset this revenue increase, the Increase in Fund Equity Account No. (660-8559-989.001) will also be increased by the same amount.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager

Subject: Saginaw County Consortium of Homeless Assistance Providers

Prepared by: Leticia Trevino, CDBG Specialist

Manager's Recommendation:

It is recommended that the City Council approve the Certificate of Consistency on behalf of the Saginaw County Consortium of Homeless Assistance Providers as part of their grant application submittal to the U.S. Department of Housing and Urban Development. The Certificate has been approved by the City Manager as to substance and the City Attorney as to form. It is further recommended that the Mayor or his designee be authorized to sign the Certificate on behalf of the City.

Justification:

The Saginaw County Consortium of Homeless Assistance Providers (SC-CHAP) annually submits an application to the U.S. Department of Housing and Urban Development (HUD) for homeless assistance funds. Included with this application is a Certificate of Consistency signed by the Mayor verifying that the proposed projects are consistent with the City of Saginaw's Consolidated Plan. This is critical, as it affirms the collaboration between the City of Saginaw and SC-CHAP in our efforts to end homelessness in the City, and supports our efforts to not duplicate projects with the City's CDBG or ESG funds.

In 2016, the City of Saginaw adopted its current five-year Consolidated Plan, which was submitted to HUD. A key component of that plan was to work towards ending homelessness in the City. This grant application being submitted by SC-CHAP addresses the issue of homelessness and is consistent with the Consolidated Plan goals and actions to assist the homeless in regaining a stable, healthy living environment. The application from the SC-CHAP is for \$1,895,485 which if approved would fund 27 programs within the City/County.

The signing of the Certificate of Consistency does not have any fiscal impact to the City of Saginaw, nor does the application have any impact on the City's Emergency Solutions Grant (ESG) funds, as these funds are not awarded from the Entitlement Funds, the source of the City's grant funds.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Lesley Foxx Sims, Executive Director, Saginaw Housing Commission
Subject: Saginaw Housing Commission Grant Agreements
Prepared by: Saginaw Housing Commission

Manager’s Recommendation:

I recommend approval of the grant agreements between the Saginaw Housing Commission and the U.S. Department of Housing and Urban Development (HUD) for the FY 2015 Continuum of Care Program and the FY 2016 Family Self-Sufficiency Program. These agreements have been approved by me as to substance and the Housing Commission Attorney as to form.

Justification:

In accordance with §12.31 (B)(3) of the Saginaw Code of Ordinances, the Saginaw Housing Commission shall obtain City Council approval prior to entering or accepting any grant agreements in the name of the Saginaw Housing Commission. In accepting both grant agreements, the Saginaw Housing Commission agrees that it will comply with all the terms and conditions of the agreement, applicable laws, regulations, and all other requirements of HUD now or hereafter in effect pertaining to the CoC and FSS Programs and other applicable laws. The effective date of each agreement shall be the date of execution as set forth by the U.S. Department of Housing and Urban Development.

The Saginaw Housing Commission was notified earlier in 2016 that the project applications submitted to HUD were selected to receive FY 2015 Continuum of Care (CoC) funding in the amount of \$609,714. The Saginaw Housing Commission has been awarded the Continuum of Care (CoC) Program Grant for over 20 years. The Continuum of Care Program promotes community-wide commitment to the goal of ending homelessness; provides funding for efforts by nonprofit providers and State and local governments to quickly re-house homeless individuals and families to minimize trauma and dislocation; promotes access to and effective utilization of mainstream programs; and optimizes self-sufficiency among individuals and families experiencing homelessness. The Saginaw Housing Commission serves as the fiduciary for grant sponsors.

The Saginaw Housing Commission was notified by HUD in July 2016 that they were selected to receive an award for the FY 2016 Family Self Sufficiency Program in the amount of \$136,031. The Saginaw Housing Commission has been awarded the Family Self Sufficiency (FSS) Program Grant since 2005. The purpose of the FSS program is the development of local strategies to coordinate the use of assistance with public and private resources to enable participating families to increase earned income, reduce or eliminate the need for welfare assistance and make progress toward achieving economic independence and housing self-sufficiency. Participating families are in the Public Housing or Housing Choice Voucher (Section 8) program.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Tim Morales, City Manager
Subject: Municipal Employees Retirement System 70th Annual Meeting
Prepared by: Janet Santos, City Clerk

Manager's Recommendation:

I recommend the appointment of Grace DeLeon as officer delegate and Dennis Jordan as alternate officer delegate, and Lori Brown as employee delegate and Heather Howe as alternate employee delegate, to attend the Municipal Employees Retirement System's (MERS) 70th Annual Meeting.

