

**Council Agenda - DRAFT**

**November 19, 2007, 6:30 p.m., Council Chamber**

There will be a Committee of the Whole meeting today beginning at 4:30 p.m. in the Council Chamber for a City Council and City Administration orientation session.

PRAYER AND PLEDGE OF ALLEGIANCE:

ROLL CALL:

CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

ANNOUNCEMENTS:

PUBLIC HEARINGS:

Public Act 328 Personal Property Tax Abatement for Hemlock Semiconductor

PERSONAL APPEARANCES:

*(A list will be provided on Monday)*

REMARKS OF COUNCIL:

PETITIONS:

REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES:

APPOINTMENT OF BOARDS AND COMMISSIONS MEMBERS:

REPORTS FROM MANAGER:

Management Update:

Tom Fancher, City Attorney, will discuss the problem with theft of architectural metal, status of present law, and proposed change in ordinance.

Recommended Actions:

1. Recommending approval of the First Amendment to the Agreement between the County of Saginaw, the Mosquito Abatement Commission and the City of Saginaw in order to accommodate the expansion of Hemlock Semiconductor, the Gratiot Road pump station in Thomas Township was upgraded. The total

- amount of the Amendment is \$800.00. Funds are available in the Water and Sewer Operation and Maintenance Fund Account Nos. 591 4715 851 8005 (\$400.00) and 590 4815 851 8005 (\$400.00).
2. Recommending that Council waive the potential conflict of interest present and allow the firm of Braun, Kendrick, Finkbeiner, P.L.C. to represent Health Delivery, Inc. in its negotiation with the City for the use of Lions Park.
  3. Recommending approval of Access Agreement to allow the Dow Corporation to perform tests in the Saginaw River near Wickes Park, perform remediation if necessary and also to waive any conflict of interest and allow Braunk, Kendrick Finkbeiner to represent them in this matter."
  4. Recommending that the First Parking Agreement Amendment with Saginaw Transit Authority Regional Services (STARS) to lease parking spaces in Lot No. 23 be approved. The Amendment is for a period of one year commencing on December 1, 2007 and expiring on November 30, 2008. Recently, STARS advised the City that it needs to lease twelve parking spaces in Lot 23. STARS will pay the City \$1,080.00 per quarter to lease the twelve spaces.
  5. Recommending that the Amendatory Agreement between the City and Saginaw County Community Action Committee be approved.
  6. Recommending approval of the Agreement with Community Housing Resource Board to conduct Impediments to Fair Housing Studies in the amount of \$5,000.00. This vendor meets all requirements of the contract compliance provisions. Funds are budgeted in the Community Development Block Grant Professional Services Account No. 275 6510 761 8001.
  7. Recommending approval of the request from Quick Stop Market, Inc. to transfer ownership of 2007 SDM licensed business located at 2034 S. Washington, Saginaw, MI. The City of Saginaw Fire Prevention, City Building Inspections Division and the Michigan Department of Agriculture have completed the necessary inspections and have approved this transfer.
  8. Recommending approval of the Water Service Agreement between the City of Saginaw and Carrollton Township.
  9. Recommending approval of the Act 328 Agreement with Hemlock Semiconductor.
  10. Recommending that a purchase order be approved and payment be made to Service Express in the amount of \$10,251.00 for the emergency purchase of a replacement server and tape drive used by the Information Services Department. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Information Services Office Supplies Account No. 658 1720 711 7320 (\$570.00), Information Services

Postage/Freight Account No. 658 1720 711 8015 (478.50) and Information Services Capital Account No. 658 1720 711 9705 (\$9,603.00).

