

## COUNCIL AGENDA

For

March 20, 2006, 6:30 p.m., Council Chamber

### ROLL CALL:

### CORRECTION AND APPROVAL OF MINUTES OF PRECEDING SESSIONS:

December 5, 2005, December 19, 2005 and December 28, 2005 regular Council meetings.

### ANNOUNCEMENTS:

Sylvia Martinez, Saginaw Branch Manager of LaSalle Bank and Tamatha Martin, Manager, to make presentation to City Council.

### PUBLIC HEARINGS:

### PERSONAL APPEARANCES:

(A list will be provided on Monday after 1:30 p.m.)

### REMARKS OF COUNCIL:

### PETITIONS:

06-05 from Hidden Harvest, 940 E. Genesee, requesting permission to erect a banner in the 500 block of Court St. from March 1, 2006 through March 30, 2006.

06-06 From E. Steven Robinson, 401 S. Old Woodward, Suite 310, Birmingham, MI, requesting that the property abutting Fourth St. located between Water St. and the C.O. Railroad be vacated.

### REPORTS FROM BOARDS AND COMMISSIONS AND COMMITTEES:

### APPOINTMENT OF BOARDS AND COMMISSIONS MEMBERS:

1. Consideration of appointing George C. Bush to the Zoning Board of Appeals with a term to expire 12/31/09.
2. Consideration of appointing Mary Elizabeth LaPan to the Local Development Finance Authority with a term to expire June 1, 2010.

REPORTS FROM MANAGER:

A. Management Update

1. Jay Beelman, Information Services Director, will give an update on Revenue Enhancement.
2. Bob O'Hara and Richard Powell, Boys & Girls Club, will give a presentation regarding the proposal to lease the Merrill Park Community Center located at 1901 Maple.

B. Recommended Actions

1. Recommending that the Chief of Police be authorized to acquire military equipment through the Defense Reutilization Marketing Organization (DRMO) program. The Saginaw Police Department has currently been involved in a DRMO program that involves the reutilization of excess military equipment that is available to law enforcement agencies across the country at no cost. Minimum use of such equipment is one year.
2. Recommending that the original purchase order issued to Douglass Safety Systems be increased by \$1,500.00 for a total of \$3,300.00 to purchase the required replacement parts for the fire department's self-contained breathing apparatus for the remainder of this fiscal year. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Saginaw Fire Department's Parts & Supplies Account No. 101 3751 751 7330.
3. Recommending approval of an agreement with Berwyn Group to perform periodic death audits of Police & Fire Pension participants. This comes as an additional effort to guarantee that pension payments are not being paid to deceased members. It is expected that the Pension System will utilize an annual audit schedule at a cost of \$250.00 annually, using data electronically submitted through the City's Information Services Department. Funds are available in the Police & Fire Pension Professional Services Account No. 732 1765 701 8001.
4. Recommending approval of the Management Agreement to employ C. S. McKee, L.P. as large cap value investment advisor for the City of Saginaw Police & Fire Pension System. C. S. McKee will handle a portfolio of approximately \$25M with fees of approximately 35 basis points. C. S. McKee is expected to generate a higher return on investments for the Pension Fund with a structure substantially lower than the Board's current large cap manager. Funds are available in the Police & Fire Pension Custodial Fees Account No. 732 1765 701 8016.