Justification:

The Municipal Employees Retirement Act provides that an annual meeting shall be held for representatives of participating municipalities for the purpose of selecting nominees for membership on the retirement board and to transact such business as may be required for the proper operation of the retirement system. The 2016 annual meeting has been scheduled for September 28 and 29, at the Grand Traverse Resort in Traverse City.

The officer delegate and alternate officer delegate are recommended based on appointing criteria. The employee delegate and employee alternate delegate are elected in accordance with the Act that requires the City Clerk to hold a secret ballot election for all eligible MERS members. This election has been noticed to the applicable employees and secretly conducted. Upon conclusion, votes were counted, tallied and verified resulting in Lori Brown receiving the highest number of votes and Heather Howe the second highest.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager
Subject: Renewal of Lotus Notes Software Subscription
Prepared by: Chris Seager, Technical Services

Manager's Recommendation:

I recommend approval and issuance of a purchase order to IBM Corporation in the amount of \$17,000 as an annual payment for the renewal of the City's Lotus Notes/IBM Notes software subscription for maintenance coverage and license fees to operate the City of Saginaw's e-mail, calendar and workflow system.

Justification:

Lotus Notes is the e-mail, calendar and workflow software used by the City of Saginaw. The annual subscription provides support, upgrades and license coverage for Lotus Notes.

This vendor meets all requirements of §14.23, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds are budgeted and available in the Technical Services - Information Services Fund - Operating Services Account No. 658-1720-805.000 for this purchase.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager
Subject: BS&A Software Maintenance and Support Fee
Prepared by: Jeff Klopac, Technical Services

Manager's Recommendation:

I recommend that payment be made to BS&A Software in the amount of \$84,992 for the renewal of annual software maintenance/support. The maintenance covers the 20 software applications used in City operations. Support includes all updates and help services to the software for one year.

Justification:

The City uses BS&A ERP (Enterprise Resource Planning) software to manage and integrate business process throughout all of its Departments and Divisions. The software applications range from purchase orders, citizens request for action, business licenses, to general ledger budgeting. The City annually renews our maintenance and license fees for BS&A Software. This annual renewal of maintenance and license fees is for a 12-month period.

This vendor meets all requirements of §14.23, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this payment are budgeted and available in the Technical Services, Information Services, Operating Services Account No. 658-1720-805.000.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager
Subject: Police Department Roof Replacement – Facilities Division
Prepared by: Bruce Caradine, Public Services Department

Manager’s Recommendation:

I recommend that the low alternate bid from Tri-Star Roofing & Sheet Metal, LLC from Kimball, MI be accepted and a purchase order be approved and issued to them in the amount of \$140,000 for the total removal of the existing roofing system, the purchase and installation of a new mechanically fastened Carlisle Syn Tec Roof System for the Police Department Building, 612 Federal.

Justification:

On August 2, 2016, the City received four (4) bids to remove and replace the old existing roof system on the Police Department Building at 612 Federal. The existing 22,000 square feet rubber membrane was installed in the early 1990s and has experienced extensive damage, failures, and is in need of replacement. The poor condition of the existing rubber membrane is allowing water to penetrate into the roof system of the Police Department building and is causing extensive damage to the ceiling tiles and drywall. The existing rubber membrane has exceeded its life expectancy of 10 to 15 years and has surpassed its fifteen (15) year warranty.

The following is a tabulation of the bids received:

<u>Vendor</u>	<u>Cost</u>
Tri-Star Roofing & Sheet Metal, LLC. Kimball, MI Alternate Bid	\$167,200 \$140,000
Mid Michigan Roofing Saginaw, MI (Out of City)	\$159,372
Thomas Brown & Sons Roofing Bay City, MI Alternate #1 Alternate #2 Alternate #3	\$173,715 \$167,715 \$164,075 \$153,715
Advanced Roofing Westland, MI	\$203,750

Tri-Star Roofing & Sheet Metal, LLC meets all requirements of §14.23, "Vendors," of Purchasing, Contracting, and Selling Procedures," of Chapter 14, "Finance and Purchasing," of Title I, "General Provisions" of the Saginaw Code of Ordinance 0-1.

Funds for this purchase are available in the General Fund - Community Public Safety - Police, Building Management Division's Repairs & Replacements Account No. 101-3514-974.000.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager
Subject: Election Center Air Conditioning Replacement – Facilities Division
Prepared by: Bruce Caradine, Public Services Department

Manager’s Recommendation:

I recommend that the low bid from William Walter Mechanical of Saginaw, MI be accepted and a purchase order be approved in the amount of \$5,245 for the removal of the existing air conditioning system, the purchase and installation of a new wall mounted indoor air conditioner and outdoor condensing unit in the City Hall Building Election Center.

Justification:

On July 19, 2016, the City received three (3) bids to purchase and replace the existing air conditioning system in the City Hall Building Election Center. The existing AC unit was damaged beyond repair by water during the water main break that occurred last fall. This air conditioner is used to keep the space, election equipment, ballots, and supplies at the proper temperature and humidity level to ensure the proper maintenance and storage of the election equipment, ballots and supplies for the conduction of elections.