11. Recommending that the 2007-08 Andersen Enrichment Center – Enrichment Commission budget be amended to accept grant monies from the Saginaw Community Foundation as well as private donations for the sole purpose of technology updates.
12. Recommending acceptance of the bid and issuance of a purchase order to Yeo & Yeo in the amount of \$5,081.76 for the purchase of computer equipment to be used by the Saginaw Arts and Enrichment Commission. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Saginaw Arts and Enrichment Commission's Capital Outlay Account No. 236 7541 811 9705.
13. Recommending acceptance of the low bid and issuance of a purchase order to Paradigm Systems, Inc. in the amount of \$5,630.00 for the purchase of Trimble handheld GPS unit and accessories. This vendor meets all requirements of the contract compliance provisions. Funds are available in the GIS Capital Outlay Fund Account No. 650 1738 781 9760.
14. Recommending that a purchase order be approved and issued to Bentley Systems, Inc. in the amount of \$10,850.00 for onsite software training for nine City staff members from various public services divisions. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water Operations and Maintenance Professional Services Account No. 591 4730 861 8001.
15. Recommending acceptance of the bid and issuance of a purchase order to Marshall Campbell in the amount of \$6,594.00 for lighting fixtures for the Maintenance and Service Shop. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Water and Sewer Surplus Capital Account Nos. 576 4840 881 9720 (\$3,297.00) and 577 4740 881 9720 (\$3,297.00).
16. Recommending that payments be made to various vendors respectively, in the appropriate amounts, to pay for related invoices that will not exceed \$25,000.00. The Wastewater Treatment Division is required by MIOSHA and other regulatory agencies to provide safety training and refresher courses for its employees who must work with hazardous materials and chemicals and enter confined spaces in the course of their work. These vendors will meet all requirements of the contract compliance provisions. Funds are budgeted in the Sewer Operation and Maintenance Professional Services Account No. 590 4830 861 8001.

INTRODUCTION OF ORDINANCES:

1. An Ordinance to amend Section 52.14(A), "Water Contracts," of Chapter 52, "Water", of Title V, "Public Works" of the City of Saginaw Code of Ordinances, O-1.

CONSIDERATION AND PASSING OF ORDINANCES:

RESOLUTIONS:

1. Approving the Public Act 328 Personal Property Tax Abatement for Hemlock Semiconductor Corporation.

UNFINISHED BUSINESS:

MOTIONS AND MISCELLANEOUS:

Darnell Earley  
City Manager

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Waiving a Potential Conflict of Interest

## **Manager's Recommendation**

I recommend that the Council waive the potential conflict of interest present and allow the law firm of Braun, Kendrick, Finkbeiner, P.L.C. to represent Health Delivery, Inc. in its negotiation with the City for the use of Lions Park.

## **Justification**

The City of Saginaw has been negotiating with Health Delivery, Inc. for the use of Lions Park, formerly Heritage Park. Health Delivery, Inc. operates a health care facility at 501 Lapeer in the building adjacent to this small park.

Health Delivery, Inc. and the Lion's Club have been voluntarily maintaining this park and they have some suggestions for future improvements and use. Health Delivery, Inc. retains attorney Glenn L. Fitkin of the local law firm of Braun, Kendrick, Finkbeiner, P.L.C. for its counsel and wishes to use his services for this project as well. The firm has represented the City on a number of issues and continues to represent the City, all on matters unrelated to this park. Braun, Kendrick, Finkbeiner, P.L.C. and the City do not expect there to be any adverse effect to the City if it provides this representation to Health Delivery, Inc. However, Braun, Kendrick, Finkbeiner, P.L.C. is obligated by ethical considerations to obtain the City's authorization prior to proceeding.

Braun, Kendrick, Finkbeiner, P.L.C. requests that City Council confirm the City of Saginaw's waiver of the potential conflict of interest in this matter.

## **Council Action**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Community Housing Resource Board Impediment Study

**Manager's Recommendation:**

I recommend approval of the Agreement with Community Housing Resource Board in the amount of \$5,000.00. The Agreement has been approved by me as to substance and the City Attorney as to form.

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

Funds are budgeted in CDBG Professional Services Account No. 275-6510-761-8001.

**Justification:**

Several years ago, the Department of Housing and Urban Development (HUD) required all participating jurisdictions to conduct Impediments to Fair Housing Studies in their areas. As a follow-up, HUD is now requesting those same participating jurisdictions to update their studies to measure progress, or lack thereof. Also, the study will include more information on financial institutions. This particular vendor has agreed to conduct the study at less than one-third of the going rate as a measure of good faith as it seeks to partner with the City on other issues, especially those involving revitalization areas.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Saginaw Transit Authority Regional Services Lot 23 Parking Agreement  
First Amendment