5. Recommending that the original purchase order issued to AmeriGas in the amount of \$1,900.00 be increased to \$4,500.00 for supplying propane gas through the end of this fiscal year. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Municipal Streets Routine Maintenance Account Nos. 202 4651 841 7330 and 203 4651 841 7330.
6. Recommending approval of the Cost Agreement between the City of Saginaw and the Board of County Road Commissioners of the County of Saginaw and that the proper city officials be authorized to execute agreement on behalf of the city. The total estimated cost for the installation is \$18,000.00 of which the City's share is \$9,000.00. The ongoing maintenance and electrical costs per year is estimated at \$800.00 of which the City's share is \$400.00. Funds for the City's share of the installation and future maintenance are available in the Major Streets Fund Account Nos. 202 4614 781 8047 and 202 4621.
7. Recommending acceptance of the quote and issuance of a purchase order to Carrier and Gable, Inc., Farmington Hills, MI in the amount of \$11,465.20 for the purchase of traffic signal equipment. This vendor meets all requirements of the contract compliance provisions. Funds are available in the Major Streets Fund Account No. 202 4614 781 8047. The Board of County Road Commissioners of the County of Saginaw will reimburse the City for the cost of this equipment (\$5,732.60) in accordance with cost agreement.
8. Recommending acceptance of the bid and issuance of a purchase order to North American Salt Company, Inc. in the amount of \$43,226.75 for the purchase of 1,487.50 tons of road salt to be used by the Streets Divisions. This vendor meets all requirements of the State of Michigan's Contract Compliance Policy, which supersedes the City of Saginaw's contract compliance provisions. Funds are available in the Municipal Streets Fund Account No. 204 4615 781 7340.
9. Recommending that the agreement with Spicer Group for general engineering services, which was approved by Council on June 30, 2003, amended on June 28, 2004 and July 11, 2005 be amended further pursuant to an additional contract amendment. This amendment seeks to amend the original contract specifically to obtain additional engineering services in an amount not to exceed \$796,529.80. This amendment is subject to the approval of the City Manager as to substance and the City Attorney as to form. This vendor meets all requirements of the contract compliance provisions. Funds for the City's portion will be available in the Water Surplus Account No. 577 4740 881 9720.
10. Recommending that the Agreement with Hemlock Semiconductor Corporation be approved and the City Manager or his designee be authorized to execute all documents necessary.

11. Recommending that four (4) Grant of Communications System Easement/Release forms be approved and the City Manager or his designee be authorized to execute all documents necessary. These easements/releases are subject to approval by the City Manager as to substance and the City Attorney as to form. In order to receive payment of the benefits which total \$3,490.00, the easements/releases must be executed and returned by April 3, 2006.

INTRODUCTION OF ORDINANCES:

CONSIDERATION AND PASSING OF ORDINANCES:

1. An Ordinance to amend §72.40, "City Parking Lots Or Areas" of Chapter 72, "Parking Regulations" of Title VII, "Traffic Regulations," of the Saginaw Code of Ordinances, O-1.
2. An Ordinance to amend Paragraph (H) of Ordinance O-32 "Low Income Housing Tax Exemption for Tabernacle Missionary Baptist Church" of the Table of Special Ordinances VIII. (Formerly Section §33.47(H), "Low Income Housing Tax Exemption," of Chapter 33, "Taxation and Assessment" of Title III, "Administration") of the City of Saginaw Code of Ordinances, O-1.

RESOLUTIONS:

1. Approving the Standard Street Lighting Authorization for Change Contract between Consumers Energy and the City of Saginaw authorizing the appropriate city officials to execute changes on behalf of the City.
2. Agreeing to provide continuing disclosure respecting the Saginaw-Midland Municipal Water Supply Corporation Bonds.

UNFINISHED BUSINESS:

Recommending approval of the lease agreement with the Boys and Girls Club, Inc. (BGC) to lease the Merrill Park Community Center (MPCC) located at 1901 Maple. BGC intends to lease the property for 30 years and has agreed to pay the City \$1.00 annual rent. BGC is responsible for regular custodial tasks regarding maintenance of the facility and intends to renovate MPCC and make repairs. Further, the parties agree to mutually indemnify and hold each other harmless.

MOTIONS AND MISCELLANEOUS BUSINESS:

Darnell Earley  
Interim City Manager

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Road Salt for Salting of City Streets in the 2005/2006 Winter Season.

**Manager's Recommendation:**

I recommend that the bid from North American Salt Company, Inc. be accepted at the State-bid price and that a purchase order be approved and issued to North American Salt Company, Inc., in the amount of \$ 43,226.75 for the purchase of 1,487.5 tons of salt.

This vendor meets all requirements of State of Michigan Contract Compliance Policy which supersedes the City of Saginaw's 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 Municipal Streets Fund Account No. 204-4615-781-7340.

**Justification:**

On April 18, 1977, City Council approved a cooperative purchasing agreement with the State of Michigan, which allows the City to purchase material and equipment at State-Bid pricing. The City has used this agreement to purchase road salt for ice control on twenty-five previous occasions besides the current fiscal year.

In addition to the 4,500 tons of salt purchased by the City to fill the salt storage facility, the City has contracted for an additional 1,500 tons of salt. This salt is necessary to insure that enough salt is available for City crews to de-ice the City streets while allowing enough salt to be left over for possible ice storms in the spring and the following fall.