The following is a tabulation of the bids received:

<u>Vendor</u>	<u>Cost</u>
William Walter Mechanical Saginaw MI (In City)	\$ 5,245
Wise Heating & Cooling West Branch, MI	\$ 6,075
Miller Boldt, Inc. Sterling Heights, MI	\$13,186

William Walter Mechanical meets all requirements of §14.23, “Vendors,” of “Purchasing, Contracting, and Selling Procedures,” of Chapter 14, “Finance and Purchasing,” of Title I, “General Provisions,” of the Saginaw Code of Ordinance O-1.

Funds for this purchase are available in the General Fund – Department of Public Services, Facilities Division’s General Repairs Account No. 101-7575-930.000.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager
Subject: Blanket Purchase Order for Janitorial Supplies – Facilities Division
Prepared by: Bruce Caradine, Public Services Department

Manager’s Recommendation:

I recommend that the State bid pricing from Lansing Sanitary Supply, Lansing, Michigan, the State of Michigan’s primary supplier for general janitorial supplies, be accepted and that a separate blanket purchase order be approved and issued to them in the amount of \$8,250 for fiscal year 2017. Lansing Sanitary Supply was granted a one year extension on the State Bid Contract with the State of Michigan. The extension and pricing is good through June 30, 2017.

Justification:

The Facilities Division requires the purchase of select standard janitorial products throughout the fiscal year to maintain the City’s buildings and facilities. One efficient way to do this is to take advantage of the State of Michigan’s competitive bid pricing process where the State has used their economy of scale to get the best price for the general janitorial supplies for all State agencies and has extended these prices to local and State-wide City municipalities. The State of Michigan’s State contract Bid #07B2200248 is the contract that was awarded to Lansing Sanitary Supply of Lansing, MI.

Examples of supplies purchased under this blanket includes: toilet paper, paper hand towels, liquid hand soap, mops, brooms, buckets and detergent cleaners.

Lansing Sanitary Supply meets all requirements of §14.23, “Vendors,” of “Purchasing, Contracting and Selling Procedure,” of Chapter 14, “Finance and Purchasing,” of Title I, “General Provisions” of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the General Fund - Department of Public Services - Facilities Division’s, Cleaning Supplies Account No. 101-7575-735.000 (\$6,500), the Public Works Fund’s Cleaning Supplies Account No. 641-4439-735.000 (\$1,250), and the Celebration Park Fund’s Cleaning Supplies Account No. 508-7580-735.000 (\$500).

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager

Subject: Amendment to MDOT Cost Agreement 16-5084 (16-5318) for S. Warren Ave. – ROW Division

Prepared by: Beth London, Public Services Department

Manager’s Recommendation:

I recommend that the Michigan Department of Transportation (MDOT) Cost Agreement Amendment Number 16-5318, increasing the federal funding participation amount of MDOT Cost Agreement 16-5084, for road reconstruction work on S. Warren Avenue from Millard Street to Genesee Avenue, be approved and that the Mayor or his designee be authorized to execute this agreement on behalf of the City of Saginaw. The Agreement has been approved by me as to substance and the City Attorney as to form. A resolution to approve the subject Agreement and authorize the Mayor to sign the Agreement on behalf of the City appears under the regular order of business.

Justification:

MDOT Cost Agreement 16-5084, fixing the rights and obligations of MDOT and the City of Saginaw for the reconstruction of S. Warren Avenue between Millard Street and E. Genesee Avenue, was approved by Council at their April 11, 2016 meeting. Since then, \$49,169 in additional FY 2016 Federal Surface Transportation Funds became available to the City of Saginaw. This Cost Agreement Amendment adds the \$49,169 to the S. Warren Avenue project.

The estimated cost of the S. Warren Avenue road reconstruction project that is eligible for federal road funding participation is \$546,100. The amount of the Federal Transportation Funds utilized on the S. Warren Avenue project will increase from \$368,000 to \$417,169. This will decrease the amount of City funds required to complete the road reconstruction from \$178,100 to \$128,931. The City will still be responsible for 100% of the estimated \$148,300 of non-participating water main replacement costs.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

MDOT Cost Agreement Amendment No. 16-5318 for S. Warren Avenue

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

WHEREAS: Cost Agreement Amendment No. 16-5318 has been submitted by the Michigan Department of Transportation (MDOT) to amend MDOT Cost Agreement No. 16-5084, approved by City Council on April 11, 2016; and

WHEREAS: Cost Agreement No. 16-5084 fixed the rights and obligations of both MDOT and the City of Saginaw for the S. Warren Avenue Road Reconstruction project; and

WHEREAS: Cost Agreement Amendment 16-5318 increases the amount of Federal Funds applied to the participating road reconstruction portion of the S. Warren Avenue project by \$49,169; and

WHEREAS: Cost Agreement Amendment No. 16-5318 has been approved by the City Manager as to substance and the City Attorney as to form.