**Manager's Recommendation:**

I recommend that the First Parking Agreement Amendment with Saginaw Transit Authority Regional Services ("STARS") to lease parking spaces in Lot Number 23 be approved. The Amendment is for a period of one year commencing on December 1, 2007 and expiring on November 30, 2008. It has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

On October 22, 2007, City Council approved the standard parking agreement between the City of Saginaw ("City") and STARS. Pursuant to that Agreement, STARS agreed to pay the City Four Hundred and Fifty Dollars and 00/100 (\$450.00) per quarter to lease five (5) parking spaces in the City's Municipal Parking Lot Number 23 located at 124 North Franklin. Recently, the City was advised by STARS that it needs to lease twelve (12) parking spaces in Lot 23. STARS will pay the City One Thousand Eighty Dollars and 00/100 (\$1,080.00) per quarter to lease the twelve (12) parking spaces. The term of this Amendment is for one year.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Trimble Handheld GPS Equipment

**Manager's Recommendation:**

I recommend that the low bid from Paradigm Systems Inc. in the amount of \$5,630.00 be accepted and a purchase order be issued to them in this amount.

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

Funds for these items are available in the GIS Capital Outlay Fund Account No. 650-1738-781-9760.

**Justification:**

On October 23, 2007, the City received bids for a Trimble Handheld GPS unit and accessories. The Public Services Department, GIS Division, is now collecting and mapping water system utilities for wholesale water customers. The information will be incorporated into the City's GIS system and used for hydraulic water modeling analysis. Following is a tabulation of the bids received:

Paradigm Systems Burnsville, MN	\$5,630.00
PlanSight LLC Rumely, MI	\$5,631.00
Environmental Systems Research Institute Redlands, CA	\$5,674.00

**Council Action:**

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



# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Bentley Water GEMS Hydraulic Water Modeling Software Training

**Manager's Recommendation:**

I recommend that a purchase order be approved and issued to Bentley Systems, Inc. in the amount of \$10,850.00 for onsite software training.

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

Funds for these services are available in the Water Operations & Maintenance Professional Services Account No 591-4730-861.80-01.

**Justification:**

Bentley Systems will provide three days of onsite software training to nine City staff members from various public services divisions. Water GEMS software will provide capabilities ranging from analysis and design to management function such as fire flow assessment, pump scheduling, water quality improvement, emergency planning, leakage reduction and security enhancement.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Liquor License for 2034 S. Washington

**Manager's Recommendation:**

I recommend approval of the request from Quick Stop Market, Inc. to transfer ownership of 2007 SDM licensed business located at 2034 S. Washington, Saginaw, MI 48601, Saginaw County from Hanan H. Salamey.

**Justification:**

On or about October 1, 2007, the City received notice from the Michigan Liquor Control Commission of the request from Quick Stop Market, Inc. to transfer ownership of 2007 SDM licensed business located at 2034 S. Washington, Saginaw, MI 48601, Saginaw County from Hanan H. Salamey.

The City of Saginaw Fire Prevention, City Building Inspections Division and the Michigan Department of Agriculture have completed the necessary inspections and have approved 2034 S. Washington for the license as required by Chapter 110, "General Provisions," of Title XI, "Business Regulations" of the Saginaw Code of Ordinances. Under Chapter 111, "Alcoholic Beverages," §111.11, "Application for License," the City Manager is to review all applications and departmental reports and give his recommendation to City Council of his approval or disapproval of the license. Since the necessary requirements have been met by Quick Stop Market, Inc., I hereby recommend approval of Quick Stop Market, Inc. to transfer ownership of 2007 SDM licensed business located at 2034 S. Washington, Saginaw, MI 48601, Saginaw County from Hanan H. Salamey.

**Council Action:**

# COUNCIL COMMUNICATION

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Server & Tape Drive Replacement Emergency Purchase

**Manager's Recommendation:**

I recommend that a purchase order be approved and payment be made to Service Express in the amount of \$10,251.50 for the purchase of a replacement server and tape drive. The bid process was not utilized because of the emergency nature of this purchase.

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

Funds for this purchase are available in the Information Services Office Supplies Account No. 658-1720-711-7320 (\$570.00), Information Services Postage/Freight Account No. 658-1720-711-8015 (\$78.50) and Information Services Capital Account No. 658-1720-711-9705 (\$9,603.00).

