

1. May 17, 2016 Agenda

Documents: [05-17-16 COUNCIL AGENDA.PDF](#)

2. May 17, 2016 Packet

Documents: [05-17-16 COUNCIL PACKET.PDF](#)

**MAYOR
Michael C. Taylor**

COUNCIL MEMBERS

**Joseph V. Romano, Mayor Pro Tem
Deanna Koski
Maria G. Schmidt**

**Nate Shannon
Doug Skrzyniarz
Barbara A. Ziarko**

CITY OF STERLING HEIGHTS

AGENDA FOR REGULAR CITY COUNCIL MEETING

TUESDAY, MAY 17, 2016

7:30 P.M.

**LOCATION: CITY COUNCIL CHAMBERS, CITY HALL, 40555 UTICA ROAD, PHONE (586) 446-CITY
(MINUTES OF COUNCIL MEETINGS ARE FILED IN THE CITY CLERK'S OFFICE)**

MEETING CALLED TO ORDER

PLEDGE OF ALLEGIANCE TO THE FLAG AND INVOCATION

ROLL CALL

APPROVAL OF AGENDA

REPORT FROM CITY MANAGER

PRESENTATION

Swearing-in Ceremony for New Sterling Heights Police Officer

To receive a commemorative flag and certificate from the United States Department of Defense in honor of Sterling Heights becoming a "Vietnam War Commemorative Partner" (Presentation – Bridget Doyle, Community Relations Director).

1. CONSENT AGENDA

A. Approval of Minutes

Special Meeting of April 26, 2016

Special Meeting of May 4, 2016

Regular Meeting of May 4, 2016

- B. Approval of Bills**
- C. To set a public hearing to consider the request by J. G. Kern Enterprises Inc. for an Industrial Facilities Tax Exemption Certificate at 44044 Merrill Road.**
- D. To set a public hearing to consider the request by Beta Steel Corporation for an Industrial Facilities Tax Exemption Certificate at 6300 Hughes Drive.**
- E. To award a bid for red infield conditioner for the Department of Public Works (Estimated expenditure of \$16,200).**
- F. To purchase Goodyear automobile and miscellaneous replacement tires at pricing available through the State of Michigan's MiDeal cooperative bid (Estimated expenditure of \$85,000).**
- G. To accept a proposal for heating and cooling systems maintenance and repairs for a two-year period (Estimated annual expenditure of \$50,000).**
- H. To approve final payment in the amount of \$31,476.52 plus interest on retainage for the 2015 Joint Sealing Program, City Project #15-272.**
- I. To approve a Cost Sharing Agreement between the city of Sterling Heights, city of Warren, and the Macomb County Department of Roads for 14 Mile Road Resurfacing from Ryan Road to Mound Road (Estimated City Share of Project Cost - \$881,400).**
- J. To approve easements granted by the Consumers Energy Company for installation of public improvements for the Hannebauer Estates Site Condominiums, PSP14 0028, Section 13.**
- K. To waive the competitive bidding requirement in accordance with City Code §2 217(A)(9)(b) and approve a contract for the 2016 Local Road Concrete Reconstruction Program, City Project #16-283 and the City Center Court Parking Lots Reconstruction, City Project #16-287 (Total cost of \$2,669,000).**
- L. To renew an Administrative Services Contract with Blue Cross Blue Shield of Michigan for claims administration services and specific stop loss insurance at an expected annual cost of \$1,249,554.**

- M. To accept a proposal by Reliance Standard Life Insurance Company for life, accidental death and dismemberment, and long-term disability insurance for the period July 1, 2016 to July 1, 2018 (Estimated annual cost of \$130,827).**
- N. To approve an agreement with Cornerstone Municipal Advisory Group, LLC, for healthcare and benefits consulting services for a three-year period at an annual cost of \$75,000.**

CONSIDERATION

- 2. To consider a nomination to the City of Sterling Heights Planning Commission.**

COMMUNICATIONS FROM CITIZENS

- (a) This item shall be taken up at 10:00 p.m. if the business portion of the agenda has not been concluded.**

In accordance with the Sterling Heights Governing Body Rules of Procedure, under this agenda item, citizens are permitted to address the City Council on issues not on the agenda. Citizens are afforded a reasonable opportunity to be heard. Generally, no response shall be made to any communication from a citizen until all citizens have been permitted to speak.

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- Attempt to engage the Council or any member in debate**
- Fail to address the Council on matters germane to City business**
- Use vulgarity**
- Make personal attacks on persons or institutions**
- Disrupt the public meeting**

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These rules are in place and will be followed to ensure order and civility.

REPORTS FROM CITY ADMINISTRATION AND CITY COUNCIL

UNFINISHED BUSINESS

NEW BUSINESS

CLOSED SESSION PERMITTED UNDER ACT 267 OF 1976 - (roll call vote required)

ADJOURN

Clerk of the Council

The City of Sterling Heights will provide necessary reasonable auxiliary aids and services to individuals with disabilities at the meeting upon 7 days notice to the Community Relations Department at 446-CITY.

**The backup information for this agenda is available on the City's website.
Go to www.sterling-heights.net and click on City Council e-Packets.**

**MAYOR
Michael C. Taylor**

COUNCIL MEMBERS

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CITY MANAGER'S REPORT

May 17, 2016 --- CITY COUNCIL MEETING

A. UPCOMING COMMUNITY EVENTS

- **May 19th – Sterling Heights Police Law Day Ceremony**

The ceremony will begin at 10 am at the north entrance to City Hall. If inclement weather, the event will be held in the Council Chambers. For additional information, residents may contact the Community Relations Department at 586.446.2489.

- **May 30th - Memorial Day**

All City Offices and the 41-A District Court Building will be closed for the entire Memorial Day weekend including Friday, May 27, 2016. There will be no refuse collection on Monday only. Refuse collection will resume on Tuesday and will be delayed one day through the end of the week. Sterling Heights' 37th Annual Memorial Day festivities begin with a 9 a.m. Memorial Day Ceremony in the courtyard between City Hall (40555 Utica Road) and the Police Department. For more information on the Memorial Day Parade or Ceremony, please contact the Sterling Heights Community Relations Department at (586) 446-2470.

B. FIREWORKS LAW REMINDER

The State law prohibits the City from enacting an ordinance to regulate the use of "consumer fireworks" on the day before, the day of, and the day after a national holiday. This means that everyone has the right to "use" the types of fireworks that discharge into the air for 30 days each year. The national holidays are: New Year's Day, Martin Luther King Jr.'s Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day. During these days, legal fireworks can only be discharged from 8:00 am to midnight, and only on private property with permission. Spectators must be 25 feet away (50 feet for minors). Any code violations committed during the discharge of fireworks may still be enforced, including disturbing the peace, violation of a noise or nuisance ordinance, and creating or depositing litter. The City has enacted an ordinance which prohibits the use of "consumer fireworks" for the remaining 335 days each year.

C. PARKS & RECREATION

- **Park Permits** - If you are planning a family or group picnic at Dodge Park this summer, you must obtain a Park Picnic Permit from the Parks and Recreation office prior to your desired picnic date. This is required whether or not you rent a pavilion. Gatherings are limited to a maximum of 100 individuals per group with a total of 600 picnickers for the entire park. **No cost for residents or non-residents.**
- **Pavilion Reservations** – For that special family reunion, graduation or company picnic, the Parks and Recreation Department offers four picnic pavilions for rental: two pavilions at Dodge Park, one at Nelson Park and one at Farmstead Park. The pavilions hold 10-12 picnic tables for a seating capacity of 80-96 people. BBQ grills are adjacent to the pavilions. **Resident fee: \$89 on Sat Sun or Holiday, \$66 M-F. Non Residents fee: \$133 Sat/Sun/Holiday and \$99 M-F.**

D. 6' LEASH - IT'S REQUIRED BY LAW (City Code Sections 38-21 & 8-10)

As a courtesy to fellow park users, please keep your pet on a 6 foot leash, and to please clean up after it. There are signs posted in every city park as a reminder of this ordinance.

E. MISCELLANEOUS

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark D. Vanderpool", written over a horizontal line.

Mark D. Vanderpool, City Manager



**Business of the City Council
Sterling Heights, Michigan**

DELIVERED MAY 12 2016

City Clerk's Use
Item No: *Presentation #1*
Meeting: 05/17/16

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: Swearing-in ceremony for new Sterling Heights Police Officer (Presentation – Chief John Berg.)

Submitted By: Office of the City Clerk

Contact Person/Telephone: *MC* Mark Carufel, City Clerk / Risk Manager 446-2421

Administration (initial as applicable)

Attachments

<i>MC</i> City Clerk	—	Resolution	—	Minutes
<i>BB</i> Finance & Budget Director	—	Ordinance	—	Plan/Map
<i>JP</i> City Attorney (as to legal form)	—	Contract	—	Other
<i>MM</i> City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

Police Chief John Berg will be introducing and swearing-in Donovan Leonard, who has been recently hired to serve the City, its businesses, and residents as a police officer in the Sterling Heights Police Department.

Suggested Action:

MOVED BY:

SECONDED BY:



Business of the City Council
Sterling Heights, Michigan

DELIVERED MAY 12 2016
City Clerk's Use
Item No: Presentation #2
Meeting: 05/17/16

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To receive a commemorative flag and certificate from the United States Department of Defense in honor of Sterling Heights becoming a "Vietnam War Commemorative Partner" (Presentation - Bridget Doyle, Community Relations Director).

Submitted By: Community Relations Department

Contact Person/Telephone: Bridget Doyle, / 586.446-2471 BMD

Administration (initial as applicable)

Attachments

Table with 4 columns: Initial, Title, Attachment, and Other. Rows include City Clerk, Finance & Budget Director, City Attorney, and City Manager.

Check box if this agenda item requires billing\revenue collection (fees, etc.) by Treasury Office

Executive Summary

On January 29, 2016, the City of Sterling Heights submitted an application to the United States Department of Defense to become a Commemorative Partner with the United States of America Vietnam War Commemoration.

The Department of Defense recently notified the City that its application was approved. To signify the new partnership, the Department of Defense provided the City with an official Commemorative Partner flag and certificate.

As a Commemorative Partner, the City of Sterling Heights will host two events per year from 2016 to 2018 to honor Vietnam Veterans. In 2016, the Arts Commission agreed to theme the Memorial Day Parade "Forget Me Not" in remembrance of Vietnam Veterans.

Suggested Action:

MOVED BY:

SECONDED BY:

To receive the commemorative flag and certificate from the United States Department of Defense in honor of Sterling Heights becoming a "Vietnam War Commemorative Partner."



**Business of the City Council
Sterling Heights, Michigan**

Delivered MAY 12, 2016

City Clerk's Use
Item No: 1 A-N
Meeting: 05/17/16

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: Consent Agenda

Submitted By: Office of the City Clerk

Contact Person/Telephone: Mark Carufel, 446-2421

Administration (initial as applicable)

Attachments

- | | | |
|---|-------------------------------------|-----------------------------------|
| <input type="checkbox"/> City Clerk | <input type="checkbox"/> Resolution | <input type="checkbox"/> Minutes |
| <input type="checkbox"/> Finance & Budget Director | <input type="checkbox"/> Ordinance | <input type="checkbox"/> Plan/Map |
| <input type="checkbox"/> City Attorney (as to legal form) | <input type="checkbox"/> Contract | <input type="checkbox"/> Other |
| <input type="checkbox"/> City Manager | | |

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Suggested Action:

MOVED BY:

SECONDED BY:

1. CONSENT AGENDA

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*Delivered May 12, 2016
Agenda Item 1-A
Meeting: 05/17/16*

UNOFFICIAL MINUTES

CITY OF STERLING HEIGHTS

MINUTES OF SPECIAL MEETING OF CITY COUNCIL

TUESDAY, APRIL 26, 2016

IN CITY HALL

Mayor Michael C. Taylor called the meeting to order at 6:30 p.m.

Mayor Taylor led the Pledge of Allegiance to the Flag and Mark Carufel, City Clerk, gave the Invocation.

Council Members present at roll call: Deanna Koski, Joseph V. Romano, Maria G. Schmidt, Nate Shannon, Doug Skrzyniarz, Michael C. Taylor, Barbara A. Ziarko.

Also Present: Mark D. Vanderpool, City Manager; Jeffrey Bahorski, City Attorney; Mark Carufel, City Clerk; Carol Sobosky, Recording Secretary.

APPROVAL OF AGENDA

Moved by Koski, seconded by Romano, to approve the Agenda as presented.

Yes: All. The motion carried.

BUDGET WORKSHOP DISCUSSION

1. Public Library Department
Parks & Recreation Department

Police Department

Community Relations

Public Works Department

Water & Sewer Fund

Legal

Mayor Taylor announced that this is a budget workshop, which is a continuation of their budget workshop from two weeks ago.

Mr. Vanderpool stated that, like the last budget hearing, they have a number of presentations this evening. He advised there are two proposed budget amendments for the sidewalk gap completion and a budget amendment for commercial and analytical data that was discussed at the last City Council meeting and should be introduced this evening. He advised that other amendments desired by City Council should also be introduced this evening so they can be incorporated into the final appropriation for Council's consideration at the May 4th, 2016 City Council Meeting.

Mr. Brian Baker, Finance & Budget Director, presented an overview of the individual departments, including the Library, Parks & Recreation, Police, Community Relations, Public Works and also included the Water & Sewer Fund. He began with Community Services, which includes both the Library and Parks & Recreation Department. He advised that there are 21 full-time and 27 part-time positions, along with numerous Parks & Recreation seasonal staff. He reviewed the Parks & Recreation budget, noting the slight rise due in part to the conversion

of a Recreation Supervisor from part-time to full-time, and the increase in part-time wages. He outlined some of the improvements, including the expansion of services, the purchase of equipment and supplies, and new Parks & Recreation software. Mr. Baker summarized the expenditures from the Capital Budget and Capital Projects Fund, as well as the improvements to the Senior Center funded through Community Development Block Grant Program funds. He provided a brief overview of library trends, noting that the number of items circulated has declined over the last ten years, and added that library visits increase during economic downturns but are now returning to normal levels. He reported that the Library's Sunday hours were brought back last fall. Mr. Baker informed that due to loss of revenue, the City had to reduce its spending on park improvement projects; however, in the past several years, they had increased their spending due to one-time funding, and he reviewed some of the improvements made using that funding. He advised they do not have sustainable funds for future park improvements.

Mr. Baker reported on the Police Department, which is the City's largest department totaling nearly 40% of the General Fund. There are 202 total employees divided into four divisions. The budget increased 2.4%, with a 1.7% increase in personnel cost. Increased funds are budgeted for the early hiring of additional officers in advance of upcoming retirements, and increased overtime is also funded for investigations, to cover staffing shortages as new hires are being trained, as well as increased court time due to additional traffic enforcement. Mr.

Baker informed that one police officer position has been transferred from Operations to Investigations, but partially offsetting the increased costs is a reduction in required funding for general employee pension and retiree medical liabilities. He explained that supplies rose by nearly \$42,000, primarily due to the one-time purchase of bullet-proof vests, and uniforms and firearms needed for new officers. Mr. Baker stated the Capital Budget funds the replacement of 12 vehicles, four emergency warning sirens, as well as needed repairs to the Police Station.

Mr. Baker addressed the budget for the Community Relations Department, which has 8 staff members, including an intern, so there may be 9 staff members next year. The 9.4% increase in personnel costs is mainly due to a new full-time Digital Contact Coordinator position to better market the City and coordinate social media efforts. He reviewed some of the other costs in the department, including the capital purchases for the purchase of SHTV editing drive storage capacity, the replacement of the 16-year-old video equipment for televising public meetings, and the citizen-interactive customer service software, "SeeClickFix", which will be utilized to record and track non-emergency resident requests.

Mr. Baker reported on the proposed budget for Public Works, which includes 5 divisions and a total of 55 employees. He noted that the budget decreased by 3.2%, mainly attributed to lower fuel prices, which saved the City about \$275,000. Labor fell by 1.1%, mainly due to transferring a laborer position from street services to the sewage collection division. Supplies decreased 11.3%

reflecting the fuel savings, but partially offset by costs of repairing city vehicles and equipment, and increased funding for ballfield maintenance. He outlined some of the other costs for contractual maintenance of retention ponds, utilities and additional weed control; however, they have seen reduced vacant property mowing costs as a result of greater homeowner compliance. Mr. Baker reviewed the equipment expenditures from the Capital Budget.

Mr. Baker concluded with the Water & Sewer Fund, comprised of three divisions with 28 full-time and 12 part-time employees. He reported that the City purchases its water from the Great Lakes Water Authority (GLWA) and sewer from the Macomb County Public Works Office, so their costs total about 80% of the City's budget for this fund. Water costs from the GLWA increased 6.7% but water consumption is estimated to climb by 6%, which lowers water sales revenues. He outlined how the City is charged by the GLWA, noting the majority of costs are fixed. Sewage costs for Macomb County are estimated to increase by 10.4%, while the City shares the district's debt. Macomb's actual fixed sewer charge increase last year was higher than anticipated. The 20% of costs the City controls decreased last year due to a decrease in capital costs. Supplies rose \$56,800 and that is for the first year of a new water main replacement program. He provided details on the start of a 10-year preventative maintenance program. He reviewed some of the purchases under the Capital Budget, including software and equipment. Mr. Baker pointed out that the residents of Sterling Heights pay much less for their water and sewer in comparison to residents in other similar

size communities, and those in nearby smaller cities and townships as well, with the average residential customer in Sterling Heights paying \$57 per month for water and sewer services. The costs passed on by Detroit and the Public Works Office in Macomb have continued to rise, but he emphasized the City has a greater say in the process. He noted that usage of water has declined by 30% in the last ten years, and as they sell less water, they bring in less revenue; however 90% of the GLWA and the County's sewer costs are fixed, so the bill is still owed regardless of whether or not any water is sold.

Mr. Vanderpool informed that Mr. Baker serves on the Great Lakes Water Authority, representing all of Macomb County, and he commended him for doing a great job.

Ms. Tammy Turgeon, Library Director, gave the next presentation. She informed that they are focusing on learning, building and technology. She reviewed the numerous quality-of-life services they offer to the community through their budget, including their Youth Services programming, from birth through elementary school. In the first nine months of this fiscal year, they have had almost 15,000 people attend their children's programming. She outlined this year's summer reading program, and acknowledged the Friends of the Library as the major sponsor of this programming, noting they have added some additional sponsors. She focused on the early literacy programs, and highlighted their adaptive story time program they started this year for special needs children. Ms. Turgeon reported that each year, the library has over 375,000 visitors. They are

now open again on Sundays between Labor Day and Memorial Day, with over 16,000 patrons taking advantage of the Sunday hours during the first seven months. Computer and internet access is one of the greatest needs they are serving, with computer usage up 25% over the first seven months. She outlined some of the proposed updates to their building and equipment, and noted that the library also offers printing and scanning capabilities, with 12,000 items scanned so far this year.

Mr. Kyle Langlois, Parks & Recreation Director, provided a presentation outlining some ongoing department initiatives and some quality-of-life initiatives proposed for the upcoming year. He reviewed some of the activity, including the implementation of new software, RecPro. They are working to finalize their 5-Year Parks & Recreation Master Plan and Non-Motorized Plan, and he added the State of Michigan requires this plan to be on file in order to apply and potentially receive state grant funding. He explained they have been working on increased maintenance on their athletic fields, which includes school-owned fields as well as the many city-owned facilities, and during the economic downturn, the lack of staffing, funding and proper equipment made proper maintenance of these facilities difficult. He credited the cooperation between Parks and Recreation, DPW, the two school districts and the local athletic clubs for making tremendous strides in maintaining the quality despite those challenges. They have acquired equipment and taken steps to ensure the fields remain in good shape, and he outlined some of their plans and enhancements for the future. The Parks &

Recreation Department is proposed to grow in both staff and programming, adding that the one remaining supervisor responsible for recreation programming will be going from part-time to full-time this July. He summarized some of the upcoming activities, including the expansion of the “Music in the Park” series, held on Thursday nights from June 2nd through August 26th, with the exception of Sterling Fest Week. Mr. Langlois outlined some of the anticipated activities scheduled to take place during Sterling Fest, thanks to local sponsors. “Battle of the Bands” will be a new offering in June 2017, where junior high school and high school students can work together in small bands to compete with each other for the grand prize of free studio time. Mr. Langlois summarized some of the upcoming projects, with the new Community Center serving as the cornerstone. Multi-purpose rooms will allow an array of activities ranging from pickle ball, volleyball, basketball and futsal, along with dance and fitness rooms, training and meeting rooms, and a community room. Dodge Park will see improvements, including the installation of a permanent structure to house the Farmer’s Market, as well as house the refrigerated ice rink in the cold months, or converted to covered parking when there are activities on site that require the additional parking space. Other additions include the installation of a splash pad at the location of the current ice rink, development of a skate park for skateboard enthusiasts, enclosing the bocce ball courts and updating the workout room. He reported that they have plans to make improvements to the twenty-six parks in the city by resurfacing paths, play areas and parking lots, replacing play structures

and replacing entrance signage, giving the City's parks a consistent look across the park system. The plans for the major parks also include renovation of restroom facilities and athletic fields. Other improvements include a dog park at Magnolia Park, a non-motorized path stretching from Delia Park to the Nature Preserve in the northwest section of the City, improving accessibility to Beaumont Hospital, and the major commercial corridor on M-59 and to the City of Troy. He concluded his presentation by thanking everyone for taking time to look into their department's future, with their goals to make sure their programs and services remain relevant, value-driven and fiscally-responsible.

Mr. Vanderpool thanked Mr. Langlois and his staff for all of the work they have put into the Master Plan, and he informed there will be much more on this at one of the Council Meetings in June when they present more comprehensive plans for Council's consideration.

Police Chief Berg stated their succession plan is the largest and most consuming issue they have at this time. The Sterling Heights Police Department will be celebrating its 50th Anniversary this May, which means the second generation of the Department's officers are now retiring. He provided some history of the Police Department, and informed that as part of the second generation of officers retiring, there will be a total of 52 Command and Patrol Officers have or will be retiring by the end of 2017. With 22 retiring by the end of June 2016, he emphasized the difficulty in making sure key positions are filled, which involves a selection process and subsequent training. This affects every aspect of their

department. Chief Berg outlined some of this year's performance objectives, including equipping and training all road patrol officers in the deployment of Narcan medications in order to reduce the number of deaths related to opiate overdoses in the City. The entire country is experiencing an epidemic of heroin and other opiate overdoses, and generally law enforcement is the first to arrive on the scene, providing life-saving medications if available. Equipment will be purchased, including replacement four emergency warning sirens. He explained that members of the Criminal Investigation Division will be increasing the number of public presentations on subjects such as awareness and prevention of juvenile-involved computer sex crimes, along with drug awareness crimes. They will be working with Community Relations to provide information to the public, which will include more social media presence containing pertinent and real-time information. He reviewed the capital purchases for the Police Department, including vehicles. He informed that over \$230,000 of computers and hardware/software for inside the vehicles was purchased using their Federal Forfeiture Narcotics account, resulting in no cost for the taxpayers of the city. Chief Berg addressed the continuous training needed, not only for the new officers and those being promoted to specialized services, but annual training consisting of CPR and first aid, firearms and TASER training, emergency vehicle operations, and active shooter training, which they take part in combined with the Fire Department. This is all in addition to new training for the members of the Criminal Investigations Division, capturing and preserving the criminal evidence

from personal handheld computer devices. They will also be receiving training from groups like the Middle Eastern Law Enforcement Officers Association and others so they can better communicate with the people whom they serve in the community. Chief Berg outlined the building improvements they recently experienced, including, with the help of a grant, the expansion of their animal kennel in the basement of the Police Department. They have been awarded \$5,000 this year from the same grant source because they were so impressed with the use of the grant dollars last year. Their Special Response team has received approximately \$32,000 in grant funding over the past couple of years to update their equipment. He stressed that Sterling Heights continues to be one of the safest communities in America with a population of over 100,000, and this is due to many reasons, including their partnership with both the Utica and Warren Consolidated School Districts and their Safe Schools Initiative, where officers are in each school every day communicating with the administration and school staff, making their presence known. Their partnership with the community as a whole, as well as the pride and support of the community through Safe Streets Initiative and other community outreach programs, combined with the hard-working dedicated officers of the Police Department, all contribute to make Sterling Heights a safe place to live. Chief Berg concluded by thanking the City Council on behalf of the Police Department for their continued funding and support.

Mr. Vanderpool noted it is clear with the training and state-of-the-art technology and commitment to succession plan why the City continues to have one of the

safest communities in the Country. He announced that the Fire Department improved its ISO rating and it is now a "2". He added there are only two cities in the State of Michigan that have reached that level, one being Sterling Heights and the other being Kalamazoo, and reported there is no city in the State of Michigan that has a "1" rating.

Mr. Steve Deon, IT Director, presented an overview of the proposed budget. He stressed infrastructure is the most critical component of Information Technology Department, and that includes the wide area network that provides all voice and data communications citywide. He explained that the data center is the heart of the Information Technology Department, and with the help of Facilities Maintenance, major improvements have been made over the last year. He reviewed some of these improvements, including a new fire suppression system, air conditioning unit, a new UPS for power outages, hardware updates, and keeping mobile and cellular devices current. Desktop computers are replaced on a 5-year rotation, and replacement of Mac desktop publishing computers for the Community Relations Department. The desktop publishing software continues to drive the need for frequent upgrades to the hardware. Mr. Deon explained the 30 access points installed in all city buildings for wireless internet access. These wireless access points allow connectivity for employees, residents and guests at these locations. He added these will continue to be upgraded as their need for wireless activity steadily increases. He talked about the enhancements made to the Public Safety mobile network, which is critical for them to receive calls for

service, communicate with the dispatch center and operate the Public Safety software. He further addressed the technology installed in the buildings and vehicles to ensure faster transfer of data and connectivity. They have increased band width, which is necessary to provide more mobile to cloud-based technology. IT will be requesting a replacement of the current outdated phone system and an increase in data storage in 2017-2018. Software in several departments has been upgraded, and the 2016-2017 budget will allow for upgrades to the GIS system, which is critical for all modern applications that require any type of mapping services. It will also include funding for CityWorks Asset Management software for the Public Works Department, which will replace several legacy software packages to streamline it into one easily accessible database. SeeClickFix software will also be installed and used as a service tool that empowers active citizens a simple avenue to reach their local government about non-essential issues they see within their communities, and it will interact with other city software. IT has discovered that email encryption can be offered to all city employees at no additional cost. Current security hardware is already being configured for this enhancement. Mr. Deon concluded his presentation by noting that the Technology Plan will be updated, incorporating input from all city departments and community members, as well as stakeholders involved.

Mr. Vanderpool commented it is easy to see how technology has become the backbone of their organization and how much they rely on it every day, and he commended Mr. Deon for ensuring the system works without glitches.

Mr. Michael Moore, Department of Public Works (DPW) Director, reviewed the vehicles and equipment included in the upcoming budget, and their important day-to-day uses in the city. He explained the CityWorks software is a comprehensive web-based work and asset solution, and manages infrastructure data. It will eliminate five other proprietary programs that the DPW operates and pays for. This program will let the DPW to property track its utility assets and associated costs, and it uses the current GIS mapping system to label and identify assets such as underground water, sanitary and storm lines. Mr. Moore explained that this past winter the Department of Environmental Quality (DEQ) visited the Public Works Department to conduct an assessment of their water supply. He discussed in detail the water booster station located at Dobry Drive and Dequindre, explaining that it will need a bypass system installed to meet DEQ requirements. Installation of a bypass system will result in uninterrupted water pressure and quality to the residents during pump failures and maintenance. He added that the monitoring system to collect and relay this information is outdated and cannot be upgraded. The DEQ requires a SCADA system that effectively monitors and reports any issues with the community water supply, and these will be upgraded this year. They are also being mandated by the State to educate residents on a residential cross control program. He explained that a cross connection is any arrangement of piping on a building's plumbing system that could result in a backflow of contaminants into the public drinking water supply system. A simple garden hose connected to the faucet at one end with the other

end lying in a mud puddle could result in a backflow reversing the flow from a building's plumbing system back into the public drinking water supply. Each residential home will be required to have some type of backflow device on irrigation systems or the exterior hose fittings. They do not have an effective date yet, but he felt it will be mandatory and eventually testing will be required by a certified backflow testing licensed plumbing contractor at the resident's expense.

Mr. Moore discussed the importance being placed on tree-planting in the rights-of-way throughout the City, noting that during the month of May, residents can purchase a tree at a \$50 discount for those who want to plant a tree in the right-of-way in front of their home. He showed a map depicting areas that may be receiving trees this year. He reported that the Street Services Division will continue repairing roadways, and he outlined the five areas of concern that will be addressed this summer. He stated they have been working diligently with their new refuse contractor, Rizzo Environmental Services, and he advised that mailers have been sent out to every home informing them of any changes and new options to purchase carts for refuse and yard waste. By next week, Rizzo will have over 15 new trucks in the community every day, collecting refuse and yard waste. He reviewed a list of acceptable materials that can be comingled into the recycling cart. Any residents wishing to sign up for the curbside recycling program will receive a 64-gallon cart with a weekly pick-up at a cost of \$57 per year. Mr. Moore indicated that concludes his presentation for the 2016-2017 proposed budget for the Department of Public Works.

Ms. Bridget Doyle, Community Relations Director, made the last presentation of the evening. She noted that Community Relations has the opportunity to be involved in every facet of the City's government, and are the voice of the City. They are the first line of communication to residents. They work every day to share the good work of their volunteers, and organize Sterling Fest each year, with more than 100,000 visitors to the City's campus. They coordinate and promote the City through media coverage, promote the City's stellar safety services and celebrate diversity. They celebrate community success in athletics and academics, as well as work to promote tolerance and understanding among the City's ethnic and cultural groups. Ms. Doyle informed that they are revisiting the City's marketing strategy in an effort to make sure they are achieving the City's goals and meeting the needs of the residents. She reported that technology is constantly evolving, and while some residents still prefer to make a telephone call to the city for information, many others are using other forms of media such as the website, social media, video coverage, media contact, the City magazine that is mailed numerous times throughout the year, through events and activities and advertisements. They are working to streamline communication and increase accessibility. They have started to use YouTube to share city meetings. She added that SeeClickFix, the all-in-one iPhone app, will provide a convenient way for residents to reach City Hall. They have updated their website to make it more user-friendly, and she urged residents to continue to share their thoughts with the City at webmaster@sterling-heights.net . Ms. Doyle informed that they will be

hiring a Digital Content Coordinator this year whose job will be focused on creating and driving content on all of the City's digital platforms, and she outlined some of the responsibilities of this new position. She advised they are in the process of gathering applicants and hope to begin interviews next week. She stressed they appreciate their volunteers in the community and have added an easy button on the website for those interested in volunteering for one of the many opportunities available. She emphasized that placemaking is important in a community because it strengthens the connection between people and the places they share and results in the creation of quality public spaces that contribute to peoples' health, happiness and well-being, and has measurable economic impact. She assured they will continue to support the City and all of its departments focused on placemaking. She outlined some of their recent and upcoming placemaking efforts. She reported that, at the recommendation of City Council, they will also be kicking off a new resident program in 2016 as a compliment to placemaking, and she advised the meetings will be held at 6 p.m. on two weeknights throughout the year. She added that the goal will be to reach residents in a more personal way and inform and educate newcomers on City programs, events, guidelines and more. The first of these meetings will be held on Wednesday, August 31st at the Library Programming Center. Ms. Doyle stated that their broadcast system is outdated, and she outlined what the complete City Council's broadcast audio equipment upgrade will include. She advised that the City will be holding its first State of the City Address on Friday, September 30th,

2016 at 8 a.m., at the Wyndham Gardens (the former Sterling Inn), and those interested can purchase tickets through the Sterling Heights Regional Chamber of Commerce and Industry. She advised that SHTV will be covering the event in full, and it will also be available on YouTube.

Mr. Vanderpool commented that the scope of service offered in this City is outstanding, and the proposed budget continues the City's longstanding tradition and commitment to excellence. He announced that this concludes the presentations for this evening and indicated they are willing to answer questions.

Mayor Taylor asked for comments from citizens.

Mr. Jeffrey Norgrove thanked the City Administration for their hard work in preparing this budget. He questioned whether any consideration has been given to replacing the furniture in Upton House to more accurately represent the period of the home. He was in favor of the proposed plans by Parks & Recreation. He requested an update on the Great Lakes Water Authority.

Ms. Linda Godfrey thanked the department heads for their wonderful presentations. She was opposed to spending money for additional land acquisition for a dog park. She felt there should be transparency for the costs associated with the proposals in the Placemaking 2030.

Mr. Charles Jefferson inquired as to the plans in place to assure the Police Department is more diversified. He further inquired as to whether there are plans to have cameras on the police officers. He felt they need to look

at the possibility of metal detectors here at City Hall. He asked how many current programs will be moved to the Community Center once it is complete. He suggested that, in the process of obtaining bids to renovate some of the restrooms at the local parks, some thought should be given to getting estimates for unisex bathrooms. Mr. Jefferson inquired as to the age requirement to be a participant at the Senior Center.

There were no further comments from citizens, and Mayor Taylor closed that portion of the meeting.

Councilman Skrzyniarz inquired as to whether some of the police officers carry Narcan, and if so, how many.

Chief Berg replied they do not have it at this time, although there are agencies in the area that do have it. He anticipated they will be carrying it once their officers are trained to administer it.

Councilman Skrzyniarz felt the Council should do what they can to support the police force, and he added if they can save even one life, it would be beneficial to speed this up. He was pleased to hear about the tree-planting program, and inquired as to the regulations for tree-planting on city streets versus those under the jurisdiction of the County when considering road rights-of-way. He supported Mr. Norgrove's comment about the furnishings at the Upton House and felt they should look at either taking dollars from the budget or the possibility of having city-supported fundraisers. He stated he would like the City to present them with a plan on road funding, and inquired as to whether they can infuse additional

dollars into the roads this year. He added that he would love to get the public involved in this process so they can voice their concerns. Mr. Skrzyniarz questioned whether some of the money they are saving with the new refuse contract could be put into the roads.

Councilman Shannon questioned an earlier comment that the City may be able to acquire Narcan for no cost.

Chief Berg replied through the grant process, there is an organization that is supplying Narcan to law enforcement, and they are investigating that possibility. He added one form is a nasal spray, and another form is similar to an EpiPen injector. They are looking at which one is more feasible, and he anticipated they will be putting it to use in the next couple of months. Chief Berg informed the Fire Department carries the Narcan, and they are generally dispatched before the Police in a medical emergency.

Councilman Shannon felt it should be done as soon as possible. He also inquired how important social media software is to the Police Department.

He indicated the social media software can aid them in monitoring what is being said about different activities or possible disruptions. It also helps them to identify threats in and around schools, and provides a tool to help predict or intercept these incidents before they occur. It would allow them to collect data and be proactive when there are threats. He replied to further inquiry that the type of activity of predators trying to pick up children through the use of the internet is

a different type of activity and would not be included in the software the Police Department is requesting.

Councilman Shannon questioned the requested \$50,000 for ammunition for training, and yet noted they are not budgeting anything for this. He questioned how many new Police Officers this year.

Chief Berg replied they have 24 new employees and they will be hiring another 26 over the next year.

Mr. Baker responded that they had \$41,000 in last year's budget for Administration, and they are not increasing it but continuing with that increased \$41,000 from the prior year, so two years equates to \$82,000, which will cover any training for new officers.

Councilman Shannon raised the question about the backflow testing that is currently being done on condominiums, and he inquired as to whether this is similar to what they are anticipating will be required of each single-family residential homeowner.

Mr. Moore replied affirmatively, noting that any condominium with more than four units on one meter is currently required to be tested. It is anticipated that all residential homes will eventually be required to have this same testing. He did not know how frequently they will have to test, but estimated it may be approximately \$100 or less per inspection.

Councilman Shannon stated that, a couple of weeks ago, he went out on the road with some of the Department of Public Services employees, and he inquired as to

what would make their jobs easier. He noticed they had requested a sewer camera.

Mr. Moore responded that they have a video inspection camera but it can only accommodate a pipe 8" to 12" in diameter. The reason he requested a camera that can handle larger pipes is that they have not yet begun to clean any of their sanitary or storm sewers, and he felt it would be helpful to determine issues before they become problems.

Councilman Shannon was pleased to see them moving forward on a Technology Master Plan. He suggested DPW hold an Open House and felt families would love to see the large equipment and trucks up close.

Councilwoman Schmidt agreed that the roads need work, but could not imagine one more road being under construction at this point. She inquired as to whether DPW has increased the number of spray applications for mosquitoes at Dodge Park.

Mr. Moore responded that he believes the budget was increased by \$10,000 for additional spraying for mosquito control.

Councilwoman Schmidt inquired as to how much of the cost increase for water is related to making up for the unpaid water bills in Highland Park and Detroit.

Mr. Baker estimated that approximately 3.5% of their sewer rates are going toward Highland Park's unpaid water bills. He indicated they wrote a letter to the Governor requesting his help. Highland Park is continuing to remain connected to the system but is not paying their bill, so something needs to be done. He

assured that is one of the things they are trying to fight since they have a seat on the Water Authority.

Councilwoman Schmidt felt all residents should be outraged at having to pay for the unpaid bills of other communities. She inquired as to whether residents will be able to use PayPal accounts when signing up for Parks & Recreation programs using the new RecPro software.

Mr. Langlois replied they can take cash, check or charge, and they have a drop box available for after hours, but PayPal is not one of their accepted forms of payment.

Councilwoman Schmidt urged them to look into PayPal as an option. She felt a lot of residents feel more comfortable paying through PayPal rather than having their bank information on line. She was pleased to see the expanded Music in the Park series, and urged Parks & Recreation Department to let the local high schools and junior high schools know way in advance about the upcoming “Battle of the Bands” so they can start practicing early.

Mr. Langlois replied that program is not starting until June 2017.

Councilwoman Schmidt inquired as to whether the Dodge Park Pavilion will be available as a covered parking area when not in use for the Farmer’s Market or the ice skating rink. She also suggested that some of the old playground equipment being replaced with newer playscapes could be sold because it is still usable. She inquired as to whether the City has an “Adopt-A-Park” program.

Mr. Langlois responded the pavilion is rated for parking, and the cooling coils for the ice rink are positioned underground. He added it could also be used for inline skating. He replied to further inquiry that the City used to have an "Adopt-A-Park" program, but they found most people would only sign up one time, and their volunteers started to drop off, after the City went to all the trouble to make signs and promote the program.

Councilwoman Schmidt felt neighborhood associations may be interested, especially for the parks in their neighborhoods, because it creates a sense of pride. She questioned where the Police Department will receive the training for Narcan, and whether that training can be done by the Fire Department personnel who are already using it.

Chief Berg responded that Judge Linda Davis is spearheading a program and has arranged for physicians to train city personnel at no charge to the community.

Councilwoman Schmidt felt having officers in the schools is important, to show there is someone to take care of business but also to go to as a resource.

Councilwoman Koski inquired as to the ratio of police officers to residents in the City. She asked Chief Berg if he felt they should increase the number of officers, and by how many.

Chief Berg responded any police chief is going to say they need more. He informed they have 149 sworn officers for approximately 130,000 residents. He felt they are doing a very good job policing the city, but believed they could use more, and will be requesting more in the next fiscal year.

Councilwoman Koski noted an officer was taken off the road and placed in investigation. She questioned whether that officer should be replaced, noting how important it is to have officers on the road.

Chief Berg replied he would not object to that request.

Councilwoman Koski recalled a canine officer position was reduced in the last budget year, and she suggested bringing that position back so there are three canines in the department: one for day shift, one for night shift and one for narcotics. She inquired as to whether Chief Berg would object to that request.

Chief Berg cautioned that it would need to be properly funded.

Councilwoman Koski commented she had an idea where they may be able to find the money. She further inquired as to whether the Chief is still in charge of Emergency Management.

Chief Berg replied that, as far as having another officer with a dog, he stated he will never turn down the offer to have more officers on the shift. Regarding Emergency Management, he replied he is still in charge until they move forward.

Councilwoman Koski stated the Community Emergency Response Teams (CERT) Program is a great program. She inquired as to whether the Police Chief has thought about working with them and training them. She estimated their membership to be only 25.

Chief Berg agreed the CERT program is great but the training comes through the County and through some of their Training Officers. He would be glad to work with them if it was feasible to do that type of thing.

Councilwoman Koski understood they get trained at the county level but felt it would be better to train in their local community, similar to what the Fire Department does. She felt if they had their own people involved and trained, they could train anyone new coming in.

Chief Berg replied the cost would depend upon the type of training. The City's Training Bureau is very proficient and that would be another option. He also suggested that there is training available on the computer.

Councilwoman Koski inquired as to the item in the budget on animal control.

Chief Berg replied they have a temporary holding process for stray dogs or cats, with kennels in their basement, cared for by their Animal Control Officers. They are receiving a grant to add more kennels and have an area approved by the Department of Agriculture. The County is going through some changes and hopefully they will be going back to using their services in the near future, although they will still need the temporary housing.

Councilwoman Koski inquired to Ms. Doyle whether she has given any thought to asking volunteers to offer training classes for senior citizens to be able to use some of the technology applications, such as SeeClickFix.

Ms. Doyle replied it would be beneficial to hold a couple of classes at the Library once they get SeeClickFix up and running. They have held Facebook classes and also held a class on the website, which was very helpful. She assured the SeeClickFix app is fairly easy for those used to iPhone apps, but felt it would still be helpful to hold a couple of classes. They will also be putting together a tutorial

on how to use it, and that will be on SHTV. She replied to further inquiry by elaborating a little more on the proposed two meetings a year for residents, noting they have worked with the “English as Second Language” adult groups that come through the Warren and Utica Schools, and have brought them in to give them a brief informative slide presentation about the services of the city and how they can reach the City. The idea is to provide new and current residents a basic breakdown of their city services.

Councilwoman Koski questioned whether they can partner with another community with regard to water services.

Mr. Baker replied that is one of their performance objectives that they will study, and there was an idea that some of the communities in the County could share their water demand, enabling a collective savings. He stated Public Works and legal counsel, will be involved in investigating this possibility. Mr. Baker replied to further inquiry that, with regard to the general expenditures for DPW, the majority of that nearly \$1 million is for street lighting. He replied to further inquiry that there is street lighting on major roads. Councilwoman Koski noted a dark area on Utica Road, just beyond the round-about, and she inquired as to how much it would cost to add a couple of lights in that location.

Mr. Baker assured there are street lights in the traffic circle, but City Development could take a look at it to determine feasibility and cost.

Councilwoman Koski felt that may be something they can look at in the near future, and added she would like a cost estimate. She further inquired as to

whether Mr. Vanderpool could prepare a budget amendment for the next meeting with regard to adding a canine officer to the Police Department.

Mr. Vanderpool assured he would be happy to consider that at the direction of Council, although he cautioned that with the new Chief, he was not sure if the next meeting would be feasible to put this information together. He felt they could have an update in 30 days, although he assured they will respond to the pleasure of the Council. He felt if they come back in December with a budget amendment, that would give Chief Berg some time to assess the needs of his department and possibly do some other tweaking.

Councilwoman Koski felt that would be no problem and urged them to take as much time as they need.

Councilwoman Ziarko inquired as to whether eBooks are counted in the Library's circulation statistics.

Ms. Turgeon replied affirmatively, noting they are offering a lot more in the way of electronics, including downloadable music and magazines.

Councilwoman Ziarko inquired as to whether there are plans to extend the Farmer's Market season since they will have a new shed.

Mr. Langlois replied it is something they can consider, but pointed out that attendance dropped considerably in the fall. He felt they may have a few extra dates for more specialized markets, possibly at Christmas, and he replied to further inquiry that it may not be limited off-season to Thursday evenings but could be on a Saturday morning barring any scheduling conflicts.

Councilwoman Ziarko questioned the current number of Police Officers and whether this includes an overlap of people so that those scheduled to retire can train the new hires. She added she is concerned about so much institutional knowledge “walking out the door”.

Chief Berg replied they are currently 8 officers above their budgeted number and anticipate 22 leaving in June. They hired 10 in March, so their numbers are up, but they will be understaffed once again in June. They will bring in 6 more in July, and another 8 in the fall. He advised they will need to create a new eligibility list in the fall and will be hiring again in January of next year, but anticipate another 17 officers retiring next June.

Councilwoman Ziarko requested information on what would be a good operating number for the Police Department at any given time, and whether they can function with two canine officers.

Chief Berg replied they have one canine officer on days and one on afternoons, although they are both good about reporting to the station relatively quick if they need to come in after hours. He informed that if they are not available, there are other agencies they can call on occasionally. He assured they are not deficient in that if they need a canine, they can get one. He replied to further inquiry that they have mutual agreements with surrounding communities, and although they have not been called upon recently by others, it is still available. Chief Berg added that they get different types of calls now that requires a different kind of dog.

Councilwoman Ziarko requested clarification on the changes that have taken place regarding forfeiture accounts.

Chief Berg responded that the federal government completely shut down forfeiture methods. They got a certain percentage based on what was seized. That was stopped, and the \$1.2 billion that was supposed to be in local communities was taken out of their budgets and into the federal budget. He added that was reversed in the last couple of weeks, and they should start to see it return, but he is not sure if they will get the same return on it.

Councilwoman Ziarko requested that the Police Chief keep the Council informed on this matter. She relayed that she is receiving calls regarding “grow houses” in the City, and although she felt they have a great ordinance regulating this, she inquired how many are registered.

Chief Berg replied they have one currently licensed and one applicant, but he estimated there are hundreds in the City that are not registered. He urged residents to call the police if they suspect there is illegal activity, and he stressed the Police Department will conduct the investigation. If it is illegal, it will be shut down and the appropriate enforcement action will be taken.

Councilwoman Ziarko thanked Mr. Deon for finding the free encryption software. She inquired as to clarification from Mr. Moore as to whether the dump truck proposed for purchase is the second truck purchased in the last two to three years.

Mr. Moore replied they purchased a single-axle dump truck last year, but this is a tandem-axle truck. He noted the possible needs for the future, including a small dump truck for the City campus.

Councilwoman Ziarko inquired as to whether water can be tested in older homes, and if so, who gets charged for it.

Mr. Moore replied the City does not do water testing, but there is information on the Public Works page of the City's website, and he indicated he can work with Ms. Doyle to have that link highlighted on the front page of their Public Works page. He advised there is some brief information on how to properly collect the water sample, and there is a \$15 charge. They can send the sample, along with their fee, to Mount Clemens, and the results will be sent back to them. He replied to further inquiry that currently a residence with four dwelling units or more on one meter has to be tested for backflow devices, and that is regulated by the State.

Mr. Moore replied to still further inquiry that the information from Rizzo was mailed, but it may be a couple more days before everyone receives their letter in the mail. He felt everyone should receive it no later than this Friday.

Councilwoman Ziarko inquired as to whether the intern position in Community Relations will be a paid position or whether it will be in lieu of a college credit for the student.

Ms. Doyle replied they are looking at a paid intern from Specs Howard because they place a lot of very qualified interns. She reminded that there are still only two full-time staff members so they were not sure they would have the time to

work with an intern, but they feel they are now ready. After the 120 days is up, they will rotate and get another intern.

Councilwoman Ziarko inquired as to the SeeClickFix app that will soon be available.

Ms. Doyle explained that some people are intimidated with having to come into the City Hall, but if they see a code enforcement issue, it will be simple for them to report by using this new software application on their computer or phone.

Councilwoman Ziarko stated she was pleased to see this new service available to the residents, and complimented Mr. Baker on his knowledge of the budget.

Mayor Pro-Tem Romano commended Mr. Baker and his entire staff for putting this together and keeping the numbers down. He questioned Chief Berg as to whether the bullet-proof vests and weapons are returned to the department when an officer retires.

Chief Berg explained that a new hire's contract specifies that they will be supplied with a weapon, a vest and the first draw of uniforms. He noted that a new vest cost \$756 each. He stated that each person assigned a pistol treats it differently, but there is a shelf life on them. Some go for target shooting every day and others do not use theirs as often. Each officer is responsible for taking care of their own pistol, and that is their lifeline. The pistols are not recycled because they are not sure of the care that was taken with it, so they are retired with their officer. The federal government has determined the vests have a 5-year shelf life, and the officers are required to replace them using their uniform

allowance. Chief Berg replied that they have to put a policy together to protect both the citizens and the community when it comes to Citizens on Patrol. Because the Police Department will have new vehicles, they can possibly share some of the older vehicles after July 1st with the Citizens on Patrol.

Mayor Pro-Tem Romano inquired as to whether the backflow devices are something that can be purchased in local hardware stores.

Mr. Moore replied they can be purchased at any hardware store for less than \$5, and if they are eventually mandated, they can be installed by a plumber.

Mayor Pro-Tem Romano could not understand why residents would not want to be proactive and install them if the cost is low. He addressed Mr. Langlois, noting he had requested a golf cart as an option to driving cars around for short distances.

Mr. Langlois replied he was not able to obtain a golf cart from the former Sunnybrook because they leased theirs out. He acknowledged they received a cart from Utilities Maintenance; however, it is a good vehicle for passengers but not good for holding trash and other materials they need to haul on a day-to-day basis. He replied that the cost of a used cart is around \$6,000. A new Toro version sells for \$8,000.

Mayor Pro-Tem Romano stated he would like to see the budget adjusted to include this purchase, noting that Mr. Langlois has been requesting this since he has been hired. He did not feel it is a big request. He inquired as to the covered canopy requested for the Nature Center and what it would cost. He felt they do

not do a lot for the Nature Center, but children enjoy it. He noted that there is a proposed budget amendment for \$50,000 to hire a firm to provide data and strategic analysis for retail recruitment in the City, and he inquired as to whether this amount could be reduced. He commented that they are already paying Bonner Advising Group, so he stated he cannot vote in favor of this much money for this purpose.

Mayor Taylor thanked the department heads for their presentations, and inquired as to whether the Police Department has statistics on overdoses occurring in the City.

Chief Berg replied it is difficult to quantify because they come through the system as “medical”. They are not classified as overdoses so they cannot keep statistics. He suggested the Fire Department may have more data because they are actually providing treatment. He replied to further inquiry that he estimates they get at least from 3 to 6 calls each week related to overdoses.

Mayor Taylor emphasized this has become a huge problem, and he has heard of statistics that there is a drug-related death in Macomb County every 2 to 3 days. He questioned whether Narcan can bring an overdose victim back to life.

Chief Berg replied that seeing a lifeless person coming back to full consciousness within moments after receiving Narcan is amazing.

Mayor Taylor felt it is a great life-saving device, but it does not fix the systemic problem. He felt it is important they deal with this crisis, and questioned how police can partner with other communities and schools on this, adding that many

of the drug users start with a prescription drug, and when they can no longer get the prescription medicine, they resort to heroin or something stronger.

Chief Berg reported that when they were dispatched to a location for an overdose, they had been treating these emergency calls as “medical”; however, they would be back at the same location in another month for the same cause. They are now charging the person with heroin/drug possession. He stressed this charge puts them into the court system. He added that many of these people get addicted by using Vicodin or Oxycodone, but those drugs end up being more difficult to obtain than a \$20 pack of heroin.

Mayor Taylor appreciated that these individuals are now being charged with drug possession, but he felt the court system cannot handle it. These people are thrown in jail or are fined, and he inquired as to what cities can do to implement drug courts.

Mr. Vanderpool assured the City is very concerned about this issue, and they have had many meetings about it. They are working with numerous government entities to try to get more funding. He stressed the parents need to understand the severity of this issue, and they are working with the medical industry as well. He felt possibly looking to change the courts for these types of incidents is an option, and he assured they will report back to Council. He further assured they will be working hand-in-hand with all of the stakeholders who need to be involved.

Mayor Taylor commented that these drug overdoses are occurring in people of all ages, ranging from junior high all the way up to older adults. On a lighter note, he was pleased to see the expansion of the Music in the Park series.

Mr. Langlois replied they will continue four weeks after Sterling Fest, and they will be ramping up their advertising campaigns for these events. He replied that the first Farmer's Market will coincide with the first Music in the Park concert, taking place on Thursday, June 2nd.

Mayor Taylor recalled there have always been additional attractions tied in with the Farmer's Market, such as the Music in the Park series. He questioned whether there will be other activities once the Music in the Park series is over.

Mr. Langlois replied that Music in the Park is a main attraction, and once those end, they will be hosting special events such as the Pet Parade and a pie-making contest. He advised residents to watch for these events through the marketing efforts that will be taking place later this summer.

Mayor Taylor announced that this concludes the presentations and workshop discussion.

2. Budget Amendments

Motion by Skrzyniarz, supported by Taylor, resolved, to increase the 2016/17 Proposed Budget by \$50,000 and reduce the contribution to General Fund reserves in order to fund a retail recruitment strategic analysis for the City.

Councilman Skrzyniarz spoke about the drug overdose crisis being brought to the forefront this evening, he felt there is a lot the City can do about the drug issue.

He suggested a lot of communities hide from it, but he felt by accepting the fact they have a problem may lead to their coming up with a plan. He admitted it may be limited to just bringing awareness to the community and educating youth on the dangers of drug abuse. He stated he would be glad to retire this amendment on the floor but would ask Council to come up with a subsequent amount to fund a plan for this City with regard to the drug abuse, possibly finding matching funds to support their aggressive efforts to start this.

Councilman Skrzyniarz withdrew his motion.

Motion by Koski, supported by Romano, resolved, to increase the 2016/17 Proposed Budget by \$100,000 for the cost of completing the sidewalk gaps on the Clinton River Road, west of Schoenherr to Hayes Road.