NOW, THEREFORE, BE IT RESOLVED, that the Council for the City of Saginaw does hereby approve Cost Agreement Amendment No. 16-5318 submitted by the Michigan Department of Transportation and that the Mayor or his designee is authorized to execute this agreement on behalf of the City of Saginaw.

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 August 22, 2016; 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.

Janet Santos, CMMC/CMC/MMC
City Clerk

From: Timothy Morales, City Manager

Subject: Spicer Group Davis Road Agreement

Prepared by: Paul Reinsch, Water and Wastewater/Public Services

Manager's Recommendation:

I recommend that a Professional Services Agreement with Spicer Group, Saginaw, MI, for the design and construction administrative services for the Davis Road water system improvements be approved in the amount of \$1,055,500. The Agreement has been approved by me as to substance and the City Attorney as to form.

Justification:

As you have previously been made aware, the Saginaw County Road Commission ("SCRC") plans to perform road reconstruction on Davis Road in Saginaw County, Kochville Township, between Pierce and Tittabawassee Roads in calendar year 2018. This work will directly impact our existing raw 48 inch (1960's era) and finished 36 inch (1940's era) water transmission mains. The mains are located in the road right of way and have minimal cover and would be negatively impacted by the proposed construction. This project will also increase the redundancy and operational flexibility of this critical water infrastructure in conjunction with SCRC's road project.

In early 2015, the City of Saginaw solicited technical and cost proposals "Invitation Only" using the "Qualifications Based Selection Process" from thirteen engineering firms experienced in the multi-disciplinary areas necessary to conduct an evaluation/study with recommendations for the most economical and recommended engineering, design and construction required for the existing water system. The selection process was conducted between February and March of 2015 and selection was made with recommendation for proceeding with the Spicer Group/Tetra Tech Team. City Council approved an agreement with this team at the May 4, 2015 meeting. Recommendations from this study have been received and approved by the City staff and we are now ready to move forward with the design and construction phase of the project.

City staff has been extremely satisfied with the work completed to date by the consultants. The knowledge and familiarity they bring to the table on this project is immense. The original Request for Proposals ("RFP") left open the ability of the City to continue with the same Consultant from the Study, at the City's pleasure, for design and construction services by stating on page 5 of the RFP that additional RFPs "may" be issued for further services. City staff has the utmost faith in the current project team of Spicer Group and Tetra Tech and feels that they are most qualified to perform the required professional services providing the best possible outcome in the short timeline we have for this work.

A scope and fee proposal was requested from the team for the design and construction administrative services required for successful completion of this project. Having reviewed the document, the scope appears to be complete and the fees charged are outlined as hourly not to exceed and are approximately 6.4% of the estimated project costs (\$16,463,500) and 7.7% of the total construction estimated costs (\$13,769,500). The Cost Proposal from Spicer Group is also \$1,160,000 less than the original estimated. Their original estimated amount that was used for bonding and planning purposes was \$2,215,000. Final proposal amount is \$1,055,500. City staff feels the proposed fees are extremely reasonable and well within or below industry standards for professional fees for projects of this size.

Spicer Group has also recently been recommended and approved to provide all design services required for the Davis Road reconstruction project by the SCRC. Coordination efforts are extremely critical and much needed between the City and the SCRC for this project to allow for successful design and construction completion of portions of the water system within the road right of way. City staff feels it is in the best interest of the City of Saginaw to proceed with design and construction administrative services with the Spicer Group/Tetra Tech team on the Davis Road Water System Improvement project.

Spicer Group meets all requirements of §14.23, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title I, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds are budgeted in the Water Operations and Maintenance Fund, Water Refunding Bonds Division Engineering Services Account No. 591-4741-802.000 (\$1,055,500) for Fiscal Year 2017.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager
Subject: High Service Pump Oil
Prepared by: Mike McGill, Water and Wastewater

Manager's Recommendation:

I recommend that the quote from Pro-Seal Service Group of Pontiac, MI, a sole source, be accepted and that a purchase order be approved in the amount of \$2,410.45 for the purchase of a 55 gallon drum of Royal Purple Synfilm 68 Synthetic Oil for the Water Treatment Division.

Justification:

The High Service pumps and electric motors have been in service many years and some are original 1929 equipment. The use of high quality synthetic oil has extended the life of the pumps, reducing costly maintenance repairs. Royal Purple oil has been in use for over ten years due to its ability to lower operating temperatures on bearings. This order is to replace current stock and is needed for annual oil changes. Pro-Seal is the exclusive commercial distributor for Michigan.