**Justification:**

On October 25, 2007, a six-year old City server had a critical failure. This server held documents and configurations that are essential to the operations of most of the City Departments, and an internal tape drive used to create back up tapes for most of the City's servers. It was determined that an attempt to restore the server would not be practical because of its age and concerns about dependability. Documents and configurations were restored to a temporary file storage system to allow City Department's access. The server and tape system are an important piece of the City's information technology configuration and therefore require quick replacement. Informal price quotes were solicited from several vendors for price comparison purposes. The price quote from Service Express was determined to be reasonable and an emergency purchase order was created.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** ~~Toxicity Testing, Printing and Mailing of Water Bills~~ Personnel Training

Formatted

Formatted

**Manager's Recommendation:**

I recommend that payments be made to the various vendors respectively, in the appropriate amounts, to pay for training related invoices that will not exceed \$25,000.00.

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

Funds for this training are budgeted in the Sewer Operation and Maintenance Account No. 590-4830-861.80 01

**Justification:**

The Wastewater Treatment Division is required by MIOSHA and other regulatory agencies to provide safety training and refresher courses for its employees who must work with hazardous materials and chemicals and enter confined spaces in the course of their work. Several classes are taught at the plant throughout the year using services provided by professional trainers and instructors. Quotes are requested from several professional trainers who have been recommended by other utilities, professional training organizations, or state regulatory agencies. These quotes are compared and the most cost effective quote is taken.

To insure the safety of our staff, all plant employees are required to take these classes.

~~The proposed cost is a 9.0% increase over the current fiscal year a 54% decrease in cost from previous years.~~

**Council Action:**

11-19-93-24-12

# COUNCIL COMMUNICATION

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Saginaw County Community Action Committee Amendatory Agreement

**Manager's Recommendation:**

I recommend that the Amendatory Agreement between the City and Saginaw County Community Action Committee ("CAC") be approved. It has been approved by me as to substance and by the City Attorney as to form.

**Justification:**

In Fiscal Years 2005 and 2006, Council approved expenditures for the Community Development Block Grant Department ("CDBG"). As part of the expenditures, City Council approved funds for housing activities in the amount of \$257,752.39. Funds initially allocated for housing activities were not spent because the two programs, the Urban Homestead Program and Home Ownership Promotion Initiative were discontinued. HUD has mandated that the funds be spent. Per HUD's regulations, the City can reallocate the funds to other housing activities performed by the same subgrantee.

Staff has reviewed the matter and determined that the funds should be reallocated to CAC's Elderly and Disabled Home Repair Program. In addition, a portion of the funds would be used to remediate a home located at 2320 Maplewood, which contains mold.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** First Amendment to the Agreement between the County of Saginaw, the Mosquito Abatement Commission and the City of Saginaw

**Manager's Recommendation:**

I recommend approval of the First Amendment to the Agreement between the County of Saginaw, the Mosquito Abatement Commission and the City of Saginaw. The total amount of the Amendment is \$800.00. The Amendment is approved by the City Manager as to substance and the City Attorney as to form.

Funds for this service are available in Water and Sewer Operation and Maintenance Fund Account Nos. 591-4715-851-8005 (\$400.00) and 590-4815-851-8005 (\$400.00).

**Justification:**

In order to accommodate the expansion of Hemlock Semiconductor, the Gratiot Road pump station in Thomas Township was upgraded. The upgrade included installation of antennas on the Mosquito Control Tower to complete data communications between the Gratiot Road Pump Station and the Saginaw Water Treatment Plant. Also, the antennas will be used for data communications with the Saginaw Wastewater Treatment Plant. Furthermore, installation of the radio antennas has increased bandwidth and reliability.

**Council Action:**

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



# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Purchase of Desktop Computer, Laptop Computer, Color Printer, LCD Projector and Related Equipment

**Recommendation:**

I recommend acceptance of the bid received from Yeo & Yeo and issuance of a purchase order to them in the amount of \$5,081.76 for the purchase of computer equipment to be used by the Saginaw Arts and Enrichment Commission.

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

Funds for this equipment is available in the Saginaw Arts and Enrichment Commission's Capital Outlay Account No. 236-7541-811 97-05.