Councilwoman Koski felt this is promoting a hike/bike path and the entrance to that path is south of Clinton River Road, just west of Schoenherr. This will complete the sidewalk from Hayes all the way to that location, where they will be able to access the park system. She stressed that Clinton River Road, being a two-lane road with a lot of curves, is not conducive for bikers, and the sidewalk will help.

Councilwoman Ziarko agreed with her colleague. She inquired as to whether any water main work will impact traffic in the area, because she did not feel the area can handle another detour.

Mr. Vanderpool assured the water main they need to gain access to will be in the area of the sidewalk, although when the tap is made there may be some disruption but he felt it would be minimal.

Councilman Shannon inquired as to whether this infrastructure would need to be done and they are going to do it at this time so as not to have to tear up the sidewalks later.

Mr. Vanderpool replied some of the houses may want to tap in, and they could do it at this time because they will not have to tear up any sidewalk.

Yes: All. The motion carried.

Councilwoman Ziarko requested more information from the Police Chief as to their department needs before allocating money.

Councilman Skrzyniarz agreed, and felt they need to make sure when they take action they want to make sure they have allocated enough and not just a few thousand dollars.

Motion by Romano, supported by Schmidt, resolved, to increase the 2016/17 Proposed Budget by up to \$8,000 to fund a utility cart for the Parks and Recreation Department.

Yes: All. The motion carried.

Mr. Langlois replied to inquiry that he estimated a cost of approximately \$40,000 for a covered pavilion, including the concrete, picnic tables and labor.

Mayor Taylor stated he would be comfortable looking at this when the Parks & Recreation Master Plan is presented in the fall.

Mayor Pro-Tem Romano noted the canopy is on a conceptual plan at this point, but questioned whether they will still get the canopy if the plan does not come to fruition.

Mr. Langlois replied they would not get the canopy at that point.

Mr. Baker replied to inquiry that if the Council wants to make an amendment, an amount should be included. It would have to come back before Council when awarding the bid, and at that time, they can amend the budget to include more money or save the money if it is less than budgeted.

Motion by Romano, supported by Koski, resolved, to increase the 2016/17 Proposed Budget by \$40,000 in order to fund a canopy outside the Nature Center.

Councilman Shannon inquired as to the proposed use for this canopy.

Mr. Langlois reported that they host many school trips at the Nature Center, and the canopy would provide a staging area for learning. They could gather under the canopy, and then proceed into the Nature Center. It would also provide a place for the school groups to eat the lunches they bring. He added that residents would also be able to enjoy the covered area as well.

Councilman Shannon commented that, while it sounds like a good idea, it is a lot of money to commit to in a short time without being able to research it. He added he would like to hold off on this until he sees the entire Parks & Recreation Master Plan.

Councilwoman Ziarko agreed with Councilman Shannon, and felt that it is a good idea but this may not be the right time. She did not anticipate that it would be

constructed until after July, and it is their plan to have a ballot proposal in November. She questioned why it would be included now, and yet be part of the Master Plan in November.

Councilman Skrzyniarz agreed that he would like to hear the entire plan sometime within the next couple of months, and see how it fits into the entire Parks & Recreation Master Plan.

Councilwoman Schmidt agreed with her colleagues, and felt it would be great for the children. She questioned as to whether they could vote now to add this item to the Budget if the ballot proposal does not pass in November.

Mr. Bahorski replied he felt that would be problematic for Mr. Baker, but advised that the budget can be amended throughout the year.

Councilwoman Schmidt felt even if the Council approves this budget amendment tonight, the pavilion would not be constructed until sometime late summer or early fall. She stressed she would have no problem amending the budget right away if the ballot proposal does not pass.

Mayor Taylor felt it is a project very deserving but it should be part of the bigger plan that includes all of the parkland up and down the river. The Master Plan will be looking at how to best use all of their assets. He commented that he would support it as part of the Master Plan to be presented this fall.

Yes: Romano, Koski. No: Skrzyniarz, Taylor, Ziarko, Shannon, Schmidt. The motion failed for lack of votes.

COMMUNICATIONS FROM CITIZENS

Mr. Charles Jefferson – Questioned whether the police officers are multi-lingual, and expressed concern about real estate becoming overinflated like it prior to the recession. Concerned about ultimately having to pay for the water problem in Flint.

Mr. Jeffrey Norgrove – Liked the idea mentioned about a drug court, but also suggested having a veteran’s court because a lot of veterans are addicted to drugs.

REPORTS FROM CITY ADMINISTRATION AND CITY COUNCIL

Mr. Vanderpool stated he had nothing further to report at this time.

Mr. Bahorski added that he had nothing to report at this time.

ADJOURN

Moved by Ziarko, seconded by Romano, to adjourn the meeting.

Yes: All. The motion carried.

The meeting was adjourned at 10:05 p.m.

MARK CARUFEL, City Clerk

*Delivered May12, 2016
Agenda Item 1-A
Meeting: 05/17/16*

UNOFFICIAL MINUTES

CITY OF STERLING HEIGHTS

MINUTES OF SPECIAL MEETING OF CITY COUNCIL

WEDNESDAY, MAY 4, 2016

IN CITY HALL

Mayor Michael C. Taylor called the meeting to order at 6:30 p.m.

Mayor Taylor led the Pledge of Allegiance to the Flag and Mark Carufel, City Clerk, gave the Invocation.

Council Members present at roll call: Deanna Koski, Joseph V. Romano, Maria G. Schmidt, Nate Shannon, Doug Skrzyniarz, Michael C. Taylor, Barbara A. Ziarko.

Also Present: Mark D. Vanderpool, City Manager; Jeffrey Bahorski, City Attorney; Mark Carufel, City Clerk; Carol Sobosky, Recording Secretary.

APPROVAL OF AGENDA

Moved by Koski, seconded by Romano, to approve the Agenda as presented.

Yes: All. The motion carried.

REPORT FROM CITY MANAGER

Mayor Taylor indicated they will be skipping the report and going right into the presentation.

PRESENTATION

Mayor Taylor introduced Mr. Karl Oskoian, Executive Director of the Sterling Heights Community Foundation, who will make the presentation this evening.

Mr. Oskoian welcomed everyone to their 18th Annual Scholarship Award Ceremony. He noted that the Foundation was established in 1991 to strengthen the overall quality of life of Sterling Heights residents by improving their cultural, recreational and educational opportunities by continually initiating and implementing visionary projects that reach a wide segment of the community, and works in partnership and collaboration with area businesses, companies, organizations and other non-profits. He informed that their ten scholarship partners are awarding a total of 35 scholarships worth \$34,500 this evening. The organizations awarding scholarships this evening include BAE Land Systems, Fiat Chrysler Automobiles Foundation, Ford Motor Company Foundation, Friends of Tom Kroll, General Dynamics Land Systems, Macomb County Chiropractic Association, Former Mayor Richard J. Notte Endowment for Government Public Service, Rotary Club of Sterling Heights, Selfridge ANG/Base Community Council, and Sterling Heights Community Foundation. Mr. Oskoian reported that the Foundation began awarding scholarships in 1999, and, including this evening's awards, they will have presented scholarships totaling \$309,500 to 360 area students pursuing degrees in general studies, technical training programs, science, technology, engineering, math, health care, and other public service fields. He added the awarding of these scholarships are

based upon the sponsors' unique requirements, which include academic performance, leadership, community service, career plans and need. Mr. Oskoian introduced the Board members present tonight, including Doug Dinning (Dinning & Greve), Angela Lommen (BAE Land Systems), Wayne Oehmke (recently retired President of Sterling Heights Regional Chamber of Commerce & Industry), Dr. Martin Brown (President of the Foundation/Macomb Chiropractic Centers) and John Bozymowski (Macomb Intermediate School District).

Mr. John Bozymowski congratulated the 35 award winners and indicated that the Foundation is very proud of the students' accomplishments. He stated the first award sponsor is BAE Systems, and they have been a scholarship program sponsor for five years. They are awarding two \$1,000 scholarships to students pursuing an undergraduate degree in STEM (Science, Technology, Engineering and/or Mathematics).

Ms. Angie Lommen, BAE Land Systems, stated they are proud to have opened their facility in Sterling Heights in 2010 and enjoy the opportunity to engage in the community and help build the pipeline for future engineers to help build the combat vehicles that serve their soldiers. She presented the two \$1,000 scholarships to Cody McKay (University of Michigan) and Christina Thomas (Eisenhower).

Mr. Bozymowski stated Fiat Chrysler Foundation is awarding five \$1,000 scholarships to Sterling Heights residents graduating from high school with plans to pursue mechanical/electrical engineering, manufacturing, computer science or

automotive technician careers. He noted that Mr. Oskoian will present the awards.

Mr. Oskoian informed that Fiat Chrysler Foundation was the initial scholarship award sponsor when they started this program in 1999, and it began with their \$50,000 grant to the Foundation. He presented the awards to Marcus Djokic (Henry Ford II), Steven Dubey (Stevenson), Kyle Finley (Warren Mott), Dylan Gaines (Stevenson) and Michael Maguran (Stevenson).

Mr. Bozymowski announced that Ford Motor Company is awarding ten \$1,000 scholarships to Sterling Heights residents pursuing undergraduate degrees in STEM curriculum. He introduced Mr. Mike Schulhoff, HR Director at the Sterling Axle Plant.

Mr. Schulhoff presented the awards to Matthew Polgar (Sterling Heights High), Joseph McMullen (Henry Ford II), Brenda Wyffels (Utica Academy for International Studies), Darshil Patel (Utica Academy for International Studies), Colin Roach (De LaSalle), John Krieg (Sterling Heights High), Gregory Lauerman (De LaSalle), Adam Kogut (Stevenson), David Osinski (Stevenson) and Joshua Eck (Stevenson).

Mr. Bozymowski stated that General Dynamic Land Systems has been a generous supporter of this program since its inception, and are awarding four \$1,000 scholarships to high school students pursuing degrees in engineering.

Mr. Oskoian presented the awards from General Dynamic Land Systems to Calvin Hawkins (Henry Ford II), Casey Hempel (De LaSalle), Ryan Henigan

(Henry Ford II/Utica Academy for International Studies) and Katherine Wolff (Henry Ford II/Utica Academy for International Studies).

Mr. Bozymowski introduced the Macomb County Chiropractic Association, another loyal supporter of the scholarship program, and informed they will be presenting five \$1,000 scholarships to students pursuing a career in chiropractic health.

Dr. Martin Brown outlined some of the advantages of chiropractic care, and he urged anyone desiring a referral to a doctor of chiropractic care who subscribes to their code of ethical conduct, to contact their association. He presented the awards to Bradley Annas (Palmer College), Austin Hibner (Palmer College), Janelle Mackowiak (National University of Health Science), Chanel Metzler (Palmer College) and Julia Wood (International Academy of Macomb).

Mr. Bozymowski stated the next \$1,000 scholarship award is the result of a donor-advised endowment fund in honor of the dedicated service of long-time Sterling Heights Mayor Richard J. Notte. This is for Sterling Heights college students pursuing a degree in government public service. He introduced Mr. Michael Notte to present the award in his father's name.

Mr. Michael Notte stated, on behalf of his father, he is proud to award the scholarship to Amanda Ibrahim (Utica Academy for International Studies).

Mr. Bozymowski announced that the Rotary Club of Sterling Heights is awarding two \$1,000 scholarships to Sterling Heights high school or college residents.

Dr. Martin Brown, Rotary Club President and Sterling Heights Community Foundation President, introduced Jonathan Hinzman, incoming Rotary Club President scheduled to be inducted on July 1st, 2016. The Sterling Heights Rotary Club was founded in 1969, and its primary goal is to make the world a better place through local and international community service projects, and he outlined some of the services they provide. He presented the awards to Maria Muzzi (Stevenson) and Madeline Noechel (Cousino).

Mr. Bozymowski announced that the next partner is the Sterling Heights Community Council Scholarship Program, and it serves Selfridge Base Community Council. There will be two \$1,000 awards this year to students of military parents attached to the Selfridge ANG/Base. He introduced the presenter, Dr. Keith DeFever, President of the Selfridge Base Community Council and also a doctor serving at the Bay Area Family Physicians.

Dr. DeFever explained they serve as a support group for the military base and the military families attached to Selfridge ANG Base. It consists of 300 local business and professionals with a super-patriotic dedication to military personnel, and he explained the ways in which they help these military families. He presented the awards to two individuals who are children of soldiers attached to Selfridge ANG Base: Andrea Dobson (Salem) and Selena Joarder (Allen Park).

Mr. Bozymowski introduced Mr. Ken Lampar, who presented the award for this year's Tom Kroll Scholarship to Kevin Ruba (Stevenson). He explained that Tom Kroll was a teacher and a wrestling coach at Stevenson High School.

Mr. Bozymowski thanked the Utica Schools Alumni Association for this award. He indicated the last three \$1,000 awards presented tonight are from the Sterling Heights Community Foundation for students pursuing college degrees or vocational training. He added he is proud to present these awards on behalf of the entire Sterling Heights Community Foundation, the Mayor, all Council Members and the Community Relations Department, with Ms. Bridget Doyle, Director, and Ms. Karen Kasmer, Citizen Services Specialist. He presented them to Ashley Demick (Henry Ford II), Lilia Duncan (Utica Academy for International Studies) and Austin Piontkowski (De LaSalle). Mr. Bozymowski announced that this concludes the presentation this evening, and he congratulated all 35 scholarship winners.

Moved by Romano, supported by Schmidt, **RESOLVED**, to recognize and congratulate the 2016 recipients of scholarships awarded through the Sterling Heights Community Foundation Scholarship Program and to thank partners BAE Systems, Fiat Chrysler Foundation, Ford Motor Company, General Dynamics, Macomb County Chiropractic Association, The Family of Richard J. Notte, Rotary Club of Sterling Heights, Selfridge/ANG Base Community Council, Sterling Heights Community Foundation, and Utica Community Schools Alumni for their continuing generosity and support.

Yes: All. The motion carried.

Mayor Pro-Tem Romano was confident the scholarship recipients will all thank their parents tonight because without their help, the students would not be where they are today.

COMMUNICATIONS FROM CITIZENS

There were no comments from citizens.

ADJOURN

Moved by Ziarko, seconded by Romano, to adjourn the meeting.

Yes: All. The motion carried.

The meeting was adjourned at 7:19 p.m.

MARK CARUFEL, City Clerk

*Delivered May 12, 2016
Agenda Item 1-A
Meeting: 05/17/16*

UNOFFICIAL MINUTES

CITY OF STERLING HEIGHTS

MINUTES OF REGULAR MEETING OF CITY COUNCIL

WEDNESDAY, MAY 4, 2016

IN CITY HALL

Mayor Michael C. Taylor called the meeting to order at 7:30 p.m.

Mayor Taylor led the Pledge of Allegiance to the Flag and Mark Carufel, City Clerk, gave the Invocation.

Council Members present at roll call: Deanna Koski, Joseph V. Romano, Maria G. Schmidt, Nate Shannon, Doug Skrzyniarz, Michael C. Taylor, and Barbara A. Ziarko.

Also Present: Mark D. Vanderpool, City Manager; Jeffrey Bahorski, City Attorney; Mark Carufel, City Clerk; Carol Sobosky, Recording Secretary.

APPROVAL OF AGENDA

Moved by Koski, seconded by Romano, to approve the Agenda as presented.

Yes: All. The motion carried.

REPORT FROM CITY MANAGER

Mr. Vanderpool reported on some of the upcoming property maintenance activities going on in the month of May. They are looking for volunteers to

help out with “Pride and Shine Day” this Saturday, May 7th, starting at 9:30 a.m. at First Church of Sterling Heights, 3900 Dequindre. Once assembled, the volunteers will be assigned in small groups to go out to homes where the residents may need help with some light maintenance, such as raking leaves, trimming bushes, weeding or mowing grass. He added they hope to get to about 30 homes this Saturday, stressing it is a rewarding program that only takes a few hours of time.

Mr. Vanderpool announced that every Saturday in May, from 8 a.m. to 2 p.m., “Clean-Up Saturdays” will be hosted at the DPW facility on 18 Mile Road. Dumpsters will be set up to take items for disposition, including but not limited to tires, paint, old furniture, lumber, loose lawn clippings, household hazardous waste items (such as motor oil, pesticides and household cleaners), dirt and more, and a full list is available on the website.

Mr. Vanderpool cautioned residents that if their grass grows higher than six inches, they may get a warning from. They will be given a short time to come into compliance, and if they do not, the City’s contractor will cut it and the homeowner will be billed, and he added any unpaid bills will result in a lien placed against the property. He urged residents to report any violations to the City.

Mr. Vanderpool added that a new program, Plowz and Mowz, is available to residents who would like to have their lawn mowed if they are out of town or cannot mow it themselves, or, in the winter, they can opt to have their

driveway/sidewalk cleared. This is a service where, on demand within a couple of hours, a resident can have someone at their house either plowing the snow out of their driveway or mowing their lawn. The average cost for mowing is about \$35, and the resident will receive a picture of the finished job via email so they can verify it was done.

Mr. Vanderpool reminded that the Plant Exchange Program will take place on May 14th from 10 a.m. to noon at the Nature Center.

Mr. Vanderpool reported the Sterling Heights Police Department Law Day Ceremony will be held on May 19th at 10 a.m., and the general public is welcome to attend.

Mr. Vanderpool explained there is a new Water Residential Assistance Program (WRAP) available in Sterling Heights to help low-income families with their water bills. He introduced Ms. Jennifer Varney, Treasurer, to explain this program.

Ms. Varney outlined the Water Residential Assistance Program (WRAP), noting that nearly \$4 million of assistance has been funded, and \$468,000 of that is available to Macomb County residents. Sterling Heights is one of five Macomb County communities participating, and applicants must be at or below 150% of poverty level. Ms. Varney urged those interested to call (313) 386-WRAP (9727) soon because the dollars are allocated on a first-come first-serve basis. She advised that as of today, three Sterling Heights residents have

applied and qualify for this program. She added the website is <http://www.waynemetro.org>.

PRESENTATION

Ms. Bridget Doyle, Community Relations Director, congratulated Mr. Wayne Oehmke on the occasion of his retirement and thanked him for his many years of distinguished and dedicated service as President and Chief Executive Officer of the Sterling Heights Regional Chamber of Commerce & Industry and his significant contributions to the Sterling Heights community. She outlined his achievements.

Moved by Romano, seconded by Skrzyniarz, **RESOLVED**, to adopt resolution recognizing and honoring Wayne Oehmke, on the occasion of his retirement, for many years of distinguished and dedicated service as Chief Executive Officer and President of the Sterling Heights Regional Chamber of Commerce & Industry and his contributions to the betterment of the City of Sterling Heights community.

Mr. Oehmke thanked the City Council for their support over the years and indicated he will miss them.

Councilwoman Schmidt felt that Mr. Oehmke will continue to be involved in the community, and she relayed her wishes to him for an enjoyable retirement, spending time with his family.

Councilman Skrzyniarz felt it was appropriate for Mr. Oehmke to be present this evening with all of the young people receiving their scholarships, because

he has been an inspiration, role model and mentor. He added the students will learn that college is important but it is also important to be an outstanding individual like Mr. Oehmke.

Councilwoman Koski commented that she enjoyed knowing Mr. Oehmke, adding that he has been a great source of knowledge for her, and she appreciated being able to call on him.

Councilman Shannon congratulated Mr. Oehmke, adding that it has been a pleasure working with him.

Councilwoman Ziarko wished Mr. Oehmke the best, recalling he was one of the first people she met after she was elected into office. She was confident that he will remain active in whatever he decides to do, and was aware that he is very active in his faith community as well.

Mayor Taylor recalled meeting Mr. Oehmke at a “Meet the Candidate” forum in 2009 prior to his getting elected as Mayor, and Mr. Oehmke has been a good friend ever since. He commended Mr. Oehmke on being an asset to the City, and noted that Mr. Oehmke’s predecessor, Ms. Lil Adams, was something of a legend in this City. Mayor Taylor added Mr. Oehmke has been a legend to him, helping the Chamber of Commerce grow into what it is today. Sterling Heights has been fortunate to benefit from his services, and he thanked and congratulated Mr. Oehmke.

~ Resolution ~

A resolution of the Sterling Heights City Council recognizing and honoring Wayne Oemke, on the occasion of his retirement, for 8 years of distinguished

and dedicated service as President and Chief Executive Officer of the Sterling Heights Regional Chamber of Commerce & Industry and his significant contributions to the betterment of the City of Sterling Heights community.

Wayne Oemke recently retired after 8 years of distinguished and dedicated service as the Chief Executive Officer and President of the Sterling Heights Regional Chamber of Commerce & Industry. During his tenure, Mr. Oemke has been the catalyst for many businesses prospering in the City of Sterling Heights. The immeasurable benefits of his labor on behalf of local businesses will continue on in the form of economic development for Sterling Heights and its residents;

Mr. Oemke served on the Chamber board as a volunteer director for 12 years and chaired the board four times. Following Lil Adams' decision to retire from the Chamber after 32 years of distinguished service, Mr. Oemke was inspired to apply for the vacant position of Chief Executive Officer and has been honored to hold the position since 2008;

Mr. Oemke's commitment to the Sterling Heights' community has always gone above and beyond his Chamber of Commerce duties and includes civic events such as *Sterlingfest* and *SterlingFAST*, public service as a trustee of the Sterling Heights Community Foundation, and numerous other volunteer activities;

Mr. Oemke's willingness to share his time, talents and treasures has profoundly impacted the Sterling Heights community in areas of recreation, education and culture. Mr. Oemke 's dedication to and vision of what a community can and should be has made this City a premier place to live, work and play;

NOW, THEREFORE,

BE IT RESOLVED, that the City Council of the City of Sterling Heights, Macomb County, Michigan recognizes and honors Wayne Oemke, on the occasion of his retirement, for 8 years of distinguished and dedicated service as Chief Executive Officer and President of the Sterling Heights Regional Chamber of Commerce & Industry and his significant contributions to the betterment of the City of Sterling Heights community.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sterling Heights to be affixed to this resolution on the 5th day of May, 2016.

Mark Carufel, City Clerk

Yes: All. The motion carried.

Mr. Mike Sheridan, Food Drive Coordinator for NALC Branch 4374, explained that Saturday, May 14th, 2016 is their 24th Annual Stamp Out Hunger Food Drive. He thanked the many volunteers that have participated, and reported that they received 85,000 pounds of donated food in one day last year, which was distributed throughout 50 food pantries in Macomb County. He informed that he has 200 signs advertising this event, and recommended anyone interested in posting one of these signs can contact their local letter carrier. He clarified they do not want the signs up until after this weekend so people are not confused about the actual date of the event. Mr. Sheridan stated that residents will be receiving a post card about this event in their mail this Saturday, and a bright yellow bag to be used to collect the food donations will be in everyone's mailbox one day next week. He concluded by noting that over the last 24 years of this drive, they have collected 1.4 billion pounds of food. He thanked the City for their support, and reminded that they are always looking for volunteers to sort this food on May 14th.

Moved by Schmidt, seconded by Ziarko, **RESOLVED**, to adopt a resolution recognizing Saturday, May 14, 2016 as Letter Carriers Food Drive Day in the City of Sterling Heights and encouraging residents to donate food to this worthy cause.

Councilwoman Schmidt appreciated all of hard work put into this event.

Councilwoman Ziarko suggested that the mail carriers talk to their commercial customers who have electronic signs to see if they may be willing to advertise this event on those signs.

Mr. Sheridan stated they have received input from Lamar Advertising that they will be putting up this information on all of their signs. He informed that they are on social media through Facebook (#stampouthunger), and he reminded this event takes place each year on the second Saturday in May.

**RESOLUTION
STERLING HEIGHTS CITY COUNCIL**

A resolution of the City Council recognizing Saturday, May 14, 2016 as Letter Carriers Food Drive Day in the City of Sterling Heights and encouraging residents to donate food to this worthy cause

- The National Association of Letter Carriers (NALC) National Food Drive is being held on Saturday, May 14th. On this date, letter carriers and numerous volunteers will pick-up donations of nonperishable food items that people have set out by their mailboxes.
- Food donations collected by the Utica and Sterling Heights post offices are donated to the Macomb Food Program which provides immediate relief to those in need of emergency food through a network of more than 50 neighborhood food pantries and hunger relief organizations.

- This is the 24th year for the NALC National Food Drive. The goal is to surpass last year's total of 70 million pounds of nonperishable food. In the last 23 years, over 1.4 billion pounds of food donations have been collected.
- The demand placed on the inventories of the emergency food pantries never ceases, in good times or bad times. In some instances, the pantries have run out of food for those in need.
- The City of Sterling Heights has always been a generous and caring community, especially in times of great need. May 14th is an opportunity for this City to once again extend a helping hand to our most vulnerable populations of children, seniors and the working poor.

NOW, THEREFORE,

BE IT RESOLVED, to recognize Saturday, May 14, 2016 as *Letter Carriers Food Drive Day* in the City of Sterling Heights and to encourage residents to participate in this worthy cause by setting out nonperishable food items next to their mailboxes for collection on this date.

This Resolution was approved at the May 4, 2016 Sterling Heights City Council meeting.

Mark Carufel, City Clerk

Yes: All. The motion carried.

PUBLIC HEARING

1. Mr. Brian Baker, Finance Director, provided an overview of the budget highlights discussed over the last several weeks. He indicated they had budget workshops on April 12th and April 26th, and he summarized that the total budget decreased by \$7.8 million, or 4.4%, and General Fund expenditures increased by only 0.6%. They increased capital reinvestment of vehicles,

equipment and technology improvements. They have included early hiring of police officers, and have restored several full-time positions and added some part-time positions. Mr. Baker explained the budget also includes the repairs to the City's facilities. The budget increases the reserves and fully funds long-term liabilities, and they have realized savings from eliminating retiree medical benefits for all new hires. The low tax rate continues to be 5.9 mills below the county average, and taxable values have raised 0.3%, attributed to the record low inflationary factor. He reported that the average homeowner's tax bill remains \$200 less than it was nine years ago. He reviewed the Final Appropriations Ordinance, outlining the amounts, and stated that the budget is ready for adoption.

Mr. Jeffrey Norgrove thanked Mr. Baker and the department heads for their hard work on this budget. Understanding it is too late to make appropriations at this time, he suggested the next time they make appropriations, he would like to see money set aside for period furniture at the Upton House. He inquired as to how much money is being put away toward the rapidly-approaching 50th anniversary of the City, and he felt it would be nice to see a year-long celebration. He questioned whether there are any more additions planned for Parks & Recreation personnel. Mr. Norgrove inquired as to whether the City's rating by Standard & Poor's had to do with the reconfiguration of their rating system.

Mr. Harry Marchlones noted that the overall budget decreased this year, and questioned whether they are giving anything up as a result. He questioned whether this decrease in the budget will have any effect on Police, Fire and roads.

Mayor Taylor closed the public hearing.

Moved by Ziarko, seconded by Taylor, **BE IT ORDAINED**, to adopt the Annual Appropriations Ordinance, as amended, for the 2016/17 fiscal year with the following property tax millage rates: 9.4856 mills for Operation, 1.1062 mills for Refuse Collection, 1.9788 mills for Police & Fire Pension, 2.5000 mills for Safe Streets, and 0.1152 mills for Public Improvements (Proposal F) for a total property tax levy of 15.1858 mills.

Mr. Baker replied to inquiry that they receive three bond ratings from the following: Fitch, Moody's and Standard & Poor's (S&P). He indicated that their rating with Standard & Poor's decreased slightly, from second to third out of about twenty, but they are second highest on the other two. He attributed this to new criteria S&P has put into place throughout the nation, and it has to do with legacy costs.

Councilwoman Ziarko noted that the slightly lower rating is not bad, and in working with organizations that are buying bonds, they often do not want to buy any municipal bonds rated above a "B" because of the return on their money.

ORDINANCE NO. 446

AN ORDINANCE TO PROVIDE FOR THE GENERAL APPROPRIATIONS OF THE CITY, AND SETTING FORTH THE AMOUNTS APPROPRIATED TO DEFRAY THE EXPENDITURES AND SETTING FORTH A STATEMENT OF ESTIMATED REVENUES, BY SOURCE, IN EACH FUND; TO ADOPT THE CITY'S BUDGETS FOR THE FISCAL YEAR 2016/17; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2016/17; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2016/17.

THE CITY OF STERLING HEIGHTS ORDAINS:

ARTICLE I

TITLE

This ordinance shall constitute the "ANNUAL APPROPRIATIONS ORDINANCE" in accordance with Section 9.14 of the City Charter, the "GENERAL APPROPRIATIONS ACT" in accordance with the Michigan Uniform Budgeting and Accounting Act, MCL 141.436 and the "SPECIAL APPROPRIATIONS ACT" pursuant to Public Act 493 of 2000.

ARTICLE II

The following is an estimate of revenues, by source, in each fund and an appropriation of monies as authorized by law, as may be needed or deemed necessary to defray all expenses and liabilities of the City as specified for the corporate purposes and objects of the City for the fiscal year July 1, 2016 through June 30, 2017. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2016/17.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net General Tax Revenue	\$39,403,810	38,313,350	
Licenses and Permits	2,095,000		
State and Local Returns	14,058,580	14,937,250	
Fines and Forfeitures	2,690,000		
Charges for Services	10,011,620		
Other Revenue	2,853,840		
Cable Revenue	2,625,000		
Use of Fund Balance	<u>0</u>		
Total General Revenue		73,737,850	73,526,060
Refuse Tax Revenue	4,650,190	4,469,150	
Police & Fire Pension Tax Revenue	7,994,750		

Safe Streets Tax Revenue	<u>7,012,270</u>	6,868,270	
Total Other Tax Revenue		<u>19,657,210</u>	19,332,170
Total Revenues		93,395,060	92,858,230
 OTHER FINANCING SOURCES			
Transfers In	<u>0</u>		
Total Other Financing Sources		<u>0</u>	
 Total Revenues & Other Financing Sources		 <u>\$93,395,060</u>	 <u>\$92,858,230</u>

and does hereby designate ~~\$39,413,810~~ \$38,323,350 to be raised by ~~9.5074~~ 9.4856 mills tax levied for General Purposes on the assessed valuation of all real and personal property subject to taxation in the City,

and does hereby designate \$7,994,750 to be raised by ~~1.9382~~ 1.9788 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of meeting appropriations for fire and police pension purposes, as authorized by MCL 38.551, et. seq.,

and does hereby designate ~~\$4,650,190~~ \$4,469,150 to be raised by ~~1.1274~~ 1.1062 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of the collection and removal of garbage and trash of the City as authorized by MCL 123.261, et. seq.,

and does hereby designate ~~\$7,012,270~~ \$6,868,270 to be raised by 1.7000 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of providing revenue for police and fire protection as authorized by the electors of the City in approving the Safe Streets Proposal in 2013, et. seq.,

and directs the Treasurer to add a collection fee of one-half (1/2) percent per month to all taxes, charges and assessments paid after September 1, and further, upon all taxes, charges and assessments returned to the County Treasurer upon any delinquent tax roll, a charge of three percent (3%) shall be added and the same shall be collected by the County Treasurer in like manner as and together with the taxes, charges and assessments so returned.

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

City Administration Department	\$7,086,610	
Public Library Department	2,631,170	
Parks & Recreation Department	1,957,950	
Police Department	34,775,200	
Fire Department	17,326,250	
Public Works Department	6,578,470	
Refuse Collection	4,675,190	4,494,150
City Development Department	5,625,560	
Community Relations Department	1,091,080	
41-A District Court	3,271,140	
General Expenditures	1,238,270	

Contribution to Fund Balance	<u>1,142,670</u>	786,880	
Total Expenditures		87,399,560	86,862,730
OTHER FINANCING USES			
Transfers Out	<u>5,995,500</u>		
Total Other Financing Uses		<u>5,995,500</u>	
Total General Fund		<u>\$93,395,060</u>	<u>\$92,858,230</u>

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES

Operating Revenues	\$46,882,890
Use of Net Assets	<u>391,620</u>

Total Operating Revenues
\$47,274,510

OPERATING EXPENSES

Administration	\$4,099,270
Water Distribution	18,038,510
Sewage Collection	<u>25,136,730</u>

Total Water & Sewer Operating Fund **\$47,274,510**

and does hereby designate the rates to be charged for water and sewage disposal services to be as follows for all bills rendered on or after July 1, 2016.

WATER RATES

Consumption Charges Per Billing Period:	<u>Rate Per Thousand Cubic Ft.</u>
First 3,000 cubic feet or less	\$22.67
All over 3,000 cubic feet.....	28.34
Fixed GLWA fee (single-family residential customers).....	\$5.00
Fixed GLWA fee (all other customers).....	7.00
Meter Charges Per Billing Period	
1 1/2"	4.90
2"	12.69
3"	23.28
4"	30.54
6"	48.32

8"	76.95
10"	101.07
16"	115.50

SEWER RATES

This charge shall be based on the amount of water used per billing period:	<u>Rate Per Thousand Cubic Ft.</u>
Per 1,000 cubic feet.....	\$39.92
Fixed Macomb County fee (single-family residential customers)	\$6.25
Fixed Macomb County fee (all other customers).....	9.00

BILLING

Bills for water and sewer service shall be rendered periodically as set forth in this article. The billing period for single-family residential customers is quarterly, all other customers are billed monthly. All bills shall be due and payable twenty (20) days from the date thereon. A penalty of six percent (6%) of the amount of the unpaid portion of each current bill shall be added to each bill not paid on or before the due date. An additional penalty of seventeen percent (17%) of the total of the unpaid balance and the six percent (6%) penalty shall be added at the time the delinquent bill is entered upon the tax roll, pursuant to section 35-6 (a) of the Sterling Heights City Code. The City shall establish a minimum water and sewer bill, which shall be based on 900 cubic feet of water usage per billing cycle. There will be an \$80.00 charge per bill for sewer only customers.

For all single-family residential customers of both water and sewer services from the City, the charges billed during the months of September, October, and November shall be reduced by twenty-five percent (25%) of the combined use charge for both water and sewer usage, as specified in this ordinance; provided, however, no customer shall have the charges reduced by an amount more than \$26.00 during the quarterly period billed during the months of September, October, and November.

For all customers who are not single-family residential customers and have both water and sewer services from the City, the charges billed during the months of July, August, and September shall be reduced by twenty-five percent (25%) of the combined use charge for both water and sewer usage, as specified in this ordinance; provided, however, no customer shall have the charges reduced by an amount more than \$8.67 during the monthly period billed during the month of July, \$8.67 during the month of August, and \$8.66 during the month of September.

Sec. 2.03

MAJOR ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES		
Fund Balance	\$869,070	\$1,032,310
Federal Grants	0	
State Sources	7,131,000	

Other Revenue	<u>168,000</u>		
Total Revenues		8,168,070	8,331,310
 OTHER FINANCING SOURCES			
Transfer from General Fund	<u>500,000</u>		
Total Other Financing Sources		<u>500,000</u>	
Total Revenues & Other Financing Sources		<u>\$8,668,070</u>	<u>\$8,831,310</u>
 <u>EXPENDITURES & OTHER FINANCING USES</u>			
EXPENDITURES			
Administration Expenses	\$131,070		
Major Street Maintenance	2,637,000		
Major Street Improvements	2,900,000	3,138,000	
Contribution to Fund Balance	<u>0</u>		
Total Expenditures		5,668,070	5,906,070
 OTHER FINANCING USES			
Transfer to Road Bond Debt Retirement Fund	2,000,000	1,925,240	
Transfer to Local Road Fund	<u>1,000,000</u>		
Total Other Financing Uses		<u>3,000,000</u>	2,925,240
Total Major Road Fund		<u>\$8,668,070</u>	<u>\$8,831,310</u>

Sec. 2.04

LOCAL ROAD FUND BUDGET:

<u>REVENUES & OTHER FINANCING SOURCES</u>			
REVENUES			
Net Property Taxes	\$3,301,200	\$3,233,330	
State Sources	2,776,000	2,640,000	
Charges for Services	36,000		
Other Revenue	<u>10,470</u>		
Total Revenues		6,123,670	5,919,800
 OTHER FINANCING SOURCES			
Transfer from General Fund	400,000		
Transfer from Major Road Fund	<u>1,000,000</u>		
Total Other Financing Sources		<u>1,400,000</u>	
Total Revenues & Other Financing Sources		<u>\$7,523,670</u>	<u>\$7,319,800</u>

and does hereby designate ~~\$3,300,000~~ \$3,232,130 to be raised by 0.8000 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City for the purpose of providing revenue for local street improvements as authorized by the electors of the City in approving the Safe Streets Proposal in 2013.

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Administration Expenses	\$155,070		
Local Street Maintenance	1,848,000		
Local Street Improvements	4,794,000		
Contribution to Fund Balance	<u>726,600</u>	522,730	
Total Expenditures		<u>7,523,670</u>	7,319,800

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	<u>0</u>		
Total Other Financing Uses		<u>0</u>	

Total Local Road Fund **\$7,523,670** **\$7,319,800**

Sec. 2.05

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$487,400		
Federal & State Sources	0		
Other Revenue	<u>2,600</u>		
Total Revenues		490,000	

OTHER FINANCING SOURCES

Transfer from General Fund	<u>240,000</u>		
Total Other Financing Sources		<u>240,000</u>	

Total Revenues & Other Financing Sources **\$730,000**

EXPENDITURES

Land Acquisition	\$65,000		
Land Improvements	<u>665,000</u>		

Total Land & Water Conservation Fund **\$730,000**

Sec. 2.06

PUBLIC SAFETY FORFEITURE FUND BUDGET:

REVENUES

Fund Balance	\$154,650		
Federal Forfeitures	0		
Treasury Forfeitures	0		

State Forfeitures	1,000	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	0	
Act 302 Training Funds	30,800	
Interest Income	<u>410</u>	
Total Revenues		<u>\$186,860</u>

EXPENDITURES

Federal Forfeitures	\$117,320	
Treasury Forfeitures	0	
State Forfeitures	21,240	
Gambling Forfeitures	7,000	
Operating While Intoxicated Forfeitures	10,500	
Act 302 Training Funds	<u>30,800</u>	
Total Public Safety Forfeiture Fund		<u>\$186,860</u>

Sec. 2.07

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES

Community Development Block Grant	\$1,165,780	1,182,840	
Total Revenues		<u>\$1,165,780</u>	<u>\$1,182,840</u>

EXPENDITURES

Administrative Expenses	\$157,100	179,370	
Books	6,000	6,030	
Senior Citizens Home Chore Program	21,000	20,000	
Single Parent Education Program	13,000		
Minor Home Repair	26,000		
Handicapped Recreation Program	19,000		
Housing Rehabilitation Program	210,000		
Contributions to Non-Profit Organizations	51,970	55,500	
Capital & Other Improvements	<u>661,710</u>	653,940	
Total Community Development Block Grant Fund		<u>\$1,165,780</u>	<u>\$1,182,840</u>

Sec. 2.08

CORRIDOR IMPROVEMENT AUTHORITY FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Property Taxes	\$25,170	
Federal Grants	0	
Other Revenue	<u>100</u>	
Total Revenues		25,270

OTHER FINANCING SOURCES

Transfer from General Fund	0	
Total Other Financing Sources		0

Total Revenues & Other Financing Sources \$25,270

EXPENDITURES

Miscellaneous	\$0
Contribution to Fund Balance	<u>25,270</u>

Total Corridor Improvement Authority Fund \$25,270

Sec. 2.09

ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Funding from General Government	\$300,000	
Other Revenue	<u>2,150</u>	
Total Revenues		302,150

OTHER FINANCING SOURCES

Transfer from General Fund	0	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources \$302,150

EXPENDITURES

Miscellaneous	\$0
Contribution to Fund Balance	<u>302,150</u>

Total Economic Development Corporation Fund \$302,150

Sec. 2.10

BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Property Taxes	\$87,600	
Charges for Services	0	
Other Revenue	<u>1,300</u>	
Total Revenues		88,900

OTHER FINANCING SOURCES

Transfer from General Fund	0	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$88,900**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Miscellaneous	\$0	
Contribution to Fund Balance	<u>88,900</u>	
Total Expenditures		88,900

OTHER FINANCING USES

Transfer to General Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Brownfield Redevelopment Authority Fund **\$88,900**

Sec. 2.11

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Federal Grants	\$0	
Property Taxes	862,900	
Other Revenue	<u>141,350</u>	
Total Revenues		1,004,250

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$1,004,250**

EXPENDITURES

Incubator Renovations	\$0	
Incubator Operations	824,750	
SmartZone Improvements	1,000	
Contribution to Fund Balance	<u>178,500</u>	

Total Local Development Finance Authority Fund **\$1,004,250**

Sec. 2.12

GENERAL DRAIN FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net Drain Tax Revenue	(\$900)	
Delinquents & Penalties	800	
Other Revenue	<u>100</u>	

Total Revenues		0	
OTHER FINANCING SOURCES			
Bond Proceeds – Refunding	<u>0</u>		
Total Other Financing Sources		<u>0</u>	
Total Revenues & Other Financing Sources			<u>\$0</u>
<u>EXPENDITURES</u>			
Other Charges	\$0		
Principal	0		
Interest	<u>0</u>		
Total Drain Fund			<u>\$0</u>

Sec. 2.13

VOTED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Delinquents & Penalties	\$1,050		
Other Revenue	450		
Federal & State Sources	19,100	24,770	
Net Proposal F Tax Revenue	<u>463,880</u>		
Total Revenues		484,480	490,150

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>		
Total Other Financing Sources		<u>0</u>	

Total Revenues & Other Financing Sources **\$484,480** **\$490,150**

and does hereby designate \$465,380 to be raised by ~~0.1128~~ 0.1152 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of meeting appropriations for public improvement debt service as authorized by the electors of the City in approving Proposal F in 2006.

EXPENDITURES

Proposal F Expenditures	\$484,480		
Contribution to Fund Balance	<u>0</u>	5,670	
Total Voted Tax General Obligation Debt Fund		<u>\$484,480</u>	<u>\$490,150</u>

Sec. 2.14

ROAD BOND DEBT RETIREMENT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Special Assessment Revenue	\$145,450	
Interest Income	91,340	
Federal Interest Rebates	<u>31,340</u>	
Total Revenues		268,130

OTHER FINANCING SOURCES

Transfer from Major Road Fund	2,000,000	1,925,240
Transfer from Road Bond Construction Fund	<u>0</u>	
Total Other Financing Sources		<u>2,000,000</u> 1,925,240

Total Revenues & Other Financing Sources \$2,268,130 \$2,193,370

EXPENDITURES

Principal	\$1,625,000	
Interest	590,760	516,000
Other Fees	1,350	
Contribution to Fund Balance	<u>51,020</u>	

Total Road Bond Debt Retirement Fund \$2,268,130 \$2,193,370

Sec. 2.15

LIMITED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Other Revenue	<u>\$0</u>	
Total Revenues		0

OTHER FINANCING SOURCES

Transfer from General Fund	<u>356,080</u>	
Total Other Financing Sources		<u>356,080</u>

Total Revenues & Other Financing Sources \$356,080

EXPENDITURES

Principal	\$305,000
Interest	50,850
Other Fees	<u>230</u>

Total Limited Tax General Obligation Debt Fund **\$356,080**

Sec. 2.16

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$0		
State & Local Returns	0		
Other Revenue	<u>276,120</u>	326,120	
Total Revenues		<u>276,120</u>	326,120

OTHER FINANCING SOURCES

Transfer from General Fund	<u>4,499,420</u>		
Total Other Financing Sources		<u>4,499,420</u>	

Total Revenues & Other Financing Sources **\$4,775,540** **\$4,825,540**

EXPENDITURES

Capital Equipment	\$823,420		
Capital Vehicles	<u>1,716,700</u>	1,724,700	
Capital Projects	<u>1,659,300</u>	1,709,300	
Contribution to Fund Balance	<u>576,120</u>	568,120	

Total Capital Projects Fund **\$4,775,540** **\$4,825,540**

Sec. 2.17

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$0		
Other Revenue	5,000		
Federal Grants	<u>3,080,000</u>		
Total Revenues		3,085,000	

OTHER FINANCING SOURCES

Proceeds from Long-Term Debt	1,795,000		
Transfer from Major Road Fund	<u>0</u>		
Total Other Financing Sources		<u>1,795,000</u>	

Total Revenues & Other Financing Sources **\$4,880,000**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES		
Construction	<u>\$4,880,000</u>	
Total Expenditures		4,880,000
OTHER FINANCING USES		
Transfer to Major Road Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>
Total Road Bond Construction Fund		<u>\$4,880,000</u>

ARTICLE III

The City Council adopts the following fee schedule for public records and services provided by the City of Sterling Heights for the fiscal year July 1, 2016 through June 30, 2017. Any parts of resolutions and ordinances in conflict with this article are repealed. This article is intended to preserve all existing charges and fees set forth in any resolution, ordinance, or law which are not in conflict with this article and to fulfill the requirements of any ordinance authorizing the City Council to establish fees by resolution.

Fees for public records not set forth in this article, or in any other resolution, ordinance, or law, shall be set by the City Manager in accordance with Act 442 of the Public Acts of 1976, as amended. Fees for public services not specifically set forth in this article or in any other resolution, ordinance, or law may be established by the City Manager, who shall promptly notify the City Council in writing of each of them. The City Manager shall establish fees for public services based upon the cost of providing the public service.

Sec. 3.01

ASSESSING OFFICE:

Lot Splits.....	560.00
Lot Combinations	460.00
Processing Labels (per page)	1.35
Resident Field Sheet Fee.....	2.00
Apartment Listing (Names/Sidwells/Assessments)	65.00
Shopping Center List	65.00
Section or Subdivision Listing (per page).....	1.00
Assessing, Board of Review, & Sales Information (first page)	2.00
Additional Pages	0.30
Plat Map.....	135.00
Custom Assessment Information Report	55.00
IFEC Extension Application Fee	585.00
IFEC Request for Extension to Complete Project Application Fee	585.00
IFEC Request for Revision of Final Project Cost Application Fee.....	585.00
Application to Establish a Speculative Building Designation Fee.....	585.00
Tax Hardship Income Limits:	
1 Person.....	14,250.00
2 Person.....	16,250.00
3 Person.....	20,090.00

4 Person.....	24,250.00
5 Person.....	28,410.00
6 Person.....	32,570.00
7 Person.....	36,730.00
8 Person.....	40,890.00
Each Additional Person.....	4,160.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit	39.00
Fence Permit – Masonry, Separation	118.00
Board of Code Appeals.....	231.00
Reestablish Expired Permit Fee	68.00
Overtime Inspections, Each Hour (4 hour minimum).....	91.00
Special Inspections, Each Trade (Residential).....	52.00
Special Inspections, Each Trade (Commercial).....	74.00
Building Code Publication.....	Cost + 14.00 Administration fee
Building Moving Permit	303.00
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third or Subsequent Repeat Offenses	1,500.00

Electrical Work

Application Fee (Non-refundable).....	37.00
Permit fee (minimum).....	49.00
Electrical Contractor’s Registration.....	27.00
Fire Alarm Contractor’s Registration	27.00
Sign Contractor’s Registration.....	27.00
Furnace Wiring	28.00
Air Conditioner Reconnect	28.00
Circuits: Each (new or extended).....	22.00
Fixtures: Each 25	22.00
Motors, Power, Heating Units, Furnaces, Transformers:	
Each ¼ to 10 HP.....	28.00
Each 11 to 30 HP.....	33.00
Each 31 to 50 HP.....	38.00
Each 51 to 60 HP.....	44.00
Each 61 and over	58.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):	
Each 100 ft. (or less)	51.00
Refrigeration Units:	
Air Conditioning (residential)	28.00
Interruptible Service.....	28.00
Air Conditioning (commercial):	
Up to 5 Tons.....	33.00
5 to 40 Tons.....	51.00
Over 40 Tons.....	76.00

Regular City Council Meeting

Wednesday, May 4, 2016

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Electric Ranges, Ovens, Dryers, Water Heaters, X-Ray Equipment:

Each unit of type	28.00
Swimming Pools/Hot Tubs (all)	57.00
Service (Lights, Heat, and Power):	
100 Ampere or less.....	28.00
101 to 500 Ampere.....	38.00
501 to 900 Ampere.....	51.00
900 Ampere or more	63.00
Signs: Sign Circuit	44.00
Sign Tag Inspection.....	66.00
Sign Connection	71.00
General Repair & Alterations (per hour or fraction thereof)	59.00
Generator Connection	51.00
Motion Picture Apparatus	51.00
Special Inspections not specifically covered:	
Festivals	134.00
Carnivals	134.00
Circuses.....	134.00
Shop Inspection	75.00
Theatrical Road Show	75.00
Christmas Tree Lot.....	75.00
Temporary Wiring:	
Display Area (Sq. Ft.):	
Up to 100,000 sq. ft.....	68.00
Over 100,000 to 200,000 sq. ft.....	126.00
Over 200,000 to 300,000 sq. ft.....	151.00
Over 300,000 to 400,000 sq. ft.....	223.00
Over 400,000 sq. ft.....	298.00
Outline Tubing – Connection or Tag Inspection:	
Each 100 feet.....	75.00
Mobile Home and Trailer Park Inspections (minimum)	52.00
Fire Alarm Inspection (minimum)	72.00
Plan Review Fee.....	99.00
Manual Pull Station.....	13.00
A/V, Strobe, Voice Speaker	13.00
Water Flow/Tamper Switch	13.00
Heat or Smoke Detector	13.00
Flame, Duct Detector	13.00
Auxiliary Panel.....	13.00
Electric Door Release.....	13.00
Elevator Recall Status	13.00
Fire Alarm Circuit	21.00
Alterations to existing system.....	59.00
Reinspection Fee.....	59.00
Miscellaneous Fire Alarm Fee	59.00

Plumbing Work

Application Fee (Non-refundable).....	41.00
Permit Fee (minimum).....	49.00
Plumber's Registration	1.00

Journeyman Plumber's Registration	0.50
Fixture Inspection: (New and Replacement)	
New Installation (minimum)	49.00
New Stack or Stack Alteration	19.00
Air Admittance Valve	19.00
Roof conductor.....	19.00
Sump or interceptor.....	19.00
Backflow preventor.....	19.00
Pump or Water Lift	19.00
Hose connection (sillcocks)	19.00
Water treatment device.....	19.00
Water closets	19.00
Shower traps.....	19.00
Baths.....	19.00
Water heater	33.00
Tankless water heater.....	33.00
Basement Waterproofing.....	49.00
Sinks (any description).....	19.00
Lavatories.....	19.00
Laundry trays	19.00
Floor drains	19.00
Ice Maker	19.00
Back Water Valve	19.00
Thermal Expansion Tank.....	19.00
Bidet.....	19.00
Dental Chair	19.00
Grease or Oil Interceptor.....	19.00
Drinking fountains	19.00
Soda fountains/bars	19.00
Waste opening.....	19.00
Humidifiers	19.00
Food waste grinders	19.00
Dishwashers	19.00
Urinals.....	19.00
Whirlpools.....	38.00
Lawn Sprinkler Systems.....	44.00
All other fixtures not mentioned	19.00
Reinspection Fee.....	59.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):	
Automatic Machines (minimum)	33.00
Each additional.....	19.00
Building Sewer Connection – sump connection	51.00
Drains:	
Storm drains to catch basin for main storm sewer	298.00
Lines less than 4" in diameter	29.00
Lines less than 6" in diameter	34.00
Lines less than 8" in diameter	45.00
Lines less than 10" in diameter	59.00
Lines less than 12" in diameter	75.00

Lines less than 14" in diameter	89.00
Lines less than 16" in diameter	105.00
Lines less than 18" in diameter	120.00
Lines exceeding 18" in diameter (per inch)	17.00
Water Distribution System:	
3/4"	23.00
1"	34.00
1 1/4"	39.00
1 1/2"	52.00
2"	68.00
2 1/2"	98.00
3"	112.00
4"	126.00
Exceeding 4"	150.00
Replace piping, no increase in size	39.00

Mechanical Work

Application Fee (Non-refundable).....	37.00
Permit Fee (minimum).....	49.00
License/Registration	15.00
Gas-Fired Equipment; Oil Burners; New or Replacement –	
Burners with input:	
up to 75,000.....	51.00
75,001 to 500,000.....	58.00
500,001 – 1,000,000.....	102.00
1,000,001 – 2,000,000.....	116.00
2,000,001 – 3,000,000.....	145.00
over 3,000,000.....	174.00
Air Handlers:	
Up to 2,000 CFM	51.00
Over 2,000 CFM	102.00
Duct Work	51.00
Hydronic Piping.....	59.00
Gas Piping:	
Mains up to 2"	44.00
Mains 2 1/2" to 4"	58.00
Mains over 4"	72.00
Each Opening off of Main.....	16.00
Factory Built Chimneys:	
Up to 8"	22.00
9" to 12"	33.00
Over 12"	44.00
Pre-Fab Fireplace.....	58.00
Flue Liner.....	38.00
Exhaust Fans:	
Up to 400 cfm.....	17.00
401 cfm to 1,000 cfm	22.00
1,001 cfm to 4,000 cfm	33.00
Over 4,000 cfm.....	44.00
Dryer Vents	22.00