North American Salt Company, Overland Park, Kansas was the low bidder at \$29.06 per ton. This price per ton includes the salt, weighing and loading, handling and the truck freight charges. This compares to a price of \$23.91 per ton for the bulk shipment of 4,500 tons received in October 2005.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Propane

**Manager's Recommendation:**

I recommend increasing the current purchase order with AmeriGas from \$1,900.00 to \$4,500.00 for supplying propane gas through June 30, 2006.

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 material are available in the Municipal Streets Routine Maintenance Account No's. 202-4651-841-7330 and 203-4651-841-7330.

**Justification:**

The City's Streets Division has a \$1,900.00 per year purchase order with AmeriGas for supplying propane gas to the Streets Division. Due to increased usage and continual increase in propane prices, the Streets Division has nearly depleted the dollar amount of this purchase order. The propane is used to heat asphalt-patching material and joint sealant material needed to maintain the City streets. Based on current use, the Streets Division estimates that it will use an additional \$2,600.00 worth of propane gas for the remainder of the agreement through June 30, 2006.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Agreement with Hemlock Semiconductor for Water Main Construction

**Manager's Recommendation:**

I recommend that the Agreement with Hemlock Semiconductor Corporation be approved and that the City Manager or his designee be authorized to execute all documents necessary. This construction agreement is subject to approval by the City Manager as to substance and the City Attorney as to form.

**Justification:**

The City of Saginaw is planning to construct a 20-inch diameter water main along Gratiot Avenue (M-46) from Center Road to the Gratiot Road Pumping Station. The pumping station will also be improved to accommodate the larger flow of water. The purpose is to accommodate the expanding water needs of the bulk water customers in Thomas Township and elsewhere.

Hemlock Semiconductor Corporation ("HSC") is one of the larger water customers in Thomas Township. In order to satisfy its water needs more promptly, HSC has offered to pay for up to 75% of the cost of this expansion if the City is willing to expedite construction. The City is able and willing to do so. The expansion of HSC made possible by this increased water supply, may have additional benefits to the city in terms of various revenue sharing agreements.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Police and Fire Pension System Board of Trustees

**Subject:** Berywn Group Agreement

**Board of Trustees Recommendation:**

I recommend approval of an agreement with the Berwyn Group to perform periodic death audits of Police & Fire Pension participants. The agreement has been approved by the City Manager as to substance and by the City Attorney as to form. Further, the Chairperson of the Police and Fire Pension System Board of Trustees is authorized to sign the agreement.

**Justification:**

This comes as an additional effort to guarantee that pension payments are not being paid to deceased members. It is expected the Pension System will utilize an annual audit schedule at a cost of \$250.00 annually, using data electronically submitted through the City's Information Services Department. In addition, the Pension Board will have on-line access to the company's database from which to inquire on the status of specific individual pension recipients.

Funds are available in the Police & Fire Pension Professional Services Account No. 732-1765-701-80-01.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the Police and Fire Pension System Board of Trustees be approved.

# COUNCIL COMMUNICATION

**From:** The City Police and Fire Pension System Board of Trustees

**Subject:** C.S. McKee, L.P. Management Agreement

**Board of Trustees Recommendation:**

I recommend approval of the Management Agreement to employ C. S. McKee, L. P. as the large cap value investment advisor for the City of Saginaw's Police & Fire Pension System. The agreement has been approved by the City Manager as to substance and by the City Attorney as to form. Further, recommend that the Chairperson of the Police and Fire Pension System Board of Trustees be authorized to sign the agreement.

**Justification:**

This comes after a review of recommendations from the Board's pension consultant, Yanni Partners, and after meeting with top candidates during on-site presentations to the Board. C. S. McKee will handle a portfolio of approximately \$25M with a base fee structure of approximately 55 basis points. C.S. McKee is expected to generate a higher return on investments for the pension fund than the Board's current large cap value manager, Merrill Lynch while changing a comparable fee structure.

Funds are available in the Police & Fire Pension Custodial Fees Account No. 732-1765-701-80-16.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the Police and Fire Pension System Board of Trustees be approved.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Purchase Traffic Signal Equipment from Carrier & Gable, Inc.