This vendor meets all requirements of §14.23, "Vendors", of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing", of Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Water Operations and Maintenance Fund, Treatment & Pumping Division's Parts and Supplies Account No. 591-4730-742.000 for Fiscal Year 2017.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

From: Timothy Morales, City Manager

Subject: Publication of the Issuance of the Water Supply System Revenue and Revenue Refunding Bond, Series 2016

Prepared by: Phillip Karwat, Director of Public Services

Manager's Recommendation:

I recommend that the quote from MLive be accepted and that a purchase order be issued to them in the amount of \$3,100.38 for the publication of the issuance of the Water Supply System Revenue and Revenue Refunding Bond, Series 2016.

Justification:

The city is in the process of issuing a Water Supply System Revenue Bond and Revenue Refunding Bonds for 2016. In accordance with the Public Acts of Michigan, 1933, as amend ("Act 94"), the city must publicize its authorization of issuing these bonds to finance improvements to the water supply system and to refund the outstanding water supply system revenue bonds in the local newspaper.

This vendor meets all requirements of §14.23, "Vendors," of "Purchasing, Contracting, and Selling Procedure," of Chapter 14, "Finance and Purchasing," of Title 1, "General Provisions" of the Saginaw Code of Ordinances O-1.

Funds for this purchase are budgeted in the Water Operations and Maintenance Fund, Water Administration Division's Professional Services Account No. 591-4710-801.000.

Council Action:

Moved by Council Member _____, seconded by Council Member _____ to approve the recommendation from the City Manager.

SUPPLEMENTAL RESOLUTION AUTHORIZING ISSUANCE OF WATER SUPPLY SYSTEM REVENUE AND REVENUE REFUNDING BONDS, SERIES 2016

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

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 defined in the Resolution) and to refund then outstanding water supply system revenue bonds of the City; and

WHEREAS: by resolution adopted on December 17, 2007 that supplemented the Resolution (the "2008 Supplemental Resolution"), the City Council of the City authorized the issuance of its Water Supply System Revenue Bonds, Series 2008 in the aggregate principal amount of \$11,100,000 (the "Series 2008 Bonds") under Act 94 to finance improvements to the System; and

WHEREAS: by resolution adopted on October 25, 2010 that supplemented the Resolution (the "2011A Supplemental Resolution"), the City Council of the City authorized the issuance of its Water Supply System Revenue Bonds, Series 2011A in the aggregate principal amount of \$18,000,000 (the "Series 2011A Bonds") under Act 94 to finance improvements to the System; and

WHEREAS: the Resolution authorizes the issuance of Additional Bonds (as defined therein) of equal standing with the Series 2000 Bonds, the Series 2008 Bonds and the Series 2011A Bonds for the acquisition and construction of repairs, enlargements, extensions, additions and improvements to the System and for refunding all or a part of any outstanding Bonds 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, the Series 2008 Bonds, the Series 2011A 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, the Series 2008 Bonds and the Series 2011A Bonds; and

WHEREAS: the Series 2008 Bonds remain outstanding and unpaid as of the date of the adoption of this resolution in the aggregate principal amount of \$8,300,000; and

WHEREAS: it is desirable to refund a portion of the Series 2008 Bonds currently outstanding; and

WHEREAS, this City Council does hereby determine that it is necessary to acquire and construct the 2016 Project (as hereinafter defined); and

WHEREAS: the cost of the 2016 Project is estimated to be Nineteen Million Dollars (\$19,000,000); and

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 of acquiring, constructing and installing the 2016 Project and to Refund the Refunded Bonds (as hereinafter defined).

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

1. 2016 SUPPLEMENTAL RESOLUTION. This resolution (hereinafter referred to as the “2016 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 2016 Supplemental Resolution including the preambles thereto.

In addition, the following terms shall have the following meanings in this 2016 Supplemental Resolution:

a) “Interest Payment Date” means each January 1 and July 1 on which interest shall be payable on the Series 2016 Bonds, as provided in the Sale Order.

b) “Refunded Bonds” means the Series 2008 Bonds maturing in the years 2019 through 2028, which are being Refunded by the Series 2016 Bonds.

c) “Sale Order” means the written order of the City Manager approving the sale of the Series 2016 Bonds and making certain determinations regarding the final terms thereof within the parameters of this 2016 Supplemental Resolution.

d) “Series 2016 Bonds” means the City’s Water Supply System Revenue and Revenue Refunding Bonds, Series 2016, as authorized by this 2016 Supplemental Resolution.

e) “Series 2016 Issue Date” means the date on which the Series 2016 Bonds are issued and delivered to the original purchaser upon receipt of payment therefor.

f) “2016 Project” means the following improvements to the System: the replacement of a raw water transmission main along Davis Road from Pierce Road

to Trautner Road; the replacement of finished water transmission mains along Davis Road from Pierce Road to Trautner Road; the abandonment of existing water transmission mains along Davis Road from Pierce Road to Tittabawassee Road; and the construction of improvements to the reservoir and pump station in Kochville Township.