Kitchen Hood and Duct (UL300/FM200).....	52.00
Spray Booth Hood and Duct.....	52.00
Alterations to existing installations.....	59.00
Alterations to existing boilers.....	59.00
Reinspection Fee.....	59.00
Refrigeration Systems –	
Self Contained:	
2 Tons or Less, each.....	44.00
Over 2 to 5 Tons, each.....	51.00
Alterations to each system.....	59.00
Remote Systems:	
5 Tons or Less, each.....	51.00
Over 5 to 50 Tons, each.....	72.00
Over 50 Tons, each.....	116.00
Alterations to each system.....	59.00
Cooling Towers.....	72.00
Stand Pipes and Fire Suppression:	
Riser pipe up to 4” diameter.....	45.00
Riser pipe up to 6” diameter.....	75.00
Riser pipe up to 8” diameter.....	105.00
Riser pipe 8” or more diameter.....	223.00
Each suppression opening (each head of the system).....	5.50
Alteration to existing system.....	59.00
Flammable and Bulk Storage Tanks:	
Tanks under 500 Gallons.....	51.00
Tanks under 5,000 Gallons.....	66.00
Tanks under 20,000 Gallons.....	87.00
Tanks under 50,000 Gallons.....	102.00
Tanks under 200,000 Gallons.....	116.00
Tanks over 200,000 Gallons.....	217.00

Buildings

Application Fee (Non-refundable).....	37.00
Plan Review Deposits (Non-refundable):	
Single Family Residential.....	560.00
Commercial Alteration.....	223.00
New Commercial/Industrial Building.....	1,115.00
Commercial/Industrial Addition.....	560.00
Building Permit Fees (all use groups):	
Valuation to \$1,000.....	57.00
Valuation \$1,001 to \$10,000.....	57.00 + 15.00 per 1,000.00 over 1,000.00
Valuation \$10,001 to \$100,000.....	226.00 + 6.00 per 1,000.00 over 10,000.00
Valuation \$100,001 to \$500,000.....	952.00 + 6.00 per 1,000.00 over 100,000.00
Valuation \$500,001 and over.....	4,130.00 + 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained).....	520.00
Temporary C/O Refundable Bond.....	540.00
Multi-Family Bond (5% Retained).....	780.00
Commercial Bond (5% Retained).....	1,580.00
Industrial Bond (5% Retained).....	3,140.00

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Mobile Homes	152.00
Plan Review Fee:	
Valuation \$0 - \$500,000.....	0.0040 of valuation but not less than 100.00
Valuation over \$500,000.....	2,420.00 + 0.0015 of valuation over 500,000.00
Residential Plan Review: If Plan Number is on File	112.00
Additional Expedited Commercial Interior Alteration Plan Review Fee	204.00
Miscellaneous Plan Review	68.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs)	68.00
Pigeon Loft Inspection.....	68.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner.....	37.00
Use Permit (tenant space)	98.00
Fire Repair/Water Repair.....	236.00
Fire Inspection Fee (New City Businesses)	92.00
Reinspection Fee.....	59.00
Demolition:	
Plan review and administration base fee	68.00 + 0.10 per square ft.
Swimming Pools:	
Above Ground.....	72.00
Below Ground	145.00
Signs:	
Application Fee (non-refundable)	37.00
Plan Review Fee.....	68.00
Permanent.....	150.00
Temporary	68.00
Contractor Registration Fee	27.00
Residential Basement Finish.....	236.00
Residential Interior Finish	236.00
Minor Commercial Alterations under 400 sq. ft.	223.00

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License:	
Types A & B	965.00 + 63.00 per device
Renewal Fee	197.00 + 37.00 per device
Type C.....	965.00
Renewal Fee	198.00
Attorney Services.....	Attorney fees & costs
Auction Sales License (per day)	25.00
Auctioneer License	58.00
Business Registry License	48.00
Carnival/Festival License	76.00 + 6.00 each booth, ride, etc.
Cigarette Vending Machine License.....	67.00 + 6.00 each additional machine
Death and Birth Certificate (Non-FOIA)	24.00
Additional Copies (Non-FOIA)	9.00
Dog License:	
Newly Acquired Dog - Jan. 1 to Oct. 31 OR License Renewal - Jan. 1 to Mar. 31:	
Spayed/Neutered Dog:	
1-Year License	8.00

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2-Year License	14.00
3-Year License	20.00
Unaltered Dog:	
1-Year License	21.00
2-Year License	40.00
3-Year License	59.00
Newly Acquired Dog - Nov. 1 to Dec. 31	
Spayed/Neutered Dog:	
1-Year License	4.00
Unaltered Dog:	
1-Year License	10.50
Newly Acquired Dog - Registering later than 30 days after acquisition:	
Additional Late Fee.....	10.00
License Renewal - After Mar. 31:	
Additional Late Fee.....	10.00
Senior (60+) Owner.....	No charge
Service Dog.....	No charge
Potentially Dangerous Dog Annual License Fee	57.00
Replacement Dog Tag	4.50
Fire Inspection Fee (new City businesses – charged by Building)	92.00
Going Out of Business Sales License	50.00
Renewal Fee	50.00
House Moving License	76.00
Industrial Development District Filing Fee	1,000.00
Industrial Facilities Exemption Certificate Filing Fee	2,100.00
Industrial Facilities Exemption Certificate Application Amendment Fee	1,000.00
Industrial Facilities Exemption Certificate Transfer Fee	1,000.00
New Personal Property Exemption Fee	2,100.00
Junk Yard License	280.00
Medical Marijuana Location Registration Fee.....	355.00
Mobile Vending License.....	193.00
Pawnbroker License.....	500.00
Refuse Collection License	101.00 + 7.00 each truck
Secondhand Goods Merchant Registration Fee	106.00
Snow Removal License	197.00
Solicitor/Peddler License	126.00
Tattoo Permit	580.00
Taxi License (annual fee).....	99.00+ 12.00 per vehicle
Massage Establishment License	665.00
Renewal Fee Massage Establishment License	335.00
Precinct Map.....	5.00
City Street Map.....	6.00
Zoning Map	5.00
City Budget	53.00
Municipal Improvement Program.....	33.00
City Financial Audit.....	33.00
Collective Bargaining Agreement.....	6.30
Election Results	9.80
Voter and Business Registry Labels (per page).....	1.35
Voter and Business Registry Lists (per computer hour)	Payroll + 0.05/page

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Voter Data CD	30.00
Liquor License: Class C.....	2,120.00
Tavern	2,120.00
SDD & SDM.....	2,120.00
Entertainment and/or Dance Permit	2,120.00
Extended Hours Permit	2,120.00
Shareholder Partial Transfer.....	1,050.00
Hotel/Motel License	2,120.00
Renewal Fee Hotel/Motel License	1,050.00
Certifications.....	6.00
Photo Copies – Black & White (Non-FOIA).....	2.00
Additional Pages – Black & White (Non-FOIA).....	0.30
Photo Copies – Color (Non-FOIA).....	2.00
Additional Pages – Color (Non-FOIA)	0.85
Microfilm Copies (per page) (Non-FOIA).....	5.60
Recording Fee (formerly Encroachment Fee).....	40.00
Notary Fee	10.00
Audio Tape Recordings - prepay minimum (Non-FOIA).....	20.00
Fireworks Display Permit	730.00
Close Proximity Pyrotechnic Display Permit	730.00
Sterlingfest Art Fair Applications.....	230.00
Double Booth Fee	410.00
Corner Booth Additional Charge	30.00
Sterlingfest Art Fair Vendor Jury Fee (Non-Refundable).....	17.00
“Taste of the Town” Sterlingfest Booth – Food Cart Vendors	665.00
“Taste of the Town” Sterlingfest Booth - Restaurateurs.....	1,515.00
DVD Dubs	
Resident (Non-FOIA).....	27.00
Non-Resident (Non-FOIA)	37.00
Gazebo Rental (per event):	
Resident.....	60.00
Non-Resident.....	92.00
Gazebo Rental for Photographs Only (per 1 hour rental):	
Resident.....	33.00
Non-Resident.....	46.00
Upton House Rental – (per 4 hour rental):	
Resident.....	60.00
Non-Resident.....	92.00
Sterling Heights Magazine Advertisement Fees:	
Full Page Ad (Full Color).....	1,569.00
Full Page Ad (Two Color).....	1,344.00
One-Half Page Ad (Full Color).....	897.00
One-Half Page Ad (Two Color)	784.00
One-Fourth Page Ad (Full Color)	506.00
One-Fourth Page Ad (Two Color)	448.00
Business Card Ad (Full Color).....	336.00
Business Card Ad (Two Color).....	279.00
Name & Phone Number Ad	112.00
Three-Edition Ad Commitment (Minimum).....	20% Discount
Environmental Recovery Fee.....	Cost + 25% Administrative Fee

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Site Condominiums	Payroll +180%
City Construction Projects	Payroll +180%
Subdivisions	Payroll +180%
Inspections by Consultants	Consultant Fee +10%
Private Development Engineering Consultant Fee	Consultant Fee +10%
Sidewalk Repair and Gap Programs	Cost +20%
Easement Vacations	Attorney fee+ 245.00
Easement Encroachments	265.00
Building Number Assignments (per address)	23.00
S.E.S.C. Review Fee for:	
Commercial, Industrial, Multi-Family, Subdivision	¼ of 1% of first \$500,000.00
.....	+1/8 of 1% over \$500,000.00 (50.00 minimum)
Single-Family Residential House	71.00
Underground Private Utility	0.05 linear foot (50.00 minimum)
S.E.S.C. Inspection Fees	Payroll + 180%
S.E.S.C. Inspection by Consultant	Consultant fee +10%
S.E.S.C. Permit Renewal Fee (\$50 min.)	10% of Permit Fee
Water & Sewer Permit Revision Review Fee	105.00
Public Services Agreement Execution Fee	34.00
Recording Fee	40.00
Water & Sewer Debt Service Agreement Finance Charge	20%
Document Copying for:	
24" x 36" Prints (Xerox 2510 or blueline)	8.00 each
34" x 34" Prints (Xerox 2510 or blueline)	8.00 each
Larger than 34" x 34" (Xerox 2510 or blueline)	8.00 each
Detail Sheets (Mylar)	10.00 each
Topographic Map 36" x 36" (blueline)	43.00 each
Planimetric Map 36" x 36" (blueline)	26.00 each
Overall Watermain Map (blueline)	9.00 each
Overall Sanitary Sewer Map (blueline)	9.00 each
Overall Storm Sewer Map (blueline)	9.00 each
Master Storm Sewer Plan (book form)	50.00 each
Master Watermain Plan (book form)	38.00 each
Master Sanitary Sewer Plan (book form)	38.00 each
Master Road Plan (book form) 1998 HRC	50.00 each
Municipal Civil Infraction for Various Soil Erosion and Sedimentation Control Regulations:	
First and Subsequent Repeat Offenses	750.00
Municipal Civil Infraction for Unabated Knowing Violations of City Code Chapter 17:	
Each Violation	5,000.00
First Repeat Offense	7,500.00
Second and Subsequent Repeat Offenses	10,000.00
Municipal Civil Infraction for Unabated Knowing Violations After a Notice of Determination:	
Each Violation	10,000.00
First Repeat Offense	15,000.00
Second and Subsequent Repeat Offenses	20,000.00
* Class 1 projects include drain enclosures, channel improvements, sanitary sewer, water main, and pavement overlay.	
** Class 2 projects include new road construction or reconstruction, bridges, pumping stations, etc.	

Sec. 3.06

FIRE DEPARTMENT:

Fire Reports: First Page (Non-FOIA)	12.00
Additional Pages (Non-FOIA)	1.00
Digital Photographs:	
5" x 7" Color Print (Non-FOIA)	33.00
8" x 10" Color Print (Non-FOIA)	33.00
8" x 10" Contact Sheet (Non-FOIA).....	33.00
Compact Disc (Non-FOIA)	26.00
Burning Permit.....	205.00
Fireworks Sales Permit	730.00
Fireworks Display Permit	730.00
Close Proximity Pyrotechnic Display Permit	730.00
Board of Code Appeals.....	245.00
Witnessed Acceptance Test Fee.....	173.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum)	797.00
Each additional hour	266.00
Reinspection Fee for Witnessed Acceptance Test	173.00
Phase I Site Inspection (1 hour minimum).....	61.00 + 36.00 per hour
Special Fire Prevention Inspection (festivals, craft shows, carnivals, haunted houses, flea markets)	
Each Inspection	188.00
Each Re-Inspection	188.00
Off-Hour Inspection (3 hour minimum).....	266.00
Each Additional Hour.....	78.00
Off-Hour Re-Inspection (3 hour minimum)	266.00
Each Additional Hour.....	78.00
Plan Review Fee	163.00
Resubmitted Plan Review Fee	54.00
Explosive Materials Permit Fee	200.00
Requested Fire Services (Schools, Businesses, Hazmat Incidents, etc.).....	Cost + 30%
Reinspection Fees:	
First Reinspection.....	No Fee
Second and Subsequent Reinspections.....	116.00
False Alarm Fees: (within a 12 month period)	
First Response	No Fee
Second Response.....	155.00
Third Response.....	325.00
Fourth and Subsequent Responses	655.00
Municipal Civil Infraction:	
First Offense Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00
Municipal Civil Infraction for Violation of a Stop Work Order:	
First Offense Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00

Sec. 3.07

NEIGHBORHOOD SERVICES:

Administrative Warrant	125.00
Board of Ordinance Nuisance Abatement Appeals	225.00
Board of Ordinance Noxious Weed Appeals	50.00
Single Family Res. Non-Homestead Inspection Fee (biennial)	130.00
Nuisance Abatement Administrative Fee	25%
Nuisance Abatement Agreement Execution Fee	Attorney Fee + 25%
Sidewalk Snow Removal Fee	Cost + 25% + 59.00
Claimed Signs:	
16 sq. ft. or less	5.00 each
17 – 31 sq. ft.	25.00 each
32 sq. ft. and over	120.00 each
Code Enforcement Inspection	58.00
Real Estate Sign Removal Fee	Contract Costs + 25% Administration Fee
Municipal Civil Infraction (Residential Parking and Signs):	
Each Violation	100.00
First Repeat Offense	250.00
Second and Subsequent Repeat Offenses	500.00
Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:	
Each Violation	25.00
First Repeat Offense	100.00
Second and Subsequent Repeat Offenses	125.00

Sec. 3.08

PARKS & RECREATION:

Pavilion Rental:	
Weekday (Resident)	68.00
(Non-Resident)	102.00
Weekend (Resident)	91.00
(Non-Resident)	136.00
Picnic Kits:	
Weekday (Resident)	11.00
(Non-Resident)	16.00
Weekend (Resident)	31.00
(Non-Resident)	46.00
Nature Center Classes:	
School Field Trips (WCS/UCS Schools)	31.00
(All Other Districts per class)	46.00
Children's Nature Classes (Resident)	8.00
(Non-Resident)	12.00
Scout Badge Classes (Resident)	9.00
(Non-Resident)	13.00
Birthday Parties (Resident)	118.00
(Non-Resident)	153.00
Parent & Tot Classes:	
1 Child Per Family (Resident)	51.00

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(Non-Resident).....	76.00
2 Children Per Family (Resident).....	57.00
(Non-Resident).....	86.00
Summer Playground:	
Resident.....	106.00
Non-Resident.....	159.00
Field Trip Bus Fee (Per Person).....	8.00
Special Recreation Dances:	
Pre-Registered (Resident)	7.50
(Non-Resident).....	10.50
Registration at the Door (Resident).....	9.50
(Non-Resident).....	13.50
Staff Registration	1.00
Prom Dance – Individual (Resident).....	17.50
(Non-Resident).....	26.25
Special Recreation Playgrounds:	
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident).....	159.00
(Non-Resident).....	239.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident).....	268.00
(Non-Resident).....	402.00
Mentally Impaired (M.I.) – Individual (Resident).....	159.00
(Non-Resident).....	239.00
Mentally Impaired (M.I.) – Family (Resident).....	268.00
(Non-Resident).....	402.00
Special Recreation:	
Crafts (Resident)	8.00
(Non-Resident).....	12.00
Creative Cooking (Resident).....	8.00
(Non-Resident).....	12.00
Line Dance Exercise (Resident)	45.00
(Non-Resident)	67.00
Softball – Individual (Resident)	50.00
(Non-Resident).....	65.00
Softball – 2nd player - Same Family (Resident)	40.00
(Non-Resident).....	55.00
Softball – 3rd player - Same Family (Resident).....	30.00
(Non-Resident).....	45.00
Farmers Market:	
Advanced Pay-Full Season.....	332.00
Per-Day Rate	23.00
Electricity (Additional Fee Per Day).....	5.00
Vendor Alcohol Permit Per Day	5.00
Vendor Alcohol Permit Full Season.....	51.00
Coffeehouse Tickets:	
Advance Tickets (Resident)	15.00
(Non-Resident)	19.00
Subscription (Resident).....	25.00
(Non-Resident)	33.00
At the Door Sales (Resident).....	16.00
(Non-Resident)	21.00

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Karate:

Resident.....	51.00
Non-Resident.....	66.00

Yoga/Fitness Classes:

Resident.....	43.00
Non-Resident.....	56.00

Zumba:

Resident.....	61.00
Non-Resident.....	79.00

Men's Gym:

Resident.....	46.00
Non-Resident.....	59.00

Senior Boys Basketball 500.00

Men's Softball 908.00

Co-ed Softball 592.00

Women's Softball 592.00

Ball Field Rental Fees – Seasonal:

Delia or LWB Park (per field per day):

MABF Teams/Church Teams.....	398.00
All Other Users.....	423.00
All Users – Lighted Fields Additional Fee (per day).....	63.00

Jaycee Park (per field per day):

MABF Teams/Church Teams.....	275.00
All Other Users.....	300.00

Ball Field Rental Fees – Daily:

Delia or LWB Park (per field per day):

MABF Teams/Church Teams.....	69.00
All Other Users.....	79.00
All Users – Lighted Fields Additional Fee (per day).....	64.00

Jaycee Park (per field per day):

MABF Teams/Church Teams.....	47.00
All Other Users.....	57.00

Ball Field Request to Groom/Stripe Additional Fee Cost + 25%

Soccer Field Rental Fees (per field per season):

Travel Clubs:

Seasonal 1-3 days/week.....	570.00
Seasonal 4-7 days/week.....	870.00

Camp/Other

Weekly (one week only).....	204.00
Daily.....	85.00

Sand Volleyball League..... 233.00

Daddy/Daughter Dance:

Resident Couple.....	46.00
Non-Resident Couple.....	60.00
Additional Resident Daughter.....	20.00
Additional Non-Resident Daughter.....	25.00

Mother/Son Cookout:

Resident Couple.....	18.00
Non-Resident Couple.....	24.00

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Gymnastics:

One-half Hour Class (Resident)	46.00
(Non-Resident)	69.00
One Hour Class (Resident).....	57.00
(Non-Resident)	85.00

Dance:

Fall Session (Resident).....	53.00
(Non-Resident)	68.00
Winter/Spring Session (Resident)	85.00
(Non-Resident)	110.00

30 Minute Dance Classes:

Fall Session (Resident).....	42.00
(Non-Resident)	54.00
Winter/Spring Session (Resident)	54.00
(Non-Resident).....	70.00

Ballroom:

Resident.....	41.00
Non-Resident.....	61.00

Senior Center Activities:

Arthritis Exercise (Resident).....	5.00
(Non-Resident)	7.00
Exercise (Resident)	6.00
(Non-Resident)	9.00
Golf League (Resident).....	17.00
(Non-Resident).....	25.00
Line Dance (Resident).....	5.00
(Non-Resident)	7.00
Senior News Subscription per year (Resident).....	15.00
(Non-Resident)	22.50
Stained Glass Class (Resident).....	7.00
(Non-Resident).....	10.50
Tai Chi (Resident).....	6.00
(Non-Resident).....	9.00
Zumba Gold (Resident).....	5.00
(Non-Resident).....	7.00

Senior Bus Trip:

1 day.....(Resident)	8.00
(Non-Resident).....	12.00
2-4 days....(Resident)	15.50
(Non-Resident).....	23.25
Extended..(Resident).....	34.00
(Non-Resident).....	51.00

SMART Bus Day Trips (Resident).....	4.00
(Non-Resident)	6.00

Senior Activity Fee - per day (Resident)	0.25
(Non-Resident)	0.50

Senior Center Gymnasium Activities:

Track Usage Fee – After Hours (Resident).....	1.00
(Non-Resident).....	1.50
Gymnasium Usage Fee – After Hours (Resident).....	2.00

(Non-Resident)	3.00
Parks and Recreation Plan	9.00

Sec. 3.09

PLANNING:

Special Approval Land Use	580.00
Temporary Use	424.00
Administrative Review	260.00
Temporary Use Vendor License	50.00
Variances to Subdivision Regulations	424.00
Right-of-Way Vacations	640.00
Rezoning Petition:	
First Acre	1,805.00
Additional Acre	70.00
Public Hearing Postponements (Petitioner Requested).....	47.00
Ordinance Text Amendment.....	1,805.00
Subdivision Plat	1,415.00
Each lot over 100 lots.....	9.50
Subdivision Open Space and One-Family Cluster Development	790.00
Tree Preservation – Site Plans and Plats.....	895.00
Tree Preservation – Single Family Lot (less than one acre)	195.00
Tree Preservation Administrative Fee.....	25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection).....	Payroll + 175%
No Tree Affidavit.....	126.00
Site Plan Review:	
First Acre.....	433.00
Additional Acre.....	72.00
Site Plan Review by Planning Commission:	
First Acre.....	581.00
Additional Acre.....	72.00
As Built Revisions	256.00
Master Land Use Report	40.00
Master Land Use Map.....	12.75
Subdivision Plat Print (per sheet)	12.75
Subordination of Lien	150.00
Zoning Board of Appeals:	
Regular Meeting.....	430.00
Special Meeting.....	855.00
Zoning Compliance Letter	63.00
Landscape Plan Inspection.....	25% of site plan fees
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third or Subsequent Repeat Offenses	1,500.00

Sec. 3.10

POLICE DEPARTMENT:

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Police Reports:

First Page (Non-FOIA)	12.00
Additional Pages (Non-FOIA)	2.00
Clearance Letter	17.00
Noncriminal Fingerprint Card.....	26.00
Photos: 8" x 10" Color (Non-FOIA).....	34.00
5" x 7" Color (Non-FOIA).....	32.00
8" x 10" Contact Sheet (Non-FOIA).....	32.00
Compact Disc (Non-FOIA).....	47.00
Administrative Towing Fees: (Charged to Towing Company)	
Inspection of VIN.....	24.00
Reports on TR-52 Tracking.....	29.00
Administration and Presence at Auction	600.00
Audio Tape Duplication Fee (Non-FOIA).....	43.00
Video Tape, DVD, CD Duplication Fee (Non-FOIA).....	47.00
Animal Give-up Fee:	
No Euthanasia	40.00
Euthanasia	75.00
Animal Impoundment Fee (Released from Station)	32.00
Macomb County Daily Animal Care Fee	21.00
Animal Trap Rental Fee (per 5 days).....	50.00
Animal 10-Day Quarantine Fee	250.00
Rabies Testing:	
Euthanasia Not Required.....	77.00
Euthanasia Required.....	152.00
Treatment Rendered to an Animal.....	Cost
Use of Tranquilizer Equipment.....	155.00
County Animal Control Officer Fee	Cost
Personal Breathalyzer Test (PBT)	25.00
Booking Photo (Non-FOIA)	11.00
Notary Fee for Gun Permits.....	10.00
Park Alcohol Permit Fee.....	35.00
Temporary Liquor License Application Fee.....	35.00
Outdoor Service Permit	263.00
Requested Police Services (Schools, Businesses, Hazmat Incidents, etc.).....	Cost + 30%
Towed Vehicle Impound Fee.....	30.00
Correctable Traffic Violation.....	10.00
Warrant Fee (All Warrants)	10.00
False Alarm Fees: (within a 12 month period)	
First Response	No fee
Second Response.....	No fee
Third Response (Residential).....	36.00
Third Response (Non-Residential).....	101.00
Fourth Response (Residential)	68.00
Fourth Response (Non-Residential).....	205.00
Fifth and Subsequent Responses (Residential)	135.00
Fifth and Subsequent Responses (Non-Residential)	405.00
Municipal Civil Infraction (including Animal Control Regulations):	
Each Violation.....	150.00
First Repeat Offense.....	375.00

Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00
Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:	
Each Violation.....	25.00
First Repeat Offense.....	100.00
Second and Subsequent Repeat Offenses.....	125.00
Municipal Civil Infraction for Youth Curfew Violations:	
Each Violation.....	25.00
First Repeat Offense.....	50.00
Second and Subsequent Repeat Offenses.....	100.00
Municipal Civil Infraction for Violation of Bicycle Regulations (City Parks):	
Each Violation.....	10.00
First Repeat Offense.....	25.00
Second and Subsequent Repeat Offenses.....	50.00

Sec. 3.11

PUBLIC LIBRARY:

Overdue fines (per day):	
Hardcover Books (maximum \$15.00).....	0.25
Paperback Books (maximum \$5.00).....	0.25
Magazines (maximum \$5.00).....	0.25
Audios (maximum \$15.00).....	0.25
Compact Discs (maximum \$15.00).....	0.25
DVD's (maximum \$15.00).....	0.25
Replacement Library Card.....	3.00
Suburban Library Cooperative Non-Resident Library Card.....	200.00
Black & White Copy/Computer Print.....	0.10
Color Copy/Computer Print.....	1.00
Microfilm/Microfiche Print (per copy).....	0.20
Internet Use Without Library Card (per day).....	4.00
Municipal Civil Infraction:	
Each Violation.....	75.00
First Repeat Offense.....	150.00
Second or Subsequent Repeat Offenses.....	300.00

Sec. 3.12

PUBLIC WORKS DEPARTMENT:

Sewer Inspection.....	105.00
Sewer Tap.....	1,150.00
Sewer Capital/Unit	
Residential.....	855.00
Commercial/Industrial (per 1,000 sq. ft.).....	440.00
Sewer Frontage (per front ft.).....	71.00
Sewage Disposal Service Only (per billing).....	80.00
Residential and Commercial Water Meters:	
¾" Remote	395.00
1" Remote	450.00
1 ½" Remote.....	770.00
2" Compound Remote.....	2,000.00
3" Compound Remote.....	3,530.00

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4" Compound Remote.....	4,950.00
6" Compound Remote.....	7,340.00
Double Check Detector Assembly with Meter:	
3".....	1,970.00
4".....	2,070.00
6".....	2,970.00
8".....	5,380.00
10".....	7,830.00
Water Inspection.....	105.00
Water Tap	
1".....	1,090.00
1 1/2".....	1,490.00
2".....	1,740.00
3".....	3,490.00
4".....	3,770.00
6".....	4,310.00
Additional Charge for 86 ft. wide street:	
1".....	350.00
1 1/2".....	400.00
2".....	540.00
Additional Charge for 120 ft. wide street:	
1".....	690.00
1 1/2".....	890.00
2".....	1,150.00
Additional Charge for 204 ft. wide street:1,440.00	
1".....	1,640.00
1 1/2".....	2,090.00
2".....	2,980.00
Water Capital/Unit:	
Residential.....	670.00
Commercial/Industrial (per 1,000 sq. ft.).....	360.00
Water Frontage (per front ft.).....	40.00
Monitor Surcharge.....per City of Detroit Industrial Waste Control Rate Structure	
Water Turn On Fee.....	91.00
Water Service Fee (avoidable & repeat visits).....	91.00
Water Service Abandonment Fee:	
Residential.....	470.00
Commercial.....	Contract Costs + 940.00
Sewer Service Abandonment Fee.....	105.00
Water Service Re-Use Fee	
Residential.....	470.00
Commercial.....	Contract Costs + 940.00
Sewer Service Re-Use Fee.....	105.00
Water Meter Testing Fee.....	104.00
Water Meter Rescheduling Fee.....	91.00
Non-Compliance with Back Flow Fee.....	214.00
Automatic Fixed Network Meter Read Permit.....	174.00
Final Water Meter Read.....	35.00
Final Water & Sewer Bill Preparation Fee.....	14.00
Citizen Water Service Request – after hours.....	91.00

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Public Works Services Provided.....	Cost + 25%
Water Meter Removal/Reinstallation for common area irrigation system	199.00
Landlord/Tenant Affidavit Filing Fee.....	155.00
Fire Hydrant Rental – Payable by City	26.50
Private Use of Fire Hydrant:	
Per Hydrant	110.00 per month + 330.00 water usage deposit
Bypass Inspection Fee	Back bill + 140.00
Common Area Irrigation System Permit	390.00
Planting of tree in right-of-way.....	205.00
Culvert installation permit	94.00
Ditch enclosure permit.....	94.00
Monitoring well installation permit	450.00
Sewer connection to discharge treated ground water.....	450.00
Cutting of noxious weeds	Contract costs + 60% administrative fee + 34.00 fine
Special Pickup/Additional Refuse Collection.....	Contract costs + 25% administrative fee
Refuse Collection Fees (Schools)	Contract costs
Refuse Collection Fees (Mobile Home Parks and Apartment Complexes)	Contract costs
.....	+ 5% administrative fee – refuse taxes paid
Curbside Recycling License (min. \$1,500/year).....	1% of program revenue based upon previous year
Debris Removal Fee.....	Contract Costs + 25% administrative fee
Tree Branch Chipping Fee	65.00
Fleet Services Requested by Other Cities	Cost + 30%
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00
Municipal Civil Infraction for Trash Placed at Curb Outside of Permitted Hours:	
Each Violation.....	25.00
First Repeat Offense.....	50.00
Second and Subsequent Repeat Offenses.....	100.00
Municipal Civil Infraction for Violation of a Mandatory Water Restriction:	
Each Violation.....	25.00
First Repeat Offense.....	50.00
Second and Subsequent Repeat Offenses.....	100.00
Municipal Civil Infraction for Raking Leaves Into Street:	
Each Violation.....	25.00
First Repeat Offense.....	50.00
Second and Subsequent Repeat Offenses.....	100.00

Sec. 3.13

TREASURY OFFICE:

Bounced Check Fee	30.00
Delinquent Bill to Tax Roll Penalty (excluding Water & Sewer).....	17%
Late Payment Penalty	6%
Penalty Assessment on Delinquent Taxes	3%
Attorney Review Fee for Liens or Discharges.....	79.00
Subordination of Lien	510.00
Annual Lien Penalty	6% + lien filing costs

O.U.I.L./O.U.I.D.....	325.00 + additional reimbursements
Property Tax Administration Fee (P.T.A.F.)	1%
Municipal Civil Infraction for Failure to Pay Police or Fire False Alarm Invoices:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00

ARTICLE IV

The City Manager is hereby authorized to make transfers within the budgetary centers established in this ordinance but all transfers between budgetary centers, contingencies, reserves, and fund balances shall be made only by further action of the City Council pursuant to law; the City Manager is hereby authorized to sign letters of severance after notifying the City Council and establish City programs which are a de minimis, but necessary expenditure for the benefit of the recipient employee and funded through appropriations in this ordinance; the City Manager is hereby authorized to release bidding documents for those capital items and recurring commodities expressly authorized within appropriations in this ordinance for public review by the City Council following receipt of bids.

ARTICLE V

SEVERABILITY

If any clause, sentence, paragraph, or part of this ordinance, or the application thereof to any person or circumstance, shall for any reason be adjudged by any Court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of this ordinance and the application of such provision to other persons or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of this body that the ordinance would have been adopted had such invalid provision not been included.

ARTICLE VI

EFFECTIVE DATE

This ordinance shall become effective July 1, 2016.

BY ORDER OF CITY COUNCIL

AYES: Ziarko, Taylor, Koski, Romano, Schmidt, Shannon, Skrzyaniarz
NAYS: None
ABSENT: None

MARK CARUFEL, City Clerk

ADOPTED: 05/04/16
PUBLISHED: 05/11/16
EFFECTIVE: 07/01/16

Yes: All. The motion carried.

CONSENT AGENDA

2. Moved by Koski, seconded by Romano, **RESOLVED**, to approve the Consent

Agenda:

A. To approve the minutes of the Special Meeting of April 12, 2016 and the Regular Meeting of April 19, 2016, as presented.

B. To approve payment of the bills as presented: General Fund - \$412,871.12, Water & Sewer Fund - \$49,961.26, Other Funds - \$760,663.56, Total Checks - \$1,233,495.94.

C. **RESOLVED**, to award the bid for automobile and light truck body repairs to Troy Motors, Inc., d/b/a/ Elder Ford, 777 John R Road, Troy, Michigan 48083, for a two-year period based on unit prices bid.

D. **RESOLVED**, to waive the competitive bidding requirements in accordance with City Code §2-217(A)(9)(b) and purchase one hundred (100) Blaze Fitness Watches from FitBit, One Marine Park Drive, Suite 701, Boston, MA 02210, at a total cost of \$17,050.25.

E. **RESOLVED**, to waive the competitive bidding requirements in accordance with City Code §2-217(A)(9)(b) and approve an Agreement for Banking Services between the City of Sterling Heights and Comerica Bank, MC 3354, P.O. Box 75000, Detroit, MI 48275, for the period July 1, 2016 through June 30, 2019, with an option to extend the agreement two (2) additional one (1) year terms upon mutual consent and under the same

- terms and conditions, and authorize the Mayor and City Clerk to sign the Agreement on behalf of the City.
- F. **RESOLVED**, to purchase the *Employee Self-Service Module* and *GoDocs Forms Upgrade* from Tyler Technologies, Inc., P.O. Box 203556, Dallas, TX 75320-3556, in the amount of \$19,100.
- G. **RESOLVED**, to award the bid for Clinton River Corridor Habitat Restoration, City Project #15-278, to Anglin Civil, LLC, 13000 Newburgh Road, Livonia, MI 48150, based on the unit prices bid and authorize the Mayor and City Clerk to sign all documents required on behalf of the City.
- H. **RESOLVED**, to award the bid for Senior Center Parking Lot Reconstruction, City Project #15-270, to Spartan Paving, Inc., 9690 Andersonville Road, Clarkston, MI 48346 in the amount of \$366,441.41, and authorize the Mayor and City Clerk to sign all required documents on behalf of the City.
- I. **RESOLVED**, to:
- (A) Award the bid for the 2016 Concrete Sectional Replacement Program, City Project #16-281, Ryan Road Concrete Repairs, 15 Mile Road to Metropolitan Parkway, City Project #16-286, and Comstock Drive Reconstruction, City Project #16-282, at a cumulative cost of \$2,564,169.50; and direct the Mayor and City Clerk to sign all documents required in conjunction with this bid award;

(B) Authorize a budget amendment to use \$63,500 of Road Bond Construction Fund Reserves to complete Section IV of the contract;

(C) Authorize a budget amendment to use \$66,100 of Local Road Reserves to complete Section V of the contract.

Yes: All. The motion carried.

CONSIDERATION

3. Moved by Romano, seconded by Skrzyniarz, **RESOLVED**, to adopt the resolution approving the Third Amended and Restated Development Plan and Tax Increment Finance Plan in accordance with Public Act 281 of 1986, as amended.

CITY OF STERLING HEIGHTS

RESOLUTION APPROVING THE THIRD AMENDED AND RESTATED DEVELOPMENT PLAN AND TAX INCREMENT FINANCE PLAN FOR THE LOCAL DEVELOPMENT FINANCE AUTHORITY IN ACCORDANCE WITH THE PROVISIONS OF PUBLIC ACT 281 OF 1986, AS AMENDED

This Resolution was made and adopted at a meeting of the City Council of the City of Sterling Heights, Macomb County, Michigan, held at the City Offices on the 4th day of May, 2016.

Members Present: Deanna Koski, Joseph V. Romano, Maria G. Schmidt, Nate Shannon, Doug Skrzyniarz, Michael C. Taylor, Barbara A. Ziarko

Members Absent: None

The following preamble and resolution was offered by Member Romano and was supported by Member Skrzyniarz.

RECITALS

The City Council of the City of Sterling Heights (the "City Council"), by Resolution adopted on April 15, 2008 (the "Resolution of Intent"), determined that it is in the best interests of the public to prevent conditions of unemployment and to promote economic growth within the boundaries of the City of Sterling Heights and in the local development financing authority district(s) as may be designated by the City Council, and declared its intention to create and provide for the operation of a Local Development Finance Authority for the City of Sterling Heights (the "Authority") pursuant to and in accordance with the provisions of the Local Development Financing Act, being Act No. 281 of the Public Acts of 1986, as amended, being Sections 125.2151 to 125.2174 of the Michigan Compiled Laws (the "Act").

On May 20, 2008, pursuant to and in accordance with the Act and the Resolution of Intent, the City Council held a public hearing, notice of which was given as required by Section 4(2) of the Act, on the adoption of a resolution creating the Authority and designating the original boundaries of the Authority district within which the Authority will exercise its powers (the "Authority District" or "Authority Districts", as the case may be).

On August 19, 2008, pursuant to and in accordance with the Act, the City Council adopted a resolution establishing the Authority, placing its supervision and control under the seven-member Board (the "Board"), and designating the original boundaries of the Authority District.

On December 16, 2008, the City Council approved a "SmartZone Agreement" between the City, the Authority and the Michigan Economic Development Corporation ("MEDC").

Pursuant to the terms of the SmartZone Agreement between MEDC, LDFA and the City, the City had a duty to designate the area of the Authority District to be included within the SmartZone on or before June 1, 2009. This duty required that the City Council amend the existing boundaries of its Authority District by adoption of a resolution on May 19, 2009. This resolution served to not only establish the area comprising the SmartZone and the location of the business incubator component, but also allows for future economic development opportunities within the expanded Authority District.

The SmartZone designation also required that the Development Plan and Tax Increment Finance Plan approved by resolution of the City Council on February 3, 2009 be amended for the purpose of reflecting the activities and the tax increment financing of the Macomb OUI-INCubator, which is a certified technology park "SmartZone" created pursuant to and in accordance with the Act.

On December 1, 2009, pursuant to and in accordance with the Act, the City Council held a public hearing, notice of which was given as required by Section 4(2) of the Act, and adopted a resolution approving the First Amended and Restated Development Plan and Tax Increment Finance Plan.

On December 20, 2011, the City Council held a public hearing, notice of which was given as required by Section 4(2) of the Act, and adopted a resolution approving the Second Amended and Restated Development Plan and Tax Increment Finance Plan that provided for the capture of supplemental tax increment revenue generated by two project investments for the purpose of funding SmartZone activities at intended levels.

A Third Amended and Restated Development Plan and Tax Increment Finance Plan are being proposed to incorporate a new project that will result in Tax Increment Revenue to support eligible activities in the broader Authority District and SmartZone, facilitate a 15-year extension of the tax increment revenue capture through the establishment of a satellite SmartZone with a collaborative partner community outside of Macomb County, and eliminate the reimbursement of eligible expenditures that have not been pursued by the developer of a LDFA-eligible project and reallocate the capture to date to the benefit of the Authority District.

The Board has reviewed and is recommending approval of the Third Amended and Restated Development Plan and Tax Increment Finance Plan prepared in accordance with the Act for the Authority District.

Having provided notice of and conducted a public hearing in accordance with the requirements of Section 16 of the Act; and, having provided through this hearing the fullest opportunity for expression of opinion, for argument on the merits, and for consideration of documentary evidence pertinent to the proposed Third Amended and Restated Development Plan and Tax Increment Finance Plan as recommended by the Authority; and, having considered all the information presented in the course of the public hearing;

IT IS RESOLVED that:

1. Public Purpose. The City Council hereby determines that the Third Amended and Restated Development Plan and Tax Increment Finance Plan constitute a public purpose.
2. Best Interest of the Public. The City Council finds that the Third Amended and Restated Development Plan and Tax Increment Finance Plan are consistent with and furthers the

interests of the public by preventing conditions of unemployment and promoting economic growth within the boundaries of the City.

3. Review Considerations. As required by the Act, the City Council has in reviewing the Third Amended and Restated Development Plan and Tax Increment Finance Plan taken into account the considerations set forth in Section 17 of the Act, as applicable, and finds:

(a) The Development Plan meets the requirements set forth in Section 15(2) and the Tax Increment Finance Plan meets the requirements set forth in Section 12(1), (2) and (3) of Act.

(b) The proposed method of financing the public facility or facilities is feasible and the authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the Act.

(d) The amount of captured assessed value estimated to result from adoption of the Tax Increment Finance Plan is reasonable.

(e) The development plan is in reasonable accord with the approved master plan of the City.

(f) The public services, such as fire and police protection and utilities, are or will be adequate to service the property.

(g) The changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

4. Approval of the Plan. The Third Amended and Restated Development Plan and Tax Increment Finance Plan are hereby approved and adopted.

AYES: Romano, Skrzyniarz, Koski, Schmidt, Shannon, Taylor, Ziarko

NAYS: None

ABSTAINED: _____

RESOLUTION DECLARED ADOPTED.

STATE OF MICHIGAN)

Moved by Schmidt, seconded by Ziarko, **RESOLVED**, that the request from Graebner Parent Teacher Organization, of Sterling Heights, County of Macomb, asking that they be recognized as a nonprofit organization operating in the community for the purpose of obtaining a charitable gaming license be considered for approval; provided, however, that this action is not an endorsement of the organization and the City of Sterling Heights should not be listed on any promotional materials associated with their charitable gaming activities.

Councilwoman Schmidt commented that, in looking at their paperwork, they seem to carry a high balance in their account, and she inquired as to how they spend down their money.

Ms. Tuck responded that they spend approximately \$17,000 each year. They host a "Holiday Night", where they offer a photo booth and face painting among other activities. They reimburse \$3,500 to the schools, where each teacher makes a wish list and receives \$100 to put toward those items. They have a "Muffin with Mom" and a "Donut with Dad" program, and will be starting "Tissue with Tears", a new program where parents can stay at the school on their child's first day. They have donated \$3,000 to the school because their paper budget was cut, and she noted that the budget for their own agendas was cut, costing them another \$780.

Councilwoman Schmidt commended them on keeping up the balance, but also spending it on the children who attend their school. She inquired as to whether they are saving up for playground equipment.

Ms. Tuck responded that their current cookie dough fundraiser is going to pay for iPads for the library. They have earmarked about \$7,000 for playground equipment, but she added the cost for installation is actually more than the cost of the equipment.

Mayor Pro-Tem Romano commended the Graebner PTO for having a stringent checks and balances system, especially in these days when there is so much misappropriation of funding in schools. He stated having no problem with their request.

Mayor Taylor pointed out they are non-profit. He commended them on the excellent job they are doing supporting the students and the teachers, noting that his son attends Graebner Elementary.

Yes: All. The motion carried.

5. Moved by Romano, seconded by Skrzyniarz, **RESOLVED**, that the request to transfer ownership of an escrowed 2016 Class C liquor license, with Sunday sales (AM and PM) and dance permit, located at 21611 – 21613 Van Dyke, Warren, MI 48089, from The Bear, LLC to Club Vic Entertainment, Inc. and transfer location to 44899 Mount Rd., Sterling Heights, MI 48314, with new outdoor service permit and entertainment permit, be considered for approval.

Mr. Victor Trpcevski, petitioner, replied to inquiry that they are currently operating successfully in three locations, adding that they are TIPS-certified, and all of their servers have to be TIPS-certified. He replied that their locations include Washington Township, 23 Mile & Hayes, and Mound & M-59, where they are renovating the building for an Art & Jakes Sports Bar & Grill, formerly occupied by a Max & Erma's.

Mayor Taylor stated they are doing a good job. He stated he has dined at one of their facilities and, although they serve alcohol, they are a "food first" operation. He felt they have a great location, and was glad to see that it is a locally-owned business. He wished them good luck in this endeavor.

Yes: All. The motion carried.

6. Mayor Taylor stated that he has an individual in mind for this position, and they have submitted an application; however, the application has not been on file long enough for action at this meeting. He requested that this be postponed until the May 17th City Council Meeting.

Moved by Romano, seconded by Ziarko, **RESOLVED**, to postpone the nomination to the Planning Commission to the May 17, 2016 Regular City Council meeting.

Yes: All. The motion carried.

COMMUNICATIONS FROM CITIZENS

Mr. John Spica – concerned about road condition of Donna Drive, status of Van Dyke Reconstruction jobs lost at Chrysler Plant.

REPORTS FROM CITY ADMINISTRATION AND CITY COUNCIL

Mr. Vanderpool noted that landscaping on Van Dyke is going well, and so are the intersections of Van Dyke at 16 Mile and 18 Mile Roads. They anticipate it will be completed at the end of June or beginning of July. He responded to a resident's concern that the Chrysler Sterling Plant will start production of the RAM truck, with an anticipated net gain of employees, but he cautioned there will be a transition process.

Mr. Bahorski had nothing to report.

Councilman Skrzyniarz stated he will not be at the next Council Meeting. He indicated he is taking his dad, a former teacher, to Europe for his 70th birthday so he can see a part of the world that he taught about for so many years.

UNFINISHED BUSINESS

There was no Unfinished Business discussed.

NEW BUSINESS

There was no New Business.

ADJOURN

Moved by Ziarko, seconded by Romano, to adjourn the meeting.

Yes: All. The motion carried.

The meeting was adjourned at 8:34 p.m.

MARK CARUFEL, City Clerk

EXPENDITURES FOR THE MEETING OF
May 17, 2016

	TOTAL PREPAYMENT LISTING	INTERFUND TRANSFERS	PROPERTY TAXES TO OTHER ENTITIES	EXPENSES & EXPENDITURES
GENERAL FUND	\$713,578.47			\$713,578.47
WATER & SEWER FUND	\$1,490,000.54			\$1,490,000.54
OTHER FUNDS	\$953,127.81		\$0.00	\$953,127.81
TOTAL CHECKS	\$3,156,706.82	\$0.00	\$0.00	\$3,156,706.82

BILL LISTING DETAIL IS AVAILABLE AT THE STERLING HEIGHTS PUBLIC LIBRARY



AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To set a public hearing to consider the request by J. G. Kern Enterprises Inc. for an Industrial Facilities Tax Exemption Certificate at 44044 Merrill Road.

Submitted By: Office of Assessing

Contact Person/Telephone: Dwayne McLachlan, City Assessor / 586.446-2341

Administration (initial as applicable)

Attachments

<u>MC</u> City Clerk	___	Resolution	___	Minutes
<u>FB</u> Finance & Budget Director	___	Ordinance	<u>x</u>	Plan/Map
<u>JB</u> City Attorney (as to legal form)	___	Contract	___	Other
<u>M</u> City Manager				

Check box if this agenda item requires billing\revenue collection (fees, etc.) by Treasury Office

Executive Summary

On October 7, 2015 J. G. Kern Enterprises, Inc. filed an application for an Industrial Facilities Tax Exemption Certificate (IFEC) for a proposed real property investment of \$2,900,000 at 44044 Merrill Road. This investment will result in the creation of 55 jobs at this location and expand the existing facility by 41,368 square feet. The real property is located within an Industrial Development District (IDD) established by the City Council on May 1, 1990.

Under state law, MCL 207.555, the owner or lessee of a facility may file an application for an IFEC with the clerk of the local governmental unit that established the IDD. Upon receipt of an IFEC Application, the clerk of the local governmental unit shall notify in writing the assessor and the legislative body of each taxing unit which levies ad valorem property taxes in the local governmental unit in which the facility is located or is to be located. Before acting upon the IFEC application, the legislative body of the local governmental unit shall afford the applicant, the assessor, and a representative of all of the affected taxing units an opportunity for comment at a public hearing.

In preparation for the June 7, 2016 public hearing required under MCL 207.555, the City Assessor will provide the City Council with a detailed staff report including a specific recommendation regarding the tax abatement term according to the City's existing Industrial Facilities Tax Abatement Program Guidelines.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to set a public hearing on Tuesday, June 7, 2016 at 7:30 p.m. regarding the application by J. G. Kern Enterprises, Inc. for an Industrial Facilities Tax Exemption Certificate at 44044 Merrill Road.

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

RECEIVED
CITY CLERK

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call (517) 373-3302.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date Received by Local Unit
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) JG KERN ENTERPRISES INC.		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) INDUSTRIAL IMPROVED 301	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 44044 MERILL RD. STERLING HETS, MI, 48314		1d. City/Township/Village (Indicate which) STERLING HETS.	1e. County MACOMB
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Transfer <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input type="checkbox"/> Increase/Amendment		3a. School District where facility is located UTICA	3b. School Code 50210
		4. Amount of years requested for exemption (1-12 Years) 16	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

CONSTRUCT A 41,368 SQ FT. ADDITION TO THE EXISTING PLANT
TO BE USED IN THE MANUFACTURING OF AUTOMOTIVE PARTS
AND PURCHASE ADDITIONAL EQUIPMENT

6a. Cost of land and building improvements (excluding cost of land)	▶ <u>2,900,000</u>
* Attach list of improvements and associated costs.	
* Also attach a copy of building permit if project has already begun.	
6b. Cost of machinery, equipment, furniture and fixtures	▶ <u>3,500,000</u>
* Attach itemized listing with month, day and year of beginning of installation, plus total	
6c. Total Project Costs	▶ <u>6,400,000</u>
* Round Costs to Nearest Dollar	
Total of Real & Personal Costs	

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▶ <u>Nov. 1, 2015</u>	<u>June 1, 2017</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶ _____	_____	▶ <input type="checkbox"/> Owned <input type="checkbox"/> Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. Yes No

9. No. of existing jobs at this facility that will be retained as a result of this project. 175	10. No. of new jobs at this facility expected to create within 2 years of completion. 230
---	---

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land)	_____
b. TV of Personal Property (excluding inventory)	_____
c. Total TV	_____

12a. Check the type of District the facility is located in:

Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit)

MAY 1, 1990

12c. Is this application for a speculative building (Sec. 3(8))?

Yes No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name JOSEPH KERN	13b. Telephone Number 586-531-9487	13c. Fax Number 586-726-1892	13d. E-mail Address JOE@KERN2.COM
14a. Name of Contact Person BRIAN KERN	14b. Telephone Number 586-531-9485	14c. Fax Number 586-726-1892	14d. E-mail Address BRIAN@KERN2.COM
▶ 15a. Name of Company Officer (No Authorized Agents) BRIAN KERN			
15b. Signature of Company Officer (No Authorized Agents) <i>Brian Kern</i>		15c. Fax Number 586-726-1892	15d. Date 10/7/15
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 44044 MERRILL RD. SIOCLON Hts. MI. 48344		15f. Telephone Number 586-726-1040 x120	15g. E-mail Address BRIAN@KERN2.COM

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909**

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

**CITY OF STERLING HEIGHTS
NOTICE OF PUBLIC HEARING
REGARDING ESTABLISHMENT OF AN
INDUSTRIAL DEVELOPMENT DISTRICT**

The City Council of the City of Sterling Heights, will hold a public hearing on Tuesday, May 1, 1990 at 8:00 P.M., in the Council Chambers, 40555 Utica Road, Sterling Heights, MI concerning the establishment of an Industrial Development District for the following: J. G. Kern Enterprises, Inc.

LEGAL DESCRIPTION: PARCEL 1

Part of the N.W. ¼ of Section 4, T.2N., R.12E., City of Sterling Heights, Macomb County, Michigan, being more particularly described as: Commencing at the W. ¼ corner of said Section 4; thence S. 88° 45' 40" E., 1355.74 feet to a point on the centerline of Merrill Road (86 feet wide); thence N. 00° 59' 50" E., 657.67 feet along said centerline of Merrill Road; thence S. 88° 56' 05" E., 43.00 feet to the point of beginning on the East right-of-way line of said Merrill Road; thence continuing along said right-of-way line, N. 00° 59' 50" E., 297.13 feet; thence S. 88° 29' 30" E., 621.65 feet; thence S. 01° 30' 30" W., 250.00 feet; thence S. 00° 26' 28" E., 42.34 feet; thence N. 88° 56' 05" W., 620.46 feet to the point of beginning. Contains 182,855 square feet or 4.198 acres and subject to easements and restrictions of record.

LEGAL DESCRIPTION: PARCEL 2

Part of the N.W. ¼ of Section 4, T.2N., R.12E., City of Sterling Heights, Macomb County, Michigan, being more particularly described as: Commencing at the W. ¼ corner of said Section 4; thence S. 88° 45' 40" E., 1355.74 feet to a point on the centerline of Merrill Road (86 feet wide); thence N. 00° 59' 50" E., 657.87 feet along said centerline of Merrill Road; thence S. 88° 56' 05" E., 43.00 feet to the point of beginning on the East right-of-way line of said Merrill Road; thence S. 88° 56' 05" E., 620.46 feet; thence S. 01° 17' 56" W., 17.71 feet; thence S. 01° 17' 56" W., 296.97 feet; thence N. 88° 56' 05" W., 619.34 feet to the point of beginning. Contains 195,144 square feet or 4.480 acres and subject to easements and restrictions of record.

At such hearings any of the owners of property within the proposed industrial development district or any other resident or taxpayer of the City of Sterling Heights shall have a right to appear and be heard concerning establishment of an Industrial Development District.

Publish the Week of April 9, 1990
Advisor/Source

BY ORDER OF CITY COUNCIL

PROOFREAD By:	<i>CA</i>
DATE:	<i>04-11-90</i>
REMARKS:	

CITY OF STERLING HEIGHTS
RESOLUTION

WHEREAS, J. G. Kern Enterprises, Inc. has petitioned the City Council to establish an Industrial Development District at the following location:

Parcel 1 - part of the NW 1/4 of Section 4, T2N, R12E, City of Sterling Heights, Macomb County, Michigan, being more particularly described as: Commencing at the W 1/4 corner of said Section 4; thence S88°45'40"E, 1355.74 feet to a point on the centerline of Merrill Road (86 ft. wide); thence N00°59'50"E 657.67 feet along said centerline of Merrill Road; thence S88°56'05"E, 43.00 feet to the point of beginning on the East right-of-way line of said Merrill Road; thence continuing along said right-of-way line, N00°59'50"E, 297.18 feet; thence S 88°29'30"E, 621.65 feet; thence S01°30'30"W, 250.00 feet; thence S00°26'28"E, 42.34 feet; thence N88°56'05"W, 620.46 feet to the point of beginning; containing 182,855 sq. ft. or 4.198 acres and subject to easements and restrictions of record.