**Justification:**

On October 30, 2007, the City received bids for a desktop computer, laptop computer, LCD projector, color printer and related equipment for use at the Commission's office located at the Andersen Enrichment Center. This equipment is to replace a computer that is over 10 years old, running outdated software and with no means of backing up data other than saving to a floppy disk. The technology upgrade will enable the Commission staff to more efficiently perform their job tasks and to meet the organization's mission and objectives. It will provide the tools to enhance advocacy, program management, fundraising and networking. Following is a tabulation of the bids received.

Yeo & Yeo Saginaw, MI	\$5,081.76
CMT Saginaw, MI	\$5,210.50

# COUNCIL COMMUNICATION

Network Services Group Saginaw, MI	\$5,532.01
Tech Depot Trumbull, CT	\$6,544.39
MultiWave Walnut, CA	\$3,793.00 (Vendor did not bid on entire pkg.)

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Enrichment Commission - Budget Adjustment

**Manager's Recommendation:**

I recommend that the 2007-08 Andersen Enrichment Center – Enrichment Commission budget be amended to accept grant monies from the Saginaw Community Foundation as well as private donations.

The Anderson Enrichment Center revenue line item Local Grant – Foundation Grant (236-0000-514.60-02) will be increased from \$0 to \$3,956.00 and Local Grant – Donations line item (236-0000-514.60-03) will be increased from \$0 to 1,600.00. This increase will be offset by an increase in the Enrichment Commission's Capital Outlay line item (236-7541-811.97-05) from \$0 to \$5,556.00.

**Justification:**

The Enrichment Commission received funding from the Saginaw Arts & Enrichment Commission on September 21, 2007, as well private donations for the sole purpose of technology updates.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Water Service Agreement with Carrollton Township

**Manager's Recommendation:**

I recommend approval of the Water Service Agreement between the City of Saginaw and Carrollton Township. This Agreement has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

The Water Service Agreement continues the City's policy of securing new long-term water agreements with wholesale customers within the context of revenue sharing. The Water Service Agreement conditions the sale of water on securing revenue sharing agreements whereby the City will receive connection payments for new industrial and/or manufacturing developments requiring new water mains. An additional requirement is imposition of City income tax on new corporations having 10 or more employees and those employees individually, which will be split on a 90%-10% basis with the Township. The Carrollton Township Board of Trustees approved the Water Service Agreement on October 29, 2007.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Adoption of Act 328 Resolution for Hemlock Semiconductor

**Manager's Recommendation:**

I recommend adoption of the Public Act 328 Personal Property Tax Abatement Resolution for Hemlock Semiconductor Corporation.

**Justification:**

A resolution is listed under the regular order of business that approves the exemption from personal property taxes for new personal property for Hemlock Semiconductor Corporation ("HSC") under Public Act 328 of 1998, as amended. The application was received on November 8, 2007.

In order to qualify for the exemption under Act 328, the company must be in an eligible distressed area, be part of an eligible district and be an eligible business. The City of Saginaw has been determined to be an eligible distressed area. The property upon which HSC is located was transferred to the City of Saginaw for thirty years pursuant to an Act 425 Agreement executed by the City and Thomas Township on August 6, 2007. HSC is now part of the City and therefore in an eligible distressed area. HSC is in an existing Industrial Development District, which is an eligible district. An eligible business is one engaged in manufacturing, mining, research and development, wholesale and trade or office operations. HSC qualifies as a manufacturing operation.

The City of Saginaw has developed a policy for reviewing Public Act 328 applications considering job creation, job retention, cost of project, type of use and percent of city residents employed. Based on the above criteria, a number of points are

# COUNCIL COMMUNICATION

assigned, which determines the number of years recommended. Using these rating criteria, the HSC application would qualify for a twelve-year abatement, the maximum normally recommended. However the policy also provides that a longer period may be recommended should other incentives be negotiated. In this case, HSC will pay substantial annual amounts in connection with the Act 425 agreement and the water availability agreements. These payments will last for thirty years, the term of the Act 425 agreement. For those reasons the Tax Abatement Review Committee recommended the approval of an Act 328 abatement for a term of thirty years.