3. NECESSITY; PUBLIC PURPOSE. It is hereby determined to be a necessary public purpose of the City to acquire, construct and install the 2016 Project and to Refund the Refunded Bonds.

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 2016 Project and \$19,000,000 as the cost of the 2016 Project (including no capitalized interest), which estimates are now on file with the City Clerk.

5. AUTHORIZATION OF SERIES 2016 BONDS - PURPOSE. To pay all or part of the cost of acquiring, constructing and installing the 2016 Project and the cost necessary to Refund all of the Refunded Bonds, 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 2016 Bonds and incident to the Refunding of the Refunded Bonds, the City shall borrow the sum of not to exceed Twenty Nine Million Five Hundred Thousand Dollars (\$29,500,000), as finally determined in the Sale Order, and issue the Series 2016 Bonds therefor pursuant to the provisions of Act 94.

6. SERIES 2016 BOND DETAILS. The Series 2016 Bonds shall be designated "Water Supply System Revenue and Revenue Refunding Bonds, Series 2016;" shall be payable out of Net Revenues, as more fully set forth in Section 7 of the Resolution; shall be dated as of the date of delivery thereof; shall be issued as Serial Bonds or Term Bonds, or a combination thereof, as determined by the City Manager in the Sale Order; 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 aggregate principal amount for each maturity at the option of the purchaser thereof; shall bear interest at a rate or rates not exceeding 6.00% per annum to be determined by the City Manager in the Sale Order, payable on each Interest Payment Date; shall mature on July 1 in such years and amounts as shall be determined by the City Manager in the Sale Order; and shall be sold at a purchase price to be determined by the City Manager in the Sale Order.

7. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Series 2016 Bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the Series 2016 Bonds to the Bond Registrar as they severally mature. Interest shall be paid to the registered owner of each Series 2016 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 Record

Date. Interest on the Series 2016 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

8. MANDATORY REDEMPTION. If any of the Series 2016 Bonds are designated as Term Bonds in the Sale Order such Series 2016 Bonds shall be subject to mandatory redemption at a redemption price of par and accrued interest to the redemption date in accordance with the Sale Order and upon the terms and conditions set forth in the form of Series 2016 Bonds contained in Section 14 hereof. The Series 2016 Bonds to be so redeemed shall be selected by lot.

9. OPTIONAL REDEMPTION. The Series 2016 Bonds shall be subject to optional redemption prior to maturity, if so determined by the City Manager at the time of sale, upon such terms and conditions as may be determined by the City Manager in the Sale Order. The Series 2016 Bonds to be so redeemed in accordance with this Section 9 shall be selected by lot and shall be subject to the terms and conditions contained in the form of Series 2016 Bonds contained in Section 14 hereof.

10. BOOK-ENTRY SYSTEM. Initially, one fully-registered Series 2016 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 2016 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 2016 Bond certificates. In such event, the Bond Registrar shall deliver, transfer and exchange Series 2016 Bond certificates as requested by DTC and any Participant or “beneficial owner” in appropriate amounts in accordance with the Resolution and this 2016 Supplemental Resolution. DTC may determine to discontinue providing its services with respect to the Series 2016 Bonds at 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 2016 Bond certificates in accordance with the procedures established by the Resolution and this 2016 Supplemental Resolution. In the event Series 2016 Bond certificates are issued, the provisions of the Resolution and this 2016 Supplemental 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 2016 Bonds to any Participant having Series 2016 Bonds certificated to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the Series 2016 Bonds.

Notwithstanding any other provision of this 2016 Supplemental Resolution to the contrary, so long as any Series 2016 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 2016 Bonds and all notices with respect to the Series 2016 Bonds shall be made and given, respectively, to DTC as provided in the Blanket Issuer Letter of Representations between the City and DTC, and the City Manager is authorized to sign such additional documents as he deems necessary or appropriate in order to accomplish the issuance of the Series 2016 Bonds in accordance with law and the Resolution and this 2016 Supplemental Resolution.

11. EXECUTION AND DELIVERY OF SERIES 2016 BONDS. The Series 2016 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 2016 Bond shall be valid until authenticated by an authorized representative of the Bond Registrar. The Series 2016 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 purchaser upon payment of the purchase price for the Series 2016 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, the Series 2011A Bonds, the Series 2016 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 the Resolution, the 2008 Supplemental Resolution, the 2011A Supplemental Resolution or this 2016 Supplemental 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 the Resolution, the 2008 Supplemental Resolution, the 2011A Supplemental Resolution or this 2016 Supplemental Resolution.