Parcel 2 - Part of the NW 1/4 of Section 4, T2N, R12E, City of Sterling Heights, Macomb County, Michigan, being more particularly described as: Commencing at the W 1/4 corner of said Section 4; thence S88°45'40"E, 1355.74 feet to a point on the centerline of Merrill Road (86 feet wide); thence N00°59'50"E, 657.67 feet along said centerline of Merrill Road; thence S88°56'05"E, 43.00 feet to the point of beginning on the East right-of-way line of said Merrill Road; thence S88°56'05"E, 620.46 feet; thence S01°17'56"W, 17.71 feet; thence S01°17'56"W, 296.97 feet; thence N88°56'05"E, 619.34 feet to the point of beginning; containing 195,144 sq. ft. or 4.480 acres and subject to easements and restrictions of record.

and

WHEREAS, The City Council has held a public hearing on this petition and there were no objections, and

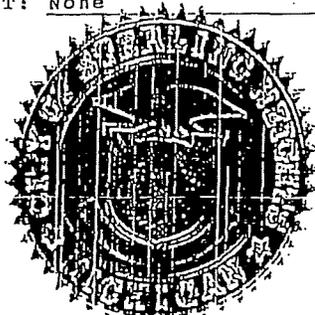
NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Sterling Heights does hereby establish an Industrial Development District for J. G. Kern Enterprises, Inc., 44044 Merrill Street.

Dated this 1st day of May, 1990.

AYES: Rice, Notte, Zettel, Burkhart, Grot, Gush, Koski

NAYS: None

ABSENT: None




Mary E. Zander, CMC/AEE
City Clerk



IFEC Application Affidavit of Fees

APPLICANT NAME: JG KEEN ENTERPRISES INC.
PROPERTY ADDRESS: 44044 MERRILL RD.

CERTIFICATION

In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the City of Sterling Heights and the applicant referenced above do hereby swear and affirm that this applicant has not made, or promised to make payment of any kind to the City of Sterling Heights as a condition to the approval of this Application for an Industrial Facilities Tax Exemption (IFT) Certificate. Whether payments be referred to as "fees," "payments in lieu of taxes," "donations," or by other like terms, such payments are contrary to the legislative intent of Act 198, as amended. We do hereby swear and affirm by our signatures below that "no payment of any kind in excess of the fee allowed, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of this Application for an IFEC."

IFT APPLICANT

PRINT NAME: BRIAN KERN
TITLE: PRESIDENT
SIGNATURE: [Signature]
DATE: 10/7/15

The forgoing certification was acknowledged this 7 day of OCTOBER

By ALAN KERN, VP on behalf of JG KEEN ENTERPRISES
(Name) (Title) (Company Name)

ALAN B. KERN
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES May 4, 2017
ACTING IN COUNTY OF

[Signature]
Notary Public, MACOMB County, MI

CITY OF STERLING HEIGHTS

PRINT NAME: Mark Carufel
TITLE: City Clerk
SIGNATURE: _____
DATE: _____

The forgoing certification was acknowledged this _____ day of _____

By _____, _____ on behalf of _____
(Name) (Title) (Company Name)

Notary Public, _____ County, MI

IFEC LETTER OF AGREEMENT

DATE: 10/7/15
COMPANY NAME: JG KERN ENTERPRISES INC
FACILITY ADDRESS: 44044 MERKILL RD.

City Council
City of Sterling Heights
40555 Utica Road
P.O. Box 8009
Sterling Heights, MI 48311-8009

RE: **Industrial Facilities Tax Exemption Certificate** between:
JG KERN ENTERPRISES INC. and the City of Sterling Heights

Dear Members of Council:

JG KERN ENTERPRISES INC. (the "Company") has submitted the attached Application (the "Application") to you requesting approval of an Industrial Facilities Tax Exemption Certificate ("IFEC"), pursuant to Michigan Public Act 198 of 1974, as amended, for the property located at 44044 MERKILL RD., Sterling Heights, (the "Facility") (Legal Description of the property where the Facility is located is attached).

To encourage approval of the IFEC and in recognition of the investments the City of Sterling Heights (the "City") will make toward the economic growth of the Company, which will benefit the City, the Company agrees as follows:

1. **General.** (Check applicable lines consistent with the Application)
- a. The Company will make the improvements set forth in the Application within two (2) years of the effective date of the IFEC (the "Effective Date").
 - b. The Company will purchase and/or lease and install the personal property as set forth in the Application within two (2) years of the Effective Date.
 - c. The Company will create 55 new full-time jobs at the Facility within two (2) years of the Effective Date.
 - d. The Company will comply with the requirements imposed by the City as part of the site review prior to issuance of a Certificate of Occupancy.

2. **Compliance with Laws.** The Company agrees that it will operate the Facility in accordance with all applicable Federal, State, and local laws or regulations, including but not limited to zoning, outside storage, industrial waste disposal, air and water quality, noise control, and other environmental regulations.
3. **Continued Operation of the Facility.** The Company further agrees to continue to operate the Facility within the City for the period of the IFEC in order to retain the benefits of the IFEC.
4. **Premature Vacation of the Facility.** If the Company vacates, or intends to vacate, the Facility prior to the end of the term of the IFEC, the Company shall be responsible for the following:
 - a. If the Company intends to vacate the Facility for which the IFEC has been approved and issued prior to the end of the term of this agreement, the Company agrees to notify the City Assessor in writing of such intent and the reasons for vacating not less than 60 days prior to vacating the facility.
 - b. The Company agrees to make reasonable provisions satisfactory to the City and in compliance with all applicable laws, codes and ordinances to maximize the likelihood of re-occupancy or re-use of the unoccupied building for productive use within a reasonable time period after the Facility is vacated.
 - c. The Company shall, if requested by the City, deposit an amount equal to the amounts anticipated to be due from the Company under this agreement as a result of the Company vacating the Facility prior to the term for which the IFEC was approved, including but not limited to any reasonable cleanup or maintenance costs, administrative fees, court costs, and attorney fees incurred.
 - d. The Company shall pay any outstanding taxes and shall repay to all affected municipalities an amount equal to the total tax amount abated by the IFEC (unless recovery of a lesser amount is requested by the City or other taxing authority) within 30 days of the date of an invoice for such taxes.
 - e. If the Company fails to pay the amount of the invoice for abated taxes within 30 days of the date of the City invoice, the Company shall be responsible for any additional costs incurred by the City in recovery of such taxes, including, but not limited to administrative fees, court costs, and attorney fees incurred.
5. **Notice of Completion and Final Cost Report.** The Company will submit to the City, not later than 90 days after the completion date for each property component for which an IFEC was granted a Notice of Completion and Final Cost Report in a form requested by the City which includes the actual completion date and final cost of each project component for which an IFEC was originally granted, and an explanation if the final cost of either the real or personal property listed on the Application was greater than the original estimated amount by more than 10%.
6. **Employment Status Report.** The Company will submit to the City, not later than January 31st of the second year after the effective date, and every two years after that date, an Employment Status Report in a form requested by the City, which includes the number of actual full-time jobs created as a direct result of the project for which the certificate was granted, and an explanation if the jobs created during the term of the IFEC was less than the original estimated amount.

7. **Review and Audit: Payment of Costs.** The Company understands that the City may review and audit the information provided by the Company to determine compliance with this agreement and that any costs for such services will be paid by the Company in accordance with a fee schedule approved by the City Council, which may be adjusted from time to time based upon increases in costs to the City.
8. **Remedies for Default for Failure to Satisfy Representations Made in Application.** The Company understands that the City may pass a resolution requesting that the State Tax Commission reduce the term of the IFEC or revoke the IFEC to the extent that the construction or expansion of the Facility has not been completed, expenditures made, or employment reached as represented by the Company in the application, by sending a copy of this Agreement along with a copy of the City Council resolution authorizing such action to the State Tax Commission. In addition, the Company acknowledges that the City may take into account any deficiency in job creation, or real or personal property investment made under this application in a subsequent application for an IFEC or an Exemption of New Personal Property filed by the Company.
9. **Consequences of Unsuccessful Real or Personal Property Tax Appeal.** The Company acknowledges that if during the term of this Agreement, the Company appeals any real or personal property assessment to the Michigan Tax Tribunal or other court of competent jurisdiction upon which it does not prevail, that the Company shall pay to the City all reasonable costs, expenses, and attorney fees incurred by the City in defending such appeals within thirty (30) days of the date of receipt of an invoice from the City. The Company also acknowledges that the City may consider such appeals in deciding the term of any subsequent certificates granted to the Company.
10. **Unforeseen Events.** By execution of this agreement, it is understood that the Company's investment in the Facility and the City's investment in the granting of the IFEC are to encourage economic growth within the City. The City acknowledges that in some instances, economic conditions may prevent the Company from complying fully with this agreement and the terms of the Application. The City will give the Company an opportunity to explain the reasons for any variations from the representations contained in the application and will evaluate the Company's situation prior to taking any action authorized by paragraph 4 and 8 of this agreement.
11. **Entire Agreement.** This is the entire agreement of the parties relating to the matters covered by this Agreement, and no prior or subsequent promises, representations or assurances, whether in any other form, shall be used to modify, vary or contradict any provision of this Agreement, except for any written amendment to this Agreement or separate agreement signed following the date of this Agreement by authorized representatives of all parties to this Agreement.
12. **Severability.** The invalidity of any section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses or provisions thereof, which shall remain in full force and effect to govern the parties' relationship.
13. **Reimbursement of Attorney Fees for Modification of Standard Agreement.** The Company agrees to reimburse the City within 30 days of the date of a receipt of an invoice from the City for all attorney fees incurred by the City in the negotiation or preparation of changes to the standard IFEC Letter of Agreement.

ACCEPTED BY: THE COMPANY

NAME: BRIAN KERN

TITLE: PRESIDENT

SIGNATURE: [Signature]

STATE OF MICHIGAN
COUNTY OF MACOMB

The forgoing acceptance was acknowledged this 7 day of OCTOBER
by ALAN KERN, VP on behalf of JO KERN ENTERPRISE
(Name) (Title) (Company Name)

ALAN B. KERN
NOTARY PUBLIC, STATE OF MI
COUNTY OF MACOMB
MY COMMISSION EXPIRES May 4, 2017
ACTING IN COUNTY OF

[Signature]
Notary Public, MACOMB County, MI
My Commission expires: 5-4-2017

**ACCEPTED BY: CITY OF STERLING HEIGHTS
A MUNICIPAL CORPORATION**

NAME: Michael C. Taylor
TITLE: Mayor
SIGNATURE: _____

NAME: Mark Carufel
TITLE: City Clerk
SIGNATURE: _____

STATE OF MICHIGAN
COUNTY OF MACOMB

The forgoing acceptance was acknowledged this _____ day of _____
by Michael C. Taylor and Mark Carufel, Mayor and City Clerk, respectively, on behalf of
the City of Sterling Heights, a Michigan municipal corporation.

Notary Public, _____ County, MI
My Commission expires: _____

When recorded, return to:
City Clerk
City of Sterling Heights
40555 Utica Road PO Box 8009
Sterling Heights, MI 48311-8009

Drafted by:
City of Sterling Heights
40555 Utica Road
P.O. Box 8009
Sterling Heights, MI 48311-8009

LEGAL DESCRIPTION OF PROPERTY

A parcel of land located in and being a part of the N.W. 1/4 of Section 4, T.2 N., R.12 E., City of Sterling Heights, Macomb County, Michigan and being more particularly described as follows:

Commencing at a point 1355.74 ft. S.88°-45'-40"E. and 343.0 ft. N.0°-59'-50"E. from the West 1/4 corner of said Section 4 and thence extending N.0°-59'-50"E. 314.67 ft. along the Centerline of Merrill Rd. (1/2=43 ft. wd.) thence S.88°-56'-05"E. 663.46 ft., thence S.0°-26'-28"E. 17.71 ft., thence S.01°-17'-56"W. 296.97 ft., thence N.88°-56'-05"W. 662.34 ft. to the Point of Beginning reserving the Westerly 43 ft. for road purposes also reserving easements of record.



CITY OF
**Sterling
Heights**

InnovatingLiving

Interoffice Memorandum

Date: October 8, 2015

To: Don Mende, Mike Viazanko, Jennifer Varney, Brent Bashaw, Mike Moore, Denice Gerstenberg

From: 
Mark Carufel, City Clerk/Risk Manager

Subject: **J. G. Kern Enterprises, Inc.**

This office has received an application from J. G. Kern Enterprises, Inc. requesting an Industrial Facilities Tax Exemption Certificate at the following location:

44044 Merrill Drive

Prior to submission of the Application and Agreement to the City Council for consideration, the City reviews any existing site for which an Industrial Facilities Tax Exemption Certificate has been requested to determine whether there are any unpaid charges (taxes, special assessments, etc.), and whether the premises comply with applicable codes, ordinances and standards (i.e., upkeep and maintenance – upgrading of landscaping, removal of non-conforming structures, satisfaction of current public utility requirements, fence repairs, etc.)

Please forward a copy of your findings to Meghan Ahearn for the location listed above by October 19, 2015.

If you have any questions, please do not hesitate to call on extension 2421.

cc: Assessor

Office of Assessing

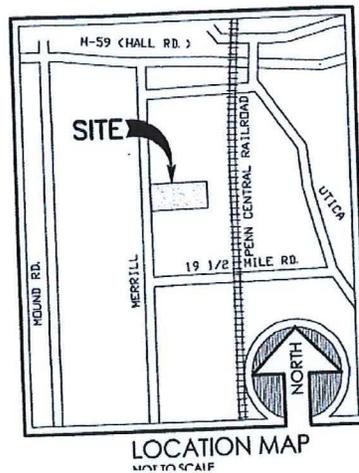
IFEC Information Sheet

Date: June 7, 2016
Applicant: J.G. KERN ENTERPRISES INC
Address: 44044 MERRILL ROAD
Sidwell Number: 50-10-04-176-020-000

PROPERTY LEGAL DESCRIPTION

T2N, R12E SEC 4; COMM AT W 1/4 COR SEC 4; TH S88*45'40"E 1355.74 FT; TH N00*59'50"E 343.00 FT TO POB; TH N00*59'50"E 612.13 FT; TH S88*29'30"E 664.65 FT; TH S01*30'30"W 250.00 FT; TH S00*26'28"E 60.05 FT; TH S01*17'56"W 296.97 FT; TH N88*56'05"W 662.34 FT; TO POB. 9.28 AC. COMB FROM -009 & -010 FOR 1999.

PROPERTY LOCATION MAP





Office of Assessing

IFEC Information Sheet

Date: June 7, 2017
Applicant: J.G. KERN ENTERPRISES INC
Address: 44044 MERRILL ROAD
Sidwell Number: 50-10-04-176-020-000

PROPERTY LEGAL DESCRIPTION

T2N, R12E SEC 4; COMM AT W 1/4 COR SEC 4; TH S88*45'40"E 1355.74 FT; TH N00*59'50"E 343.00 FT TO POB; TH N00*59'50"E 612.13 FT; TH S88*29'30"E 664.65 FT; TH S01*30'30"W 250.00 FT; TH S00*26'28"E 60.05 FT; TH S01*17'56"W 296.97 FT; TH N88*56'05"W 662.34 FT; TO POB. 9.28 AC. COMB FROM -009 & -010 FOR 1999.

PROPERTY LOCATION MAP

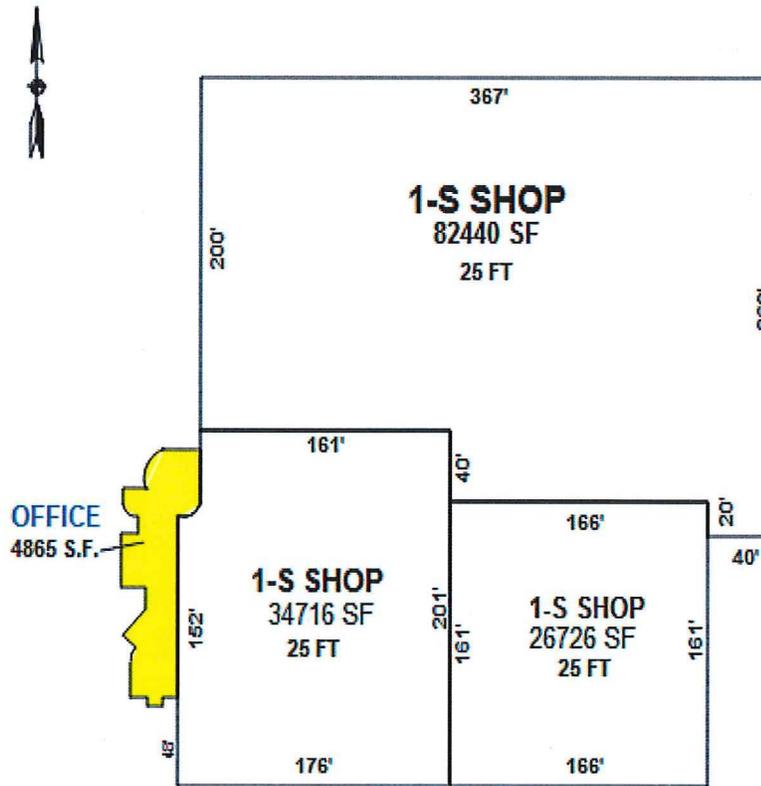


Office of Assessing

IFEC Building Sheet

Date: June 7, 2016
 Applicant: J.G. KERN ENTERPRISES INC
 Address: 44044 MERRILL ROAD
 Sidwell Number: 50-10-04-176-020-000

BUILDING SKETCHES





Business of the City Council
Sterling Heights, Michigan

DELIVERED MAY 12 2016

City Clerk's Use

Item No: 1-D
Meeting: 05/17/16

AGENDA STATEMENT

OMB A503 Rev. 11/04

Item Title: To set a public hearing to consider the request by Beta Steel Corporation for an Industrial Facilities Tax Exemption Certificate at 6300 Hughes Drive.

Submitted By: Office of Assessing

Contact Person/Telephone: Dwayne McLachlan, City Assessor / 586.446-2341

Administration (initial as applicable)

Attachments

 City Clerk	___	Resolution	___	Minutes
 Finance & Budget Director	___	Ordinance	<u> x </u>	Plan/Map
 City Attorney (as to legal form)	___	Contract	___	Other
 City Manager				

Check box if this agenda item requires billing\revenue collection (fees, etc.) by Treasury Office

Executive Summary

On November 6, 2015, Beta Steel Corporation filed an application for an Industrial Facilities Tax Exemption Certificate (IFEC) for a proposed real property investment of \$1,586,860 at 6300 Hughes Drive. This investment will result in the creation of 52 jobs at this existing facility. The real property is located within an Industrial Development District (IDD) established by the City Council on May 18, 1982.

Under state law, MCL 207.555, the owner or lessee of a facility may file an application for an IFEC with the clerk of the local governmental unit that established the IDD. Upon receipt of an IFEC Application, the clerk of the local governmental unit shall notify in writing the assessor and the legislative body of each taxing unit which levies ad valorem property taxes in the local governmental unit in which the facility is located or is to be located. Before acting upon the IFEC application, the legislative body of the local governmental unit shall afford the applicant, the assessor, and a representative of all of the affected taxing units an opportunity for comment at a public hearing.

In preparation for the June 7, 2016 public hearing required under MCL 207.555, the City Assessor will provide the City Council with a detailed staff report including a specific recommendation regarding the tax abatement term according to the City's existing Industrial Facilities Tax Abatement Program Guidelines.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to set a public hearing on Tuesday, June 7, 2016 at 7:30 p.m. regarding the application by Beta Steel Corporation for an Industrial Facilities Tax Exemption Certificate at 6300 Hughes Drive.

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call (517) 373-3302.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date Received by Local Unit
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) Beta Steel Corporation	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 423500
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 6300 Hughes Dr., Sterling Heights, MI 48312	1d. City/Township/Village (indicate which) City of Sterling Heights
1e. County Macomb	2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Transfer <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input type="checkbox"/> Increase/Amendment
3a. School District where facility is located Warren Consolidated	3b. School Code 50230
4. Amount of years requested for exemption (1-12 Years) 12	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

Buildout of Interior Space (\$1,066,860), Office Furniture (\$80,000), Replacement of Concrete (\$500,000), 2 Drawblocks, auxiliary equipment & infrastructure (\$250,000).

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	▶ <u>1,566,860</u> Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	▶ _____ Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	▶ <u>1,566,860</u> Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▶	<u>5/11/2015</u>	<u>5/10/2017</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶	_____	_____	▶ <input type="checkbox"/> Owned <input type="checkbox"/> Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. Yes No

9. No. of existing jobs at this facility that will be retained as a result of this project. 0	10. No. of new jobs at this facility expected to create within 2 years of completion. 52
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11. Rehabilitation applications only; Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land)	n/a
b. TV of Personal Property (excluding inventory)	n/a
c. Total TV	n/a

12a. Check the type of District the facility is located in:
 Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) 5/18/1982	12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
--	---

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Laurel A Dailey	13b. Telephone Number 586-698-9191	13c. Fax Number 586-698-0139	13d. E-mail Address laurie.dailey@betasteel.com
14a. Name of Contact Person Scott W Bernstein	14b. Telephone Number 586-698-9190	14c. Fax Number 586-698-0139	14d. E-mail Address scott.bernstein@betasteel.com
▶ 15a. Name of Company Officer (No Authorized Agents) Scott W Bernstein - President			
15b. Signature of Company Officer (No Authorized Agents) <i>[Signature]</i>		15c. Fax Number 586-698-0139	15d. Date 11/6/15
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 6300 Hughes Drive, Sterling Heights, MI 48312		15f. Telephone Number 586-698-9190	15g. E-mail Address scott.bernstein@betasteel.

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909**

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

**APPLICATION
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
ATTACHMENT - SECTION 6A**

**ATTACHMENT TO 6A - COST OF BUILDING
BUILDERS ESTIMATE**

**Beta Steel Corporation
6300 Hughes Dr.
Sterling Heights, MI 48312**

<u>COST OF LAND IMPROVEMENTS</u>	<u>Estimated</u>	<u>Cost</u>
Concrete, inc. Sitework		\$500,000
TOTAL COST		\$500,000

<u>COST OF BUILDING</u>	<u>Estimated</u>	<u>Cost</u>
Masonry, inc. Facing		\$29,930
Steel, Structural		\$33,955
Carpentry, Rough and Finish inc. demo		\$168,351
Roof		\$65,747
Doors, inc. Frames Hdw & accessories		\$77,495
Window, inc. Treatments		\$70,655
Painting (Exterior and Interior)		\$26,011
Flooring (Carpet, tile, VCT) inc. patch		\$80,782
Plumbing (Water/Sewage, Gas, Air)		\$99,820
Fire Protection		\$29,055
HVAC		\$181,044
Electrical Work		\$204,015
TOTAL COST		\$1,066,860

GRAND TOTAL: REAL PROPERTY - \$1,566,860

Beta Steel Corporation

LEGAL DESCRIPTION

6300 Hughes Dr.
Sterling Heights, MI 48312

Industrial Facilities Tax Exemption Application

Parcel Identification Number: 10-28-301-016-000

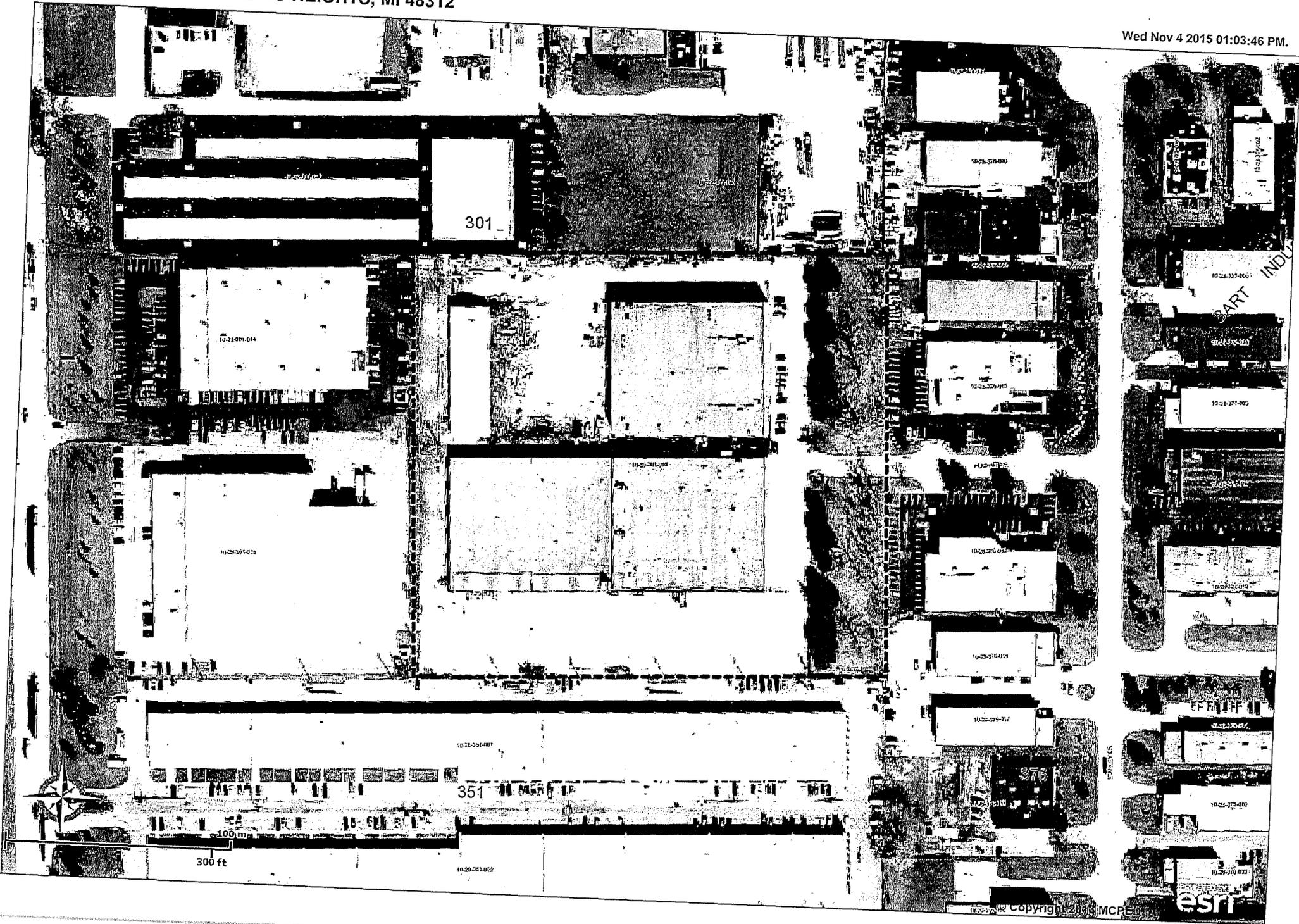
Legal Description:

T2N, R12E SEC 28 COMM AT W 1/4 SEC 28; TH S00°10'00"W 660.35 FT; TH S89°23'38"E 618.59 FT TO POB; TH S89°23'38"E 692.0 FT; TH S00°47'42"W 627.90 FT; TH N89°32'10"W 692.01 FT; TH N00°47'42"E 629.59 FT TO POB. 10.0 AC. SPLIT & COMB FROM -005 & -006 FOR 2000.

Beta Steel Corporation

6300 HUGHES DR. STERLING HEIGHTS, MI 48312

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Beta Steel Corporation

6300 HUGHES DR. STERLING HEIGHTS, MI 48312

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IFEC Application Affidavit of Fees

APPLICANT NAME: Beta Steel Corporation

PROPERTY ADDRESS: 6300 Hughes Dr. Sterling Heights, MI 48312

CERTIFICATION

In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the City of Sterling Heights and the applicant referenced above do hereby swear and affirm that this applicant has not made, or promised to make payment of any kind to the City of Sterling Heights as a condition to the approval of this Application for an Industrial Facilities Tax Exemption (IFT) Certificate. Whether payments be referred to as "fees," "payments in lieu of taxes," "donations," or by other like terms, such payments are contrary to the legislative intent of Act 198, as amended. We do hereby swear and affirm by our signatures below that "no payment of any kind in excess of the fee allowed, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of this Application for an Industrial Facilities Tax Exemption certificate."

IFT APPLICANT

PRINT NAME: Scott Bernstein
TITLE: President
SIGNATURE: [Handwritten Signature]
DATE: 11/6/15

The forgoing certification was acknowledged this 6 day of November

By Scott Bernstein, President on behalf of Beta Steel Corporation
(Name) (Title) (Company Name)

DONNA WAEGENAERE
Notary Public, State of Michigan
County of Lapeer
My Commission Expires 11-01-2020
Acting in the County of Macomb

[Handwritten Signature]
Notary Public, Lapeer County, MI

CITY OF STERLING HEIGHTS

PRINT NAME: Mark Carufel
TITLE: City Clerk
SIGNATURE: _____
DATE: _____

The forgoing certification was acknowledged this _____ day of _____

By _____, _____ on behalf of _____
(Name) (Title) (Company Name)

Notary Public, _____ County, MI



IFEC LETTER OF AGREEMENT

DATE: 11/6/15
COMPANY NAME: Beta Steel Corporation
FACILITY ADDRESS: 6300 Hughes Dr. Sterling Heights, MI 48312

City Council
City of Sterling Heights
40555 Utica Road
P.O. Box 8009
Sterling Heights, MI 48311-8009

RE: **Industrial Facilities Tax Exemption Certificate** between:
Beta Steel Corporation and the City of Sterling Heights

Dear Members of Council:

Beta Steel Corporation (the "Company") has submitted the attached Application (the "Application") to you requesting approval of an Industrial Facilities Tax Exemption Certificate ("IFEC"), pursuant to Michigan Public Act 198 of 1974, as amended, for the property located at 6300 Hughes Dr., Sterling Heights, MI 48312 (the "Facility") (Legal Description of the property where the Facility is located is attached).

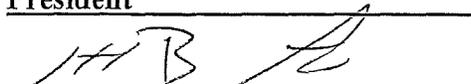
To encourage approval of the IFEC and in recognition of the investments the City of Sterling Heights (the "City") will make toward the economic growth of the Company, which will benefit the City, the Company agrees as follows:

1. **General.** (Check applicable lines consistent with the Application)
 - a. The Company will make the improvements set forth in the Application within two (2) years of the effective date of the IFEC (the "Effective Date").
 - b. The Company will purchase and/or lease and install the personal property as set forth in the Application within two (2) years of the Effective Date.
 - c. The Company will create 52 new full-time jobs at the Facility within two (2) years of the Effective Date.
 - d. The Company will comply with the requirements imposed by the City as part of the site review prior to issuance of a Certificate of Occupancy.

2. **Compliance with Laws.** The Company agrees that it will operate the Facility in accordance with all applicable Federal, State, and local laws or regulations, including but not limited to zoning, outside storage, industrial waste disposal, air and water quality, noise control, and other Environmental regulations.
3. **Continued Operation of the Facility.** The Company further agrees to continue to operate the Facility within the City for the period of the IFEC in order to retain the benefits of the IFEC.
4. **Premature Vacation of the Facility.** If the Company vacates, or intends to vacate, the Facility prior to the end of the term of the IFEC, the Company shall be responsible for the following:
 - a. If the Company intends to vacate the Facility for which the IFEC has been approved and issued prior to the end of the term of this agreement, the Company agrees to notify the City Assessor in writing of such intent and the reasons for vacating not less than 60 days prior to vacating the facility.
 - b. The Company agrees to make reasonable provisions satisfactory to the City and in compliance with all applicable laws, codes and ordinances to maximize the likelihood of re-occupancy or re-use of the unoccupied building for productive use within a reasonable time period after the Facility is vacated.
 - c. The Company shall, if requested by the City, deposit an amount equal to the amounts anticipated to be due from the Company under this agreement as a result of the Company vacating the Facility prior to the term for which the IFEC was approved, including but not limited to any reasonable cleanup or maintenance costs, administrative fees, court costs, and attorney fees incurred.
 - d. The Company shall pay any outstanding taxes and shall repay to all affected municipalities an amount equal to the total tax amount abated by the IFEC (unless recovery of a lesser amount is requested by the City or other taxing authority) within 30 days of the date of an invoice for such taxes.
 - e. If the Company fails to pay the amount of the invoice for abated taxes within 30 days of the date of the City invoice, the Company shall be responsible for any additional costs incurred by the City in recovery of such taxes, including, but not limited to administrative fees, court costs, and attorney fees incurred.
5. **Notice of Completion and Final Cost Report.** The Company will submit to the City, not later than 90 days after the completion date for each property component for which an IFEC was granted a Notice of Completion and Final Cost Report in a form requested by the City which includes the actual completion date and final cost of each project component for which an IFEC was originally granted, and an explanation if the final cost of either the real or personal property listed on the Application was greater than the original estimated amount by more than 10%.
6. **Employment Status Report.** The Company will submit to the City, not later than January 31st of the second year after the effective date, and every two years after that date, an Employment Status Report in a form requested by the City, which includes the number of actual full-time jobs created as a direct result of the project for which the certificate was granted, and an explanation if the jobs created during the term of the IFEC was less than the original estimated amount.

7. **Review and Audit: Payment of Costs.** The Company understands that the City may review and audit the information provided by the Company to determine compliance with this agreement and that any costs for such services will be paid by the Company in accordance with a fee schedule approved by the City Council, which may be adjusted from time to time based upon increases in costs to the City.
8. **Remedies for Default for Failure to Satisfy Representations Made in Application.** The Company understands that the City may pass a resolution requesting that the State Tax Commission reduce the term of the IFEC or revoke the IFEC to the extent that the construction or expansion of the Facility has not been completed, expenditures made, or employment reached as represented by the Company in the application, by sending a copy of this Agreement along with a copy of the City Council resolution authorizing such action to the State Tax Commission. In addition, the Company acknowledges that the City may take into account any deficiency in job creation, or real or personal property investment made under this application in a subsequent application for an IFEC filed by the Company.
9. **Consequences of Unsuccessful Real or Personal Property Tax Appeal.** The Company acknowledges that if during the term of this Agreement, the Company appeals any real or personal property assessment to the Michigan Tax Tribunal or other court of competent jurisdiction upon which it does not prevail, that the Company shall pay to the City all reasonable costs, expenses, and attorney fees incurred by the City in defending such appeals within thirty (30) days of the date of receipt of an invoice from the City. The Company also acknowledges that the City may consider such appeals in deciding the term of any subsequent certificates granted to the Company.
10. **Unforeseen Events.** By execution of this agreement, it is understood that the Company's investment in the Facility and the City's investment in the granting of the IFEC are to encourage economic growth within the City. The City acknowledges that in some instances, economic conditions may prevent the Company from complying fully with this agreement and the terms of the Application. The City will give the Company an opportunity to explain the reasons for any variations from the representations contained in the application and will evaluate the Company's situation prior to taking any action authorized by paragraph 4 and 8 of this agreement.
11. **Entire Agreement.** This is the entire agreement of the parties relating to the matters covered by this Agreement, and no prior or subsequent promises, representations or assurances, whether in any other form, shall be used to modify, vary or contradict any provision of this Agreement, except for any written amendment to this Agreement or separate agreement signed following the date of this Agreement by authorized representatives of all parties to this Agreement.
12. **Severability.** The invalidity of any section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses or provisions thereof, which shall remain in full force and effect to govern the parties' relationship.
13. **Reimbursement of Attorney Fees for Modification of Standard Agreement.** The Company agrees to reimburse the City within 30 days of the date of a receipt of an invoice from the City for all attorney fees incurred by the City in the negotiation or preparation of changes to the standard IFEC Letter of Agreement.

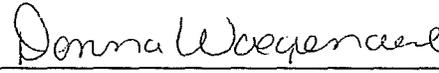
ACCEPTED BY: THE COMPANY

NAME: Scott Bernstein
TITLE: President
SIGNATURE: 

STATE OF MICHIGAN
COUNTY OF MACOMB

The forgoing acceptance was acknowledged this 6 day of November
by Scott Bernstein, President on behalf of Beta Steel Corporation.
(Name) (Title) (Company Name)

DONNA WAEGENAERE
Notary Public, State of Michigan
County of Lapeer
My Commission Expires 11-01-2020
Acting in the County of macomb


Notary Public, Lapeer County, MI
My Commission expires: 11-01-2020

**ACCEPTED BY: CITY OF STERLING HEIGHTS
A MUNICIPAL CORPORATION**

NAME: Michael Taylor
TITLE: Mayor
SIGNATURE: _____

NAME: Mark Carufel
TITLE: City Clerk
SIGNATURE: _____

STATE OF MICHIGAN
COUNTY OF MACOMB

The forgoing acceptance was acknowledged this _____ day of _____
By Michael Taylor and Mark Carufel, Mayor and City Clerk, respectively, on behalf of
the City of Sterling Heights, a Michigan municipal corporation.

Notary Public, _____ County, MI
My Commission expires: _____

When recorded, return to:
City Clerk
City of Sterling Heights
40555 Utica Road PO Box 8009
Sterling Heights, MI 48311-8009

Drafted by:
City of Sterling Heights
40555 Utica Road
P.O. Box 8009
Sterling Heights, MI 48311-8009

Office of Assessing

IFEC Information Sheet

Date: June 7, 2016
Applicant: BETA STEEL
Address: 6300 HUGES DR
Sidwell Number: 50-10-28-301-016-000

PROPERTY LEGAL DESCRIPTION

T2N, R12E SEC 28 COMM AT W 1/4 SEC 28; TH S00*10'00"W 660.35 FT; TH S89*23'38"E 618.59 FT TO POB; TH S89*23'38"E 692.0 FT; TH S00*47'42"W 627.90 FT; TH N89*32'10"W 692.01 FT; TH N00*47'42"E 629.59 FT TO POB. 10.0 AC. SPLIT & COMB FROM -005 & -006 FOR 2000.

PROPERTY LOCATION MAP





Office of Assessing

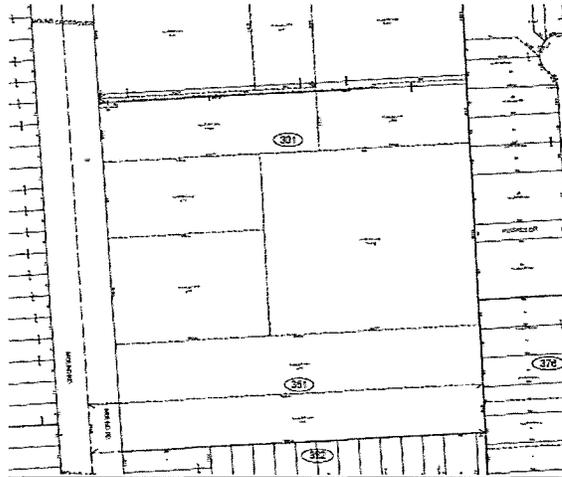
IFEC Information Sheet

Date: June 7, 2016
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PROPERTY LOCATION MAP

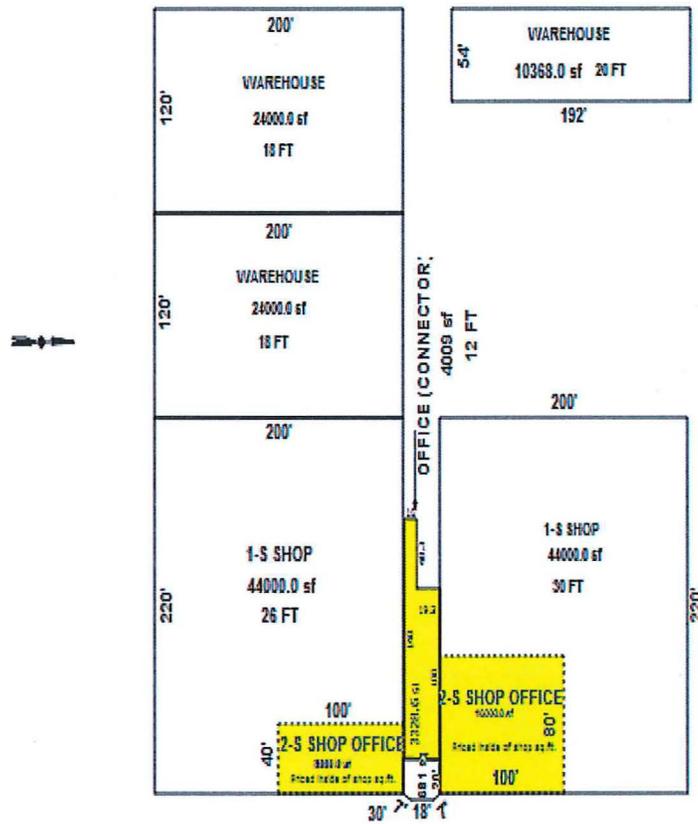


Office of Assessing

IFEC Building Sheet

Date: June 7, 2016
 Applicant: BETA STEEL
 Address: 6300 HUGHES DR
 Sidwell Number: 50-10-28-301-016

BUILDING SKETCHES





**Business of the City Council
Sterling Heights, Michigan**

DELIVERED MAY 12 2016

City Clerk's Use
Item No: 1-E
Meeting: 05/17/16

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To award a bid for red infield conditioner for the Department of Public Works (Estimated expenditure of \$16,200).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)

Attachments

City Clerk

—

Resolution

—

Minutes

Finance & Budget Director

—

Ordinance

—

Plan/Map

City Attorney (as to legal form)

—

Contract

—

Other

City Manager

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- Every spring, as a prelude to the opening of the baseball and softball seasons, the Parks & Grounds Division of the Department of Public Works (DPW) prepares and conditions the infields on all city-owned ball diamonds. The surface preparation includes the addition of red infield conditioner.
- Red infield conditioner provides the following benefits to the infields:
 - Acts as a binding agent to the existing surface thereby increasing the density of the playing surface minimizing damage, erosion and degradation by wind and precipitation;
 - Controls for the effects of storm water by absorbing moisture during rain (minimizing run-off), holding that moisture within the conditioning material, and slowly releasing the moisture as the surface dries;
 - Provides better playing conditions and safer surface as a conditioned infield is softer and less abrasive than the underlying ball meal; and
 - Presents a visually and aesthetically pleasing appearance to the ball diamond infields.
- Quantities to be purchased are estimates by the DPW based on expected use. All materials are quoted as delivered. Bulk delivery of this product is cost effective and more efficient to use than bagged material.
- Recommendation is being made to award the bid to Phoenix Stone Co., the low bidder meeting all specifications.

- The City expects to spend approximately \$16,200 through January 31, 2017. Please see the attached Staff Report and departmental recommendation for additional information.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to award the bid for red infield conditioner to Phoenix Stone, Co., 74 Floral Avenue, Mt. Clemens, MI 48043, for the period May 18, 2016 through January 1, 2017 at unit prices bid.

CITY OF STERLING HEIGHTS
STAFF REPORT
May 17, 2016

Prepared By: James Buhlinger, Purchasing Manager

Ext. No. 2741

GENERAL INFORMATION:

On April 12, 2016, bids were received for red infield conditioner to be used by the Parks and Grounds Division of the Department of Public Works (DPW). An Invitation to Bid was advertised on SHTV, posted to the MITN website, Facebook and Twitter, and published in the Sentry Newspaper. Three (3) vendors responded with bids, as outlined on the attached bid tabulation. The amount of \$16,200 is budgeted for the purchase of red infield conditioner for the period covered by this bid.

The purchase of bulk red infield conditioner was included in a DPW Bulk Supplies and Materials Invitation to Bid (ITB) issued in December 2015. However, the specification within that bid included palletized bagged product rather than bulk product. The increased expense of the palletized bags of conditioner was cost prohibitive, as was the cost of employees spreading the product by hand rather than machine. As a result, this supply item was rebid.

Funds are budgeted in 11744770 (DPW Parks & Grounds) 760000 (Playground and Athletic Supplies) for the purchase of the infield conditioner.

STAFF ANALYSIS AND FINDINGS:

Personnel from the DPW and Office of Purchasing have reviewed all of the bids submitted. Recommendation is being made to award the bid to the low bidder, Phoenix Stone, Co. As a new vendor to the City, Phoenix Stone's references were checked and proved favorable. DPW personnel inspected a sample of the red infield conditioner to be supplied by Phoenix Stone and it was deemed to be compliant with the product requirements.

The bid award is valid from the date of award through January 2017. At that time, this bulk supply will be re-introduced into the DPW Bulk Supplies and Materials ITB.

Please see the attached departmental recommendation and supporting documentation for additional information.

STAFF RECOMMENDATION:

Please see Suggested Action on the accompanying Agenda Statement.

Notification list:

Phoenix Stone

74 Floral Avenue

Mt. Clemens, MI 48043

Daniel DeGriek, Sales

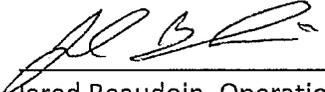
dave@phoenixstoneco.com



Interoffice Memorandum

Date: April 25, 2016

To: Jim Buhlinger, Purchasing Manager

From: 
Jared Beaudoin, Operations Manager

Subject: Bid Recommendation – Red Infield Conditioner

The Department of Public Works has reviewed the bids received on April 12, 2016 for Red Infield Conditioner that will be use on all City owned baseball diamonds. The DPW recommends that the bid be awarded to the overall lowest bidder per item based on unit prices:

	Item	Name and Address (Low Bidder)	Unit Price	Estimated Yearly Use	Estimated Total Cost
A.	Red Infield Conditioner	Phoenix Stone	\$90.00 per ton	180 tons	\$16,200.00

The total amount of this contract awarded to Phoenix Stone is \$16,200.00. DPW Staff contacted all provided references and all references were satisfied with Phoenix Stone's high quality products and the great service they provide. DPW Staff also inspected Phoenix Stone's red infield conditioner and was satisfied with its quality.

Funds will be budgeted in the Playground and Athletic Supplies account #11744770-760000 for the purchase and use of the above items to maintain City owned baseball diamonds.

C: Michael Moore, Public Works Director
Josh Cole, Parks & Grounds Supervisor

CITY OF STERLING HEIGHTS
 BID TABULATION - APRIL 12, 2016
 ITB-SH16-022: RED INFIELD CONDITIONER

<i>Description</i>	<i>Qty</i>	<u><i>Phoenix Stone</i></u>		<u><i>SiteOne Landscape Supply **</i></u>		<u><i>Tri-Turf</i></u>	
		<i>Unit</i>	<i>Total</i>	<i>Unit</i>	<i>Total</i>	<i>Unit</i>	<i>Total</i>
Red Infield Conditioner	20 tn	\$90.00	\$1,800.00 *	\$619.57	\$12,391.40	\$391.60	\$7,832.00
Delivery		5-8 days		14-21 days		5-7 days	

* Delivery cost is an extra \$75 per delivery with a maximum delivery of 20 tons per delivery.

** Alternate bid was also submitted - non-responsive

NOTE: Non-responsive bid received from BSN Sports



CITY OF Sterling Heights
 InnovatingLiving

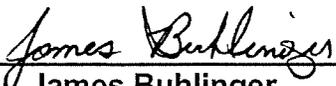
Richard J. Notte Sterling Heights City Center
 City Hall
 40555 Utica Road | P.O. Box 8009
 Sterling Heights, MI | 48311-8009

City Council	
Mayor	Michael C. Taylor
Mayor Pro Tem	Joseph V. Romano
Councilwoman	Deanna Koski
Councilwoman	Maria G. Schmidt
Councilman	Nate Shannon
Councilman	Doug Skrzyniarz
Councilwoman	Barbara A. Ziarko
City Manager	Mark D. Vanderpool

TEL 586.446.CITY (2489) FAX 586.276.4077
 cityhall@sterling-heights.net | www.sterling-heights.net
 facebook.com/cityofsterlingheights | twitter.com/sterling_hts

INVITATION TO BID
ITB-SH16-022

The City of Sterling Heights, Michigan is accepting sealed bids for RED INFIELD CONDITIONER until TUESDAY, APRIL 12, 2016 AT 2:30 P.M., in the Office of the City Clerk, 40555 Utica Road, Sterling Heights, Michigan 48313. Specifications are attached.



 James Buhlinger
 Purchasing Manager

Office of Purchasing
 586-446-2740

V. SPECIFICATIONS

<u>Description</u>	<u>Specification</u>	<u>Estimated Annual Usage</u>	<u>Estimated Average Order</u>
Red Infield Conditioner	Conditioner shall have precisely controlled water and air retaining properties that are beneficial to the moisture management of any infield-skinned surface.	20 Tons	5 Tons

VI. BID FORM

The undersigned hereby declares that the instructions and specifications have been carefully examined and that **Red Infield Conditioner** will be furnished for the price set forth in this bid to the City of Sterling Heights. It is understood and agreed that all bids are **F.O.B. DESTINATION** and shall remain in effect for at least ninety (90) days from the date of the bid opening to allow for the award of the bid; and that if chosen as the successful vendor, the **prices bid will remain firm through January 31, 2017.**

Quantities indicated in the proposal are estimated and may vary during the course of the Contract. The estimated quantities are used for assisting in the determination of the lowest responsible bidder. It is the intent of the City to purchase the services and/or products in the quantity and frequency as listed in this bid, however, the City reserves the right to modify or eliminate this purchase without prior notice.

ALL BIDS MUST INCLUDE MATERIAL SAFETY DATA SHEETS FOR MATERIALS AS REQUIRED BY M.I.O.S.H.A.

Indicate number of days to complete delivery after receipt of an order: _____

How did you obtain this bid? If bid documents were downloaded from a website, please list: _____

The undersigned certifies that all documents/addendums associated with this bid have been downloaded from the MITN website.

Company _____

Address _____

City/State/Zip _____

Representative/Title _____

Telephone/Fax _____

E-Mail Address/Website _____

Payment Terms _____

Signature/Date _____

This form **must** be completed and returned with your bid.

VI. BID FORM (CONT'D)

<u>Estimated Annual Usage</u>	<u>Description</u>	<u>Unit Price</u>	<u>Total</u>
20 Tons	Red Infield Conditioner	\$ _____	\$ _____

This form **must** be completed and returned with your bid.

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To purchase Goodyear automobile and miscellaneous replacement tires at pricing available through the State of Michigan's MiDeal cooperative contract (Estimated expenditure of \$85,000).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)



Attachments

 City Clerk	—	Resolution	—	Minutes
 Finance & Budget Director	—	Ordinance	—	Plan/Map
 City Attorney (as to legal form)	—	Contract	—	Other
 City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- The Department of Public Works' Fleet Maintenance Division replaces approximately 500 tires each year on the fleet of City vehicles and equipment. This fleet includes police cars, pool cars, fire trucks, street sweepers, mowers, front-end loaders, and any other wheeled equipment the City utilizes on a regular basis.
- The City has been purchasing Goodyear replacement tires for the past eight years at pricing available through MiDeal cooperative bid contract #071B8200076, which has now expired. MiDeal is now extending competitively bid pricing to its members for Goodyear replacement tires under a National Association of State Procurement Officials (NASPO) bid led by the state of Utah as a member of the Western States Contracting Alliance. Through a participating addendum, MiDeal can offer its members the favorable pricing secured from Goodyear Tire & Rubber Company through the NASPO bid. The new pricing is valid through March 31, 2017, with an option to extend the bid period two (2) years.
- Rather than incur the time and expense associated with the City issuing its own invitation to bid, recommendation is being made to take advantage of the combined purchasing power of governmental agencies across the United States and purchase replacement tires from the Goodyear Tire & Rubber Company through the new MiDeal contract through March 31, 2017.
- Please see the attached departmental recommendation from the Department of Public Works.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to purchase Goodyear automobile and miscellaneous replacement tires at pricing available through the State of Michigan MiDeal contract, #071B6600043, through March 31, 2017.

CITY OF STERLING HEIGHTS
STAFF REPORT
May 17, 2016

Prepared By: James Buhlinger, Purchasing Manager

Ext. No. 2741

GENERAL INFORMATION:

For more than 30 years, the City of Sterling Heights has purchased replacement tires for all City vehicles and equipment through multiple contracts available through MiDeal, the State of Michigan's cooperative purchasing program. Due to the purchasing power generated by the number of municipalities participating in these contracts, replacement tires are available at a much lower cost than would be realized by through one municipality's bid.

Tires are ordered on an as needed basis and paid for from funds budgeted in 11744553 (DPW Fleet Maintenance) 759000 (Parts & Sublet Services). It is estimated that the City will expend \$85,000 annually on replacement tires.

STAFF ANALYSIS AND FINDINGS:

Over the past eight years, the City has purchased replacement tires for City vehicles through MiDeal contract #071B8200076, which has now expired. MiDeal is now extending competitively bid pricing to its members for Goodyear replacement tires under a National Association of State Procurement Officials (NASPO) bid led by the state of Utah as a member of the Western States Contracting Alliance. Through a participating addendum, MiDeal can offer its members the favorable pricing secured from Goodyear Tire & Rubber Company through the NASPO bid. The new pricing is valid through March 31, 2017, with an option to extend the bid period two (2) years.

The Department of Public Works and Office of Purchasing have reviewed the options available for the purchase of replacement tires and are recommending that the City continue to purchase replacement tires from the Goodyear Tire & Rubber Company at pricing available through the State of Michigan MiDeal contract, #071B6600043.