# COUNCIL COMMUNICATION

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

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

WHEREAS, The City of Saginaw and Thomas Township have entered into an agreement for the conditional transfer of property pursuant to Public Act 425 of 1984, as amended ("Public Act 425"), for a parcel containing the manufacturing facility of Hemlock Semiconductor Corporation ("HSC"); and

WHEREAS, the City of Saginaw received from HSC an application on November 8, 2007, for exemption of new personal property pursuant to Public Act 328 of 1998, as amended ("Public Act 328"); and

WHEREAS, the City of Saginaw held a public hearing on November 19, 2007, at which time, and with advance notice, the assessor and any and all representatives of the affected taxing units were afforded an opportunity to appear and be heard on the application and exemption request; and

WHEREAS, the City of Saginaw is an eligible, distressed community under Public Act 328, and as acknowledged in the State Tax Commission Bulletin No. 9 on Exemption of New Personal Property to Assessing Officers, dated May 10, 1999; and

WHEREAS, the property upon which HSC is located is, pursuant to the provisions of the Public Act 425 Agreement, part of the City of Saginaw for thirty years; and

WHEREAS, HSC is located in a preexisting Industrial Development District, which is an eligible district pursuant to Public Act 328; and

WHEREAS, HSC meets the eligible business requirements of Public Act 328 by being engaged primarily in manufacturing; and

WHEREAS, the City of Saginaw has analyzed the Public Act 328 application by use of the Tax Abatement Review Committee, established pursuant to the City of Saginaw's Public Act 328 Policy; and

WHEREAS, the City of Saginaw and HSC intend to enter into an agreement outlining and confirming the above conditions; and

# COUNCIL COMMUNICATION

NOW THEREFORE, BE IT RESOLVED that the City of Saginaw hereby approves the application of Hemlock Semiconductor Corporation for the exemption of new personal property pursuant to Public Act 328 of 1998, as amended, for the eligible Industrial Development District property legally described as follows:

## LEGAL DESCRIPTION OF PROPERTY:

60 acres of land situated in the Township of Thomas, Saginaw County, Michigan, described as the southerly most 1050 feet of the East half of the SW  $\frac{1}{4}$  and West half of the SE  $\frac{1}{4}$  of Section 18, T12NR3E.

BE IT FURTHER RESOLVED that the general property exemption under Public Act 328 shall be for a period of 30 years, corresponding with the term of the Public Act 425 conditional transfer, effective December 31, 2007 and ending December 31, 2036; and

BE IT FURTHER RESOLVED that the Clerk of the City of Saginaw shall cause the application for exemption of new personal property to be completed and shall cause the completed application and a copy of this resolution to be filed with the State Tax Commission.



# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Agreement with Hemlock Semiconductor

**Manager's Recommendation:**

I recommend approval of the Act 328 Agreement with Hemlock Semiconductor. This contract has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

On November 19, 2007 The City of Saginaw adopted a Resolution pursuant to Public Act 328 of 1998, as amended. This approved the exemption from personal property taxes for new personal property for Hemlock Semiconductor Corporation ("HSC"). This in turn was related to an Act 425 agreement between the City of Saginaw and Thomas Township. As part of the Act 328 application HSC filed on November 8, 2007 to obtain this Resolution, it made certain representations regarding its development plans. The purpose of the present proposed agreement is to obligate HSC, as appropriate, to fulfill these conditions. A copy of this agreement is attached.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Light Fixtures for Maintenance and Service Shop

**Manager's Recommendation:**

I recommend acceptance of the bid from, Marshall Campbell be accepted and a purchase order issued to them in the amount of \$6,594.00.

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

Funds for this purchase are available in the Water and Sewer Surplus Capital Account Nos. 576-4840-881-97-20 (\$3,297.00) and 577-4740-881-97-20 (\$3,297.00).

**Justification:**

On October 23, 2007 bids were received for lighting fixtures for the Maintenance and Service Shop. Marshall Campbell was selected as they are a City based small business and benefit from a City Ordinance that is calculated on the low bid and then compared against the City based small business. Following is a tabulation of the bids received.

Standard Electric		\$6,483.50
Kochville Twp.	(+ City Based Small Business Formula)	234.50
	\$100/1 <sup>st</sup> \$2,000.00, 3% Thereafter	<hr/>
		\$6,718.00
Marshall Campbell		\$6,594.00
Saginaw, MI		

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Amendment to Water Ordinance.