13. SERIES 2016 BOND PROCEEDS. On the Series 2016 Issue Date, the proceeds of the sale of the Series 2016 Bonds shall be deposited as follows:

a) First, there shall be deposited in the Redemption Fund an amount equal to the accrued interest, if any, received on the delivery of the Series 2016 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 2016 Bonds.

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) Next there shall be deposited in the Construction Fund an amount (not to exceed the difference between \$19,000,000 and the sum of the underwriter's discount and costs of issuance related to the 2016 Project) determined by the City Manager in the Sale Order which amount shall be the estimated cost of acquiring, constructing and installing the 2016 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 2016 Project and the issuance of the Series 2016 Bonds therefor.

d) Next there shall be deposited in an escrow fund (the "Escrow Fund"), Sufficient cash and/or Sufficient Government Obligations which shall be used to pay the principal of and interest and redemption premiums, if any, on the Refunded Bonds as they become due at maturity or earlier redemption and, except as otherwise herein provided, shall be used only for such purposes. The deposit to the Escrow Fund shall be made from proceeds of the sale of the Series 2016 Bonds and other available moneys held under the Resolution, as determined by the City Manager in the Sale Order. The Escrow Fund shall be held by an escrow agent (the "Escrow Agent") in trust pursuant to an escrow deposit agreement (the "Escrow Agreement"), which Escrow Agreement shall direct the Escrow Agent irrevocably to take all necessary steps to pay the principal of and interest and redemption premiums, if any, on the Refunded Bonds, when due and if so determined in the Sale Order, to call the Refunded Bonds in whole or in part for redemption, as specified in the Escrow Agreement. Any balance remaining in the Escrow Fund after payment in full of principal of and redemption premium, if any, and interest on the Refunded Bonds, shall be applied as provided in the Escrow Agreement.

The City Manager, in the Sale Order, shall authorize the form of and execution of the Escrow Agreement for and on behalf of the City.

e) The balance from the proceeds of the Series 2016 Bonds shall be deposited in a separate subaccount in the Construction Fund and used to pay the costs of issuance of the Series 2016 Bonds not paid from the deposit to the Construction Fund as above provided and to pay the costs of refunding the Refunded Bonds.

14. FORM OF SERIES 2016 BONDS. The Series 2016 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 AND REVENUE REFUNDING BOND
SERIES 2016

INTEREST RATE MATURITY DATE DATE OF ORIGINAL ISSUE CUSIP

Registered Owner:

Principal Amount:

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 The Huntington National Bank in the City of Grand Rapids, 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 _____ 1, 20___. 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 2016 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 resolutions adopted by the City Council of the City on December 17, 2007, October 25, 2010 and August 22, 2016 (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 refunding certain outstanding water supply system revenue bonds of the City and the costs of issuing the Series 2016 Bonds.

OPTIONAL REDEMPTION

Series 2016 Bonds maturing prior to July 1, 20__, are not subject to optional redemption prior to maturity. Series 2016 Bonds maturing on and after July 1, 20__, 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, 20__. Series 2016 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 2016 Bonds maturing in any year are to be redeemed, the Series 2016 Bonds or portions of Series 2016 Bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the Series 2016 Bond or portion of the Series 2016 Bond called to be redeemed plus interest to the date fixed for redemption without premium.

MANDATORY REDEMPTION

Series 2016 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 2016 Bonds to be Redeemed</u>
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Series 2016 Bonds or portions of Series 2016 Bonds to be redeemed by mandatory redemption shall be selected by lot.

In case less than the full amount of an outstanding Series 2016 Bond is called for redemption, the bond registrar and paying agent, upon presentation of the Series 2016 Bond called in part for redemption, shall register, authenticate and deliver the registered owner a new Series 2016 Bond in the principal amount of the portion of the original Series 2016 Bond not called for redemption.

Not less than thirty days notice of redemption shall be given to the holders of Series 2016 Bonds called to be redeemed by mail to the registered holder at the

registered address. Series 2016 Bonds or portions of Series 2016 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.

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 therefor, 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 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 therefor 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 2016 Bond to be executed in its name by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be imprinted hereon, all as of the Date of Original Issue. This Series 2016 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

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2016 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 2016 BOND FORM]

15. COVENANTS. The City covenants and represents to the register owners of the Series 2016 Bonds that so long as any of the Series 2016 Bonds remain outstanding and unpaid as to either principal or interest:

a) The City shall acquire and construct the 2016 Project promptly and in accordance with the plans therefor.

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 2016 Bonds from gross income for federal income tax purposes.

16. APPROVAL OF MICHIGAN DEPARTMENT OF TREASURY. The issuance and sale of the Series 2016 Bonds shall be subject to permission being granted therefor 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 2016 Bonds as provided by the terms of this 2016 Supplemental Resolution.

17. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF SERIES 2016 BONDS; AUTHORIZATION OF OFFICERS. (a) The City Manager is authorized to sell the Series 2016 Bonds at a negotiated sale to Fifth Third Securities, Inc. (the "Underwriter"). The negotiated sale to the Underwriter is authorized to provide the City maximum flexibility to achieve the lowest possible interest costs with respect to the Series 2016 Bonds. The sale of the Series 2016 Bonds shall be made pursuant to the terms and conditions to be set forth in a Bond Purchase Agreement (the "Purchase Agreement") between the City and the Underwriter. The City Manager is authorized to execute and deliver the Purchase Agreement in such form as shall be approved by the City Manager, with such approval to be evidenced by his signature thereon. The City Manager is authorized to approve, execute and deliver the Escrow Agreement with the Escrow Agent. The Sale Order shall be executed by the City Manager at the time of the sale of the Series 2016 Bonds and shall set forth the principal amount, principal maturities and payment dates, interest rates and Interest Payment Dates, and redemption provisions, if any, with respect to the Series 2016 Bonds, purchase price to be paid by the Underwriter and compensation to be paid to the Underwriter, as well as such other provisions as the City Manager determines to be necessary or appropriate in connection with the sale of the Series 2016 Bonds. In making the determination in the Sale Order with respect to principal maturities and dates, interest rates, purchase price of the Series 2016 Bonds, and compensation to be paid to the Underwriter, the City Manager shall be limited as follows:

- 1) The interest rate on any Series 2016 Bond shall not exceed 6.00% per annum.
- 2) The final maturity date of the Series 2016 Bonds shall be no later than July 1, 2036.
- 3) The purchase price of the Series 2016 Bonds shall not be less than 97.50% of the principal amount thereof.
- 4) The Underwriter's discount with respect to the Series 2016 Bonds or the compensation to be paid to the Underwriter shall not exceed 1.00% of the principal amount of the Series 2016 Bonds.

Notwithstanding the foregoing, the City Manager shall not be authorized to execute and deliver the Sale Order or to execute and deliver the Purchase Agreement as provided in this Section 17 unless and until he has determined that the conditions providing for the issuance of Additional Bonds, as set forth in Section 22 of the Resolution, have been satisfied with respect to the Series 2016 Bonds being sold pursuant to the Purchase Agreement.

b) The Mayor, the City Clerk, the City Manager and other officers of the City are each hereby authorized and directed, on behalf of the City, to take any and all actions, perform any and all acts and execute any and all contracts, certificates and other documents as shall be required, necessary or desirable to effect the proper sale, issuance, delivery, transfer and exchange of the Series 2016 Bonds in accordance with the provisions of the Resolution, the 2008 Supplemental Resolution, the 2011A Supplemental Resolution and this 2016 Supplemental Resolution, including but not limited to: (1) organizing presentations to rating agencies and obtaining a rating or ratings for the Bonds; and (2) making such filings with the Michigan Department of Treasury with respect to the Bonds as are required by Act 34, Public Acts of Michigan, 2001, as amended.

18. BOND REGISTRAR AND PAYING AGENT. The Huntington National Bank is hereby appointed bond registrar and paying agent for the Series 2016 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 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. 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 2016 Bonds for the purpose of enabling compliance with SEC Rule 15c2-12 (the "Rule") and to do all other things necessary to enable compliance with the Rule. Within seven (7) business days after the award of the Series 2016 Bonds, the City shall provide, on a timely basis, up to 100 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 purchaser thereof) to enable the purchaser 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 purchaser of the Series 2016 Bonds, pursuant to which the City will undertake to provide annual reports and notices of certain events to assist the purchaser of the Series 2016 Bonds in complying with paragraph (b)(5) of the Rule.

20. SEVERABILITY; SECTION HEADINGS. If any section, paragraph, clause or provision of this 2016 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 2016 Supplemental Resolution. The section headings in this 2016 Supplemental Resolution are furnished for convenience of reference only and shall not be considered to be part of this 2016 Supplemental Resolution.

21. PUBLICATION AND RECORDATION. This 2016 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.

22. PROFESSIONAL SERVICES. The following are appointed to act in the following capacities with respect to the Series 2016 Bonds:

As registered municipal advisor: Bendzinski & Co., Municipal Finance Advisors
Detroit, Michigan

As Underwriter: Fifth Third Securities, Inc.
Detroit, Michigan

As bond counsel: Dickinson Wright PLLC
Detroit, Michigan

23. RATIFICATION OF RESOLUTION; CONFLICTING RESOLUTIONS. The Resolution, as amended and supplemented by the 2008 Supplemental Resolution, the 2011A Supplemental Resolution and this 2016 Supplemental Resolution, 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 2016 Supplemental Resolution shall take effect immediately.

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 August 22, 2016; 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.

Janet Santos, CMMC/CMC/MMC
City Clerk

Dennis D. Browning
Mayor