The replacement tires purchased from the Goodyear Tire & Rubber Company through the multiple MiDeal contracts have been good quality and performed to all expectations of the Fleet Maintenance Division. The time and expense associated with the City developing and issuing its own invitation to bid and the likelihood of higher unit prices weigh in favor of continuing with purchases through the MiDeal contract through March 31, 2017.

STAFF RECOMMENDATION:

Please see the suggested action on the accompanying agenda statement.

Notification list:

The Goodyear Tire & Rubber Company

200 Innovation Way

Akron, OH 44316

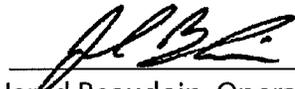
Debbie Frear, MiDeal Primary Contact

Debbie_Frear@Goodyear.com



Date: April 26, 2016

To: Jim Buhlinger, Purchasing Manager

From: 
Jared Beaudoin, Operations Manager

Subject: Recommendation to Purchase Automotive Tires

The Department of Public Works is responsible for the maintenance and repair of over 330 City-owned vehicles on an as-needed basis. Approximately 500 tires are purchased annually to provide for safe transportation.

Since January 2008, the City has purchased tires through the MiDeal cooperative bid #071B8200076. That contract has expired and has been replaced with MiDeal contract #071B6600043, effective April 16, 2016.

Due to the purchasing power generated by the number of municipalities participating in this contract, replacement tires are available at a much lower cost than would be realized through one municipality's bid.

The Department of Public Works recommends the purchase of automobile and miscellaneous tires through this State of Michigan cooperative bid through March 31, 2017.

Funds in the amount of \$85,000 will be budgeted in the Fleet Maintenance – Parts & Sublet Services account #11744553-759000.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

NOTICE OF CONTRACT NO. 071B6600043

between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
The Goodyear Tire & Rubber Company 200 Innovation Way Akron, OH 44316	Debbie Frear	debbie_frear@goodyear.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(330) 796-4603	3240

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	MDOT	Dan Smith	(517) 334-7767	Smith4@michigan.gov
	VTS	Roy Cischke	(517) 322-5148	cischker@michigan.gov
	VTS	David Hofmeister	(517) 322-6338	hofmeisterd@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Yvon Dufour	(517)284-6996	dufoury@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:

Tires & Tubes - Statewide

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
One year	April 16, 2016	March 31, 2017	One 2 year option
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 30	Destination	In Stock 48 Hours ARO, Out of Stock 14 Days ARO	

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input checked="" type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS
1 unit

MISCELLANEOUS INFORMATION
Contract is for tires, tubes, and all related installation costs.

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION	\$975,000.00
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For the Contractor:



Name: Maylon Carroll, General Manager
Contract Administrator
The Goodyear Tire & Rubber Company

April 16, 2016

Date

For the State:



Rebecca Cook,
Division Director, Commodities
State of Michigan

4-27-16

Date

PARTICIPATING ADDENDUM
[hereinafter "Addendum"]
WESTERN STATES CONTRACTING ALLIANCE

Tires, Tubes and Services

Utah Contract # MA208

Between

The Goodyear Tire & Rubber Company

[hereinafter "Contractor"]

And

State of Michigan

[hereinafter "Participating State"]

Participating State Contract Number: 071B660043

1. Scope: This Addendum will add the above Participating State to the NASPO Contract for Tires, Tubes and Related Services led by the State of Utah for use by state agencies and other entities located in the Participating State authorized by that state's statutes to utilize state contracts.

2. Participating State Terms & Conditions: The following terms and conditions are hereby incorporated into and made part of this Addendum:

- (a) **Fleet Maintenance and Management Program**. All terms, pricing, and discounts under this Contract are extended to the Participating State's third-party Fleet Maintenance and Management Program.
- (b) **Administrative Fee and Reporting**. Contractor must pay an administrative fee of 2% on all tire payments made to Contractor for tire purchases under the Contract (net pricing will be adjusted by 1%) including transactions with the Participating State (including its departments, divisions, agencies, offices, and commissions), and MiDEAL members. Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.
P.O. Box 30681
Lansing, MI 48909

Contractor must submit, on a quarterly basis, an itemized purchasing activity report that captures the Participating State's tire purchases within the quarter. The report must include, at a minimum, the date of purchase, the name of the purchasing entity, a description of each item purchased, the unit price and contract price for each item purchased, and the total dollar volume in sales for the quarter. The administrative fee and purchasing activity reports are due no later than 30 calendar days after the end of each quarter (see below).

Quarter 1: October 1 through December 31 (Due by January 30)

Quarter 2: January 1 through March 31 (Due by April 30)

Quarter 3: April 1 through June 30 (Due by July 30)

Quarter 4: July 1 through September 30 (Due by October 30)

Reports must be emailed to DTMB-Procurement at MiDeal@michigan.gov, using the attached template (ATTACHMENT PA-1) or similar format.

- (c) **Extended Purchasing Program**. Contractor agrees to extend all terms, pricing, and discounts under this Contract to MiDEAL members, which include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at

www.michigan.gov/mideal.

Contractor's supply point must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.

- (d) **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
- (e) **Unfair Labor Practice.** Under MCL 423.324, the Participating State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- (f) **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or forum non conveniens. Contractor must appoint agents in Michigan to receive service of process.
- (g) **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the Participating State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
- (h) **Indemnification/Hold Harmless**
 - (i) Indemnification/Hold Harmless as required by the Terms and Conditions in the original Request for Proposal and made part of the Contract shall be in full force and effect, except that with respect to subcontractors or volunteers of Contractor, section 3 hereof shall apply. The Contractor shall defend all actions brought upon such matters to be indemnified hereunder and pay all costs and expenses incidental thereto, but the Participating State shall have the right, at its option, to participate in the defense of any such action without relieving the Contractor of any obligation hereunder.
 - (ii) The following clause will apply only as it relates to the Indemnification/Hold Harmless issues specifically for personal injury and property damage claims: Any Contractor submitted exclusions limiting this indemnification shall not apply to any reasonably "Foreseeable Use" of the tires by the Participating State under the Contract. "Foreseeable Use" is defined as general driving that a reasonable person would identify as reasonably foreseeable for the tires and the vehicles with driving adjustments for weather conditions. In addition, Contractor's submitted limited warranty shall apply to commercial and government use.
 - (iii) Notwithstanding any of the above, to the extent there is personal property or personal injury damage incurred as a primary result of the wrongful acts or negligence of the Participating State, its agents or employees, Contractor shall not be liable for such resulting damage.

3. Other Service Providers:

- (a) The Participating State recognizes that Contractor is providing services under this Contract through its own contracts with affiliated dealers, various installers, and independent dealers. Contractor is responsible and liable to the Participating State for the wrongful acts or negligence of its "Affiliated Dealers." For purposes of this Addendum, "Affiliated Dealers" mean the tire retailers owned and operated by Contractor.
- (b) The parties agree that the independent dealers ("Dealers" herein shall mean Contractor's independent dealers and franchisees) shall be responsible for the liabilities, insurance requirements, and warranties directly related to their actions and for the services they perform.

4. Authorized Dealers: The attached list of dealers are authorized to perform services required under this contract.

This Addendum and the associated Master Agreement MA208, together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Master Agreement MA208, together with its exhibits, shall not be added to or incorporated into this Addendum or the Master Agreement MA208 and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Master Agreement MA208 and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Government Entity:

By: _____

Rebecca Cook, Commodities Division Director

Date: _____

4-27-16

Contractor: The Goodyear Tire & Rubber Company

By: _____

Name: Stephen R McClellan

Title: President, Americas

Date: _____

4/27/2016



_____ *Anthony E. Miller*
Assistant Secretary

**State of Utah
And
Western States Contracting Alliance (WSCA)
Master Agreement MA208 Ref: Bid # RT12002
The Goodyear Tire & Rubber Company**

CONTRACT DIGEST

PARTICIPATING STATE ADDENDUM

Each Participating state will sign a Participating Addendum to become a party to this WSCA Master Contract. Any agreement, e.g., additional administration fee, etc., between the State and Goodyear will be incorporated into the Participating State Addendum. A copy signed by Goodyear and the participating state will be forwarded to the WSCA Administrator by the participating state.

The Goodyear point of contact is: Jeanne Oberdier, Government Sales, Phone 330-796-4352 Fax 330-796-3404 Email: jeanne.oberdier@goodyear.com

PRICING

Pricing is for a discount off of list price for tires and tubes (See the discount percent off in Attachment C of the master contract.) This discount percent is off of the Price List effective April 1, 2012 which is available as a separate attachment. Service pricing is provided at a specific dollar amount unless otherwise noted. (See Attachment C in the Master Contract for the service pricing pages. Goodyear does reference M2111 for some pricing amounts.)

DEALER AGREEMENT

Goodyear has company owned locations that are automatically included as authorized dealers in this contract. (See the list located in the Master Contract) All other independent dealers are not automatically included in the Master Contract until the dealer has signed a Dealer Agreement. (A generic example is enclosed for your reference) The Dealer Agreement is necessary for notifying the dealer that they are required to have specific insurance and provide a warranty for their services under this Master Contract.

Jeanne Oberdier will coordinate contacting the independent dealers to get their signatures. Once the dealers have signed the Dealer Agreement, Jeanne will give you a copy for your records. You may want to provide the location of Authorized Dealers on your contract web site. The lead state does not get involved in the signing of Dealer Agreements. This process is coordinated between the participating states and the Contractor.

This **Contract Digest** is not intended to be an exhaustive review of the full contract. The intent is to assist state users with the implementation process.

STATE OF UTAH – STATE COOPERATIVE CONTRACT
CONTRACT NUMBER MA208

1. **CONTRACTING PARTIES:** This State Cooperative Contract is between the **Division of Purchasing and General Services (State)**, 3150 State Office Building, PO Box 141061, Salt Lake City, UT 84114-1061, an agency of the State of Utah, and the following **CONTRACTOR:**

The Goodyear Tire & Rubber Company
Name
1144 E. Market St-D/709
Address
Akron Ohio 44316-0001
City State Zip

LEGAL STATUS OF CONTRACTOR
 Sole Proprietor
 Non-Profit Corporation
 For-Profit Corporation
 Partnership
 Government Agency

Federal Tax ID# 34-0253240 Vendor # VC0000120480 Commodity Codes: 86305
Vendor Contact Person: Jeanne Oberdier Vendor Phone #: 330 796-4352
Vendor Fax #: 330 796-3404 Vendor email address: Jeanne.oberdier@goodyear.com

2. **GENERAL PURPOSE OF CONTRACT:** The general purpose of this Contract is to provide: -

Tires, tubes, and Service

3. **CONTRACT PERIOD:** Effective date 4/1/2012 Termination date 3/31/2015 unless terminated early or extended in accordance with the terms and conditions of this contract.
Renewal option: two (2) renewal options for two (2) years each

4. **PRICING AS PER THE ATTACHED PRICE LIST** –Price list dated 4/1/2012, Expires 3/31/2013

PAYMENT TERMS: Net 30
DAYS REQUIRED FOR DELIVERY: 30
MINIMUM ORDER: None
FREIGHT TERMS: FOB Destination

5. **ATTACHMENT A:** Standard Terms and Conditions, Western States Contracting Alliance
ATTACHMENT B: Summary of General Contract Requirements and Information in RFP
ATTACHMENT C: Pricing Discounts and Service Pricing
ATTACHMENT D: Superseding Provisions to State cooperative

6. **DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:**
a. All other governmental laws, regulations, or actions applicable to the goods and/or services authorized by this contract,
b. Utah State Procurement Code, Procurement Rules, CONTRACTOR'S response to Bid # RT1200, dated 11/30/2011 and Best and Final Offer dated 1/27/2012.

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed.

CONTRACTOR

STATE OF UTAH

Pierre Jambon
Contractor's signature

Kent D. Beers
Kent D. Beers

Pierre Jambon, Vice President Off Highway

Director, Division of Purchasing

Type or Print Name and Title

2-29-12

3/5/12
Date

Date

ATTEST:

Anty E. Miller
Assistant Secretary

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To accept a proposal for heating and cooling systems maintenance and repairs for a two-year period (Estimated annual expenditure of \$50,000).

Submitted By: Office of Purchasing

Contact Person/Telephone: James Buhlinger, Purchasing Manager, (586) 446-2741

Administration (initial as applicable)



Attachment

 City Clerk	—	Resolution	—	Minutes
 Finance & Budget Director	—	Ordinance	—	Plan/Map
 City Attorney (as to legal form)	—	Contract	—	Other
 City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

- The City operates and maintains 18 municipal buildings, some of which have received upgrades to their heating and cooling systems in the recent past. The boilers, chillers, and control units require periodic maintenance by qualified mechanical contractors. Historically, the City contracts for the maintenance and repair of its heating, cooling, and control systems by qualified and licensed technicians to ensure that a quality and reliable indoor environment is maintained.
- On March 8, 2016, four proposals were received from contractors responding to the City's Request for Proposals for heating and cooling systems maintenance and repairs on an "as needed" basis. The scope of these services includes heating and cooling maintenance work at all municipal buildings. In addition, the RFP allows the City to solicit pricing on any repair and replacement work from a secondary vendor where the expected cost exceeds \$1,000.
- An evaluation committee comprised of representatives from the Office of Building and Facilities Maintenance reviewed all proposals received. Following their initial review of proposals, the Evaluation Committee determined that all four contractors would be interviewed. The four contractors were: Arctic Air, North Star Mechanical, Siemens Building Technologies, and Stuart Mechanical. Interviews were conducted on April 12 and 13, 2016.
- Arctic Air and North Star Mechanical were evaluated highest of the contractors submitting proposals on a number of criteria, including experience, resources, work plan, references, and cost. Additional due diligence was conducted on these two contractors.

- While both contractors are very qualified, recommendation is being made to accept the proposal by North Star Mechanical, Inc. For the past three years, North Star Mechanical has been the primary contractor for heating and cooling maintenance and repair. North Star Mechanical's pricing and work performance in this role has been evaluated very positively by City personnel. Prior to 2013, North Star performed as secondary contractor on some of the repair and replacement work on the City's heating and cooling systems.
- North Star Mechanical has a highly skilled staff, which is capable of providing prompt, 24/7 service. Assigned service technicians are dispatched locally using GPS technology to ensure compliance with the one-hour response requirement to address service needs. North Star's references were checked and are acceptable. North Star's base hourly rate is \$90.00 and its percentage mark-up over actual cost is 15% on all parts.
- The RFP allows the City to designate a secondary contractor who is able to provide competitive estimates on repair or replacement work where the primary contractor's estimate exceeds \$1,000. Recommendation is being made to designate Arctic Air as the secondary contractor under this RFP.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to:

- (A) Accept the proposal by North Star Mechanical, Inc., 50650 Corporate Drive, Suite A, Shelby Twp., MI 48315, as the primary contractor for heating and cooling maintenance and repair services for a two-year period, with an option for the City Manager to extend pricing, terms and conditions of the proposal an additional one-year period upon vendor's consent; and,
- (B) Designate Arctic Air, Inc., 4918 Fernlee Avenue, Royal Oak, MI 48073, as the secondary contractor providing competitive estimates for repair or replacement of heating and cooling equipment in excess of \$1,000.

CITY OF STERLING HEIGHTS
STAFF REPORT
May 17, 2016

Prepared By: James Buhlinger, Purchasing Manager

Ext. No. 2741

GENERAL INFORMATION:

On March 8, 2016, four (4) proposals were received from contractors interested in providing heating and cooling systems maintenance and repairs at 18 City facilities on an "as needed" basis. Per hour pricing was requested for normal hours, Monday thru Saturday (8:00 a.m. to 5:00 p.m.), after hours Monday thru Saturday (5:00 p.m. to 8:00 a.m.), and Sundays / Holidays. All work is to be performed by licensed service technicians with a minimum of 5 years experience. The City requested pricing for a two-year term, with an optional one-year extension.

Funds are budgeted annually in 11740412 (Building & Facilities Maintenance) 832000 (Building Maintenance). Approximately \$50,000 is expended annually on these services, with 40% representing the cost of parts (part cost plus a % markup) and 60% for the cost of labor.

Prior to 2009, the City of Sterling Heights used the competitive bidding process to contract for heating and cooling maintenance and repairs. Due to the scope and complexity of new air conditioning systems and boilers recently installed and the need to reduce energy costs via energy efficiency, it was determined that a Request for Proposal (RFP) would be in the City's best interest. An RFP allows the City representatives to choose a vendor based on the quality and experience, and not on price considerations alone.

STAFF ANALYSIS AND FINDINGS:

Four contractors submitted proposals on March 8, 2016 in response to the City's RFP. A determination was made to interview all four contractors. Interviews were conducted on April 12 & 13, 2016. All proposals were rated by the evaluation committee based on a number of factors, including experience and qualifications, capacity and resources available, methodology and proposed work plan, references, and cost.

On a scale of 0 to 100, the evaluation committee scored proposals submitted by the following four contractors as follows:

North Star Mechanical	89.8	Stuart Mechanical	85.4
Arctic Air	85.9	Siemens	83.1

Based on the scoring of their respective proposals, follow-up phone calls were made to North Star and Arctic Air by the Building Official/Facilities Maintenance Manager and the Purchasing

Manager. While both North Star Mechanical and Arctic Air are well qualified, the recommendation of the Building Official/Facilities Maintenance Manager is to accept the proposal by North Star Mechanical, Inc.

Pursuant to the terms and conditions of the RFP, the City also reserved the right to designate a secondary contractor who is able to provide competitive estimates on repair or replacement work where the primary contractor's estimate exceeds \$1,000. Recommendation is being made to designate Arctic Air as the secondary contractor under this RFP. Please refer to the attached memorandum from Michael Viazanko, Building Official and Facilities Maintenance Manager, for further discussion on the recommended use of a secondary contractor.

RECOMMENDATION:

Please see suggested action set forth on the accompanying agenda statement.

Notification list:

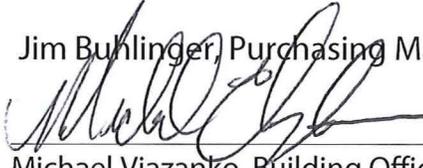
North Star Mechanical, Inc.
50650 Corporate Drive
Suite A
Shelby Twp., MI 48315
John DesJardins, President
jdesjardins@northstar-hvacr.com

Arctic Air, Inc.
4918 Fernlee Avenue
Royal Oak, MI 48073-1017
Michael Flesher, President
michael@arcticair.biz



Date: May 3, 2016

To: Jim Buhlinger, Purchasing Manager

From: 
Michael Viazanko, Building Official/Facilities Maintenance Manager

Subject: HVAC Service/Maintenance

I had the opportunity to extensively review the bid proposals submitted by four (4) qualified HVAC contractors as part of the RFP process and hosting each of them for an interview by a selected review committee. I also served as a participant of the three-member evaluation/interview committee. The other two on the committee was the City of Sterling Heights Mechanical Inspector, Sam Attala and the Lead Building Mechanic, Chris Griessel. This committee was charged with identifying and recommending to City Council the vendor best suited to perform maintenance and repairs to the heating and cooling mechanical systems in all city owned buildings.

Based on the proposals submitted and the results of the interview evaluations, it is my recommendation to award this two-year contract to North Star Mechanical from Shelby Township. For the past three years, North Star has been utilized as our primary contractor. We also had a secondary contractor that was utilized on occasion when needed and that was Macomb Mechanical from Sterling Heights. They did not submit their bid proposal for this RFP.

As part of a diversified approach methodology, I would also recommend that the vendor rated second overall during the evaluation/interview process be named as a secondary contractor. This vendor is Arctic Air from Royal Oak.

The purpose of having two qualified contractors is primarily for back up in the event one contractor cannot make it to any of our facilities in the required time. Additionally, having a secondary contractor in place provides an opportunity for the City to solicit another quote for a specific project or repair which involves costs greater than \$1,000. This keeps the primary vendor in check beyond quote pricing for normal heating and cooling maintenance.

The contractor that came in third place was Stuart Mechanical. Though the pricing was lower than the secondary recommendation, they were limited in years of service and available resources. Since this contract is for two years with an option to extend one additional year, if they decide to submit a proposal, there will be comparable data to consider.

The bid is awarded for a period of two years with the option of an additional year. The funds for this will be budgeted in Facility Maintenance acct #11740412-832000, for the sum of \$50,000 per year.

Please contact me if you need any additional information, and my thanks to you and your staff for their efforts.

CITY OF STERLING HEIGHTS
RFP PRICING TABULATION - MARCH 8, 2016
RFP-SH16-008: HEATING COOLING SYSTEMS MAINTENANCE AND REPAIR CONTRACTOR

	<i>Arctic Air ^</i>	<i>North Star Mechanical</i>	<i>Siemens Building</i>	<i>Stuart Mechanical</i>
Service Rates				
Hourly rate, 8 am - 5 pm	\$96.00***	\$90.00**	\$121.00	\$86.00
Hourly rate, 5 pm - 8 am	144.00***	126.00**	181.50	104.00
Premium rate, Sundays/Holidays	192.00***	126.00**	242.00	127.50
Maintenance Rates				
Power wash & cleanse air coils:				
Full Coils	94.00	79.50	121.00	80.00
Split Coils	94.00	79.50	121.00	80.00
Hourly rate to change air filters	94.00	79.50	121.00	78.00
Materials / Parts				
R-22 Refrigerant, per lb.	30.00	13.75*	16.70	Market + 15%
R-410-A Refrigerant, per lb.	12.00	15.10	6.55	Market + 15%
Parts markup %	25%	15%	15%	15%

** Negotiated rates as of 4/15/16

*** Negotiated rates as of 4/18/16

^ Service rates to increase by 2.08% in Year 2 and 3.06% for optional Year 3

* Due to ongoing implementation of Montreal Protocol Act Phase out of R22, availability of refrigerant due to supply issues will continue to be a challenge throughout the length of this contract. Contractor can only guarantee price for 30 days.



CITY OF Sterling Heights

InnovatingLiving

Richard J. Notte Sterling Heights City Center
City Hall
40555 Utica Road | P.O. Box 8009
Sterling Heights, MI | 48311-8009

City Council	
Mayor	Michael C. Taylor
Mayor Pro Tem	Joseph V. Romano
Councilwoman	Deanna Koski
Councilwoman	Maria G. Schmidt
Councilman	Nate Shannon
Councilman	Doug Skrzyniarz
Councilwoman	Barbara A. Ziarko

TEL 586.446.CITY (2489) FAX 586.276.4077
cityhall@sterling-heights.net | www.sterling-heights.net
facebook.com/cityofsterlingheights | twitter.com/sterling_hts

City Manager Mark D. Vanderpool

REQUEST FOR PROPOSALS

RFP-SH16-008

The City of Sterling Heights, Michigan is accepting sealed proposals for a **HEATING & COOLING SYSTEMS MAINTENANCE AND REPAIR CONTRACTOR** until **TUESDAY, MARCH 8, 2016 AT 2:30 P.M.** in the Office of the City Clerk, 40555 Utica Road, Sterling Heights, Michigan 48313. Specifications are attached.



James Buhlinger
Purchasing Manager

Office of Purchasing
586-446-2740

III. INTRODUCTION

The City of Sterling Heights ("City") is seeking sealed proposals from qualified companies to perform heating & cooling systems maintenance and repair services at various city buildings and sites in accordance with the attached specifications. The selected contractor shall offer services in the field of maintenance and repair of heating, ventilation & air conditioning (HVAC) systems similar to the equipment currently in use in city buildings. The selected contractor will perform preventative maintenance and repair services and/or other sundry work as requested by the City that requires the expertise of a licensed HVAC contractor. The contractor shall have the ability to service, repair and maintain the HVAC equipment and systems at various city buildings.

The City invites response from any HVAC service company that is qualified and is willing to meet the minimum requirements as stated in this Request for Proposals. These specifications and requirements will assist in the procurement of the highest quality services possible to meet the requirements and needs of the City. The submission of a proposal hereunder shall be considered evidence that the contractor is satisfied with respect to the conditions to be encountered, and the character, quantity and quality of the work to be performed.

It is the intent of these specifications to cover the furnishing and delivery HVAC system maintenance and repair to City buildings. With a view to obtaining the most acceptable services, these specifications cover the general requirements. Recommendations from contractors are encouraged and will be reviewed and evaluated based on the best interests of the City.

The initial term of this agreement is expected to be approximately two (2) years, effective upon award by City Council. The term may be extended for one (1) additional one (1) year period, upon mutual agreement. All prices quoted are to be firm for the length of the contract.

The City reserves the right to recommend for award under this RFP two (2) or more contractors; a primary contractor that will be responsible for all work contemplated within this RFP, and one or more secondary or alternate contractor(s), for obtaining estimates and possible work for repair or replacement of equipment in instances when the primary contractors estimate exceeds \$1,000. Requesting the alternate contractor provide an estimate shall be at the sole discretion of the City / Facilities Maintenance Manager.

V. SPECIFICATIONS

Furnish *"PREVENTATIVE MAINTENANCE AND REPAIR SERVICES"* for a period of two years (plus extension, upon mutual agreement), for the heating and cooling systems specified at the following locations, in accordance with terms and conditions hereafter set forth.

Contractor shall provide service on a time and material basis for the buildings listed below, and the HVAC equipment listed in the Building and Equipment Schedule (see attachment A):

BUILDING SCHEDULE

Building #1	S.H. City Hall 40555 Utica Road Sterling Heights, MI 48313
Building #2	S.H. Police Department 40333 Dodge Park Road Sterling Heights, MI 48313-4143
Building #3	S.H. Public Library 40255 Dodge Park Road Sterling Heights, MI 48313-4140
Building #4	S.H. Recreation Center 40620 Utica Road Sterling Heights, MI 48313-4067
Building #5	S.H. DPW Building 7200 Eighteen Mile Road Sterling Heights, MI 48314-4230
Building #6	41A District Court 40111 Dodge Park Road Sterling Heights, MI 48313-4138
Building #7	S.H. Fire Station #5 41625 Ryan Road Sterling Heights, MI 48314-3945
Building #8	S.H. Fire Station #1 38911 Van Dyke Sterling Heights, MI 48313-4623
Building #9	S. H. Fire Station #2 12825 Nineteen Mile Road Sterling Heights, MI 48313-2691

Building #10	S. H. Fire Station #3 5250 Fifteen Mile Road Sterling Heights, MI 48310-5107
Building #11	S. H. Fire Station #4 12850 Fifteen Mile Road Sterling Heights, MI 48312-4200
Building #12	Upton House 40433 Utica Road Sterling Heights, MI 48313
Building #13	S. H. Nature Center 42700 Utica Road Sterling Heights, MI 48314-3565
Building #14	S.H. Senior Center 40600 Utica Road Sterling Heights, MI 48313
Building #15	Athletic Storage Building 7150 Eighteen Mile Road Sterling Heights, MI 48314
Building #16	Parks & Grounds Building 12261 Clinton River Road Sterling Heights, MI 48313-3217
Building #17	City Storage Building 12261 Clinton River Road Sterling Heights, MI 48313-3217
Building #18	Velocity Building 6633 18 Mile Road Sterling Heights, MI 48314

Contractor must use competent, thoroughly trained service technicians, directly employed by the Contractor with at least five (5) years journeyman's or equivalent experience on similar equipment. Proof may be required during evaluation of proposals and during contract period. Technicians must be qualified to keep the equipment operating properly and must be specifically assigned to handle the City of Sterling Heights account. Include names of these individuals you will assign to this contract with your proposal.

Contractor shall supply names, addresses, and telephone numbers of at least three (3) customers with similar mechanical equipment and equipment application with whom he has full maintenance "less parts" contracts. **References must be supplied under Section XIII of this proposal.**

Maintenance

Maintenance will be provided in accordance with the following schedule:

1. Scheduled maintenance shall be rendered as determined by Facilities Maintenance, plus a spring start up and a winter shutdown.
2. Preventative maintenance must include at least one (1) spring start-up and one (1) winter shutdown on all units in each building.
3. The Contractor shall provide shut down of (heating) boiler and necessary valve and control changes at time of A/C start-up, tagging and dating numbered valves in conjunction with spring start-up and again at winter shut-down of A/C. This will include inspections and cleaning of boiler burners, removing dust and foreign matter, testing with Bachrach meter for proper combustion, check expansion tank level and function check all burner/boiler operating and safety controls. Contractor must provide all readings to owner at each seasonal change on all equipment and provide a log for owner's permanent records.

After each service call, an inspection report outlining the service performed must be furnished to the Manager of Facilities Maintenance for review. Any unusual or unfavorable conditions observed will be noted and the Contractor will complete corrective measures with the approval of the Manager of Facilities Maintenance or in his/her absence, the Equipment Maintenance Coordinator. Contractor will be required to sign in and out in the Facilities Maintenance Office. Failure to do so will result in non-payment for time and/or materials.

The units described herein shall be covered under this contract from the local power disconnects including the manual shut-offs, into and including all factory and field-installed portions of the units.

Contractor shall have established 24-hour service and emergency stand-by provisions to insure immediate service within 1 hour of call-in. In the event service is not provided within this period, the City of Sterling Heights reserves the right to call in a service organization of their choice. Contractor will be responsible for any additional labor charges as a result of their failure to respond within the required 1 hour call-in time.

Contractor shall provide planned maintenance inspections as determined by Facilities Maintenance. A record of remarks shall be promptly provided of the service rendered and recommendations. Service shall also include a winter and summer start up and shut down.

Standard Services Required

Contractor shall perform the following minimum services:

1. All units shall be inspected, adjusted, and lubricated per the Manufacturers' recommendations.

2. Check, test, start, and record conditions on start-up of cooling. Contractor shall test glycol for effectiveness and adjust as needed. Contract also includes labor associated with addition of antifreeze, cost of glycol, and associated materials.
3. Check and adjust all refrigeration controls including power checks, control circuits, transformers, mixed air dampers, condenser, fan assemblies, main blowers, and power return exhaust assemblies.
4. Change refrigerant upon completion of acid tests, including liquid line filters concurrent with preventative maintenance schedule.
5. Clean tower and strainers, check head pressures, record suction discharge and ambient temperature, and record same on "Customer Copy" of invoice.
6. Leak test refrigerant circuits, repair leaks, and add refrigerant when required.
7. Necessary repairs and replacement shall be completed promptly upon approval of Manager of Facilities Maintenance.
8. Contractor shall promptly notify the Manager of Facilities Maintenance of any operating condition which is considered unsafe or which may cause damage to the system and/or equipment.
9. Contractor must be State of Michigan Mechanical licensed. Service personnel assigned to this contract must be refrigeration grade journeymen or possess equivalent experience and be thoroughly knowledgeable of all equipment and controls at all of the City's sites. Proof of the above license, certification, and experience must be submitted with proposal for each individual that will be assigned to this contract.
10. Contractor shall be responsible for the repair or replacement of room thermostats.
11. The Contractor shall not be held responsible for repairs or replacement of roof exhaust fans.

Items Not Included in Contract which are Responsibility of the City

The City will be responsible for any cost of rental equipment such as a crane, etc, used to make repairs on equipment in all buildings.

It will be the City's responsibility to notify the Contractor of any unusual noises, smells, or operating conditions of the contracted units.

Parts

Expenditures for parts will not be the responsibility of the Contractor.

It will be the responsibility of the Contractor to procure any necessary parts if so directed by the Manager of Facilities Maintenance. All parts will meet or exceed manufacturer's *Official proposal specifications are available only at www.mitn.info.*

specifications and shall be billed to the City except where parts are scheduled.

The average use of refrigerant during the air conditioning season is estimated for proposal purposes only. Contractor shall submit a firm price per pound and provide price extension for years one and two. The estimated quantity may decrease or increase significantly. The price, however, shall remain firm for total usage over the term of the proposal. The City reserves the right to supply refrigerant if it deems such to be in the best interest of the City.

Miscellaneous

Contractor shall provide sample copies of their standard preventative maintenance log sheets and similar record keeping manuals for review by the Manager of Facilities Maintenance. Typed data sheets are not acceptable and all forms shall be of standard industry accepted format.

Contractor shall provide qualifications, licenses, and names of any and all HVAC maintenance personnel who will be assigned to work on HVAC equipment in City buildings (please complete attached Maintenance Personnel Sheet).

Emergency Response Number: The contractor must provide local area phone number(s), answered by a person or persons under direct employment of the contractor to request service. This number must be available for the City to use on a 24-hour/7-day emergency basis in the event repairs are needed after hours or on weekends.

Work Hours and Holidays:

- a) All planned service under this agreement will be performed during the City's normal work hours, defined as 8:00 a.m. to 4:30 p.m., Monday through Friday.
- b) Regular and routine work shall be performed under this contract during regular business hours and no work will be permitted at night, on Sundays or on holidays unless specifically authorized or directed by the Manager of Facilities Maintenance or his/her representative.
- c) Hourly payment to contractor for hours worked other than 8:00 a.m. to 5:00 p.m., Monday through Friday will begin when crew is assembled and equipment is at job site. Hourly payment ends when job is completed at site.
- d) 12:01 a.m. begins the new day.
- e) Presently there are twelve (12) recognized holidays:
 - New Year's Day
 - Martin Luther King, Jr. Day
 - Good Friday
 - Memorial Day
 - Fourth of July

- Labor Day
 - Veteran's Day
 - Thanksgiving Day
 - Day after Thanksgiving
 - Christmas Eve
 - Christmas Day
 - December 31
- f) In the event that equipment must be shut down for an extended period of time, the City shall be notified immediately of the delay and the measures being taken to put the equipment back in service. If, in the opinion of the City's representative, the repair, replacement or maintenance of equipment will cause undue inconvenience to the occupants or services of the building, the Contractor will perform the repair, replacement or maintenance work outside of normal business hours or on weekends, as instructed by the City's representative.
- g) Activities performed under this proposal are designed to minimize the incidence of unscheduled or emergency situations.
- h) The Contractor will provide the necessary CSD-1 inspections of all City boilers and schedule the state required annual inspections.

Billing Requirements

Contractor must provide original invoice from wholesale supplier, upon request from the City, to provide verification of actual cost of parts. Invoices should show the discount on all parts. The City reserves the right to periodically request contractor's cost sheets from manufacturer on all parts.

The Contractor will charge the City time and materials for the work performed unless otherwise instructed by the City. The Contractor shall maintain their hourly rate for all labor cost through the length of the contract.

Payment for hours worked will be made for actual hours on the job site and does not include travel to and from the job site.

There will be no charge to the City for the contractor to come to City site to evaluate the job and for cost estimates.

Billing will be on a monthly basis. All invoices to clearly state date and location where work was performed, actual hours worked, number of technicians utilized for each job and cost of any parts, as well as referencing the job ticket. Job tickets must be signed on a daily basis and show all hours worked.

In all instances, if the contractor's requested service exceeds \$1,000.00, the contractor must notify the City of the estimated cost before work commences.

If a project involves more than one HVAC technician, prior authorization must be obtained through the appropriate representative from the City. No payments will be made for a second technician unless prior authorization has been obtained.

The City of Sterling Heights is exempt from all sales, excise and transportation taxes. The contractor shall not include taxes when submitting a bill.

Invoices for service work performed and completed MUST be invoiced within 30 days of work completed. Any invoices over 60 days beyond work conducted will be void and not processed for payment.

Transfer of Contract

Both parties must agree that this agreement is not transferable or assignable. Direct employees of the Contractor shall perform all work. To ensure accountability, no sub-contractors will be allowed without prior written approval from the City.

Responsibility of the Contractor

The contractor shall report to the City's representative when on the job. For all work at the Public Works Building, contractor must report to Marty Sowa, DPW General Supervisor. For all work at the City Center Complex, contractor must report to Facilities Maintenance. Contractor will be provided, at the City's expense, a contractor ID badge for certain areas when they arrive at the job and show proof of their journeyman's license.

The Contractor shall not allow waste material, or rubbish, caused by their employees to accumulate in or about the premises, but shall have it promptly removed, as requested by City.

It is agreed that the City's representative will provide general access to all HVAC systems, which are to be serviced. The Contractor shall arrange with and shall be directed by the City when electrical power must be shut down to effect repairs or installation of new devices. The City will take responsibility where such access is denied.

Contractor will be responsible for carefully examining the proposed work sites and to judge for themselves the nature of the work to be done. Proper equipment and care shall be used to prevent unnecessary damage to areas around the work to be performed.

All HVAC services shall be conducted in a manner that will not create a hazard, nor hinder City operations. The safety of the contractor's employees and the public is of prime concern to the City, and the Contractor must take all necessary steps to assure proper safety during the performance of the Contractor.

The contractor shall coordinate scheduled work with other contractors performing work within the common or adjoining areas, so as to avoid conflicts in maintaining traffic patterns or hindering the orderly progress of the other contract work.

Contractor will be responsible for obtaining all necessary City permits.

All licenses required by the State of Michigan, and/or the City of Sterling Heights, that are necessary to perform this Contract, must be obtained prior to the award and maintained for the length of this contract.

It shall be the contractor's responsibility to make inquiry as to the changes or addenda issued. All such changes or addenda shall become a part of the contract and all contractors shall be bound by such changes or addenda.

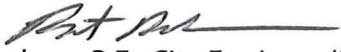
Before submitting a proposal, each contractor must make a careful study of the specifications and fully understand the extent of the work, the type and quality of the materials, and the type and quality of the workmanship that is required. Should contractor's proposal be accepted, contractor will be held responsible for any misunderstanding or error, whether or not it is the result of contractor's unfamiliarity with the work. The proposal for this work must cover all contingencies, including all labor and material, scaffolding, equipment, rigging, tools, transportation, etc., necessary for the complete service on everything described, shown or reasonably implied herein. These specifications include all labor, materials, equipment, replacement parts, etc., necessary to keep all systems within operating condition.

AGENDA STATEMENT

OMB A503 Rev. 11/04

Item Title: To approve final payment in the amount of \$31,476.52, plus interest on retainage, for the 2015 Joint Sealing Program, City Project #15-272

Submitted By: Office of Engineering



Contact Person/Telephone: Brent Bashaw, P.E., City Engineer/(586) 446-2720

Administration (initial as applicable)

Attachments

 City Clerk	___	Resolution	___	Minutes
 Finance & Budget Director	___	Ordinance	___	Plan/Map
 City Attorney (as to legal form)	___	Contract	<u>x</u>	Other
 City Manager				Notification List, Final Estimate

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

Each year, the City awards a bid for maintenance and repair of joints in local and major roads. The joint sealing program aids in preventing water from entering the pavement base through joints and pavement cracks. Water that penetrates pavement freezes and thaws, causing deterioration and weakening of the pavement. Joint sealing is a preventative maintenance activity for roads in fair to good condition.

Attached is the final pay estimate for the 2015 Joint Sealing Program. All work has been completed on the subject project and the contractor, Michigan Joint Sealing, Inc., has submitted the necessary Contractor's Declaration, Contractor's Affidavit, and Consent of Surety.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to approve final payment to Michigan Joint Sealing, Inc., 28830 W. 8 Mile, Suite 103, Farmington Hills, MI 48336, in the amount of \$31,476.52, plus interest on retainage for the 2015 Joint Sealing Program, City Project #15-272.

Cc: Denice Gerstenberg, City Development Director
Adam LaClair, Lead Inspector
Scott Charron, Civil Engineer II

**CITY OF STERLING HEIGHTS
STAFF REPORT
May 17, 2016**

RE: 2015 Joint Sealing Program, City Project #15-272 – Final Payment

Prepared By: Brent Bashaw, City Engineer

(586) 446-2720

GENERAL INFORMATION: At the August 18, 2015 regular meeting, City Council awarded the bid for the above-referenced project.

TECHNICAL INFORMATION: Attached is the final pay estimate for the project.

STAFF ANALYSIS AND FINDINGS: All work has been completed on the subject project and the contractor has submitted the necessary Contractor's Declaration, Contractor's Affidavit, and Consent of Surety. The final contract price of \$109,316.52 is higher than the bid award price of \$109,200.00 by less than 1%.

STAFF RECOMMENDATION: The Office of Engineering recommends that final payment to Michigan Joint Sealing, Inc., 28830 W. 8 Mile, Suite 103, Farmington Hills, MI 48336 in the amount of \$31,476.52, plus interest on retainage, for the 2015 Joint Sealing Program, City Project #15-272 be approved.

Cc: Denice Gerstenberg, City Development Director
Adam LaClair, Lead Inspector
Scott Charron, Civil Engineer II

NOTIFICATION LIST

Michigan Joint Sealing
28830 W. 8 Mile, Suite 103
Farmington Hills, MI 48336

CITY OF STERLING HEIGHTS
40555 Utica Road
Sterling Heights, Michigan
Phone (586) 446-2720

Progress Payment Certificate

PROJECT:
2015 Joint Sealing Program

City Project No. 15-272

CONTRACTOR:
Michigan Joint Sealing, Inc.
28830 W. 8 Mile Road, Suite 103
Farmington Hills, Michigan 48336

DATE: 03/24/2016

FINAL PAY ESTIMATE

Original Contract Price: \$ 109,200.00
Final Contract Price: \$ 109,316.52
Percent Paid Including
This Estimate: 100%

Amount Earned to Date: \$ 109,316.52
Amount Withheld: \$ -
Subtotal: \$ 109,316.52
Retain: \$ -
Total: \$ 109,316.52
Less Previous Payment: \$ 77,840.00
Amount Due This Estimate: \$ 31,476.52

PAY AMOUNT
\$31,476.52

Estimate #1 \$ 77,840.00
Estimate #2
Estimate #3
Estimate #4
Estimate #5
Estimate #6
Estimate #7
Estimate #8
Estimate #9
Estimate #10
Final Estimate \$ 31,476.52

Checked By:  Date: 4/20/16
Scott Charron, Civil Engineer II

Approved By:  Date: 5/3/16
Brent Bashaw, City Engineer

Total \$ 109,316.52

TOTAL AMOUNT TO BE HELD IN RETAINAGE ACCOUNT \$0

ITEM/DESCRIPTION	CONTRACT QUANTITY	UNIT	ACTUAL QUANTITY	UNIT PRICE	AMOUNT
<u>Section I - Joint Sealing - Local Roads (23700700-888272)</u>					
1. Route and Reseal Concrete Pavement Cracks and Joints	93,500	LF	93,588	\$0.82	\$76,742.16
2. Joint Sealing Compound	37,400	LBS	22,100	\$0.30	\$6,630.00
Sub-Total - Section I					\$83,372.16
<u>Section II - Joint Sealing - Major Roads (22700700-888272)</u>					
1. Route and Reseal Concrete Pavement Cracks and Joints	28,000	LF	24,216	\$0.96	\$23,247.36
2. Joint Sealing Compound	11,200	LBS	8,990	\$0.30	\$2,697.00
Sub-Total - Section II					\$25,944.36
TOTAL					\$109,316.52

MICHIGAN JOINT SEALING, INC.
28830 W. 8 MILE STE 103
FARMINGTON HILLS, MI 48335
PHONE: 248-476-4120 FAX: 248-476-7639

RECEIVED

MAR 31 2016

Sterling Heights
Office of Engineering

March 28, 2016

City of Sterling Heights
40555 Utica Road
Sterling Heights, MI 48311-8009

Attn: Scott Charron

RE: 2015 Joint Sealing Program

Scott,

We are in agreement with final quantities and are requesting final payment on the above referenced project. Attached is a Contractor's Declaration, Contractor's Affidavit and Consent of Surety.

Thank you;


Kimberly Sinischo-Power of Attorney
Michigan Joint Sealing, Inc.

"AN EQUAL OPPORTUNITY EMPLOYER"

CONTRACTOR'S DECLARATION

I hereby declare that I have not, during the period 8/18
to 10/31 A.D., 2015, performed any work, furnished any material,
sustained any loss, damage or delay for any reason, including soil conditions encountered or
created, or otherwise done anything for which I shall ask, demand, sue for, or claim
compensation from the Owner, or his agents, in addition to the regular items set forth in the
contract numbered City Project #15-272 and dated August 18th A.D., 2015, for 2015 Joint
Sealing Program executed between myself and the Owner, and in the Change Orders for work
issued by the Owner in writing as provided thereunder, except as I hereby make claim for
additional compensation and/or extensions of time as set forth on the itemized statement
attached hereto.

There is / is not an itemized statement attached.

Date: 3/28/16

By: Kennedy Suscilo
Title: P.O.C.

CONTRACTOR'S AFFIDAVIT

STATE OF MICHIGAN)
County Oakland) SS

The undersigned, Kimberly Swisch hereby represents that on August 18, 2015 he (it) was awarded a Contract by the City of Sterling Heights hereinafter called the Owner, the 2015 Joint Sealing Program in accordance with the terms and conditions of Contract Number 15-272; and the undersigned further represents that the subject work has now been accomplished and the said contract has now been completed.

The undersigned hereby warrants and certifies that all of his (its) indebtedness arising by reason of the said contract has been fully paid or satisfactorily secured; and that all claims from subcontractors and others for labor and material used in accomplishing the said project, as well as all other claims arising from the performance of the said contract, have been fully paid or satisfactorily settled. The undersigned further agrees that, if any such claim should hereafter arise, he (it) shall assume responsibility for the same immediately upon request to do so by the Owner.

The undersigned, for a valuable consideration, the receipt of which is hereby acknowledged, does further hereby waive, release and relinquish any and all claims or right of lien which the undersigned now has or may hereafter acquire upon the subject premises for labor and material used in accomplishing said project owned by the Owner.

This affidavit is freely and voluntarily given with full knowledge of the facts on this 20 day of October, 2015.

Michigan Joint Sealing

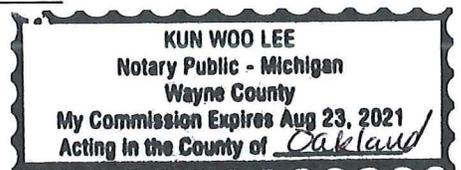
By: Kimberly Swisch

Title: P.O.C.

Subscribed and Sworn to before me, a Notary Public in and for Wayne County, Michigan, on this 20 day of October, 2015.

[Signature]
Notary Public

My Commission Expires: Aug 23 2021



CONSENT OF
SURETY COMPANY
TO FINAL PAYMENT
AIA DOCUMENT G307

Owner
Architect
Contractor
Surety
Other

Bond No MIC 60929

PROJECT: 2015 Joint Sealing Program, City Project #15-272
(name, address)

TO: (Owner)
City of Sterling Heights
40555 Utica Road
Sterling Heights, MI 48311

ARCHITECT'S PROJECT NO:

CONTRACT FOR:

CONTRACT DATE: 8/18/2015

CONTRACTOR:
Michigan Joint Sealing Inc.
28830 W Eight Mile, Suite 103
Farmington Hills, MI 48336

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the

Merchants Bonding Company (Mutual)
PO Box 14498
Des Moines, IA 50306

,SURETY COMPANY

on bond of (here insert name and address of Contractor)

Michigan Joint Sealing Inc.
28830 W Eight Mile, Suite 103
Farmington Hills, MI 48336

,CONTRACTOR,

hereby approves of the final payment to the Contractor, and agrees that final payment to the Contractor shall not relieve the Surety Company of any of its obligations to (here insert name and address of Owner)

City of Sterling Heights
40555 Utica Road
Sterling Heights, MI 48311

,OWNER,

as set forth in the said Surety Company's bond.

IN WITNESS WHEREOF,

the Surety Company has hereunto set its hand this 28th day of March, 2016

Surety Company
Merchants Bonding Company (Mutual)

Signature of Authorized Representative

Attest:
(Seal)

Susan L Small, Attorney-in-Fact

Title

NOTE: This form is to be used as a companion document to AIA DOCUMENT G306, CONTRACTOR'S AFFIDAVIT OF PAYMENT OF DEBTS AND CLAIMS, Current Edition

MERCHANTS
BONDING COMPANY™
POWER OF ATTORNEY

Know All Persons By These Presents, that MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., both being corporations of the State of Iowa (herein collectively called the "Companies") do hereby make, constitute and appoint, individually,

John L Budde; Patrick E Williams; Steven K Brandon; Susan L Small; T J Griffin; Terence J Griffin

their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver on behalf of the Companies, as Surety, bonds, undertakings and other written obligations in the nature thereof, subject to the limitation that any such instrument shall not exceed the amount of:

FOUR MILLION (\$4,000,000.00) DOLLARS

This Power-of-Attorney is granted and is signed and sealed by facsimile under and by authority of the following By-Laws adopted by the Board of Directors of Merchants Bonding Company (Mutual) on April 23, 2011 and adopted by the Board of Directors of Merchants National Bonding, Inc., on October 24, 2011.

"The President, Secretary, Treasurer, or any Assistant Treasurer or any Assistant Secretary or any Vice President shall have power and authority to appoint Attorneys-in-Fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof."

"The signature of any authorized officer and the seal of the Company may be affixed by facsimile or electronic transmission to any Power of Attorney or Certification thereof authorizing the execution and delivery of any bond, undertaking, recognizance, or other suretyship obligations of the Company, and such signature and seal when so used shall have the same force and effect as though manually fixed."

In connection with obligations in favor of the Florida Department of Transportation only, it is agreed that the power and authority hereby given to the Attorney-in-Fact includes any and all consents for the release of retained percentages and/or final estimates on engineering and construction contracts required by the State of Florida Department of Transportation. It is fully understood that consenting to the State of Florida Department of Transportation making payment of the final estimate to the Contractor and/or its assignee, shall not relieve this surety company of any of its obligations under its bond.

In connection with obligations in favor of the Kentucky Department of Highways only, it is agreed that the power and authority hereby given to the Attorney-in-Fact cannot be modified or revoked unless prior written personal notice of such intent has been given to the Commissioner-Department of Highways of the Commonwealth of Kentucky at least thirty (30) days prior to the modification or revocation.

In Witness Whereof, the Companies have caused this instrument to be signed and sealed this 26th day of August, 2015.



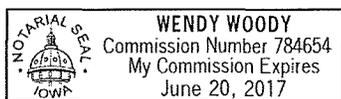
MERCHANTS BONDING COMPANY (MUTUAL)
MERCHANTS NATIONAL BONDING, INC.

By *Larry Taylor*

President

STATE OF IOWA
COUNTY OF Dallas ss.

On this 26th day of August, 2015, before me appeared Larry Taylor, to me personally known, who being by me sworn did say that he is President of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC.; and that the seals affixed to the foregoing instrument are the Corporate seals of the Companies; and that the said instrument was signed and sealed in behalf of the Companies by authority of their respective Boards of Directors.



Wendy Woody
Notary Public, Polk County, Iowa

(Expiration of notary's commission does not invalidate this instrument)

I, William Warner, Jr., Secretary of the MERCHANTS BONDING COMPANY (MUTUAL) and MERCHANTS NATIONAL BONDING, INC., do hereby certify that the above and foregoing is a true and correct copy of the POWER-OF-ATTORNEY executed by said Companies, which is still in full force and effect and has not been amended or revoked.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the Companies on this 28th day of March, 2016.



William Warner Jr.
Secretary

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To approve a Cost Sharing Agreement between the city of Sterling Heights, city of Warren, and the Macomb County Department of Roads for 14 Mile Road Resurfacing from Ryan Road to Mound Road (Estimated City Share of Project Cost - \$881,400).

Submitted By: Office of Engineering

Contact Person/Telephone: Brent Bashaw, P.E., City Engineer/(586) 446-2720

Administration (initial as applicable)

Attachments

<i>PK</i> City Clerk	___	Resolution	___	Minutes
<i>B</i> Finance & Budget Director	___	Ordinance	<u>x</u>	Plan/Map
<i>JB</i> City Attorney (as to legal form)	<u>x</u>	Contract	___	Other
<i>M</i> City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

The Macomb County Department of Roads (MCDR) is proposing a Cost Sharing Agreement to the cities of Sterling Heights and Warren for the purpose of resurfacing 14 Mile Road, from Ryan Road to Mound Road.

The total estimated construction cost is \$3,525,600, with the MCDR paying 50% and the cities of Sterling Heights and Warren paying equal 25% shares. Sterling Heights proportionate share of estimated cost is \$881,400 (.25 x \$3,525,600). Full payment of the City's share of the project cost is due to the MCDR upon approval of Agreement. Funding for this resurfacing project is budgeted through the Major Road Fund in the fiscal year 2016-2017 annual budget.