**Manager's Recommendation:**

I recommend that the quote received from Carrier and Gable, Inc., Farmington Hills, MI be accepted and that a purchase order be approved and issued to them in the amount of \$11,465.20.

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 are budgeted in the Major Streets Fund Account No. 202-4614-781-8047 (\$11,465.20 - Project No. TS0602). The Board of County Road Commissioners of the County of Saginaw will reimburse the City for the cost of this equipment (\$5,732.60) in accordance with said cost agreement.

**Justification:**

On February 7, 2006, the City received one quote from Carrier & Gable, Inc., Farmington Hills, MI in the amount of \$11,465.20 for traffic signal equipment for the Traffic Engineering Division of Public Services. The request for quotation was sent to Carrier and Gable, Inc., because they are a sole source supplier of this equipment. This equipment is necessary for traffic signal improvements and modernization at the intersection of Mackinaw Street and Weiss Street.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Cost Agreement between The City of Saginaw and The Board of County Road Commissioners of the County of Saginaw

**Manager's Recommendation:**

I recommend approval of the Cost Agreement between The City of Saginaw and The Board of County Road Commissioners of the County of Saginaw and that the proper city officials be authorized to execute said agreement on behalf of the City. The cost agreement has been approved by the City Manager as to substance and the City Attorney as to form.

Funds for the City's share of the installation and future maintenance are available in the Major Streets Fund Account Nos. 202-4614-781-8047 (Project No. TS 0602) and 202-4621 respectively.

**Justification:**

Transmitted herewith is a proposed Cost Agreement (City Clerk's File No. \_\_\_\_\_) with the Board of County Road Commissioners of the County of Saginaw for the installation of traffic signal equipment at the intersection of Mackinaw Street and Weiss Street. This work is recommended to replace the existing equipment that was installed in 1986 as part of an Agreement (A-4294) between the City of Saginaw and the Board of County Road Commissioners that was approved by City Council on July 28, 1986. The total estimated cost for the installation is \$18,000.00 of which the City's share (50%) is \$9,000.00. The ongoing maintenance and electrical costs per year is estimated at \$800.00 of which the City's share (50%) is \$400.00.

**Council Action:**

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

# COUNCIL COMMUNICATION

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

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

WHEREAS, the Standard Street lighting Authorization for Change Contract between Consumers Energy Company ("Consumers") and the City of Saginaw has been submitted to City Council for approval; and

WHEREAS, it is required by Consumers that the governing body of the municipality approve a resolution agreeing to approve the resolution;

WHEREAS, additional improvements to existing lighting for the installation of new lighting will occur during the course of the 2005-2006 fiscal year; now

THEREFORE BE IT RESOLVED, that the appropriate City officials be authorized to execute said changes on behalf of the City.

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Reutilization of Military Equipment

**Manager's Recommendation:**

I recommend that the Chief of Police be authorized to acquire military equipment through the Defense Reutilization Marketing Organization (DRMO) program. The Saginaw Police Department has currently been involved in a DRMO program that involves the reutilization of excess military equipment that is available to law enforcement agencies across the country at no cost.

**Justification:**

The Saginaw Police Department is requesting Council approval for the City Manager and Chief of Police to acquire equipment for this program as equipment of use to the City comes available. There is no cost to requesting and accepting such equipment other than the cost to utilize and maintain such equipment.

Minimum use of such equipment is one year. If after that time the equipment is disposed of at auction, the requirements of the DRMO program is that proceeds of such sale not become part of the General Fund but remain with the Law Enforcement Agency.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** ISI Parts for Self Contained Breathing Apparatus

**Manager's Recommendation:**

I recommend that the purchase order for Douglass Safety Systems be increased by \$1,500.00 for a total of \$3,300.00 to purchase the required replacement parts for the Saginaw Fire Department's Self Contained Breathing Apparatus for the remainder of this fiscal year.

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

Funds are available in the Saginaw Fire Department Parts and Supplies Account No. 101-3751-751.73-30.

**Justification:**

At the beginning of this fiscal year, a blanket purchase order was established for \$1,800.00 with this vendor to supply the required replacement parts. Douglass Safety Systems is the sole supplier of these parts. It has been realized that more replacement parts are required than what was originally anticipated.