**Manager's Recommendation:**

I recommended that a subsection of Section 52.14 "Water Contracts" of Chapter 5, "Water" of Title V, "Public Works" of the City of Saginaw Code of Ordinances, O-1, be amended. The subsection to be amended and the reasons for those amendments are set out below. An Ordinance has been prepared and appears under the regular order of business.

**Justification:**

The City provides bulk water service to other municipalities and industrial users outside the City limits. It also provides water service to a small number of individual residences outside the City. The prior language of the ordinance required approval by City Council of any contract for water service outside the City limits. That requirement will remain for the bulk water users. The proposed change will allow the Director of Finance to regulate water contracts for the small residential users in a similar manner to that done for city customers.

A separate change addresses the problem with collection from small users outside the City limits. The City cannot place a lien on these properties and collection from tenants is less certain than collection from owners. The proposed change would require that the owner of the property enter into the water contract and become directly obligated to pay the outstanding bill.

**Council Action:**

This Council Communication is being submitted to explain the ordinance to be introduced in a subsequent portion of the agenda.

# COUNCIL COMMUNICATION

Council \_\_\_\_\_ introduced an ordinance entitled and reading as follows:

AN ORDINANCE TO AMEND SECTION 52.14(A), "WATER CONTRACTS", OF CHAPTER 52, "WATER", OF TITLE V, "PUBLIC WORKS" OF THE CITY OF SAGINAW CODE OF ORDINANCES, O-1.

Laid over under the Charter provision.

# COUNCIL COMMUNICATION

Council \_\_\_\_\_ moved that an ordinance introduced November 5, 2007, entitled and reading as follows, be taken up and enacted:

AN ORDINANCE TO AMEND SECTION 52.14(A), "WATER CONTRACTS", OF CHAPTER 52, "WATER", OF TITLE V, "PUBLIC WORKS" OF THE CITY OF SAGINAW CODE OF ORDINANCES, O-1.

The City of Saginaw ordains:

Section 1. Section 52.14(A) "Water Contracts" of Chapter 5, "Water" of Title V, "Public Works" of the City of Saginaw Code of Ordinances, O-1, is amended to read as follows:

§52.14 WATER CONTRACTS.

A) No property shall be served directly or indirectly by the City water distribution system unless the person so served, or his or her authorized representative, has first entered into a contract with the City. If the property to be served is located outside the limits of the City, and is for bulk or wholesale water service, such contract shall be approved by the Council. For retail customers outside the limits of the City and for property to be served located within the limits of the City, a contract complying with the applicable provisions of this chapter shall be approved on behalf of the City by the Director of Finance. Water service contracts for retail customers outside the limits of the City shall be executed by the owner of the premises served.

Section 2. This ordinance shall become effective November 29, 2007.

Enacted: November 19, 2007.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Access Agreement with The Dow Chemical Company and Waiver of Conflict of Interest

**Manager's Recommendation:**

I recommend approval of the Access Agreement with The Dow Chemical Company to allow it to investigate conditions on the Saginaw River and remedy them. This agreement also waives any conflict of interest in its representation by the law firm of Braun, Kendrick, Finkbeiner, P.L.C. This agreement has been approved by the City Manager as to substance and the City Attorney as to form.

**Justification:**

Contaminants have been discovered in the Saginaw River near Wickes Park. The Dow Chemical Company ("Dow") wants to address this problem by collecting soil and water samples and removing or properly containing hazardous materials discovered. Dow has requested access to this area through property controlled by the City. Dow will construct a temporary fence for security, store materials and equipment on the site and possibly construct or improve a road in the area. The present roadway through the area will not be blocked. The term of the agreement is one year, but Dow expects to complete the entire project within six months.

The property will be restored to the same or better condition upon completion. Dow will indemnify the City from loss and take care to protect existing utilities and provide copies and reports to the City without charge.

Dow has retained attorney Thomas Luplow of the local law firm of Braun, Kendrick, Finkbeiner, P.L.C. for this project. The City often uses this firm for other matters, and one provision of this agreement waives any potential conflict of interest with the City.

**Council Action:**

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