Suggested Action:

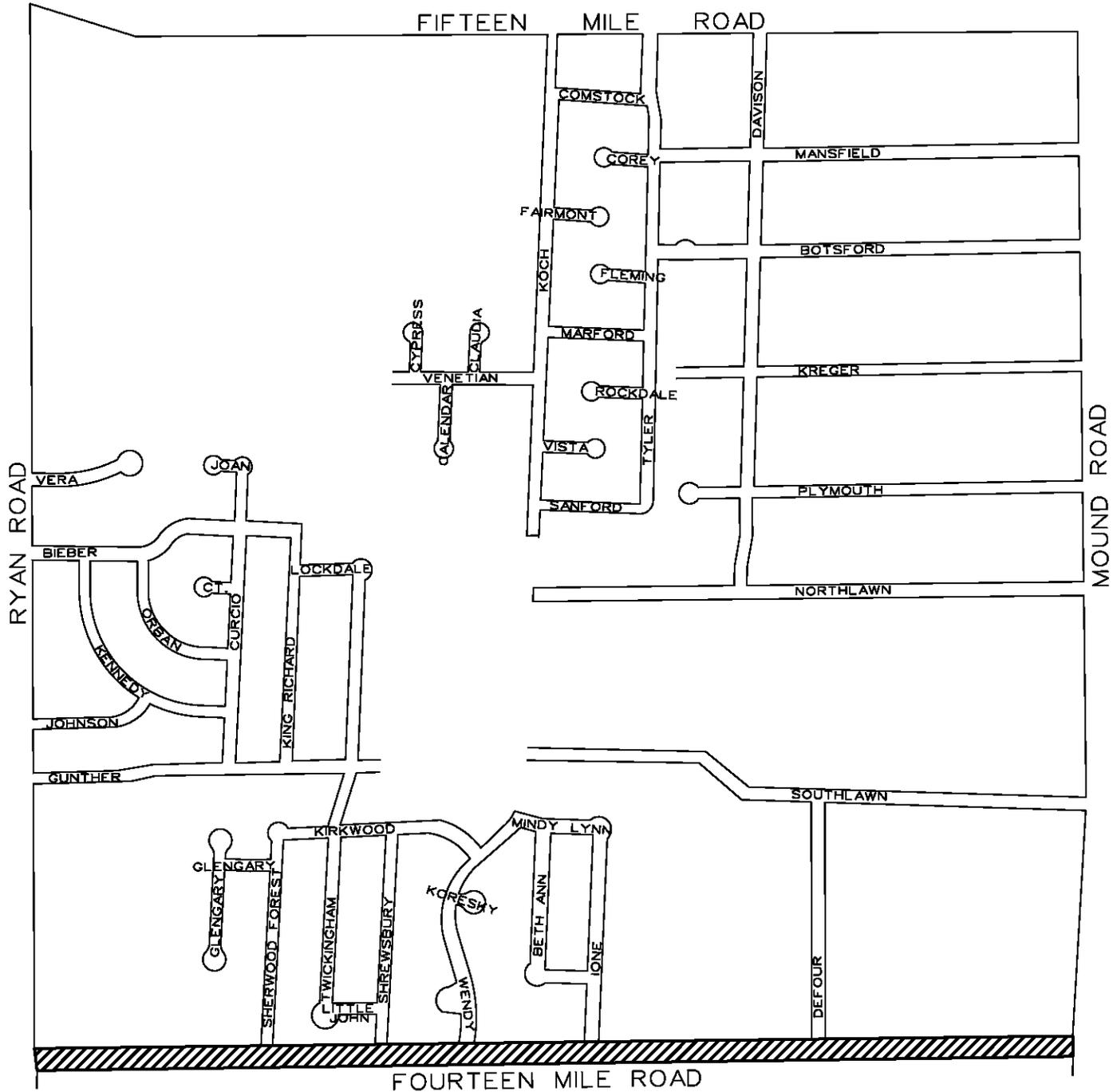
MOVED BY:

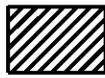
SECONDED BY:

RESOLVED, to approve the Cost Sharing Agreement for 14 Mile Road Resurfacing from Ryan Road to Mound Road, subject to approval by the Macomb County Department of Roads, and direct the Mayor and City Clerk to execute the Agreement on behalf of the city of Sterling Heights.

Cc: Denice Gerstenberg, City Development Director

14 MILE ROAD RESURFACING PROJECT



 CONSTRUCTION ZONE

AGREEMENT

This Agreement entered into this _____ day of _____, 2016, by and between the Macomb County Department of Roads, hereinafter referred to as "COUNTY"; and the City of Warren and the City of Sterling Heights, hereinafter collectively referred to as "CITY".

WHEREAS, COUNTY initiated a road project to resurface 14 Mile Road within CITY, and

WHEREAS, COUNTY has adopted policies relating to CITY'S participation in primary road projects, and

WHEREAS, COUNTY has agreed with CITY to have the project engineered, constructed, inspected and placed in service, and

NOW, THEREFORE, in order to save public funds and expedite the project, COUNTY and CITY agree to carry out the project under a single contract according to the following terms and conditions:

1. The project termini are:
 - Resurfacing of 14 Mile Road from Ryan to Mound
2. The total project shall be defined as, but not necessarily include:
 - Required material
 - Contract cost
 - Survey, engineering plans, testing and field staking
 - Labor and equipment rental charges
 - Overhead and fringe benefits
 - Right of way acquisition
 - Preliminary and construction engineering
 - Signing and pavement marking
 - Other labor, materials, etc. to provide a complete project
3. The following cost sharing proportions have been agreed to (Exhibit A):
 - CITY OF WARREN SHARE: Twenty-five percent (25%) of all project costs
 - CITY OF STERLING HEIGHTS SHARE: Twenty-five percent (25%) of all project costs
 - COUNTY SHARE: Fifty percent (50%) of all project costs
4. Funds provided by CITY shall be paid in full to COUNTY prior to the start of the design engineering work for the project.

5. COUNTY, upon completion of said project, will furnish CITY with a statement of actual costs of the project and will remit all collected monies exceeding the total cost of the project including overhead and fringe benefits or collect any additional monies necessary to meet the total cost of the project.
6. Overhead and fringe benefits applied shall be at a rate as determined on an annual basis. This rate is subject to change annually based upon actual costs incurred from the prior year and shall be applied to those costs incurred for that particular period.
7. CITY, COUNTY, the County of Macomb, their officers, agents, employees and consultants will be listed as additional insureds on the Contractor's insurance policy for general liability, automobile liability, excess coverage and worker's compensation.
8. COUNTY agrees to obtain authorization for additional expenditures beyond the limits of the Construction Contract from CITY prior to committal of same.

IN WITNESS WHEREOF, the parties hereto executed this Agreement on the date set forth above.

WITNESS

MACOMB COUNTY

Mark F. Deldin, Chief Deputy County Executive

WITNESS

CITY OF WARREN

James R. Fouts, Mayor

Paul Wojno, Clerk

WITNESS

CITY OF STERLING HEIGHTS

Michael C. Taylor, Mayor

Mark Carufel, Clerk

**EXHIBIT A
ESTIMATED COST
14 MILE ROAD FROM RYAN TO MOUND**

<u>WORK ORDER SUFFIX</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>COST SHARE</u>
A	Preliminary Engineering - Survey & Design (5%)	146,900	25% WARREN, 25% STERLING HTS, 50% COUNTY
B	Right of Way Costs	-	N/A
C	Construction Engineering & Inspection (12%)	352,560	25% WARREN, 25% STERLING HTS, 50% COUNTY
D	Sign & Pavement Markings	-	N/A
E	Construction Estimate	2,938,000	25% WARREN, 25% STERLING HTS, 50% COUNTY
E	Administration Fee (3%)	88,140	25% WARREN, 25% STERLING HTS, 50% COUNTY
E	Contingencies	-	
F	Design Contract & Testing Costs	-	
G	Right of Way Acquisition Costs	-	
M	Signal Costs	-	
	Total Project Cost	\$3,525,600	
	City of Warren (25%)	\$881,400	
	City of Sterling Heights (25%)	\$881,400	
	Macomb County Dept of Roads (50%)	\$1,762,800	

Please note that the Macomb County Department of Roads will require full payment of your cost share to be submitted at the time of the executing this agreement. Again, this is just an estimate and you will be responsible for your share of the actual costs incurred.

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To approve easements granted by the Consumers Energy Company for installation of public improvements for the Hannebauer Estates Site Condominiums, PSP14-0028, Section 13

Submitted By: Office of Engineering



Contact Person/Telephone: Brent Bashaw, City Engineer/(586) 446-2720

Administration (initial as applicable)

Attachments

	City Clerk	___	Resolution	___	Minutes
	Finance & Budget Director	___	Ordinance	<u>X</u>	Plan/Map
	City Attorney (as to legal form)	___	Contract	<u>X</u>	Other
	City Manager				Staff Report

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

Hannebauer Estates is a 20-unit site condominium development being developed by Eldorado Companies on vacant property situated off Clinton River Road, east of Saal Road. A portion of the public utilities and infrastructure serving this new development will be located on property owned by Consumers Energy Company. The public utilities and infrastructure include a 14'-wide concrete bypass lane, a 6'-wide limestone shoulder, storm sewer, catch basin and manhole. In order to site these public utilities and infrastructure on Consumers Energy Company property, the City must be granted permanent easements.

The City and Consumers Energy Company have negotiated and agreed upon the attached Storm Sewer, Catch Basin, and Manhole Easement and Bypass Lane and Shoulder Easement. The City is obligated under the terms and conditions of each Easement to indemnify and hold Consumers Energy Company harmless from losses, damages, cost, and expenses arising out of injuries to persons or property due to the use of the utility's property. Because only the City Council can consent to indemnity, these easements are being submitted for approval.

The easements have been reviewed by the City Attorney's Office and City Administration and are deemed to be in acceptable form. All fees and costs due Consumers Energy Company for the two Easements are being paid by the developer, Eldorado Companies.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to approve the Bypass Lane and Shoulder Easement and Storm Sewer, Catch Basin, and Manhole Easement for the installation of public improvements for the Hannebauer Estates Site Condominiums, PSP14-0028, and authorize the Mayor and City Clerk to execute all documents required in conjunction with this approval.

**CITY OF STERLING HEIGHTS
STAFF REPORT
May 17, 2016**

RE: Easements for Public Improvements - Hannebauer Estates Site Condominiums, PSP14-0028, Section 13

Prepared By: Brent Bashaw, City Engineer

(586) 446-2720

GENERAL INFORMATION:

Hannebauer Estates is a 20-unit site condominium development being developed by Eldorado Companies on vacant property situated off Clinton River Road, east of Saal Road in Section 13. Various site improvements are required to be installed by the developer to meet engineering site plan requirements. Some of these public improvements will be installed on real property owned by Consumer Energy Company. To site these public improvements on the utility's real property, easements must be granted by Consumers Energy Company. The two easements are as follows:

- 1) **Bypass Lane and Shoulder Easement.** The ingress/egress from the proposed site is to Clinton River Road. As part of the development, a new concrete drive approach will be constructed as well as a bypass lane for the new drive approach. The new bypass lane will be located on land owned by Consumers Energy (Parcel IDs 10-13-400-036 and 10-13-400-035) and therefore the easement is required.
- 2) **Storm Sewer, Catch Basin, and Manhole Easement.** A storm sewer, catch basin, and manhole will be constructed on Consumer Energy Company real property to provide storm water drainage for improvements along Clinton River Road. Therefore, an easement is required.

The engineering plans for site improvements are complete and in acceptable form to the City. The site improvements will be installed by and at the cost of the developer. A fee for granting the easements is due Consumers Energy Company and will be paid by the developer.

STAFF ANALYSIS AND FINDINGS:

The proposed Bypass Lane and Shoulder Easement and Storm Sewer, Catch Basin, and Manhole Easement have been reviewed by the City Attorney's Office and City Administration and are in acceptable form to both. Because the City is required to indemnify Consumers Energy under the terms and conditions of the easements, City Council approval is required.

STAFF RECOMMENDATION:

It is recommended that the new Bypass Lane and Shoulder Easement and new Storm Sewer, Catch Basin, and Manhole Easement for improvements constructed within the Hannebauer Estates Site Condominiums, PSP14-0028, Section 13 be approved and the Mayor and City Clerk are authorized to sign the acceptance letter on behalf of the City.

Cc: Denice Gerstenberg, City Development Director
Dean Martindale, Civil Engineer II



A CMS Energy Company

Real Estate Department
One Energy Plaza
Jackson, MI 49201-2276

March 23, 2016

The City of Sterling Heights
40555 Utica Road
Sterling Heights, MI 48313

RE: Macomb MI 16193 and Macomb MI 21950

Enclosed are copies of the two Easements to the City of Sterling Heights for a Storm Sewer, Catch Basin and Manhole as well as a Bypass Lane and Shoulder easement you requested. Please review these documents. Sign and date the bottom of this letter and return it to Consumers Energy Company, along with a check in the amount of \$4,104.40 within 30 days from the date of this letter. Included in this amount is the consideration due of \$4,000.00, recording fees of \$70.00, and transfer tax of \$34.40.

Upon receipt of the above and the proof of insurance stated in Paragraph 12 of the proposed easement agreements, Macomb MI 21950 and Macomb MI 16193, we will send you a copy of the executed easements and send the originals for recording. After recording, we will send you the original easements.

Also note in Paragraph 3 item b, our Operating Departments must review and approve the final construction plans before construction can begin. Please be sure to date the final construction plans and indicate on your plans the page(s) that apply to this easement. We will let you know when the final construction plans have been approved. Please allow 4 to 6 weeks for notice of this approval.

After 30 days this offer is null and void.

If you have any questions concerning this offer, please contact me at (517) 788-1678.

Consumers Energy Company
Attention: Terri R. Melchiori, EP7-438
One Energy Plaza
Jackson, MI 49201

REVIEWED AND ACCEPTED ON BEHALF OF THE CITY OF STERLING HEIGHTS

Michael C. Taylor, Mayor

Date

Mark Carufel, City Clerk

Date

STORM SEWER, CATCH BASIN, AND MANHOLE EASEMENT

Macomb MI 21950

Consumers Energy Company, a Michigan corporation (formerly known as Consumers Power Company, a Michigan corporation, successor by merger to Consumers Power Company, a Maine corporation), One Energy Plaza, Jackson, Michigan 49201, (hereinafter "Grantor"), for and in consideration of the sum of \$2,000.00, does hereby release and QUIT-CLAIM to City of Sterling Heights, a Michigan municipal corporation, 40555 Utica Road, Sterling Heights, MI 48313, (hereinafter "Grantee"), an easement for the sole and only purpose of construction, maintenance and use of storm sewer, catch basin, and manhole on land (hereinafter "Easement Strip") in the City of Sterling Heights, County of Macomb, and State of Michigan, described as:

Part of the Southwest 1/4 of the Southeast 1/4 of Section 13, Town 2 North, Range 12 East, City of Sterling Heights, Macomb County, Michigan, described as: commencing at the South 1/4 corner of Section 13; thence N84°44'00"E 1188.28 feet along the South line of Section 13; thence N01°58'00"E 431.45 feet to the Point of Beginning; thence N01°58'00"E 74.24 feet; thence N50°44'0"E 60.07 feet; thence N87°17'15"E 16.63 feet; thence S02°42'45"E 12.00 feet; thence S87°17'15"W 12.67 feet; thence S50°44'00"W 50.81 feet; thence S01°58'00"W 68.80 feet; thence N88°02'00"W 12.00 feet to the Point of Beginning (containing 1640.80 S.F. or 0.0376 acres).

Grantee shall not make any other improvements other than those specifically authorized herein.

This easement is given subject to the following conditions and reservations:

1. This easement is non-exclusive. Grantor reserves the right to use and allow others to use the Easement Strip in any manner that does not unreasonably interfere with the exercise of the rights granted in this easement, including but not limited to the construction of overhead and underground electric and gas facilities and the removal of trees and brush.

2. Grantor shall not be required to incur any cost or expense as a result of the use of Grantor's land pursuant to this easement. Without limiting the generality of the foregoing, Grantor shall not be responsible for repairing any damage to any Grantee's improvements thereto or thereon that occurs during Grantor's activities on Grantor's land, except to the extent such damages are caused by Grantor's negligence or intentional acts. If Grantee causes any damage to the Easement Strip, Grantee shall restore the Easement Strip to the same condition as it was prior to said damage and shall do so without cost to Grantor. Grantee shall be responsible for any increase in taxes assessed against Grantor's land as a result of Grantee's improvements pursuant to this easement. Grantee shall be responsible for all personal property taxes assessed against its improvements located within the Easement Strip pursuant to this easement.

3. Grantee's use of Grantor's land pursuant to this easement shall not in any way interfere with Grantor's utility facilities now or hereafter located on said land or the adjoining land. Without limiting the foregoing, Grantee shall comply with the following requirements:

- a. Grantee shall contact the Utility Communications System (Miss Dig), phone number (800) 482-7171, prior to performing any excavation on the Easement Strip, in accordance with Michigan Compiled Law 460.701 et seq., as amended by Public Act 174 of 2013 and any future amendments.
- b. Grantee shall submit final construction plans (noted and dated as such on every page) in electronic format and containing the designation "Macomb County MI 21950" to Consumers Energy Company's Real Estate Department's Easement Grant Coordinator for review and approval prior to commencing any work on Grantor's land. No work shall commence within the Easement Strip prior to written approval by Consumers Energy Company's Real Estate Department, which approval may be withheld in Grantor's sole discretion.

Upon approval, Grantee's engineering works shall be constructed exactly as submitted in the final construction plans and shall not be modified in any way at any time without prior review and approval by Consumers Energy Company's Real Estate Department, which approval may be withheld in Grantor's sole discretion. Consumers Energy Company may require a Consumers Energy Company representative to be on site during any construction and maintenance work, and Grantee shall be responsible for the full cost of said representative to be present during any construction and maintenance work.

- c. Prior to any excavation within the vicinity of Grantor's natural gas facilities and prior to any installation crossing those facilities, Grantee shall contact Consumers Energy's Gas Distribution Department and Consumers Energy's Gas Transmission Department for exact location and depth cover of Grantor's natural gas facilities.
- d. Grantee shall take appropriate measures to prevent erosion during construction activities on the Easement Strip and shall reseed all disturbed areas with warm season grasses after construction is complete.
- e. All below grade facilities must be installed and maintained at a minimum distance of 12 feet from Grantor's natural gas facilities.

4. Excepting the specific improvements expressly allowed by this easement, Grantee may not improve the Easement Strip without prior written approval from Consumers Energy Company's Real Estate Department, including by way of example and not limitation any open ditches, poles, structures, buildings, or engineered works.

5. All work performed on Grantor's land shall be performed in compliance with all applicable land use laws and regulations, including by way of illustration and not limitation, laws and regulations requiring wetland and soil erosion permits. No application for such permits, licenses, and authorizations shall name Grantor as the applicant or responsible party. Upon request, Grantee shall provide copies of all such permits to Grantor.

6. Grantee's activities on Grantor's land shall comply with all applicable federal, state, and local laws and regulations. At Grantor's request, Grantee shall provide to Grantor for Grantor's inspection all permits, approvals, or other proof of compliance.

7. The grade within the Easement Strip shall not be changed without Grantor's prior written consent.

8. No trees, shrubs, or other landscaping shall be planted within the Easement Strip.

9. Without limiting the generality of any of the foregoing, Grantee shall, at its expense, be responsible for at all times: mowing the Easement Strip and removing noxious weeds and brush therefrom.

10. Grantee shall to the fullest extent allowable by law indemnify, defend, and hold Grantor, its officers, employees, agents, affiliates, parent corporation, successors, and assigns harmless from and against any and all losses, liabilities, claims, damages, payments, actions, recoveries, settlements, judgments, orders, costs, expenses, attorney fees, penalties, fines, encumbrances, and liens arising out of injuries or damages to persons or property or both arising directly or indirectly out of the use of Grantor's land pursuant to this easement, including claims arising out of Grantee's negligence or intentional acts. The provisions of this paragraph shall survive the term or termination of this easement.

11. Grantee shall require all of its contractors and the subcontractors of such contractors who perform work on Grantor's land to assume all liability for and protect, indemnify, and save Grantor, its successors and assigns, harmless from and against all action, claims, demands, judgments, losses, expenses of suits or actions and attorney fees, for any type of injury to or death of any person or persons and loss or damage to the property of any person or persons whomsoever, including the parties hereto and their agents, contractors, subcontractors, and employees, arising in connection with or as a direct or indirect result of the rights and privileges hereby granted. The provisions of this paragraph shall apply to each and every such injury, death, loss and damage, however caused, whether due, or claimed to be due, to Grantee's negligence, Grantor's negligence, the negligence of any such contractor or subcontractor, the negligence of both parties or the combined negligence of either or both of the parties hereto and any one or more of said contractors or subcontractors, the negligence of any other person, or otherwise, excepting only Grantor's sole negligence. The provisions of this paragraph shall survive the term or termination of this easement.

12. Grantee shall, at its own expense, procure, maintain and keep in effect during the term of this easement a Commercial General Liability Insurance Policy satisfactory to Grantor in form and substance, with a minimum combined bodily injury and property damage single limit of \$2,000,000 per occurrence. Such policies shall include Grantor as an additional insured, be primary and noncontributory to any insurance maintained by Grantor. At the time this easement is executed,

Grantee shall provide Grantor with a Certificate of Insurance evidencing such insurance coverage as provided for herein and evidence of any renewals thereof. Grantee shall be required to submit to Consumers Energy Company a standard industry ACORD Form Certificate of Liability Insurance or any other form approved by Consumers' Corporate Insurance Department. Grantee shall notify Grantor in writing immediately upon Grantee's receipt of any notice of cancellation of the insurance coverage required in this easement. Further, it shall be the responsibility of Grantee to ensure that Grantee's contractors procure, maintain and keep in effect during the term of any construction, or any maintenance periods thereof, a Commercial General Liability Insurance policy equivalent to that described above. Such insurance shall also name Grantor as an additional insured. With respect to damage to Grantee's and its contractors' property used on Grantor's land, Grantee and its contractors hereby agree to waive its rights of recovery against Grantor and if such property is insured to waive the insurer's rights to subrogation. It is expressly understood that the obtaining of the insurance as is herein provided, shall in no way limit or release Grantee's liability under the indemnity provisions as provided herein. All information sent to Grantor pursuant to this paragraph shall contain the designation "Macomb County MI 21950" and shall be sent to Consumers Energy Company's Real Estate Department's Easement Grant Coordinator. Grantor acknowledges that Grantee (but not Grantee's contractors) may satisfy its insurance obligations to Grantor under this paragraph by providing evidence of Grantee's participation in an established self-insurance program.

13. Grantee shall at all times be in compliance with federal, state, and local laws, rules, regulations and ordinances relating to its use of the Easement Strip and any rights granted herein, including but not limited to all regulatory, environmental and safety requirements, at Grantee's sole cost and expense. Grantee shall be responsible for and liable for the release or threat of release of any hazardous waste, toxic substances, hazardous substances, pollutants or contaminants as defined under any federal, state, or local law, rule, regulation or ordinance, arising from or resulting from Grantee's use and Grantee's contractors' use of the Easement or Grantee's exercise and Grantee's contractors' exercise of any rights or authorities granted herein. The provisions of this paragraph shall survive any termination of this easement.

14. This easement is granted by Grantor subject to any licenses, leases, easements, or other interest in Grantor's land previously granted by Grantor or its predecessors in title and to any such interests reserved to other parties in instruments granted to Grantor or its predecessors in title, whether or not of record, including but not limited to the rights and interests granted to: (1) City of Sterling Heights, a Michigan Municipal Corporation in an Easement for Sidewalks dated July 26, 2005 and recorded in Liber 17071, Page 191, Macomb County Records; (2) The Detroit Edison Company, a Corporation, and Michigan Bell Telephone Company, a Michigan Corporation, in an Easement for Electric and Communication Lines dated September 19, 1973; and (3) City of Sterling Heights, a Municipal Corporation in an Easement for Street, Water Mains and Other Utilities dated August 5, 1980. Grantee is solely responsible for complying with any applicable requirements, including notice and consent requirements, of such licenses, leases, easements, and other interests.

15. Grantee's acceptance of this instrument and use of Grantor's land for the purposes herein granted shall be deemed an acceptance of the terms and conditions of this easement.

16. The benefits hereof shall accrue to and the obligations shall bind the successors and assigns of the respective parties.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed in its corporate name and by its duly authorized representative as of _____, 2016.

Consumers Energy Company

By: _____

Its _____

Acknowledged before me in Jackson County, Michigan, on _____, 2016, by _____,
_____, of Consumers Energy Company, a Michigan corporation, on
behalf of the corporation.

Notary Public

Jackson County, Michigan
My Commission Expires: _____

Prepared by:
Mary J. Lawrie (P75376)
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

Return recorded instrument to:
Carrie Main, EP7-437
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

BYPASS LANE AND SHOULDER EASEMENT

Macomb MI16193

Consumers Energy Company, a Michigan corporation (formerly known as Consumers Power Company, a Michigan corporation, successor by merger to Consumers Power Company, a Maine corporation), One Energy Plaza, Jackson, Michigan 49201, (hereinafter "Grantor"), for and in consideration of the sum of \$2,000.00, does hereby release and QUIT-CLAIM to City of Sterling Heights, a Michigan municipal corporation, 40555 Utica Road, Sterling Heights, MI 48313, (hereinafter "Grantee"), an easement for the sole and only purpose of construction, maintenance and use of a fourteen (14) foot wide concrete bypass lane and a six (6) foot wide limestone shoulder across strips of land (hereinafter collectively "Easement Strip") in the City of Sterling Heights, County of Macomb, and State of Michigan, described as:

Part of the Southwest 1/4 of the Southeast 1/4 of Section 13, Town 2 North, Range 12 East, City of Sterling Heights, Macomb County, Michigan, described as: Commencing at the South 1/4 corner of Section 13; thence N84°44'00"E 1287.44 feet along the South line of Section 13; thence N01°58'00"E 429.98 feet to the POINT OF BEGINNING; thence N01°58'00"E 65.24 feet; thence N39°16'06"W 63.33 feet; thence S50°44'00"W 43.00 feet; thence S39°16'06"E 112.39 feet to the point of beginning (being portion of parcel I.D. number 10-13-400-036-000).

ALSO, part of the Southwest 1/4 of the Southeast 1/4 of Section 13, Town 2 North, Range 12 East, City of Sterling Heights, Macomb County, Michigan, described as: Commencing at the East 1/4 corner of Section 13; thence S02°16'00"W 399.25 feet; thence S88°14'00"W 608.79 feet; thence S52°02'50"W 766.71 feet; thence S01°52'00"W 1522.24 feet to the POINT OF BEGINNING; thence extending; S01°52'00"W 61.09 feet; thence N44°56'06"W 28.09 feet and N39°20'36"W 119.19 feet along the centerline of Clinton River Road; thence N01°52'00"E 65.24 feet; thence S39°20'36"E 150.27 feet to the point of beginning; (being a portion of parcel I.D. number 10-13-400-035-000).

Grantee shall not make any other improvements other than those specifically authorized herein.

This easement is given subject to the following conditions and reservations:

1. This easement is non-exclusive. Grantor reserves the right to use and allow others to use the Easement Strip in any manner that does not unreasonably interfere with the exercise of the rights granted in this easement, including but not limited to the construction of overhead and underground electric and gas facilities and the removal of trees and brush.

2. Grantor shall not be required to incur any cost or expense as a result of the use of Grantor's land pursuant to this easement. Without limiting the generality of the foregoing, Grantor shall not be responsible for repairing any damage to any Grantee's improvements thereto or thereon that occurs during Grantor's activities on Grantor's land, except to the extent such damages are caused by Grantor's negligence or intentional acts. If Grantee causes any damage to the Easement Strip, Grantee shall restore the Easement Strip to the same condition as it was prior to said damage and shall do so without cost to Grantor. Grantee shall be responsible for any increase in taxes assessed against Grantor's land as a result of Grantee's improvements pursuant to this easement. Grantee shall be responsible for all personal property taxes assessed against its improvements located within the Easement Strip pursuant to this easement.

3. Grantee shall ensure that final grade of the bypass lane and limestone shoulder allows for the crossing by Grantor's utility vehicles over the bypass lane and limestone shoulder and to the remainder of Grantor's land of which the Easement Strip is a part. Grantee accepts and assumes the risk of, and hereby releases Grantor from liability for and damage to the bypass lane and limestone shoulder resulting from Grantor's use of the Easement Strip. In addition, if Grantor is required to repair

damage to the bypass lane and limestone shoulder resulting from Grantor's use of the Easement Strip, then Grantee shall reimburse Grantor for any such cost.

4. Grantee's use of Grantor's land pursuant to this easement shall not in any way interfere with Grantor's utility facilities now or hereafter located on said land or the adjoining land. Without limiting the foregoing, Grantee shall comply with the following requirements:

- a. Grantee shall contact the Utility Communications System (Miss Dig), phone number (800) 482-7171, prior to performing any excavation on the Easement Strip, in accordance with Michigan Compiled Law 460.701 et seq., as amended by Public Act 174 of 2013 and any future amendments.
- b. Grantee shall submit final construction plans (noted and dated as such on every page) in electronic format and containing the designation "Macomb County, MI 16193" to Consumers Energy Company's Real Estate Department's Easement Grant Coordinator for review and approval prior to commencing any work on Grantor's land. No work shall commence within the Easement Strip prior to written approval by Consumers Energy Company's Real Estate Department, which approval may be withheld in Grantor's sole discretion. Upon approval, Grantee's engineering works shall be constructed exactly as submitted in the final construction plans and shall not be modified in any way at any time without prior review and approval by Consumers Energy Company's Real Estate Department, which approval may be withheld in Grantor's sole discretion. Consumers Energy Company may require a Consumers Energy Company representative to be on site during any construction and maintenance work, and Grantee shall be responsible for the full cost of said representative to be present during any construction and maintenance work.
- c. Prior to any excavation within the vicinity of Grantor's natural gas facilities and prior to any installation crossing those facilities, Grantee shall contact Consumers Energy's Gas Distribution Department and Consumers Energy's Gas Transmission Department for exact location and depth cover of Grantor's natural gas facilities.
- d. Grantee shall take appropriate measures to prevent erosion during construction activities on the Easement Strip and shall reseed all disturbed areas with warm season grasses after construction is complete.
- e. All below grade facilities must be installed and maintained at a minimum distance of 12 feet from Grantor's natural gas facilities.

5. Excepting the specific improvements expressly allowed by this easement, Grantee may not improve the Easement Strip without prior written approval from Consumers Energy Company's Real Estate Department, including by way of example and not limitation any open ditches, poles, structures, buildings, or engineered works.

6. All work performed on Grantor's land shall be performed in compliance with all applicable land use laws and regulations, including by way of illustration and not limitation, laws and regulations requiring wetland and soil erosion permits. No application for such permits, licenses, and authorizations shall name Grantor as the applicant or responsible party. Upon request, Grantee shall provide copies of all such permits to Grantor.

6. Grantee's activities on Grantor's land shall comply with all applicable federal, state, and local laws and regulations. At Grantor's request, Grantee shall provide to Grantor for Grantor's inspection all permits, approvals, or other proof of compliance.

7. The grade within the Easement Strip shall not be changed without Grantor's prior written consent.

8. No trees, shrubs, or other landscaping shall be planted within the Easement Strip. No signs shall be located within the Easement Strip.

9. Without limiting the generality of any of the foregoing, Grantee shall, at its expense, be responsible for at all times:

- a. Mowing the Easement Strip and removing noxious weeds and brush therefrom;
- b. Repairing, maintaining and replacing, as necessary and removing snow and ice from the bypass land and shoulder, and keeping the bypass lane and shoulder in good and proper condition and in compliance with applicable laws.

10. Grantee shall to the fullest extent allowable by law indemnify, defend, and hold Grantor, its officers, employees, agents, affiliates, parent corporation, successors, and assigns harmless from and against any and all losses, liabilities, claims,

damages, payments, actions, recoveries, settlements, judgments, orders, costs, expenses, attorney fees, penalties, fines, encumbrances, and liens arising out of injuries or damages to persons or property or both arising directly or indirectly out of the use of Grantor's land pursuant to this easement, including claims arising out of Grantee's negligence or intentional acts. The provisions of this paragraph shall survive the term or termination of this easement.

11. Grantee shall require all of its contractors and the subcontractors of such contractors who perform work on Grantor's land to assume all liability for and protect, indemnify, and save Grantor, its successors and assigns, harmless from and against all action, claims, demands, judgments, losses, expenses of suits or actions and attorney fees, for any type of injury to or death of any person or persons and loss or damage to the property of any person or persons whomsoever, including the parties hereto and their agents, contractors, subcontractors, and employees, arising in connection with or as a direct or indirect result of the rights and privileges hereby granted. The provisions of this paragraph shall apply to each and every such injury, death, loss and damage, however caused, whether due, or claimed to be due, to Grantee's negligence, Grantor's negligence, the negligence of any such contractor or subcontractor, the negligence of both parties or the combined negligence of either or both of the parties hereto and any one or more of said contractors or subcontractors, the negligence of any other person, or otherwise, excepting only Grantor's sole negligence. The provisions of this paragraph shall survive the term or termination of this easement.

12. Grantee shall, at its own expense, procure, maintain and keep in effect during the term of this easement a Commercial General Liability Insurance Policy satisfactory to Grantor in form and substance, with a minimum combined bodily injury and property damage single limit of \$2,000,000 per occurrence. Such policies shall include Grantor as an additional insured, be primary and noncontributory to any insurance maintained by Grantor. At the time this easement is executed, Grantee shall provide Grantor with a Certificate of Insurance evidencing such insurance coverage as provided for herein and evidence of any renewals thereof. Grantee shall be required to submit to Consumers Energy Company a standard industry ACORD Form Certificate of Liability Insurance or any other form approved by Consumers' Corporate Insurance Department. Grantee shall notify Grantor in writing immediately upon Grantee's receipt of any notice of cancellation of the insurance coverage required in this easement. Further, it shall be the responsibility of Grantee to ensure that Grantee's contractors procure, maintain and keep in effect during the term of any construction, or any maintenance periods thereof, a Commercial General Liability Insurance policy equivalent to that described above. Such insurance shall also name Grantor as an additional insured. With respect to damage to Grantee's and its contractors' property used on Grantor's land, Grantee and its contractors hereby agree to waive its rights of recovery against Grantor and if such property is insured to waive the insurer's rights to subrogation. It is expressly understood that the obtaining of the insurance as is herein provided, shall in no way limit or release Grantee's liability under the indemnity provisions as provided herein. All information sent to Grantor pursuant to this paragraph shall contain the designation "Macomb County MI 16193" and shall be sent to Consumers Energy Company's Real Estate Department's Easement Grant Coordinator. Grantor acknowledges that Grantee (but not Grantee's contractors) may satisfy its insurance obligations to Grantor under this paragraph by providing evidence of Grantee's participation in an established self-insurance program.

13. Grantee shall at all times be in compliance with federal, state, and local laws, rules, regulations and ordinances relating to its use of the Easement Strip and any rights granted herein, including but not limited to all regulatory, environmental and safety requirements, at Grantee's sole cost and expense. Grantee shall be responsible for and liable for the release or threat of release of any hazardous waste, toxic substances, hazardous substances, pollutants or contaminants as defined under any federal, state, or local law, rule, regulation or ordinance, arising from or resulting from Grantee's use and Grantee's contractors' use of the Easement or Grantee's exercise and Grantee's contractors' exercise of any rights or authorities granted herein. The provisions of this paragraph shall survive any termination of this easement.

14. This easement is granted by Grantor subject to any licenses, leases, easements, or other interest in Grantor's land previously granted by Grantor or its predecessors in title and to any such interests reserved to other parties in instruments granted to Grantor or its predecessors in title, whether or not of record. Grantee is solely responsible for complying with any applicable requirements, including notice and consent requirements, of such licenses, leases, easements, and other interests.

15. Grantee's acceptance of this instrument and use of Grantor's land for roadway purposes shall be deemed an acceptance of the terms and conditions of this easement.

16. The benefits hereof shall accrue to and the obligations shall bind the successors and assigns of the respective parties.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed in its corporate name and by its duly authorized representative as of _____, 2016.

Consumers Energy Company

By: _____

Its _____

Acknowledged before me in Jackson County, Michigan, on _____, 2016, by _____,
_____, of Consumers Energy Company, a Michigan corporation, on
behalf of the corporation.

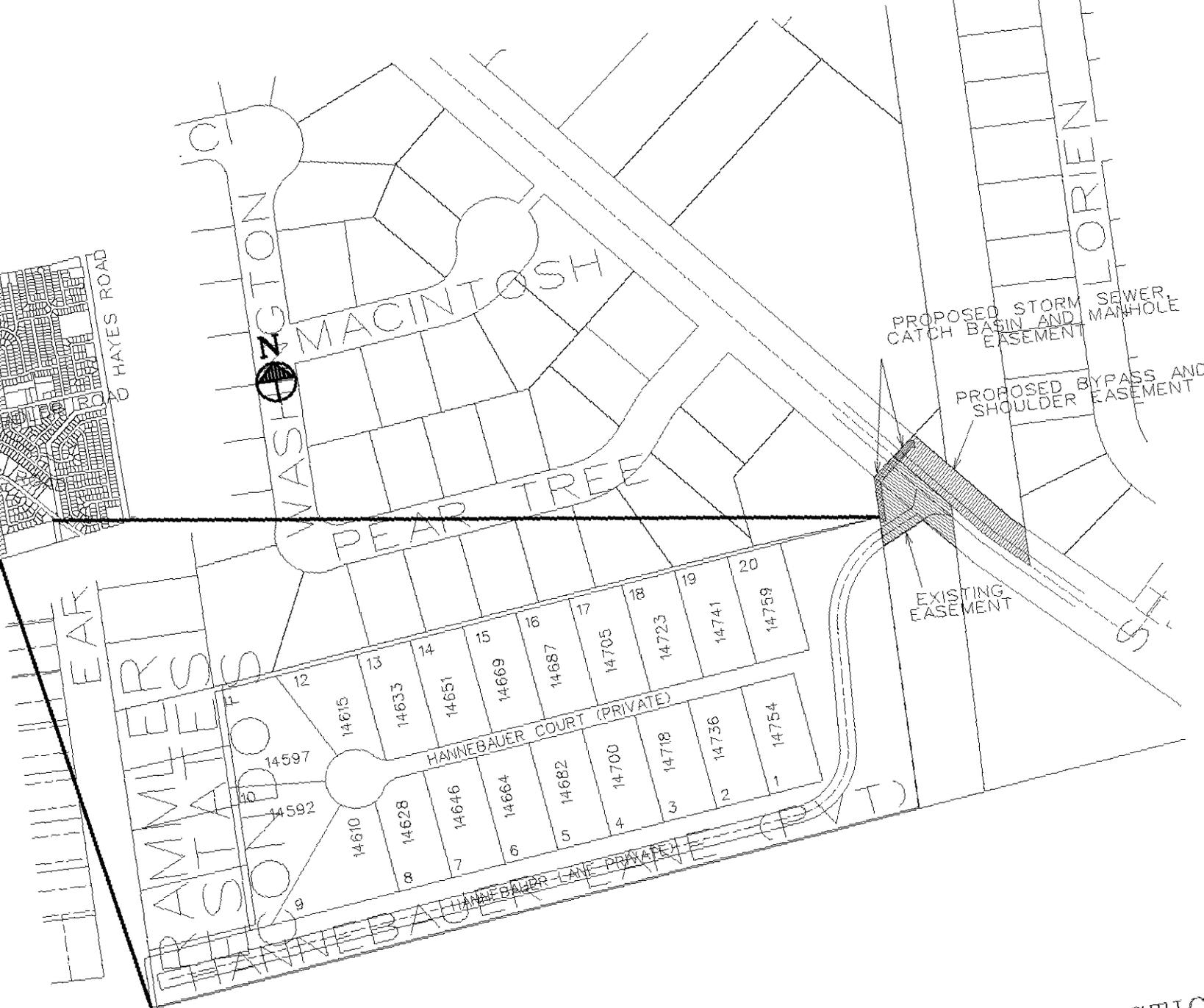
Notary Public
Jackson County, Michigan
My Commission Expires: _____

Prepared by:
Mary J. Lawrie (P75376)
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201

Return recorded instrument to:
Carrie Main, EP7-437
Consumers Energy Company
One Energy Plaza
Jackson, MI 49201



LOCATION MAP



HANNEBAUER ESTATES CONDO'S SECTION



WASHINGTON

MACINTOSH

DEAR TREE

LOREIEN

EAK

ERSIS

AMTADO

ASTADO

SONADO

SONADO

SONADO

12

10

9

13

8

8

14

7

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15

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16

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1

1

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14633

14628

14651

14646

14669

14664

14687

14682

14705

14700

14723

14718

14741

14736

14759

14754

PROPOSED STORM SEWER CATCH BASIN AND MANHOLE EASEMENT

PROPOSED BYPASS AND SHOULDER EASEMENT

EXISTING EASEMENT

ST

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To waive the competitive bidding requirement in accordance with City Code §2-217(A)(9)(b) and approve a contract for the 2016 Local Road Concrete Reconstruction Program, City Project #16-283 and the City Center Court Parking Lots Reconstruction, City Project #16-287 (Total cost of \$2,669,000).

Submitted By: Office of Engineering

Contact Person/Telephone: Brent Bashaw, P.E., City Engineer/(586) 446-2720

Administration (initial as applicable)

Attachments

	City Clerk	___	Resolution	___	Minutes
	Finance & Budget Director	___	Ordinance	___	Plan/Map
	City Attorney (as to legal form)	___	Contract	<u>x</u>	Other
	City Manager				Staff Report, Notification List, Location Maps, Contract

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

The proposed contract between the City of Sterling Heights and Galui Construction, Inc. will cover the following two City projects:

A. 2016 Local Road Concrete Reconstruction Program, City Project #16-283

City Project #16-283 is funded through the Safe Streets dedicated millage approved by residents in November, 2013. The scope of work includes the complete removal of the existing, badly deteriorated concrete, excavation and removal of the existing clay sub-base, backfill with 21AA aggregate, installation of edge drain, and reconstruction of the street with new concrete.

The following fifteen poorly rated local streets are included in the 2016 Program:

- | | |
|---------------------------------|--------------------|
| Adele Drive | Idaho Drive |
| Balsam Way Drive | King Richard Drive |
| Cheryl Court | Linsdale Court |
| Clifton Drive, Linsdale to Avis | Locust Court |
| Dryden Drive | Osmond Court |
| Greendale Street | Salem Drive |
| Hemlock Drive | Waltham Drive |
| Holmes Drive | |

B. City Center Court Parking Lots Reconstruction, City Project #16-287

City Project #16-287 will involve the removal of the existing badly deteriorated concrete in both the east (along Dodge Park Road) and west (behind the court building) parking lots that service the 41A District Court Building.

Historically, the City has bid out the construction work associated with these two concrete reconstruction projects. However, the Office of Engineering is proposing that the City Council waive competitive bidding and award a contract to Galui Construction due to the following circumstances:

- (A) The market prices for concrete have risen rapidly over the most recent two-year period. Due to a shortage of cement that started in late 2014, concrete prices have increased between 10% and 30%. This increase in material costs will be reflected in higher bid pricing by those contractors bidding on public road projects. The limited supply coupled with a greater demand for concrete has inflated unit prices for all public road projects.
- (B) The economic downturn in Michigan during the period from 2008 to 2013 eliminated many contractors who routinely bid on public road projects. This constriction in the number of available contractors coupled with an ever-increasing demand for road repairs has not only facilitated higher bid pricing, it threatens to delay many road projects. Neighboring municipalities have moved to aggressively lock down good contractors with project extensions and non-bid contracts, which further diminish the pool of qualified contractors.
- (C) Galui Construction, Inc. of Clinton Township, Michigan, is the incumbent contractor for the 2014 and 2015 Local Road Concrete Reconstruction Programs. Galui Construction successfully completed these projects and is experienced in how to interact with residents impacted by reconstruction of their local streets. Importantly, Galui Construction has extended an offer to the City to hold its 2014 unit pricing firm if awarded the contract for the 2016 Local Road Concrete Reconstruction Program and City Center Court Parking Lots Reconstruction Project. This offer, if accepted, enables the City to stretch the dollars collected from the Safe Streets dedicated millage farther and reduces the cost of the court parking lots. It is quite possible that bidding the 2016 Local Road Concrete Reconstruction Program could result in the City eliminating one or more of the above-noted street reconstructions from the Program. The City also ensures that it has a competent, experienced contractor to complete this critical work.

City Code §2-217(A)(9)(b) permits the City Council, by a 5/7ths vote, to waive competitive bidding where experience indicates that it will not produce a better price. Based on the above-cited factors, the Office of Engineering recommends a waiver of competitive bidding since the City will certainly pay much more money for the 2016 Local Road Concrete Reconstruction Program and Court Parking Lots Reconstruction than if it extends the pricing available from Galui Construction.

There is a significant amount of informative documentation attached, including the Staff Report, which further justifies this recommendation.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to: (A) waive the competitive bidding requirement in accordance with City Code §2-217(A)(9)(b) and approve a contract for the 2016 Local Road Concrete Reconstruction Program, City Project #16-283 and City Center Court Parking Lots Reconstruction, City Project #16-287, between the City of Sterling Heights and Galui Construction, Inc., 33805 Harper Avenue, Clinton Township, MI 48035, in the cumulative amount of \$2,669,000 and authorize the Mayor and City Clerk to sign all documentation required in conjunction with this approval; and, (B) authorize a budget amendment in the amount of \$496,000 from General Fund Reserves.

Cc: Denice Gerstenberg, City Development Director
Adam LaClair, Lead Inspector
Scott Charron, Civil Engineer II

CITY OF STERLING HEIGHTS
STAFF REPORT
May 17, 2016

RE: 2016 Local Road Concrete Reconstruction Program, City Project #16-283
City Center Court Parking Lots Reconstruction, City Project #16-287

Prepared By: Brent Bashaw, City Engineer

(586) 446-2720

GENERAL INFORMATION:

2016 Local Road Concrete Reconstruction Program, City Project #16-283 - The Office of Engineering has compiled the scope for the 2016 Local Road Concrete Reconstruction Program, City Project #16-283. The 2016 Program is funded through the Safe Streets dedicated millage as approved by residents in November of 2013. The proposed fiscal year 2016/2017 budget includes funding in the amount of \$2,600,000 for the 2016 Program. The scope of work for the 2016 Program includes removal and replacement of existing badly deteriorated concrete pavement on local streets. The existing clay sub base will be replaced with 21AA aggregate and edge drain will be installed to improve drainage. The following fifteen poorly rated roads are included in the program:

Adele Drive	Idaho Drive
Balsam Way Drive	King Richard Drive
Cheryl Court	Linsdale Court
Clifton Drive, Linsdale to Avis	Locust Court
Dryden Drive	Osmond Court
Greendale Street	Salem Drive
Hemlock Drive	Waltham Drive
Holmes Drive	

City Center Court Parking Lots Reconstruction, City Project #16-287 - City Project #16-287 will involve the removal of the existing badly deteriorated concrete in both the east (along Dodge Park Road) and west (behind the court building) parking lots that service the 41A District Court Building.

Galui Construction, Inc. (Galui) is the contractor that successfully completed the 2014 Local Road Concrete Reconstruction Program, City Project #14-250 and 2015 Local Road Concrete Reconstruction Program, City Project #15-266. Galui has extended an offer to hold its 2014 unit pricing for the 2016 Local Road Concrete Reconstruction Program, City Project #16-283 and the City Center Court Parking Lots Reconstruction, City Project #16-287.

TECHNICAL INFORMATION:

Galui's 2014, 2015 and proposed 2016 unit price for the removal and replacement of 7" concrete is \$40.50 per square yard. (As part of City Project #15-266, Galui placed a total of 34,941 square yards (SYD) for a total cost of \$1,415,115.) To fully evaluate Galui's proposal, the unit price is compared to a recently bid local road project from an adjacent municipality, as well as the

pricing recently received for local roads from the recently awarded 2016 Concrete Sectional Replacement Program, City Project #16-281:

<u>Bid Opening</u>	<u>Project</u>	<u>Concrete Unit Price/SYD</u>
11/24/2015	Roseville – Local Roads	\$52.00 (8" Concrete)
02/26/2015	City Project #16-281	\$54.50 (7" Concrete)

The average of these two unit prices is \$53.25/SYD. This average is 31% above Galui's proposed unit cost of \$40.50/SYD. The difference between this unit cost and the unit cost proposed by Galui results in an estimated *savings* of \$586,500 based on the estimated quantity of 46,000 SYD for the 2016 Local Road Concrete Reconstruction Program.

STAFF ANALYSIS AND FINDINGS:

Galui completed the 2014 and 2015 Local Road Reconstruction Projects to the satisfaction of the Office of Engineering. Galui worked diligently while making a conscious effort to minimize the amount of disruption to the property owners. The roads were completed with high quality workmanship, while meeting the City's expectations of cleanliness, timeliness, and organization.

While these projects are normally competitively bid annually in Sterling Heights, it is common for municipalities in the area to extend contracts with contractors that are performing satisfactorily. In this case, the benefit to the residents of the City of Sterling Heights provided by the proposal from Galui is too compelling to not consider. If the 2016 Program is competitively bid and the low bid comes in higher than last year's pricing, it is likely one or more of the 15 poorly-rated roads noted above will be eliminated from the program scope. Conversely, if the City accepts Galui's proposal, the fixed unit costs will allow the City to complete all 15 roads noted above.

STAFF RECOMMENDATION:

The Office of Engineering is recommending that the City Council waive competitive bidding pursuant to City Code §2-217(A)(9)(b) and approve a contract for the 2016 Local Road Concrete Reconstruction Program, City Project #16-283 and City Center Court Parking Lots Reconstruction, City Project #16-287, between the City and Galui in the amount of \$2,669,000.

While this is somewhat of an unconventional approach, it is nonetheless the more financially prudent approach. By all indications, the City will experience pricing increases if the 2016 Program and Court Parking Lot Reconstruction Projects are bid out and may not receive a pool of qualified contractors from which to select. An additional consideration is the fact that increased pricing will reduce the number of local streets rated in poor condition that will receive reconstruction work. It is important to be fiscally responsible with the revenues generated from the Safe Streets dedicated millage and stretch these dollars out in the most efficient way available.

The funding required to complete the 2016 Program includes the anticipated project cost of \$2,241,000 plus 16% (or \$359,000) for engineering, inspection, and contingency costs for a total of \$2,600,000. There are sufficient funds (\$2,600,000) budgeted in the proposed fiscal year 2016/2017 budget to complete the 2016 Program.

As mentioned in the Staff Report from the April 5, 2016 award of Richard J. Notte City Center Improvements – Phase II, City Project #15-279, "the parking lots for the 41-A District Court Building will be reconstructed under a contract to be bid at a future date and a budget amendment in the amount of approximately \$600,000 will be required to fund the court parking lots reconstruction." Reconstructing the parking lots through this contract requires a budget amendment in the amount of \$496,000. That includes the anticipated construction costs of \$428,000 plus 16% (or \$68,000) for engineering, inspection, and contingency costs. The court parking lot reconstruction would commence in the Fall of 2016 and after completion of the current improvements.

Cc: Denice Gerstenberg, City Development Director
Adam LaClair, Lead Inspector
Scott Charron, Civil Engineer II

NOTIFICATION LIST

Galui Construction, Inc.
33805 Harper
Clinton Township, MI 48035

CITY OF STERLING HEIGHTS
 40555 UTICA ROAD
 STERLING HEIGHTS, MI 48313

GENTLEMEN:

The undersigned as bidder, declares that he has familiarized himself with the location of the proposed work and conditions under which it must be constructed; also that he has carefully examined the plans, specifications and contract documents which he understands and accepts as sufficient for the purpose of constructing said work and agrees that he will contract with the City of Sterling Heights to furnish labor, material, tools, and equipment necessary to do all the work specified and prescribed and that he will accept in full payment therefore the sum of:

ITEM/DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE	AMOUNT
<u>Section 1: 2016 Local Road Concrete Reconstruction Program</u>				
1. Remove Concrete Pavement & Replace 7" Concrete Pavement	46,000	SYD	\$40.50	\$1,863,000.00
2. Remove Concrete Pavement & Replace 9" Concrete Pavement	500	SYD	\$49.50	\$24,750.00
3. 2" MDOT 21AA Crushed Concrete - C.I.P.	46,000	SYD	\$1.40	\$64,400.00
4. 6" MDOT 21AA Crushed Concrete - C.I.P.	1,000	SYD	\$3.25	\$3,250.00
5. Undercut	200	CYD	\$10.00	\$2,000.00
6. Fill, 21AA Crushed Concrete Aggregate - C.I.P	200	CYD	\$12.00	\$2,400.00
7. Remove & Replace 6" Concrete Pavement (Drive Approaches)	325	SYD	\$29.50	\$9,587.50
8. Remove Existing Sidewalk	6,800	SFT	\$0.75	\$5,100.00
9. 4" Concrete Sidewalk	3,100	SFT	\$2.80	\$8,680.00
10. 6" Concrete Sidewalk Ramp	3,902	SFT	\$3.25	\$12,681.50
11. Detectable Warning Surface	592	FT	\$28.00	\$16,576.00
12. Reconstruct Drainage Structure	130	FT	\$50.00	\$6,500.00
13. 6" Edge Drain (w/ Pea Stone Backfill)	27,000	FT	\$5.50	\$148,500.00
14. Replace Existing Catch Basin Frame & Cover w/ New EJIW 5105 Frame & Cover	50	EA	\$525.00	\$26,250.00
15. Pavt Mrk, Polyurea, 6 inch, Crosswalk	200	FT	\$4.00	\$800.00
16. Pavt Mrk, Polyurea, 24 inch, Stop Bar	50	FT	\$13.50	\$675.00
17. Pipe in Curb Repair	5	EA	\$1.00	\$5.00
18. Sprinkler Repair, 3/4" Poly Pipe	1,000	FT	\$1.00	\$1,000.00
19. Sprinkler Repair, 1" Poly Pipe	1,000	FT	\$1.00	\$1,000.00
20. Sprinkler Rotary Head	50	EA	\$15.00	\$750.00
21. Sprinkler Spray Head	50	EA	\$10.00	\$500.00
22. Color Audio-Video Recording of Project Area	1	LS	\$7,500.00	\$7,500.00

23. Restoration - 3" Topsoil & Sod	100	SYD	\$5.50	\$550.00
24. Restoration - 3" Topsoil, Fertilizer, Seed, & Hydroseeding	5990	SYD	\$3.50	\$20,965.00
25. Inlet Filter	80	EA	\$1.00	\$80.00
26. Traffic Maintenance and Control	1	LS	\$13,500.00	\$13,500.00
Sub Total				\$2,241,000.00

Section 2: City Center Court Parking Lot Reconstruction

1. Remove Concrete Pavement & Replace 7" Concrete Pavement	9050	SYD	\$40.50	\$366,525.00
2. 2" MDOT 21AA Crushed Concrete - C.I.P.	5000	SYD	\$1.40	\$7,000.00
3. 6" MDOT 21AA Crushed Concrete - C.I.P.	3960	SYD	\$3.25	\$12,870.00
4. Undercut	500	CYD	\$10.00	\$5,000.00
5. Fill, 21AA	500	CYD	\$12.00	\$6,000.00
6. Remove Existing Sidewalk	1850	SF	\$0.75	\$1,387.50
7. 4" Concrete Sidewalk	920	SF	\$2.80	\$2,576.00
8. 6" Concrete Sidewalk Ramp	424	SF	\$3.25	\$1,378.00
9. Detectable Warning Surface	40	FT	\$28.00	\$1,120.00
10. Reconstruct Drainage Structure	16	FT	\$50.00	\$800.00
11. 6" Edge Drain (w/ Pea Stone Backfill)	120	FT	\$5.50	\$660.00
12. Replace Existing Catch Basin Frame & Cover w/ New EJIW 5105 Frame & Cover	8	EA	\$525.00	\$4,200.00
13. Pvmnt Marking, Waterborne, 4", Yellow	4900	FT	\$0.80	\$3,920.00
14. Pvmnt Marking, Waterborne, 4", Blue	160	FT	\$0.80	\$128.00
15. Pvmnt Marking, Waterborne, Accessible Sym, Blue	3	EA	\$100.00	\$300.00
16. Rem Curing Compound, for Longit Mrkg 4" Width	5060	FT	\$1.00	\$5,060.00
17. Rem Curing Compound, for Spec Mrkg	31.5	SFT	\$1.00	\$31.50
18. Van Accessible Sign	1.5	SFT	\$100.00	\$150.00
19. Accessible Sign	3	SFT	\$100.00	\$300.00
20. Steel Post, 3 lb.	36	FT	\$8.00	\$288.00
21. Sprinkler Repair, 3/4" Poly Pipe	248	FT	\$1.00	\$248.00
22. Sprinkler Repair, 1" Poly Pipe	250	FT	\$1.00	\$250.00
23. Sprinkler Rotary Head	10	FT	\$15.00	\$150.00
24. Sprinkler Spray Head	10	FT	\$10.00	\$100.00
25. Restoration - 3" Topsoil & Sod	1100	SYD	\$5.50	\$6,050.00

26. Inlet Filter	8	EA	<u>\$1.00</u>	<u>\$8.00</u>
27. Traffic Maintenance and Control	1	LS	<u>\$1,500.00</u>	<u>\$1,500.00</u>
Sub Total				<u>\$428,000.00</u>
Total				<u>\$2,669,000.00</u>

The undersigned hereby agrees that if this proposal is accepted by the owner, he will furnish the required bonds and insurance and execute the contract within fourteen (14) days after notice of the award of the contract is mailed to him by the owner and start construction on June 1, 2016. Failure to commence contractual work within the times mentioned herein shall result in the contractor paying Liquidated Damages for each and every calendar day the contractor shall be in default as contained herein under Section 114.0, Liquidated Damages, Instructions to Bidders.