**Council Action:**

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

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Spicer Group Engineering Services Third Contract Amendment

**Manager's Recommendation:**

I recommend that the agreement with Spicer Group ("Spicer") for general engineering services, which was approved by City Council on June 30, 2003, amended on June 28, 2004 and July 11, 2005, be amended further pursuant to an additional contract amendment. The original contract and subsequent amendments amended the original contract so that Spicer and Wade Trim, Inc. ("Wade Trim") could provide additional engineering services to the City.

The amount of the original agreement approved by City Council was for Five Hundred Thousand Dollars and 00/100 (\$500,000.00). The amount of the June 28, 2004 amendment was Five Hundred Thousand Dollars and 00/100 (\$500,000.00). The amount of the July 11, 2005 amendment was Five Hundred Thousand Dollars and 00/100 (\$500,000.00). This amendment seeks to amend the original contract specifically to obtain additional engineering services from Spicer in an amount not to exceed Seven Hundred Ninety-Six Thousand, Five Hundred Twenty-Nine Dollars and 80/100 (\$796,529.80). Therefore, the total amount of the contract will not exceed Two Million Two Hundred Ninety-Six Thousand Five Hundred and Twenty-Nine Dollars and 80/100 (\$2,296,529.80).

The third amendment is subject to the approval of the City Manager as to substance and the City Attorney as to form. In addition, it is requested that City Council authorize the City Engineer to sign the amendment.

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

Funds for the City's portion will be available in the Water Surplus Account 577-4740-881-9720.

**Justification:**

On January 17, 2006, the City received written proposals from Spicer, Wade Trim, Rowe Inc. and William A. Kibbe & Associates, Inc., the four engineering firms that are currently authorized, under an existing agreement with the City to provide general engineering services. An existing transmission main on Gratiot Avenue supplies

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water to the Gratiot Road pumping station. This pumping station supplies water to Thomas Township, Swan Creek Township, James Township and the Village of St. Charles.

The expansion of the Hemlock Semiconductor Corporation (“HSC”) within Thomas Township has made it necessary for the City to increase the capacity and reliability of the water supply to the area. The specific services requested under this “Request for Qualifications” were for the design and construction administration of a transmission water main installation and pump station improvements along Gratiot Avenue from Center Road to Gratiot Road pumping station and the Gratiot Road pumping station.

A committee of City officials reviewed and evaluated technical proposals from each firm. The committee ranked each firm using the City’s Quality Based Selection criteria listed in Administrative Regulation No. 4-7, section 1-4. Selection criteria considers the firm’s experience with jobs of similar scope, professional integrity and competence, ability to meet time schedule, qualifications and experience of the project manager and key staff members, and understanding of the project requirements. The review committee selected Spicer as the most qualified firm to provide design and construction administrative services for this project. The review committee negotiated and came to an agreement on the technical and cost proposal portion of this project. HSC will reimburse the City for 75% of the cost of these services in accordance with a separate agreement between HSC and the City.

## **Council Action:**

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

# COUNCIL COMMUNICATION

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

## RESOLUTION REGARDING CONTINUING DISCLOSURE UNDERTAKING

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

WHEREAS, the City of Saginaw, Michigan (the "City") is a constituent member of the Saginaw-Midland Municipal Water Supply Corporation (the "Corporation") and an obligated party in connection with the issuance of the Corporation's Water Supply System Revenue Bonds, Series 2006 (Limited Tax General Obligation) (the "Bonds"); and

WHEREAS, it is necessary for the City to undertake to provide continuing annual disclosure respecting the Bonds in order to enable the Corporation to offer its Bonds for public sale.

NOW THEREFORE BE IT RESOLVED that the City covenants and agrees for the benefit of the bondholders as follows:

1. In order to enable the underwriter of the Bonds to comply with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the City hereby agrees to undertake Continuing Disclosure respecting the Bonds. Pursuant to the terms of the Continuing Disclosure Undertaking, the City will provide, or cause to be provided, (i) certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, (ii) timely notice of the occurrence of certain material events with respect to the Bonds, and (iii) timely notice of a failure by the City to provide the required annual financial

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information on or before the date required in the Continuing Disclosure Undertaking. The City Manager or his or her designee be and is hereby authorized to execute such a Continuing Disclosure Undertaking on behalf of the City in such form as shall, in consultation with bond counsel, be determined to be appropriate.

2. This resolution shall be effective immediately upon adoption. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.