The owner reserves the right to reject any or all bids and to waive any irregularities in bidding. No bid may be withdrawn after the scheduled closing time for receiving bids for at least ninety (90) calendar days. All work in Section 1 of the proposal on Adele Drive, Balsam Way Drive, Cheryl Court, Hemlock Drive, Holmes Drive, King Richard Drive, Linsdale Court, Clifton Drive, Locust Court, Osmond Court, Waltham Drive, and Salem Drive, including final seeding and sodding, shall be completed before Friday, October 14, 2016. All work in Section 1 of the proposal on Dryden Drive, Greendale Street and Idaho Drive shall start construction after Friday, June 17, 2016 and all work including final seeding and sodding, shall be completed before Monday, September 5, 2016 (Labor Day). All work in Section 2 of the proposal shall start after September 5, 2016 (Labor Day) and all work including final seeding and sodding, shall be completed by Friday, November 4, 2016. See Supplemental Specification No. 5 for scheduling and phasing requirements. Anticipated contract award date is May 17, 2016. Failure to complete contractual work within the times mentioned herein shall result in the contractor paying Liquidated Damages for each and every calendar day the contractor shall be in default as contained herein under Section 114.0, Liquidated Damages, Instructions to Bidders.

It is the owner's intent to award the contract based on the low bid submitted. However, the City reserves the right to reject any item(s), sections(s) or part(s) of the proposal. In addition, the owner, at his sole discretion, reserves the right to award to the Bidder who, in the sole determination of the owner, will best serve the interest of the owner.

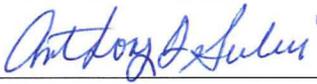
Each bidder agrees to waive any claim it has or may have against the owner and their respective employees, arising out of or in connection with the administration, evaluation, or recommendation of any bid.

Address:
33805 Harper
Clinton Township, Michigan 48035

Telephone: 248-294-2081

Fax: 586-792-8325

Company: Galui Construction Inc.

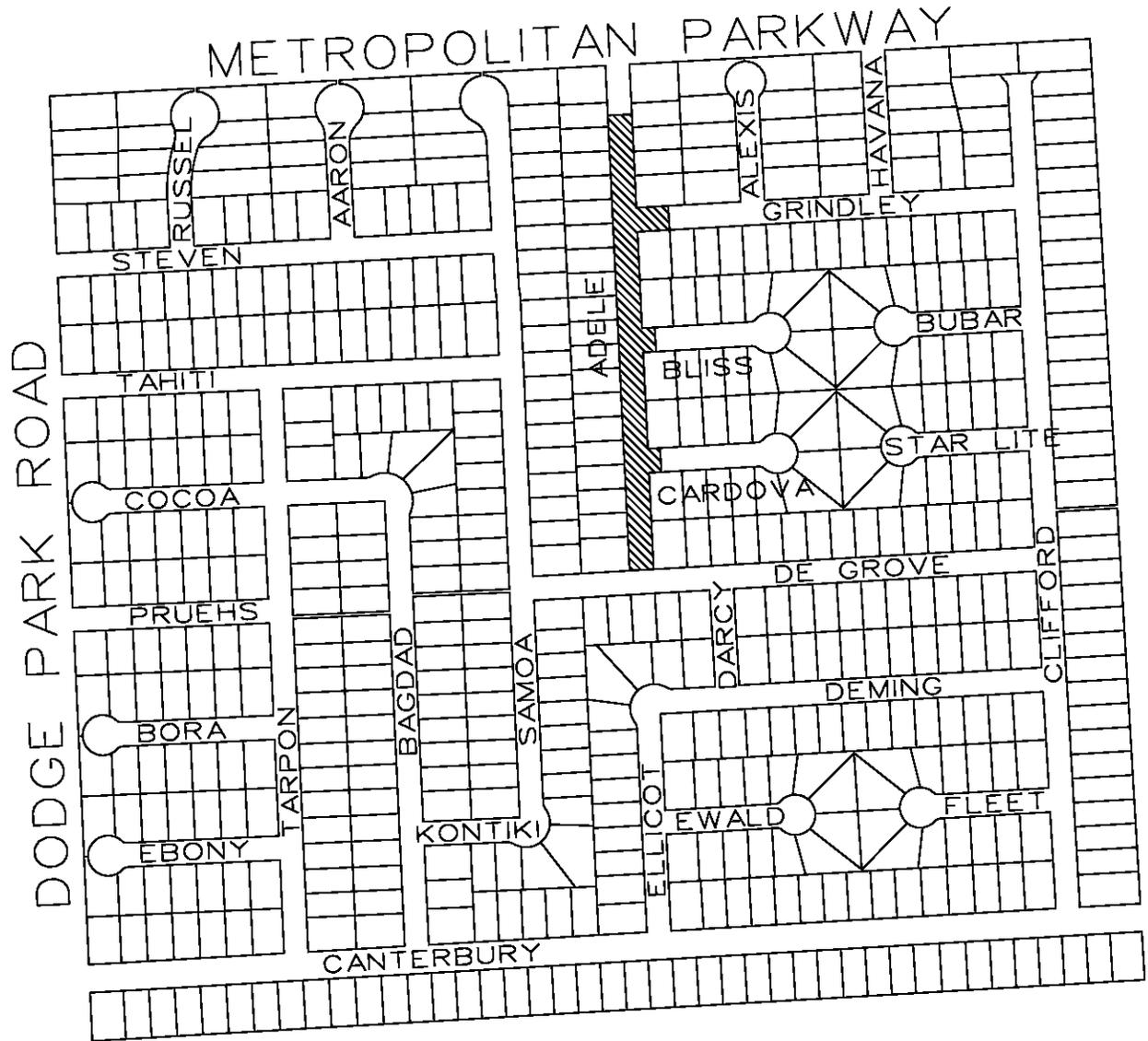
By: 

Print Name: ANTHONY GALUI

Title: VICE PRESIDENT

2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM

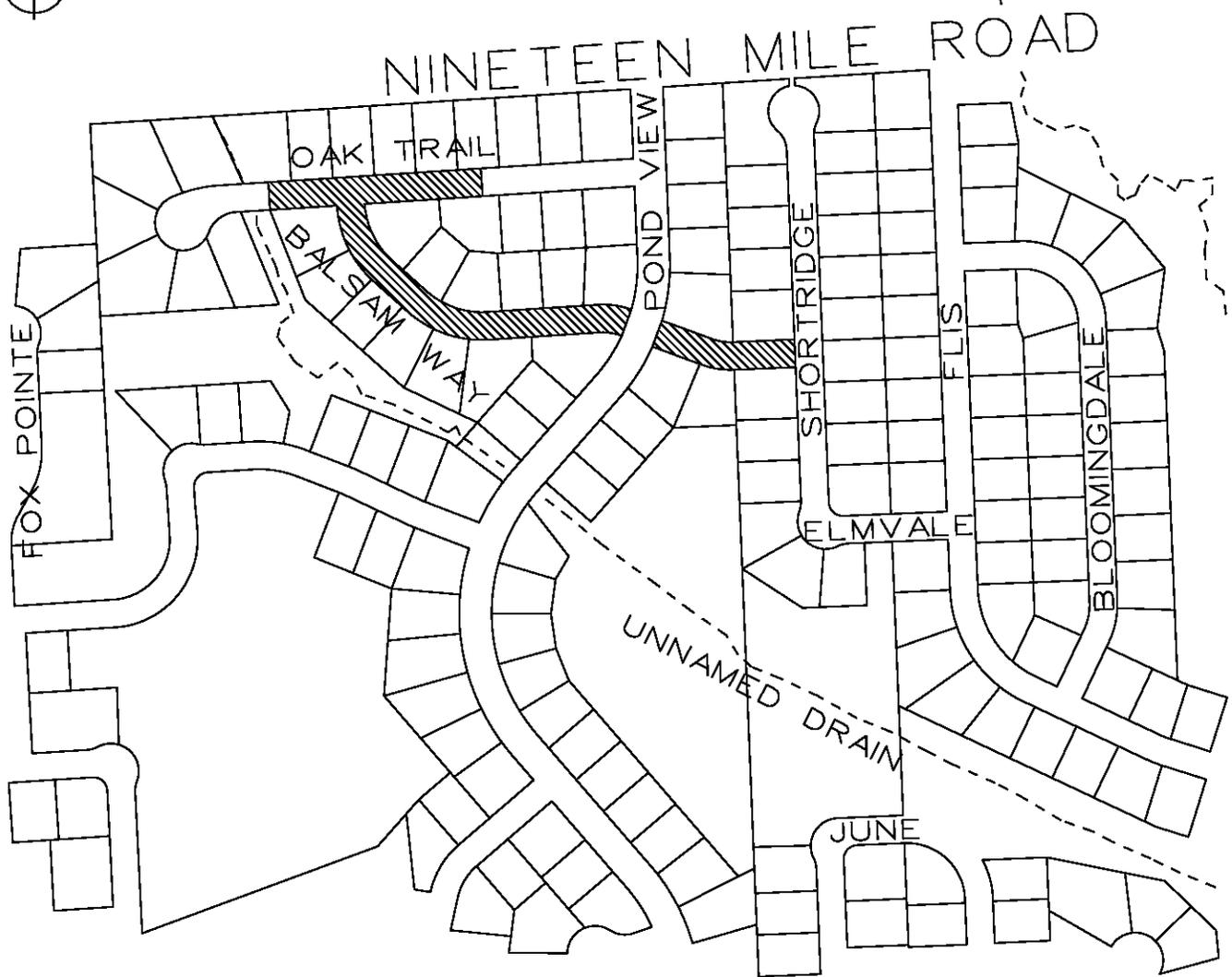
-ADELE DRIVE-



WORK ZONE

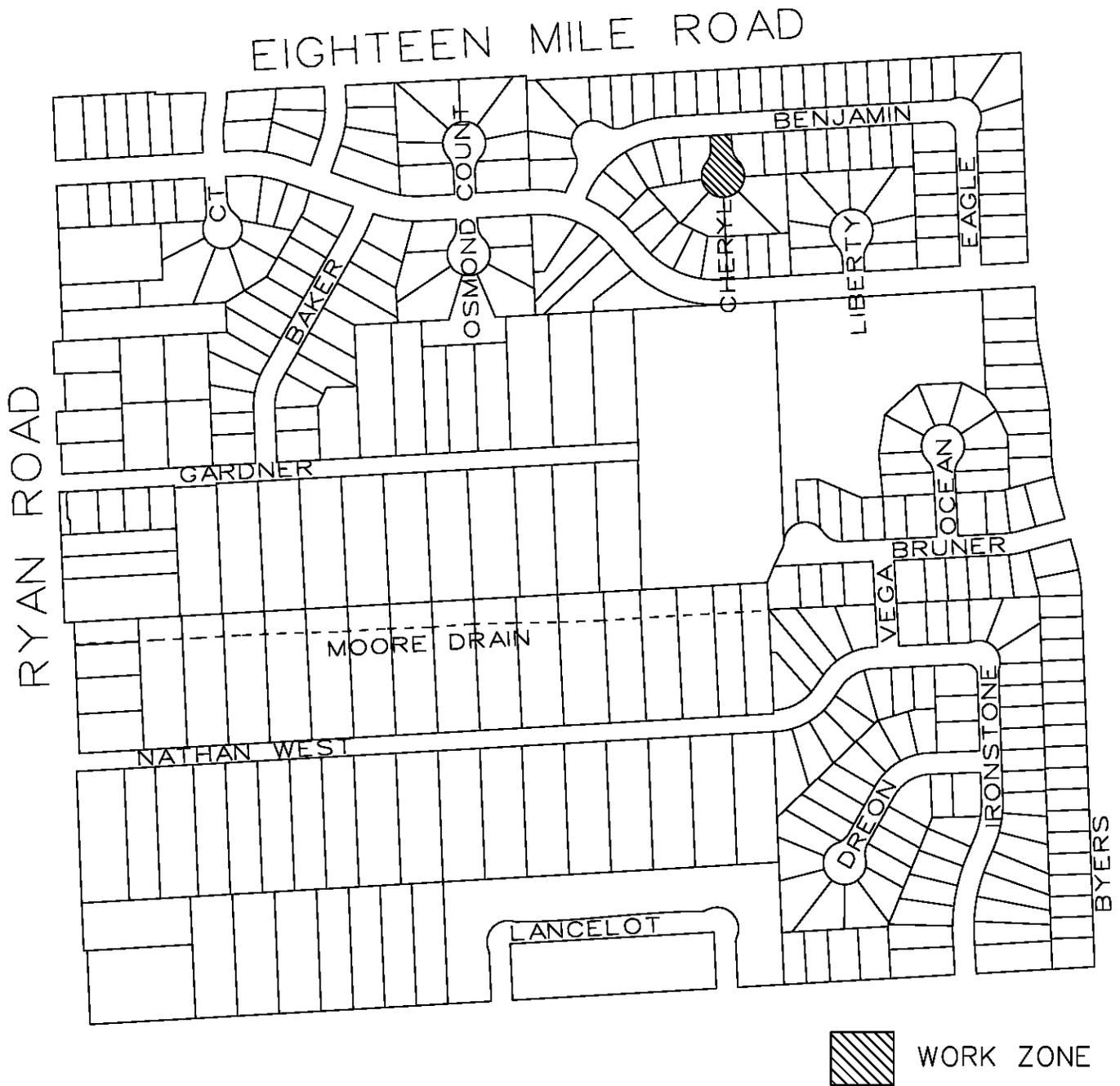
2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM

-BALSAM WAY DRIVE & OAK TRAIL DRIVE-



WORK ZONE

2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -CHERYL COURT-

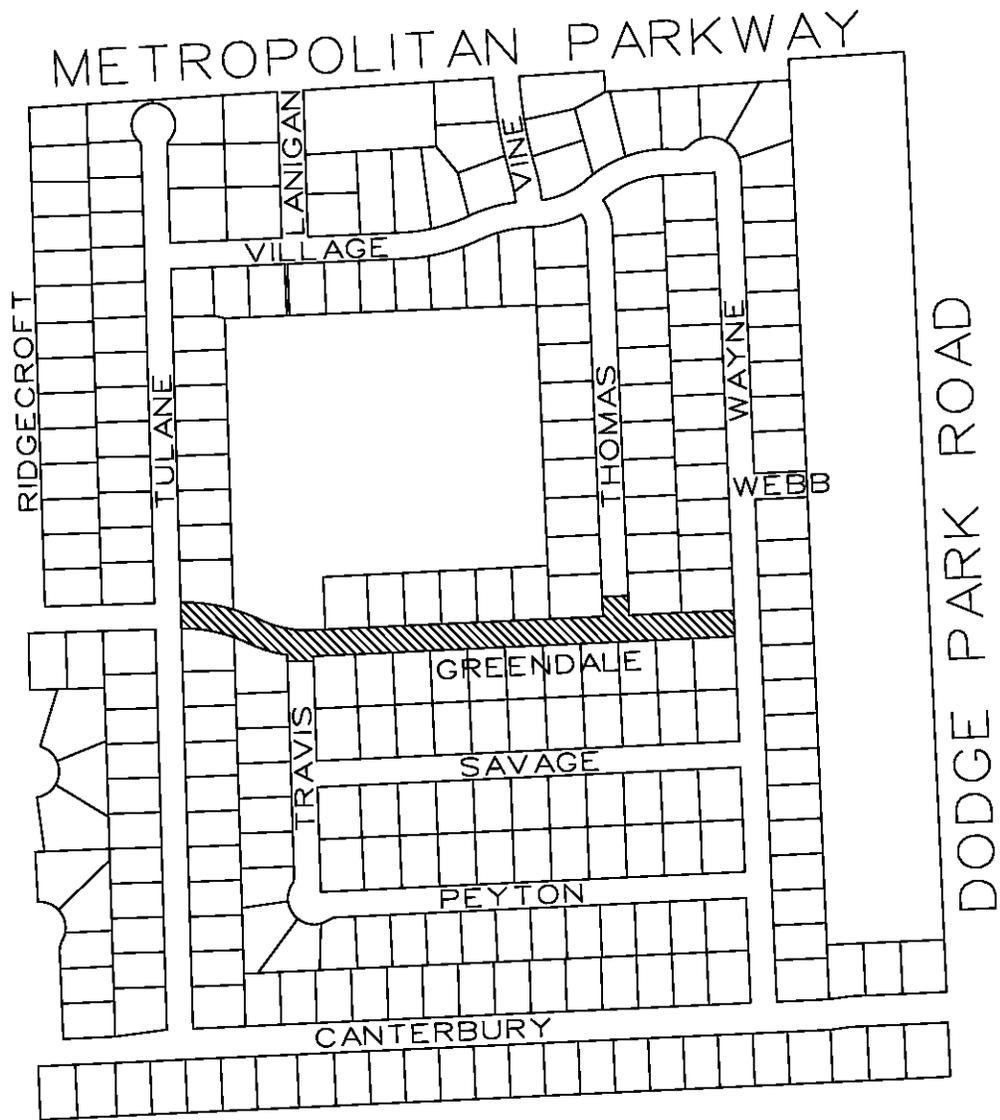


2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -DRYDEN DRIVE-



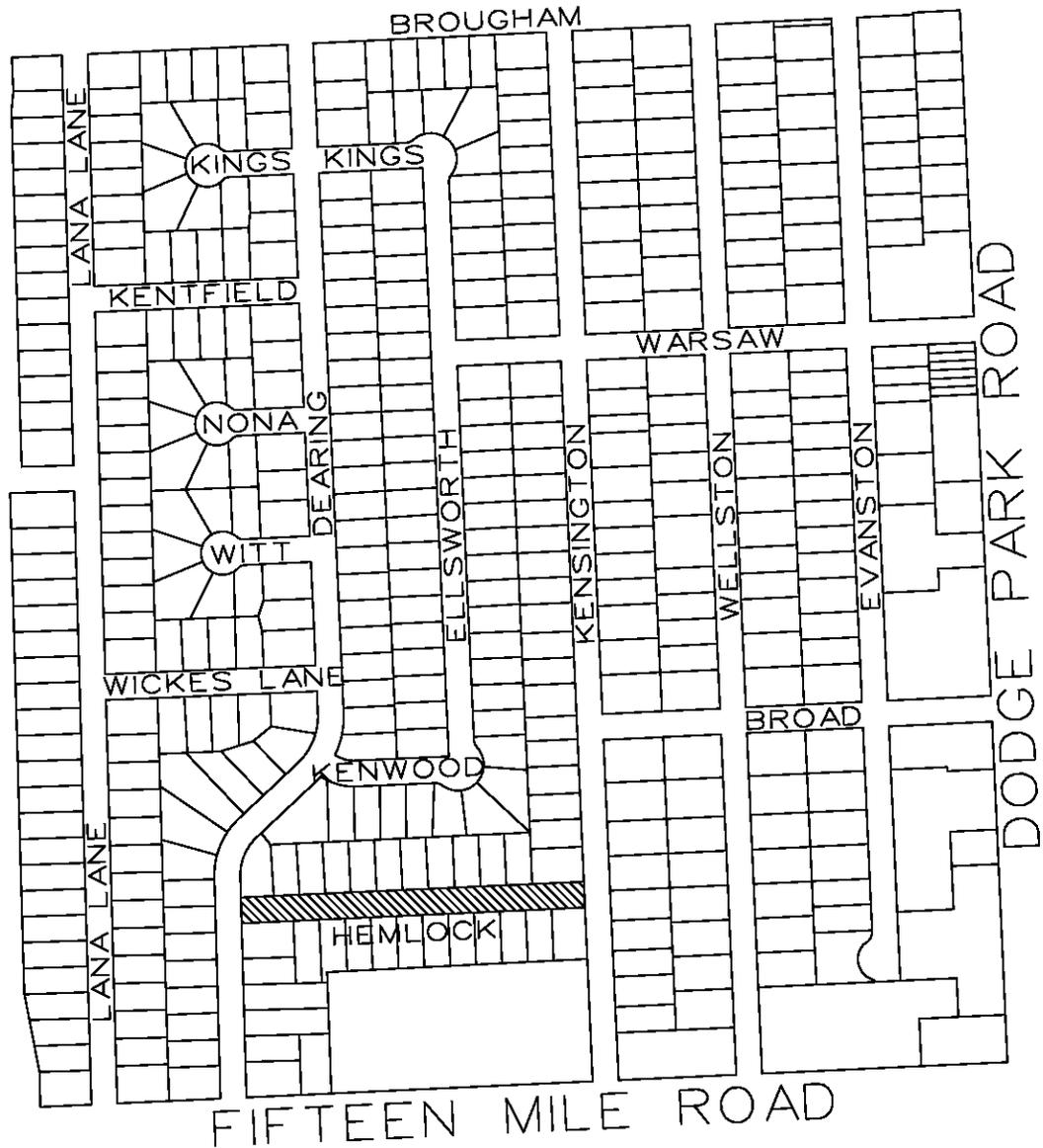
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2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -GREENDALE STREET-



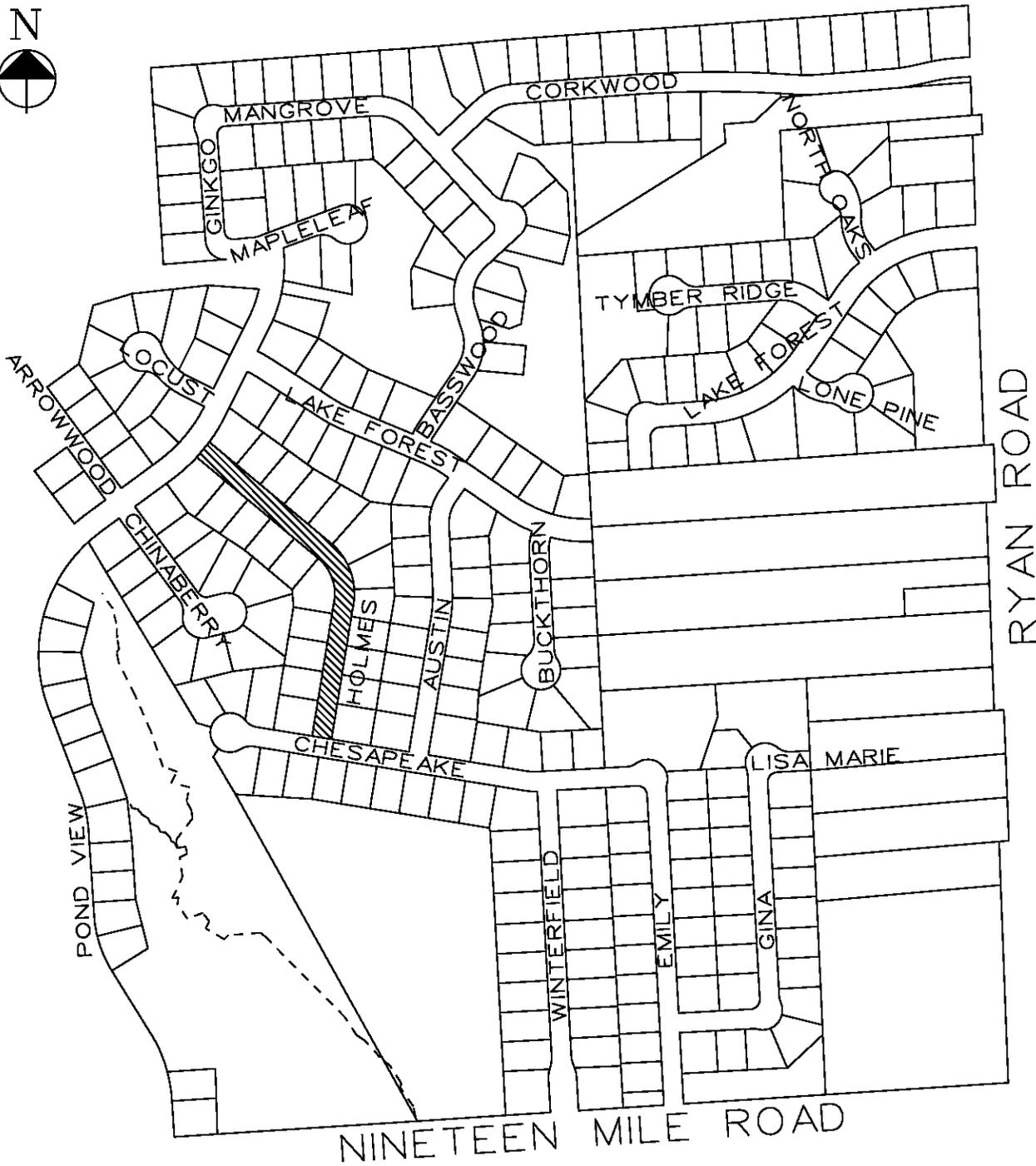
WORK ZONE

2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -HEMLOCK DRIVE-



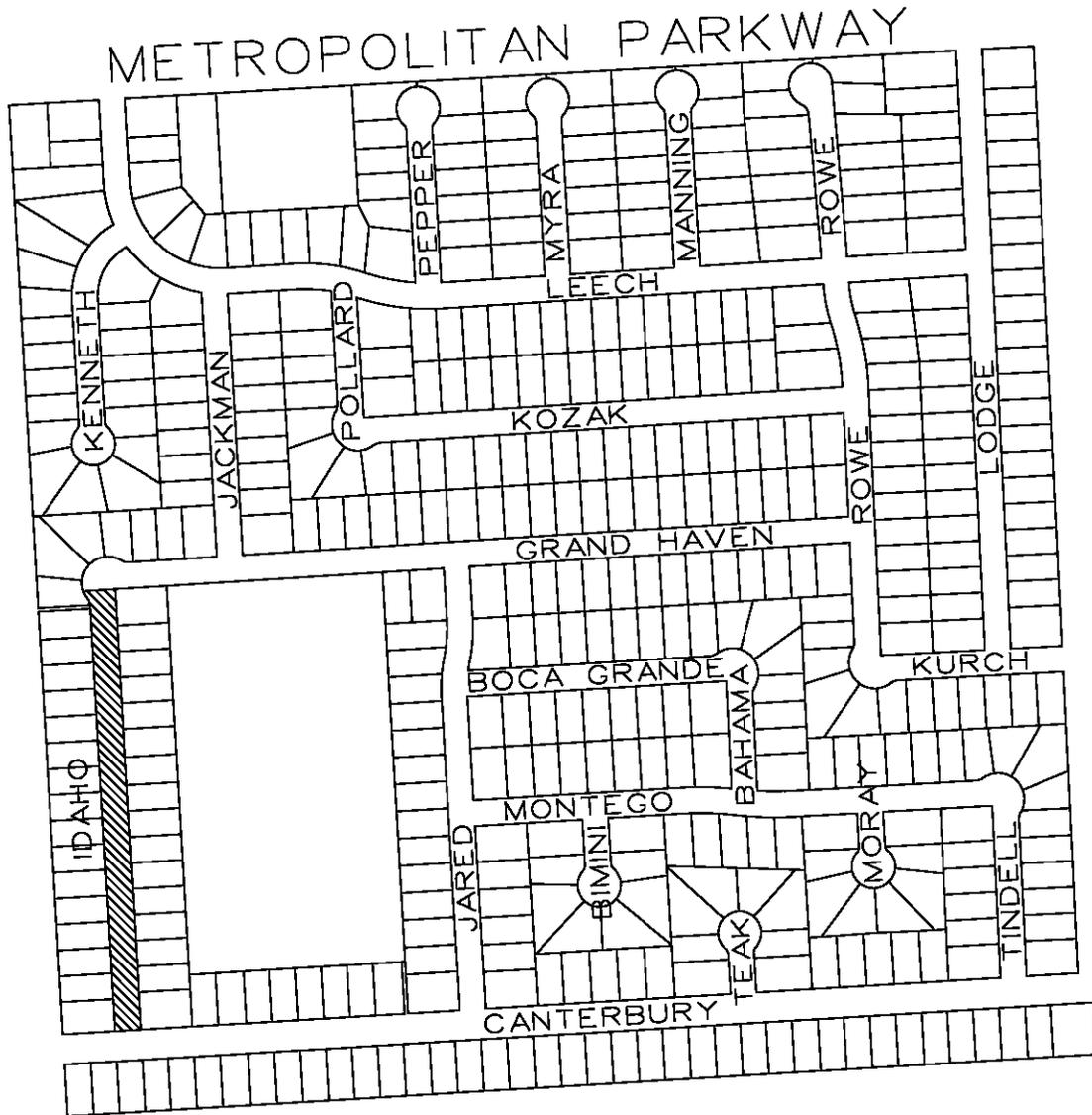
 WORK ZONE

2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -HOLMES DRIVE-



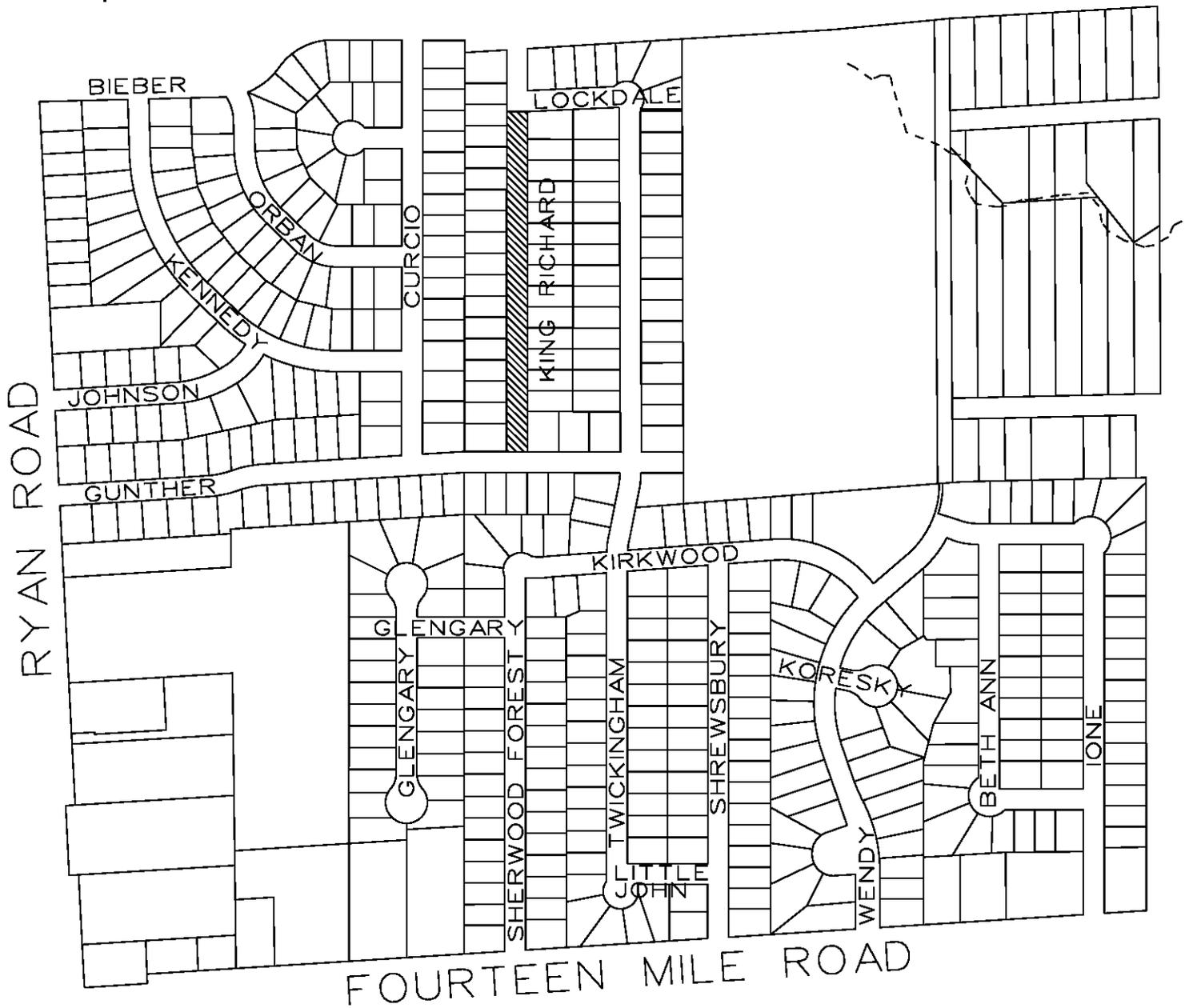
WORK ZONE

2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -IDAHO DRIVE-



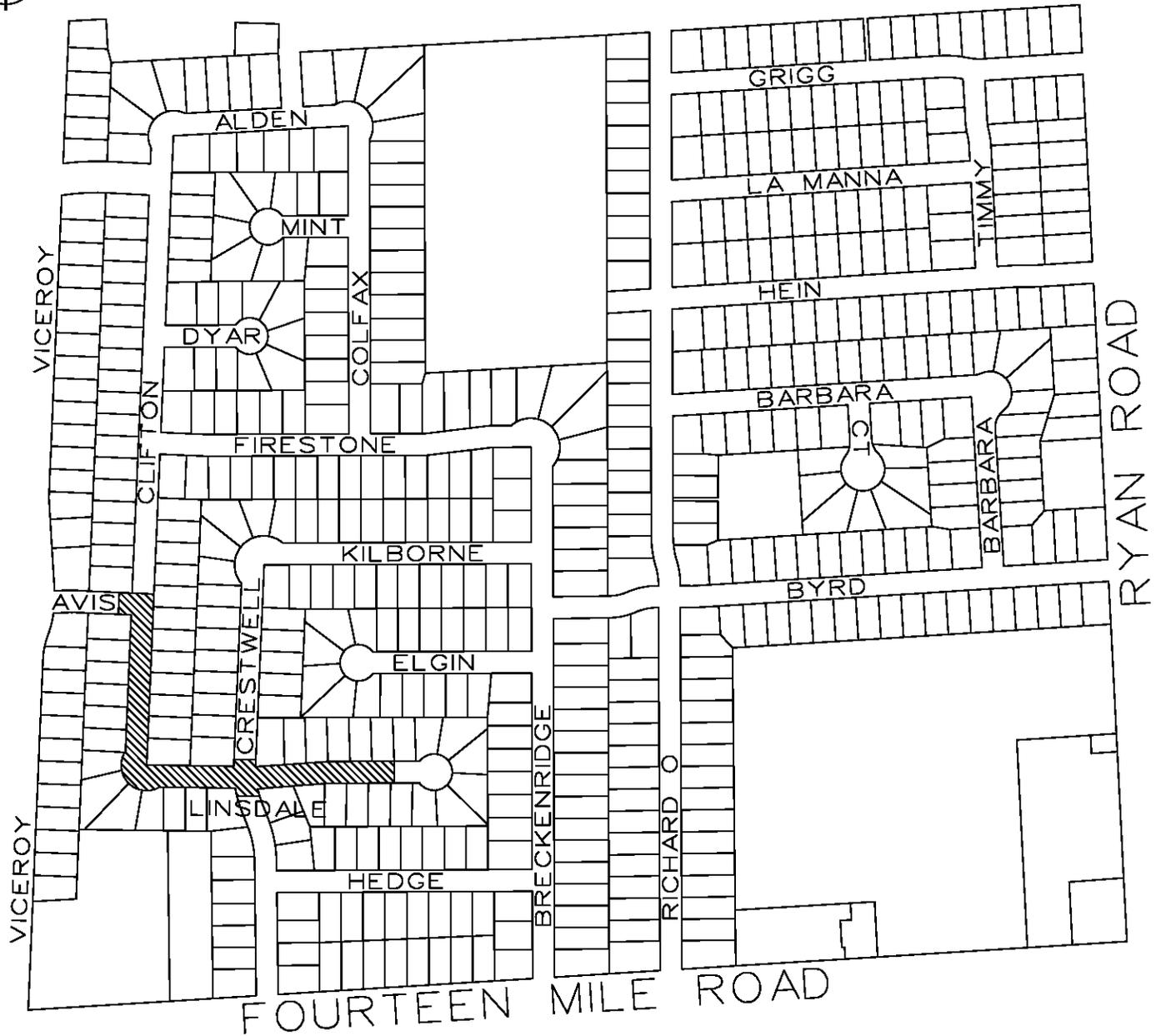
WORK ZONE

2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -KING RICHARD DRIVE-



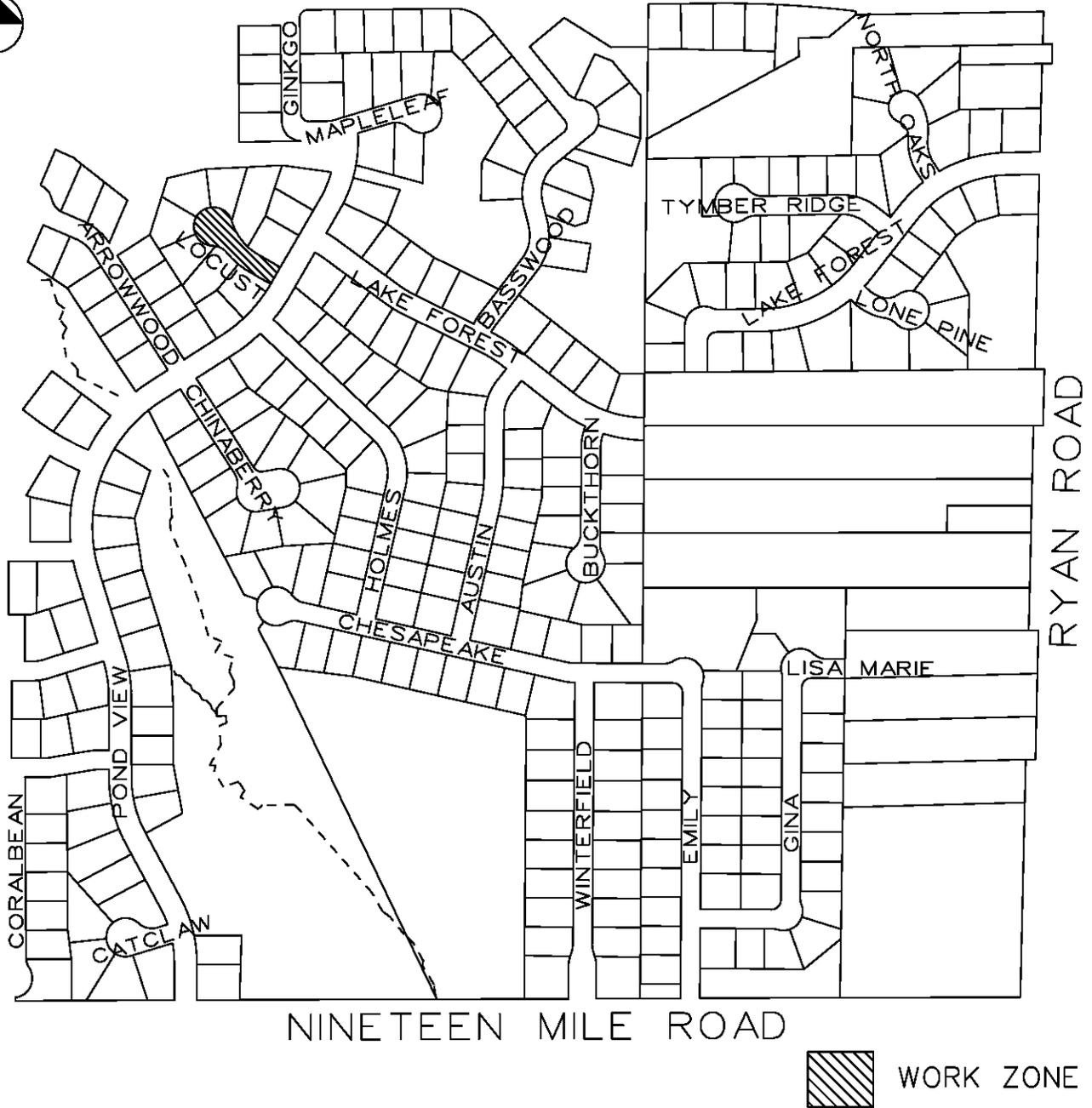
WORK ZONE

2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -LINSDALE COURT & CLIFTON DRIVE-

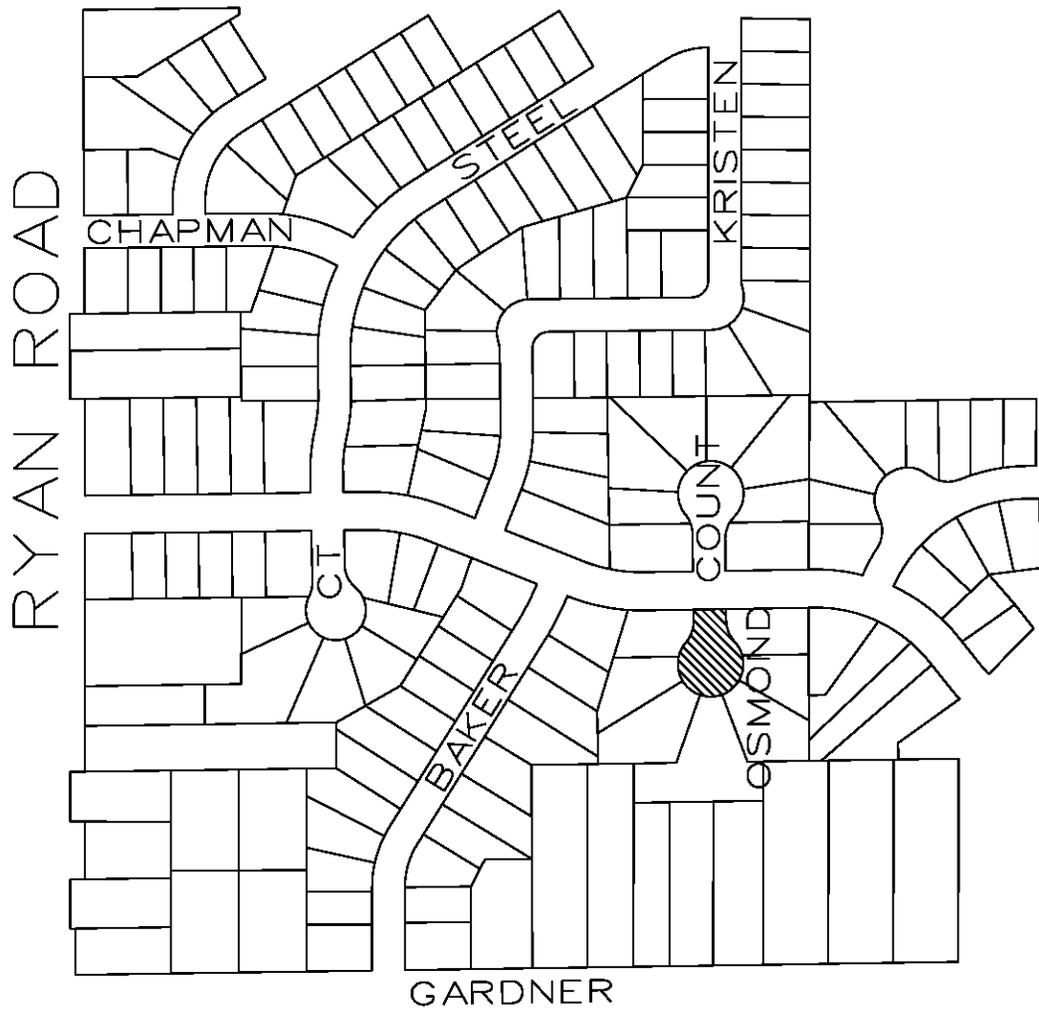


 WORK ZONE

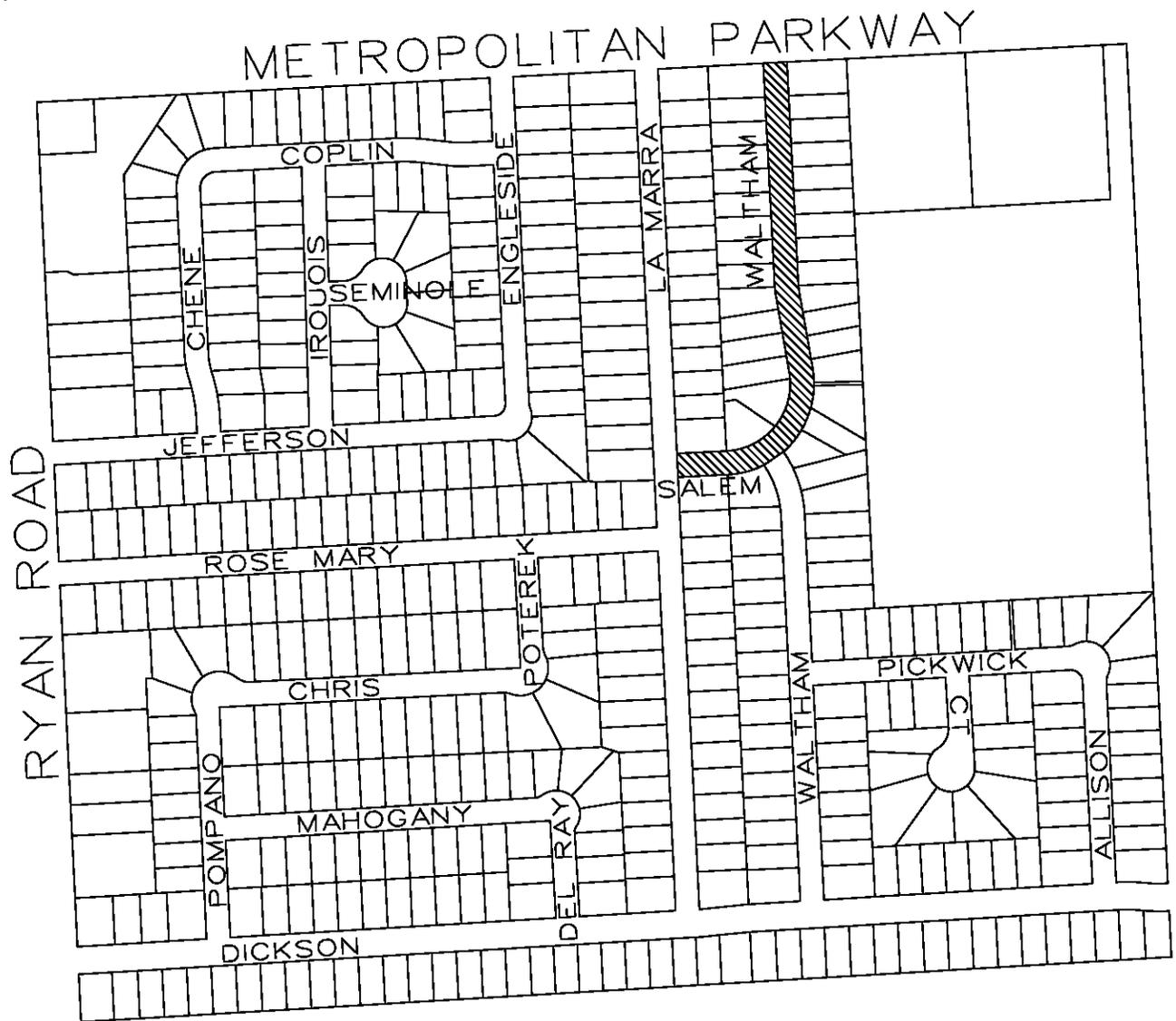
2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -LOCUST COURT-



2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -OSMOND COURT-

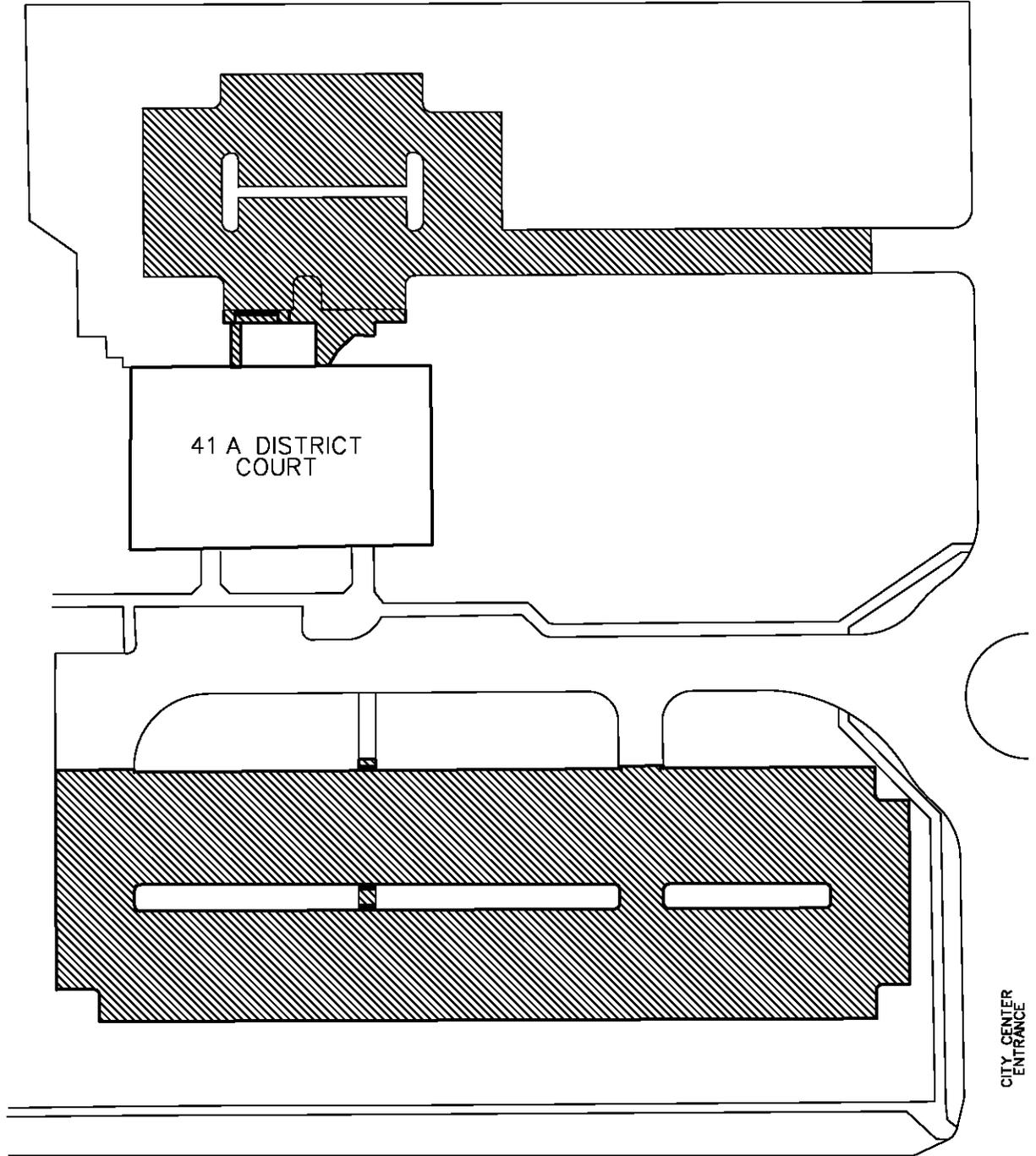


2016 LOCAL ROAD CONCRETE RECONSTRUCTION PROGRAM -WALTHAM DRIVE & SALEM DRIVE-



 WORK ZONE

CITY CENTER COURT PARKING LOT RECONSTRUCTION



41 A DISTRICT
COURT

CITY CENTER
ENTRANCE

DODGE PARK ROAD
(120' R.O.W.)



WORK ZONE

**Business of the City Council
Sterling Heights, Michigan**

City Clerk's Use

Item No: 1-2
Meeting: 05/17/16

AGENDA STATEMENT

OMB A503 Rev. 11/04

Item Title: To renew an Administrative Services Contract with Blue Cross Blue Shield of Michigan for claims administration services and specific stop loss insurance at an expected annual cost of \$1,249,554.

Submitted By: Office of the City Clerk

Contact Person/Telephone: *MC* Mark Carufel, City Clerk / Risk Manager / 446- 2421

Administration (initial as applicable)

Attachments

<i>MC</i>	City Clerk	___	Resolution	___	Minutes
<i>BB</i>	Finance & Budget Director	___	Ordinance	___	Plan/Map
<i>JB</i>	City Attorney (as to legal form)	___	Contract	___	Other
<i>[Signature]</i>	City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary

Introduction

The City of Sterling Heights provides health, dental, and prescription drug (HSA participants only) insurance coverage to eligible employees and retirees pursuant to the terms and conditions of the respective collective bargaining agreements. Collective bargaining agreements provide for Blue Cross Blue Shield of Michigan (BCBSM) Community Blue Plan 4 Modified as the base health insurance coverage. Additionally, employees have the choice to elect a BCBSM high deductible plan (Simply Blue) with a health savings account (HSA) funding component. All employee groups are subject to Public Act 152, which limits the City's obligation to pay for increasing costs of health insurance.

The current Administrative Services Contract with BCBSM expires on June 30, 2016. The proposed renewal contract for the period of July 1, 2016 through June 30, 2017 calls for a monthly administrative fee of \$56.04 per employee or retiree contract for claim administration, representing a 3% increase from last year's monthly fee. This administrative fee is a "full pass through" fee, which dictates that the City receive the full hospital discount received by BCBSM. BCBSM originally presented the City with a 6.1% increase, but the City's healthcare consultant, Cornerstone Municipal Advisory Group, negotiated a reduction to a 3% renewal. This negotiation will save the City approximately \$19,555 in the upcoming fiscal year.

The City also purchases specific excess insurance from BCBSM to limit the City's exposure to \$250,000 for any one employee or retiree contract during the year. The proposed renewal contract for the period of July 1, 2016 through June 30, 2017 calls for a monthly specific stop loss premium of \$49.70 per employee/retiree contract. This is a 31.2% increase when compared to the expiring monthly rate of \$37.87 per employee/retiree contract, due mainly to large and expensive claims.

Health insurance costs will be partially offset by employee cost sharing agreements negotiated in all collective bargaining agreements in which non 312 Arbitration covered employees are required to pay 10% of the City's monthly illustrative rates (equivalent to fully insured premiums). Additionally, the "hard cap" adopted by the City pursuant to the Publically Funded Health Care Contribution Act (P.A. 152 of 2011) provides additional financial relief, if employee plan costs exceed the state mandated limits.

Effective July 1, 2016, the monthly administrative fee paid by the City to BCBSM will include the BCBSM Total Care Management (TCM) wellness program that will provide chronic condition management to the City's active employees (and their spouses and children). This new program will provide employees and their dependents with access to a dedicated nurse case manager who will provide support and education to members with chronic diseases. Chronic conditions are costly and are increasingly becoming more of a financial obstacle for the City. Projected savings with this new program are \$79,000 annually, according to BCBSM.

Recommendation

City Administration is recommending renewal of the administrative services agreement with BCBSM for medical, prescription drug (HSA participants only), and dental insurance claim administrative services and stop loss insurance, including the BCBSM Total Care Management program. Monthly administrative and stop loss insurance fees will be paid for an estimated 970 employees and retirees covering approximately 2,230 lives. The cumulative cost incurred for administrative fees and stop loss insurance premiums is estimated at \$1,249,554. A year-end audit will determine the actual final cost.

Below is the projected total cost of the administrative fee and stop loss premium renewal for fiscal year 2016/17:

	Monthly Fee Per <u>Contract</u>	Monthly Cost Based on <u>970 Contracts</u>	Yearly Cost Based on <u>970 Contracts</u>
Administrative Fee	\$56.04	\$54,359	\$652,306
Total Care Management	\$1.61	\$1,562	\$18,740
Stop Loss Insurance	\$49.70	<u>\$48,209</u>	<u>\$578,508</u>
		\$104,130	\$1,249,554

The attached staff report, BCBSM renewal contract, and supporting documentation provide additional information and analysis.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to approve the Administrative Services Contract with Blue Cross Blue Shield of Michigan for the period July 1, 2016 through June 30, 2017, with monthly fees of \$56.04 per employee/retiree contract for administration, \$1.61 per employee/retiree contract for Total Care Management, and \$49.70 per employee/retiree contract for specific stop loss insurance at a \$250,000 self-insured retention, and authorize the Mayor and City Clerk to sign all documents required in conjunction with this approval, upon review and approval by the City Attorney.

**CITY OF STERLING HEIGHTS
STAFF REPORT
May 17, 2016**

Prepared by: Mark Carufel, City Clerk / Risk Manager

Contact: 586-446-2421

GENERAL INFORMATION:

The City has had self-insured Blue Cross Blue Shield of Michigan (BCBSM) employee health care benefits since 1989. Under an Administrative Services Contract with BCBSM, the City pays actual claims plus monthly fees for each employee and retiree contract for claims administration and stop loss insurance.

The current Administrative Services Contract with BCBSM expires on June 30, 2016. The proposed 2016/17 renewal contract calls for a monthly claim administration fee of \$56.04 per employee/retiree contract and a monthly specific stop loss insurance premium of \$49.70 per employee/retiree contract, limiting the City's liability to \$250,000 per contract year for each employee and retiree contract.

The City's benefit consultant, Cornerstone Municipal Advisory Group (Cornerstone), recommends the renewal of the City's administrative services contract with BCBSM for medical, prescription (HSA only), and dental insurance claim administrative services and stop loss insurance for 2016/17. Cornerstone is also recommending that the City implement the BCBSM Total Care Management program for the 2016/2017 plan year, at a cost of \$1.61 per employee/retiree contract per month, however this program is only applicable to employees and their covered family members at this time.

The employee and retiree prescription drug benefit was carved out of the medical insurance program in 2011 and is now handled by the City's pharmacy benefit manager, Navitus. Employee and retiree dental insurance continues to be administered by BCBSM. Employee vision insurance is handled by EyeMed. The recommendation is to continue to contract with BCBSM for the provision of medical, dental, and prescription (HSA participants only) claim administration services.

STAFF ANALYSIS AND FINDINGS

The 2016/17 proposed BCBSM administrative fee reflects a 3.0% increase when compared to the 2015/16 fee. This 3% increase was originally 6.1% before Cornerstone negotiated the final fee increase down to 3.0%. The BCBSM specific excess insurance premium reflects a 31.2% increase compared to the 2015/16 fee due to the presence of a few very large claims. Below is a historical summary of fees and retentions since 2012/13:

<u>Year</u>	<u>Monthly Per Employee/Contract Administrative Fee</u>	<u>Monthly Per Employee/Contract Stop-Loss Fee</u>	<u>Self-Insured Retention</u>
2016-17	\$ 57.65 *	\$ 49.70	\$ 250,000
2015-16	\$ 54.41	\$ 37.87	\$ 250,000
2014-15	\$ 51.57	\$ 34.43	\$ 250,000
2013-14	\$ 49.35	\$ 30.18	\$ 250,000
2012-13	\$ 53.92	\$ 27.43	\$ 250,000

* Includes \$1.61 for TCM

STAFF COMMENTS

The BCBSM Administrative Services Contract is still the most cost effective way to provide our employees and retirees with the benefits that have been negotiated. The large network of hospital and professional

providers and the discounts for hospital and professional medical services provide significant savings to the City. One of the major advantages to the BCBSM program is the significant hospital discount with participating hospitals. This discount is negotiated by BCBSM with each hospital based on a number of cost factors, and each hospital's discount is different. On average, the City is receiving a hospital discount of 52.4%. While BCBSM is the market leader for medical and dental insurance coverage, the City and Cornerstone Municipal continue to examine other competitive options, both within and outside of BCBSM.

The recommendation to implement Total Care Management (TCM) effective July 1, 2016 for the City's active employees and their spouses/dependents is another example of the City's continuous effort to evaluate beneficial programs in the healthcare marketplace. The cost for this program is \$1.61 per employee/retiree contract per month. The TCM program provides telephonic nurse manager support to individuals with chronic conditions. Historically, the frequency and high cost of chronic conditions have sharply risen across the country and continue to present an increasing financial burden for the City and its employees and their families.

The City met with Cornerstone to evaluate wellness programs and explore additional ways to manage healthcare costs. After presenting the BCBSM Total Care Management program to City Administration, it was next presented to and received the support of the City's employee wellness committee. Projections by BCBSM show a return on investment of approximately \$5.21 for every \$1 in administrative fee costs, and an annual savings of approximately \$79,000. Depending on the success of this new program, we are prepared to recommend the inclusion of retirees and their covered family members as early as the next fiscal year.

The City also purchases specific excess insurance from BCBSM to limit the City's exposure for any one employee/retiree contract during the year. The expiring coverage is set at \$250,000 per contract/per year. A recommendation is being made to maintain the self-insured stop loss at \$250,000. Under this stop loss coverage, if the combined hospital and professional claims for an employee or retiree (or dependents) exceeds \$250,000 in fiscal year 2016/17, BCBSM is then responsible for all remaining claim payments above the \$250,000 self-insured retention through June 30, 2017. The proposed renewal contract for the period of July 1, 2016 through June 30, 2017 calls for a monthly specific stop loss premium of \$49.70 per employee/retiree contract.

Increases in the stop loss premium the City pays is determined in part by the large claims occurring throughout the regional reinsurance pool that includes the City, and in part by the City's own large claim experience. This stop loss premium increase is largely a reflection of the City's large claims. Even with this increase, this program has historically and more specifically over the last 2 calendar years greatly benefited the City as reimbursements have exceeded expenses by \$2,560,000. For example, in the last 2 calendar years, the City has paid premiums totaling \$716,536 and received reimbursements of \$3,278,489. Hence, for every \$1 in stop loss premiums paid to BCBSM, the stop loss program has reimbursed \$4.58. Please note the coverage has a guaranteed renewal and follows BCBSM plan coverage.

STAFF RECOMMENDATION

Please see Suggested Action on the accompanying Agenda Statement.

ATTACHMENTS:

- Cornerstone Municipal Advisory Group correspondence dated April 18, 2016.
- BCBSM Schedule A Renewal Term (7/1/16 – 6/30/17)
- BCBSM Exhibit to Stop Loss Insurance Policy -Renewal Term (7/1/16 – 6/30/17)
- BCBSM Total Care Management informational brochure
- BCBSM Renewal Package for Sterling Heights.

April 18, 2016

Mr. Mark Carufel,
City Clerk / Risk Manager
City of Sterling Heights
40555 Utica Road
P.O. Box 8009
Sterling Heights MI 48311-8009

RE: BCBSM Administrative Services Contract Renewal, Analysis and Recommendation

Dear Mark:

Pursuant to our broker/consultant arrangement, Cornerstone Municipal Advisory Group analyzed your 2016 Blue Cross Blue Shield of Michigan (BCBSM) renewal.

BCBSM Renewal

As part of our review of the BCBSM Renewal, we analyzed the annual renewal cost for the administrative fee charge, the stop loss charge, and the claim experience for the prior plan year. The administrative fee charged to the City by BCBSM is for the administration of the medical, dental, and Rx (only high deductible participants) plans. The stop loss premium charged to the City is to cover claims incurred by the City in "excess" of a preset annual per contract threshold on the medical plan. BCBSM is increasing the City's administrative fee by 3% and the stop loss premium is increasing by 31.2%. We will discuss these separately in the next two paragraphs.

Initially, BCBSM extended an administrative fee renewal for the City at a 6.1% increase over current. Cornerstone Municipal contacted BCBSM to negotiate this increase for the following reasons. First, the City has added additional contracts with BCBSM as members have transitioned to Blue from COPS Trust. Secondly, as members have moved over to the BCBSM high deductible health plan, this has also added prescription drugs back to Blue for these enrollees. As a result of this negotiation, BCBSM agreed to revise the administrative fee increase to 3% over current, a savings of approximately \$19,555.

The stop loss fee will be increasing by 31.2% for the upcoming year, which is well above trend. The City pays BCBSM a set stop loss fee each year in addition to claims for each employee/retiree up to \$250,000. However, some claims have exceeded this level and BCBSM is required to pay the excess. The City has a few large claims that have cost BCBSM over \$2,000,000 over the past two years. This is primarily driving the large increase for the upcoming year. Even though the increase could have been even higher due to the presence of these very large claims, our office solicited quotes from alternative stop loss carriers in the market to determine whether more competitive carrier quotes existed. However, each carrier declined due to the percentage of retirees as well as the large claims activity.

Our office also conducted a review of alternative stop loss levels through BCBSM. We reviewed the stop loss claims incurred by the City over the last three years and analyzed both lower and higher stop loss levels. Our analysis shows inconclusive savings under alternative stop loss levels. Therefore, we recommend that the City maintain the current stop loss level of \$250,000/year per subscriber contract.



We also reviewed alternative wellness options and solutions for the City and have recommended the implementation of the Total Care Management (TCM) program through BCBSM effective 7/1/16. This program will provide education and assistance for the City's employees (including spouses/dependents) with chronic and complex conditions. While BCBSM provided a return on investment savings estimate for the City, we separately provided a breakeven estimate.

Our office supports the concept of this program, but understands that the value needs to outweigh the costs. Based on our review we project this program at a minimum will break even and therefore the City should implement. BCBSM projects a \$79,000 first year savings. As costs continue to rise, this program will provide the City with an additional tactic to effectively manage costs.

The total 2016/17 BCBSM annual renewal for the administrative fee, stop-loss premium, and the implementation of Total Care Management represents an increase of \$175,415 when compared to 2015/16. The fixed fee percentage of total costs has increased from 11.23% in 2015/2016 to 13.06% in 2016/17.

The City is responsible for two types of costs under a BCBSM self-funded contract - fixed and variable. The fixed costs are addressed in the above paragraphs, and we also provided an analysis to the City during our renewal meeting on the variable claim component. Overall, claims per BCBSM enrollee are increasing by approximately 3.6% from last year, and BCBSM illustrative rates are renewing at an aggregate increase of 0.27%. This moderate increase is being driven by improving consumerism from the City's employees in the high deductible health plan. The City has seen large gains in the number of employees electing the high deductible health plan with HSA funding. Enrollment in this plan has increased from 6% of actives in 2013 to 57% of actives in 2016. Employees in this plan have a large deductible with an agreed upon level of HSA funding from the City. Employees have an ability to control how much money they spend by researching service costs and striving for healthier lifestyles in order to preserve the money in their HSA. Controlling employee costs is especially important since the City does not have as much control over its older legacy retiree plan designs.

Market Review – Medical plan

Our organization solicited stop loss quotes on behalf of the City in 2016. When evaluating alternative medical carriers, the City must purchase stop loss to protect against high dollar claims. However, none of the alternative organizations we contacted were able to offer quotes due to the City's large percentage of retirees and also due to the presence of a few very large claims.

As we reported last year, BCBSM continues to be a preferred choice for administering and offering plan options to the City. Additionally, the City does not have flexibility to move away from BCBSM due to language in some retiree contracts. However, our office is regularly reviewing the healthcare market and analyzing alternative medical carriers for our 30+ public sector clients in Michigan. BCBSM still has the deepest hospital discounts and comparable physician discounts when compared against competitors. Additionally, BCBSM's stop loss will provide protection for the City's active AND retiree populations. BCBSM has deep discounts, a very large network, and a favorable stop loss arrangement. For these reasons, our recommendation is to retain BCBSM as the City's plan administrator and add the BCBSM Total Care Management program effective 7/1/16.

Sincerely,

Mark Manquen

- 12 . The Group acknowledges that BCBSM or a Blue Cross and Blue Shield Plan may have compensation arrangements with providers in which the provider is subject to performance or risk-based compensation, including but not limited to withholds, bonuses, incentive payments, provider provider credits and member management fees. Often the compensation amount is determined after the medical service has been performed and after the Group has been invoiced. The Claims billed to Group include both service-based and value-based reimbursement to health care providers. Group acknowledges that BCBSM's negotiated reimbursement rates include all reimbursement obligations to providers including provider obligations and entitlements under BCBSM Quality Programs. Service-based reimbursement means the portion of the negotiated rate attributed to a particular health care service. Value-based reimbursement is the portion of the negotiated reimbursement rate attributable to BCBSM Quality Programs, as described in the Exhibit to Schedule A. BCBSM negotiates provider reimbursement rates and settles provider obligations on its own behalf, not Group. Group receives the benefit of BCBSM provider rates, but it has no entitlement to a particular rate or to unbundle the service-based or value-based components of Claims. See Exhibit 1 for additional information.

- 13 . BCBSM will charge an additional administrative fee if an ASC customer obtains stop-loss coverage from a third-party stop-loss vendor. The additional fee will be \$6.00 per contract per month.

- 14 . If you have a Consumer-Directed Health (CDH) spending account, you may be billed a separate fee for the applicable contracts.

- 15 . Prescription drug rebate administration fees are \$0.25 per BCBSM Clinical Formulary claims that are administered by Express Scripts and up to 5.5% of gross rebates for BCBSM's Custom Formulary, Custom Select Formulary, Part D formularies, specialty drugs and other medical benefit drugs that are administered by Highmark. The administrative fee is withheld from the rebate payments received from BCBSM's rebate administrators.

- 16 . If the number of monthly contracts varies by +/- 10% from the estimate stated in 6(A), BCBSM reserves the right to change the administrative fee.

BCBSM:

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

THE GROUP:

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

Blue Cross Blue Shield of Michigan is an independent licensee of the Blue Cross and Blue Shield Association.

City of Sterling Heights

Group Number - 007006075



EXHIBIT TO THE STOP-LOSS INSURANCE POLICY

Policyholder Group Name: CITY OF STERLING HEIGHTS
 Policyholder Group Address: 40555 UTICA ROAD
 City: STERLING HEIGHTS State of Situs: MICHIGAN Zip Code: 48311
 Customer ID Number: 129749
 Policyholder Group Number: 007006075
 Effective Date of Policy: April 1, 1989
 Policy Period: These specifications are for the Policy Period commencing on July 01, 2016 and ending on June 30, 2017.

The specifications below shall become effective on the first day of the Policy Period specified above and shall continue in full force and effect until the earliest of the following dates: (1) The last day of the Policy Period; (2) The date the Policy terminates; or (3) The date this Exhibit is superseded in whole or in part by a later executed Exhibit.

A. Aggregate Stop-Loss Insurance: Yes No

If yes, the Attachment Point will be set at 0% of the expected Claims for the Policy Period, and items 1 through 6 below should be completed.

1. Stop-Loss Coverage Period:

- New Coverage: Claims incurred and paid during the Policy Period.
- Standard: Claims incurred and paid during the Policy Period.
- "Run-in" only applies to claims incurred under experience rated coverage provided to Group by Blue Cross Blue Shield of Michigan on or after and paid during the Policy Period.

Renewal of Existing Coverage: Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

2. Aggregate Stop-Loss insurance shall apply to Amounts Billed for:

- Medical Claims
- Medical Claims and Outpatient Prescription Drug Claims
- All lines of covered business as identified in the Schedule A to the Administrative Services Contract
- Other (please specify): _____

3. Attachment Point -The Attachment Point for Aggregate Stop-Loss coverage shall be the average of the number of Coverage Units for the Policy Period multiplied by the following amount: \$0, for each Coverage Unit.

4. Aggregate Stop-Loss Coverage

Amounts Billed during the current Policy Period (less Specific (Individual) Stop-Loss Claims, if any) that exceed the Attachment Point. For any aggregate credits to be provided, a twelve month period is required.

5. Premium: Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by the premium rate of \$0.00 for each Coverage Unit.

6. The number of current Coverage Units is 930. If the number of Coverage Units varies by +/- 10%, the premium rate and Attachment Point may be revised.

B. Specific Stop-Loss Insurance:

Yes No

If yes, complete items 1 through 6 below.

1. Stop-Loss Coverage Period:

New Coverage (Select one from below):

Standard: Claims incurred and paid during the Policy Period.

"Run-in" included: Claims incurred on or after and paid during the Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes No

Renewal of Existing Coverage: Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

"Run-Out" included: Claims incurred on or after the original Effective Date of Policy and paid during the Run-Out Period. **(If Run-Out is selected, Policyholder must place initials on the line next to selection)**

initial here

2. Specific (Individual) Stop-Loss Insurance shall apply to Amounts Billed for:

Medical Claims

Medical Claims and Outpatient Prescription Drug Claims

3. Specific (Individual) Stop-Loss Coverage Attachment Point is \$250,000 per Coverage Unit.

4. Specific (Individual) Stop-Loss Coverage - The Amounts Billed during the current Policy Period in excess of the individual Attachment Point in B.3. above per Policy Period.

5. Run-Out Stop-Loss Insurance - The Amounts Billed during the Run-Out Period for Claims incurred since the original Effective Date of Policy in excess of the individual Attachment Point identified in B.3. above less any Specific (Individual) Stop-Loss Claims previously paid for Amounts Billed paid during the Run-Out Period.

6. Premium:

If The Policyholder has selected Specific (Individual) Stop-Loss Coverage, the Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by the premium rate of \$49.70 for each Coverage Unit.

If The Policyholder has selected Run-Out Stop-Loss Insurance, the Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for the final month before termination by the same amount described above for Stop-Loss Premium and shall be payable for the first three months after termination of the Administrative Services Contract. However, if the number of Coverage Units in the final month is less than the number in the month exactly one year earlier, BCBSM shall calculate the Monthly Premium using the higher count from one year earlier.

7. The number of current Coverage Units is 930. If the number of Coverage Units varies by +/- 10%, the premium rate and Attachment Point may be revised.

Additional Provisions:

The undersigned person represents that he/she is authorized and responsible for purchasing stop-loss coverage on behalf of the Policyholder. It is understood that the actual terms and conditions of coverage are those contained in this Exhibit and the Stop-Loss Coverage Policy into which this Exhibit shall be incorporated at the time of acceptance by Blue Cross Blue Shield of Michigan, a nonprofit mutual disability insurer ("BCBSM"). Upon acceptance, BCBSM shall issue a Stop-Loss Coverage Policy to the Policyholder. Upon acceptance of this Exhibit and issuance of the Stop-Loss Coverage Policy, the Policyholder Group shall be referred to as the "Policyholder."

Signature of BCBSM Representative

Signature of Authorized Purchaser

Title of BCBSM Vice President or Delegate

Title of Authorized Purchaser

Date

Date

Sometimes, all you need is a little help from a friend. With the Blue Cross Health & Wellness Total Care Management program, you've got one. Total care managers coordinate all the personalized care you need.

Blue Cross Health & Wellness is part of your Blue Cross Blue Shield of Michigan health plan and helps you get the most out of your health care investment. It provides a wide variety of programs and resources to help you get healthy, stay healthy or manage your condition.

We protect your privacy

We follow every law and regulation to protect the confidentiality of your health information. No information is shared without your consent, unless permitted by privacy laws.

If you have questions about the Total Care Management program, call 1-800-775-BLUE (2583).



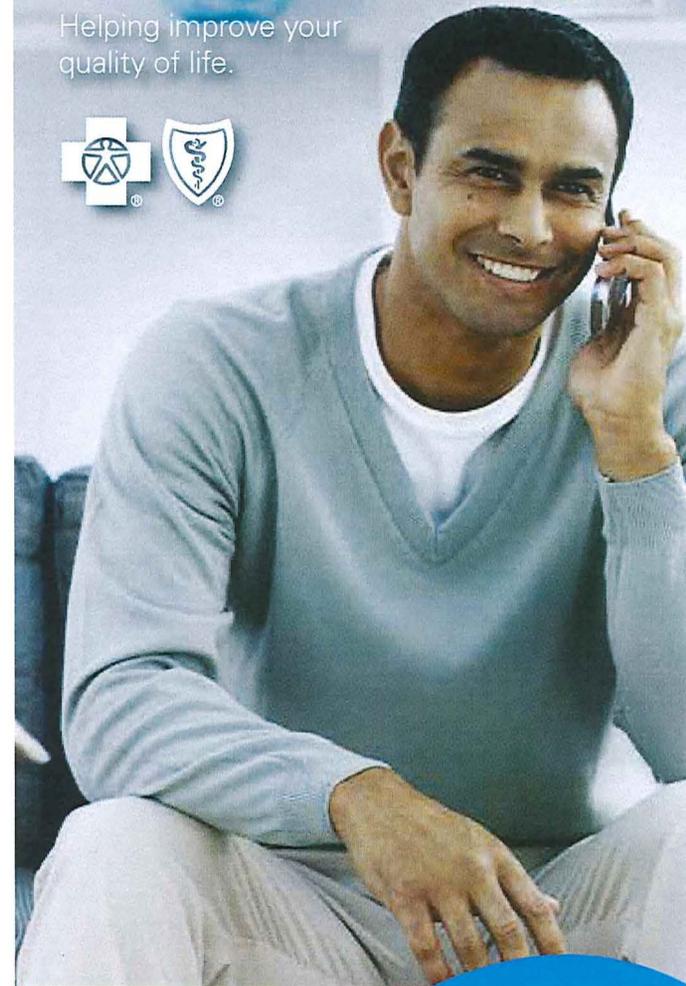
**Blue Cross
Blue Shield**
of Michigan

A nonprofit corporation and independent licensee
of the Blue Cross and Blue Shield Association

bcbsm.com

Total Care Management

Helping improve your
quality of life.



Blue Cross®
HEALTH & WELLNESS

One person focused on you

Managing your health care can be overwhelming. So, wouldn't it be nice to have someone who can help you out? With the Blue Cross® Health & Wellness Total Care Management program, that's what you get — a dedicated total care manager who will be your partner to help you make the best health care decisions and take the necessary steps to take charge of your health.

If you choose to participate in our Total Care Management program, you'll work with a total care manager, who is a registered nurse. Your total care manager will guide you through health care services, provide moral support and ensure that you're getting the care you need and deserve. He or she will help you manage all your health care needs and achieve your health goals, whether you're already healthy and want to stay that way, or if you need some extra help with your health care.

Once you join the program, you're welcome to use its services for as long as it remains offered by your health plan. The program is voluntary, so you can opt out at anytime.

All your care is coordinated

If you have a health condition, you no longer have to worry about managing your various physicians, medications, appointments or treatment plans on your own. Your total care manager will take care of making sure all of your care is coordinated.

He or she will:

- Help you obtain referrals if you need case management services for a complex condition or disease or mental health services
- Provide the information and support you need to ensure you have a safe discharge from any hospitalization
- Identify community resources that you can benefit from



Your total care manager is available Monday through Friday, 9:00 a.m. to 7:30 p.m. Eastern time to help you:

- Set health goals and determine how to meet them
- Teach you how to manage your health care or condition
- Understand a diagnosis and treatment recommendations
- Navigate the health care system
- Make decisions about your health care
- Monitor your progress

In addition, you have unlimited access to Blue Cross Health & Wellness online health resources at **bcbasm.com**. Just log in to your member account and click on the *Health & Wellness* tab to find health and wellness news, research, videos, podcasts and other materials. You can also call our 24-Hour Nurse Line at 1-800-775-BLUE (2583) to speak to a registered nurse any time.



Blue Cross Blue Shield of Michigan

Renewal Package

for

CITY OF STERLING HEIGHTS

Customer ID: 129749

Group 25284

For Renewal Period Beginning: July, 2016

Blue Cross Blue Shield of Michigan is a nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association.

February 17, 2016

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Important information about your 2016 Blue Cross coverage

Thank you for continuing your coverage with Blue Cross.

Here is your renewal package with information about your 2016 Blue Cross health plan and rates. As you know, the Blue Cross offers the products you need to fit your budget.

Improving health care in Michigan

Blue Cross continues to improve health care across Michigan in many important ways, including:

- **Value Partnerships program** – We're transforming health care, improving quality and working to lower health care costs through innovative, collaborative partnerships between BCBSM and the provider community. So far, our Patient-Centered Medical Home program, a cornerstone of Value Partnerships, has prevented about \$400 million in medical and surgical complications and about \$155 million in unnecessary emergency room visits and hospital admissions.
- **Blue Centers of Distinction** – This national recognition program can help you find hospitals that specialize in the care you need. Blue Distinction Centers meet standards for experience and performance established by medical professionals and organizations to provide specialized care. Plus, all Centers have proven records for fewer complications and readmissions
- **Health and wellness programs** – BlueHealthConnection[®] Care Management and Blue Cross[®] Health and Wellness provide wellness and care management programs for healthy employees to stay healthy, at-risk employees to manage their health risks, and you to manage their health-related costs.
- **Transparency Tools** – These enable employees to comparison shop for reliable cost and quality information so they can make informed decisions. These online transparency tools help employees receive health care that meets their needs, leading to smarter buying behaviors and more manageable costs.

Again, thank you for your business. We are committed to delivering quality products and service to you and your employees.

Sincerely,

Jeff Connolly



BCBSM Vice President
President, Business
West Michigan Operations

Gary Gavin



Vice President
Key & Large Group
Business

John Dunn



Vice President
Middle & Small Group
Business

Your Summary of Benefits and Coverage will be available online.

Thirty days before your renewal's start date, you can download your new *Summary of Benefits and Coverage*.

1. Go to **bcbsm.com** and click on the *Employers* tab at the top of the page.
2. Click on *Login and Employer*.
 - If you need to register, click on *Register Now*.
 - If you are already registered, enter your username and password. Click on *Login*.

Contact your Blue Cross agent to receive a copy in the mail.

For your employees:

Your employees can access their own *Summary of Benefits and Coverage* through their member account at **bcbsm.com** once their plans start.

To receive a copy by mail, they can call the Customer Service number on the back of their Blue Cross ID card.

Renewal Summary

Renewal Fees

Administrative Fee Change
Current
Renewal

\$54.41
\$57.72

6.08%

Stop-Loss Fee Change
Current
Renewal

\$37.87
\$49.70

31.24%



Key Statistics

Membership Demographics	Renewal Period	Prior Period	Percent Change	Benchmark
Average Number of Employees	860	829	3.7%	N/A
Average Number of Members	1,970	1,906	3.4%	N/A
Average Contract Size	2.29	2.30	(0.4%)	2.21
Percent Male Members	50.8%	50.7%	0.1%	50.4%
Percent Female Members	49.2%	49.3%	(0.1%)	49.6%
Average Age of Membership	47.0	47.0	0.0%	38.2
Key Statistics				
Medical Expenses				
Submitted Charges	\$22,438,290	\$21,880,588	2.5%	N/A
Approved Charges	\$13,795,386	\$13,694,894	0.7%	N/A
Provider Savings	\$5,748,548	\$5,940,986	(3.2%)	N/A
Member Liability	\$553,507	\$475,995	16.3%	N/A
Payment Amount	\$7,493,331	\$7,277,913	3.0%	N/A
Cost Per Contract Per Month	\$726.10	\$731.60	(0.8%)	N/A
Average Provider Savings Percentage	41.7%	43.4%	(3.9%)	N/A
High-Cost Claims Dollars	\$2,158,365	\$2,186,625	(1.3%)	N/A
Number of High-Cost Claims	2	3	(33.3%)	N/A
Facility Cases Per Member	2.56	2.43	5.5%	2.00
Professional Services Per Member	25.74	25.68	0.2%	17.07
Inpatient Days Per Member	0.48	0.44	8.9%	0.38
Office Visits Per Member	5.09	5.12	(0.5%)	3.50
Emergency Room Visits Per Member	0.16	0.18	(11.1%)	0.24
Chiropractic Visits Per Member	2.54	2.67	(4.9%)	1.34
Prescription Drug				
Number of Scripts Per Member	9.07	8.86	2.4%	N/A
Generic Dispensing Rate	85.6%	84.9%	0.8%	78.2%
Payment Per Utilized Member Per Month	\$45.32	\$39.01	16.2%	\$171.34
Average Copay Per Brand Prescription	\$24.19	\$22.52	7.4%	\$31.09
Average Copay Per Generic Prescription	\$2.15	\$2.18	(1.3%)	\$6.37
Dental				
Dental Claims Paid	\$542,930	\$538,914	0.7%	N/A
Number of Dental Services	9,827	10,249	(4.1%)	N/A

- Renewal Experience Period: 08/2014-07/2015
 - Prior Experience Period: 10/2013-09/2014

BlueInsightSM

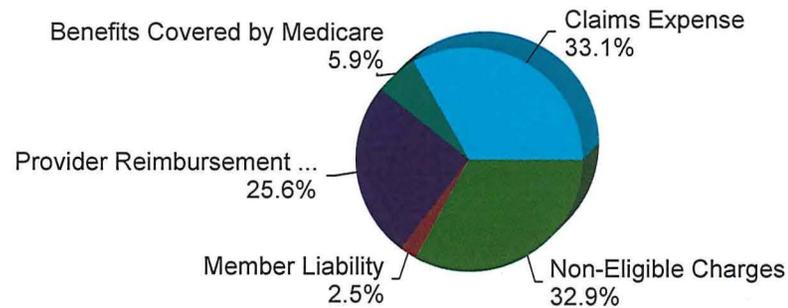
- BCBSM promotes generic drugs, which can save up to 90% over the cost of brand name medications.
- The Blue Dental products make a positive impact on your member's overall health and your company's medical expenses. Not to mention, your employees will benefit from having one ID card for all product lines.



Savings Analysis - Medical and Prescription Drugs

Renewal Experience Period				
	Medical	Prescription Drug	Total	Percent of Submitted Charges
Submitted Charges	\$22,438,290	\$646,543	\$23,084,833	N/A
Non-Eligible Charges	\$7,274,639	\$318,030	\$7,592,669	32.9%
Member Liability	\$553,507	\$15,805	\$569,312	2.5%
Provider Reimbursement Savings	\$5,748,548	\$160,988	\$5,909,536	25.6%
Benefits Covered by Medicare	\$1,368,265	\$0	\$1,368,265	5.9%
Claims Expense	\$7,493,331	\$151,720	\$7,645,051	33.1%

- Renewal Incurred Period: 08/2014-07/2015
 - Renewal Paid Period: 08/2014-09/2015



BlueInsight:

- As a result of BCBSM's provider contracts, CITY OF STERLING HEIGHTS saved \$5,909,536 off of the total claims expenses billed by providers.
- We believe on average BCBSM's state-wide medical costs are approximately 10% lower than our competitor.



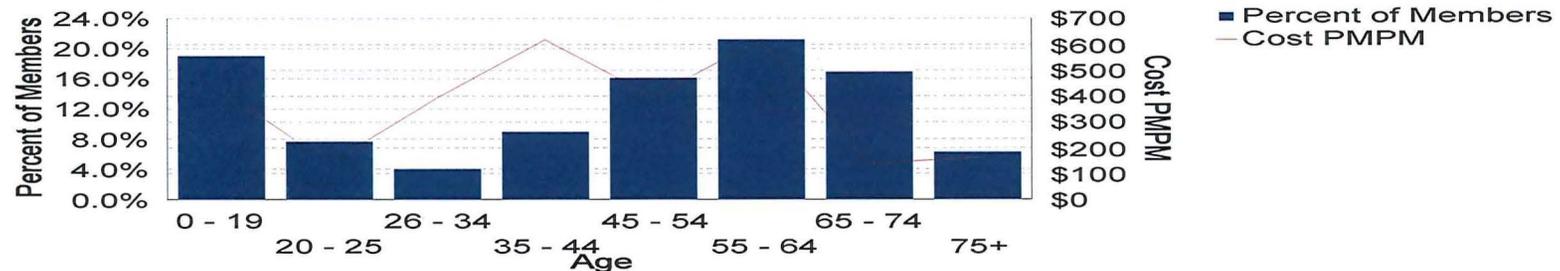
Demographics

	Renewal Period	Prior Period	Percent Change Prior	Benchmark
Subscribers Demographic Distribution				
Male Subscribers	70.3%	70.9%	-0.8%	60.7%
Female Subscribers	29.7%	29.1%	2.1%	39.3%
Total	100.0%	100.0%	0.0%	100.0%
Components				
Average Age of Subscriber	58.9	59.0	-0.2%	50.3
Average Age of Member	47.0	47.0	0.0%	38.2
Average Contract Size	2.29	2.30	-0.4%	2.21
Monthly Average				
Contracts Per Month	860	829	3.7%	N/A
Members Per Month	1,970	1,906	3.4%	N/A

- Renewal Experience Period: 08/2014-07/2015
 - Prior Experience Period: 10/2013-09/2014

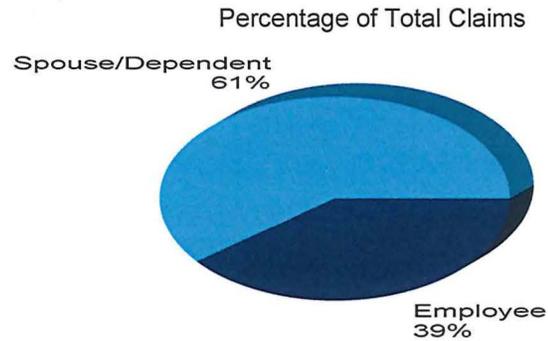
Age	Percent of Members	Cost PMPM
0 - 19	19.0%	\$425.00
20 - 25	7.7%	\$139.24
26 - 34	4.0%	\$391.62
35 - 44	8.9%	\$617.51
45 - 54	16.1%	\$395.57
55 - 64	21.2%	\$619.28
65 - 74	16.9%	\$136.38
75+	6.3%	\$162.20

Member Age and Cost - Renewal Experience Period



Demographics and Medical Claims Expense Distribution

Employee and Spouse/Dependent Demographics as of 07/2015			
Age	Employee	Spouse/Dependent	Total
0 - 19	0	450	450
20 - 25	6	159	165
26 - 34	64	41	105
35 - 44	101	94	195
45 - 54	188	156	344
55 - 64	233	166	399
65 - 74	238	144	382
75+	101	48	149
Total	931	1,258	2,189



- Renewal Experience Period: 08/2014-07/2015
 - Renewal Paid Period: 08/2014-09/2015



Demographics and Medical Claims Expense Distribution

Medical Claims Expense Distribution by Employee and Spouse/Dependent						
Age	Facility	Professional	Prescription Drug	Dental	Total	Percent of Total
Employee					3,222,210	0.39368868
20 - 25	\$0	\$875	\$0	\$2,581	\$3,456	0.0%
26 - 34	\$119,727	\$74,981	\$1,875	\$17,650	\$214,233	2.6%
35 - 44	\$342,247	\$82,931	\$7,201	\$44,184	\$476,563	5.8%
45 - 54	\$272,410	\$278,508	\$12,466	\$60,490	\$623,874	7.6%
55 - 64	\$731,172	\$643,492	\$3,699	\$74,950	\$1,453,313	17.8%
65 - 74	\$106,950	\$160,568	\$0	\$15,497	\$283,015	3.5%
75+	\$75,457	\$92,299	\$0	\$0	\$167,756	2.0%
Sub-Total	\$1,647,963	\$1,333,654	\$25,241	\$215,352	\$3,222,210	39.4%
Spouse/Dependent					4,962,452	0.39368868
0 - 19	\$399,517	\$1,922,737	\$28,119	\$168,044	\$2,518,417	30.8%
20 - 25	\$67,278	\$124,776	\$5,496	\$35,809	\$233,359	2.9%
26 - 34	\$35,062	\$35,530	\$2,509	\$11,766	\$84,867	1.0%
35 - 44	\$133,662	\$203,565	\$12,190	\$23,592	\$373,009	4.6%
45 - 54	\$232,325	\$218,639	\$22,927	\$41,867	\$515,758	6.3%
55 - 64	\$420,568	\$435,332	\$51,803	\$37,792	\$945,495	11.6%
65 - 74	\$110,510	\$105,279	\$3,433	\$8,709	\$227,931	2.8%
75+	\$27,027	\$36,589	\$0	\$0	\$63,616	0.8%
Sub-Total	\$1,425,949	\$3,082,447	\$126,477	\$327,579	\$4,962,452	60.6%
Total	\$3,073,912	\$4,416,101	\$151,718	\$542,931	\$8,184,662	100.0%

- Renewal Experience Period: 08/2014-07/2015
 - Renewal Paid Period: 08/2014-09/2015



Claims Expense - Medical and Prescription Drugs

Experience Periods			
	Period 1	Period 2	Period 3
Approved Charges	\$14,123,899	\$13,912,148	\$12,907,868
Less: Provider Savings	\$5,909,536	\$6,052,996	\$6,387,838
Less: Member Liability	\$569,312	\$486,687	\$371,327
Claims Expense	\$7,645,051	\$7,372,465	\$6,148,703

Per Contract Per Month					
	Period 1	Period 2	Percent Change	Period 3	Percent Change
Approved Charges	\$1,370.72	\$1,399.47	(2.05%)	\$1,310.98	6.75%
Less: Provider Savings	\$573.52	\$608.89	(5.81%)	\$648.77	(6.15%)
Less: Member Liability	\$55.25	\$48.96	12.86%	\$37.71	29.81%
Claims Expense	\$741.95	\$741.62	0.04%	\$624.49	18.76%

- Period 1 Incurred: 08/2014-07/2015; Paid: 08/2014-09/2015
 - Period 2 Incurred: 10/2013-09/2014; Paid: 10/2013-11/2014
 - Period 3 Incurred: 09/2012-08/2013; Paid: 09/2012-10/2013



BlueInsight:

- As a result of BCBSM's provider contracts, CITY OF STERLING HEIGHTS saved \$18,350,370 over the past three years.
- For Period 1, provider savings were 42% of approved charges.

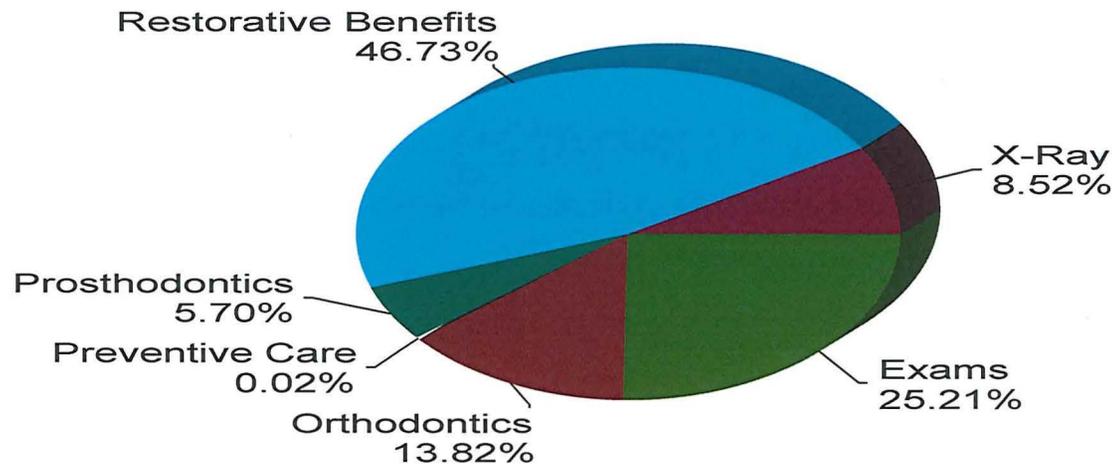


Dental Claims Experience

Category	Services	Approved Charges	Percent of Total Charges	Deductible & Coinsurance	Payments
Exams	4,628	\$243,672.00	25.21%	\$75,463.65	\$168,208.35
Preventive Care	4	\$232.00	0.02%	\$58.00	\$174.00
X-Ray	2,025	\$82,351.00	8.52%	\$28,369.96	\$53,981.04
Restorative Benefits	1,563	\$451,812.20	46.73%	\$194,650.42	\$257,161.78
Prosthodontics	44	\$55,071.00	5.70%	\$33,655.40	\$21,415.60
Orthodontics	34	\$133,619.50	13.82%	\$88,001.75	\$45,617.75
Total	8,298	\$966,757.70	100.00%	\$420,199.18	\$546,558.52

- Renewal Experience Period: 08/2014-07/2015
 - Renewal Paid Period: 08/2014-09/2015

Percent of Total Charges



Renewal Development

Specific Stop-Loss Attachment Point: \$250,000

Average Monthly Employees Enrolled in Experience Period	859
This renewal has been adjusted to reflect the current enrollment	930
1. Approved Charges	\$15,090,657
Less: Provider Reimbursement Savings	\$5,909,536
Less: Member Liability	\$989,511
2. Claims Paid in Experience Period	\$8,191,610
Less: Specific Stop-Loss Claims	\$2,158,365
Plus: Estimate of Incurred But Not Reported Claims	\$102,805
3. Total Incurred Claims	\$6,136,050
4. Annualized Incurred Claims	\$6,136,050
The amounts above are claims incurred in the experience period. The amounts below are projected claims and expenses for the renewal period.	
5. Trended Claims	\$6,716,198
Plus: Large claims up to Attachment point	\$500,000
Plus: Adjustment for Credibility	\$83,482
6. Total Projected Claims Expense	\$7,299,680
7. Adjustment for Membership and Benefit Changes during the Experience Period which includes the impact of mandated changes related to the Affordable Care Act	\$563,535
8. Total Adjusted Projected Claims Expense	\$7,863,215
9. Projected Expenses:	
Administrative Expense	\$644,155
Stop-Loss Premium	\$554,652
10. Adjusted Total Projected Claims and Expenses for the Renewal Period	\$9,062,022

- Mid-point of renewal projection: 01/2017
 - Mid-point of experience period: 02/2015
 - Experience Period: (Incurred: 08/2014-07/2015), (Paid: 08/2014-09/2015)



Renewal Development - Detailed Projections

Specific Stop-Loss Attachment Point:	\$250,000				
	Facility	Professional	Prescription Drug	Dental	All Coverage Combined
Average Monthly Employees Enrolled in Experience Period	859	859	101	615	859
1. Approved Charges	\$6,958,821	\$6,836,565	\$328,513	\$966,758	\$15,090,657
Less: Provider Reimbursement Savings	\$3,646,095	\$2,102,453	\$160,988		\$5,909,536
Less: Member Liability	\$235,429	\$318,078	\$15,805	\$420,199	\$989,511
2. Claims Paid in Experience Period	\$3,077,297	\$4,416,034	\$151,720	\$546,559	\$8,191,610
Less: Specific Stop-Loss Claims	\$492,247	\$1,666,118			\$2,158,365
Plus: Estimate of Incurred But Not Reported Claims	\$51,701	\$43,999		\$7,105	\$102,805
3. Total Incurred Claims	\$2,636,751	\$2,793,915	\$151,720	\$553,664	\$6,136,050
4. Annualized Incurred Claims	\$2,636,751	\$2,793,915	\$151,720	\$553,664	\$6,136,050
The amounts above are claims incurred in the experience period. The amounts below are projected claims and expenses for the renewal period.					
Effective Trend*	1.1020	1.0870	1.3870	1.0170	1.0945
5. Trended Claims Expense	\$2,905,700	\$3,036,986	\$210,436	\$563,076	\$6,716,198
Large claims up to Attachment point	\$114,050	\$385,950			\$500,000
Adjustment for Credibility	\$84,772	\$0	(\$1,290)	\$0	\$83,482
6. Total Projected Claims Expense	\$3,104,522	\$3,422,936	\$209,146	\$563,076	\$7,299,680
Expected Annual Trend	5.20%	4.45%	18.61%	0.88%	4.82%
7. Adjustment for Membership and Benefit Changes during the Experience Period which includes the impact of mandated changes related to the Affordable Care Act	\$253,019	\$294,715	\$23,090	(\$5,011)	\$563,535
8. Adjusted Total Projected Claims and Expenses for the Renewal Period					\$9,062,022
<ul style="list-style-type: none"> - *Mid-point of renewal projection: 01/2017 - *Mid-point of experience period: 02/2015 - Experience Period: (Incurred: 08/2014-07/2015), (Paid: 08/2014-09/2015) 					



Administrative Fees

Current Administrative Fees			
	Renewal Fee	Current Fee	Adjustment from Current
Monthly Per Contract Administrative Fee	\$57.72	\$54.41	6.08%
Total Administrative Fee	\$57.72	\$54.41	6.08%

- Renewal Period: 07/2016-06/2017
 - Current Period: 07/2015-06/2016

Administrative Fees History			
Plan Year	Period 1	Period 2	Period 3
BCBSM Administrative Fee	\$51.57	\$49.35	\$53.92
Total Administrative Fee	\$51.57	\$49.35	\$53.92

- Period 1: 07/2014-06/2015
 - Period 2: 07/2013-06/2014
 - Period 3: 07/2012-06/2013



Stop-Loss Fees

Stop-Loss Protection			
Specific / Aggregate Attachment Point	Renewal	Current	Adjustment from Current
Current \$250,000 Specific / 0% monthly fee per contract	\$49.70	\$37.87	31.24%

- Renewal Incurred Period: 08/2014-07/2015; Renewal Paid Period: 08/2014-09/2015
- Current Incurred Period: 10/2013-09/2014; Current Paid Period: 10/2013-11/2014
- Your Stop-Loss Protection covers your Medical benefits (Facility and Professional) for Specific.

Alternative Stop-Loss Coverage Levels			
	Annual Attachment Point	Monthly Cost per Contract	
Specific Attachment Point	Specific Fee	Total Fee	Adjustment from Current Fee
\$250,000	\$49.70	\$49.70	31.24%



Stop-Loss History

Plan Year	Specific Stop-Loss Premium	Specific Stop-Loss Claims Credit	Attachment Point	Number of Claims	Average Number of Contracts
Period 1	\$376,276	(\$2,186,625)	\$250,000	3	828
Period 2	\$339,204	\$0	\$250,000	11	821
Period 3	\$304,939	\$0	\$250,000	0	842

- Renewal Period 1: 07/2015-06/2016
- Renewal Period 2: 07/2014-06/2015
- Renewal Period 3: 07/2013-06/2014

Advantages from Stop-Loss Fees

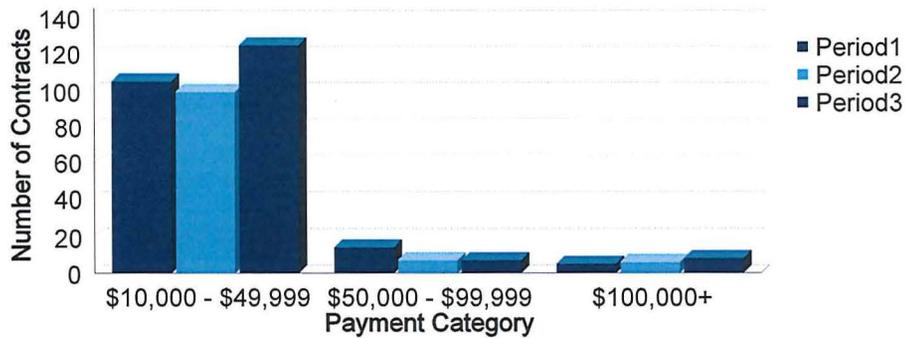
- Specific Stop-Loss protects against individual catastrophic claims paid during the plan year.
- Aggregate Stop-Loss protects against high claims for your group in total.
- Stop-Loss protection covers your Medical benefits for both Specific and Aggregate. Prescription Drugs can be included upon request.
- Administered on a per contract basis (i.e. a family of five is capped at \$75,000 rather than each family member capped at \$75,000).
- Guaranteed renewal.
- No need to coordinate reimbursement with a third party.
- Immediate credit for any contract that exceeds the specific Stop-Loss limit.



Distribution of Claims

Payment Category	Period1 Contracts	Period2 Contracts	Period3 Contracts
\$0 - \$9,999	749	710	709
\$10,000 - \$49,999	105	99	125
\$50,000 - \$99,999	14	7	7
\$100,000+	5	6	8

- Period 1 Incurred: 08/2014-07/2015; Paid: 08/2014-09/2015
- Period 2 Incurred: 10/2013-09/2014; Paid: 10/2013-11/2014
- Period 3 Incurred: 09/2012-08/2013; Paid: 09/2012-10/2013
- Contracts represent the number of contracts (subscriber and dependents) who incurred claims in the specified periods and payment categories.



BlueInsight:

- On average, a customer incurs 1 large claim (\$100,000+) per 140 contracts.
- On average, our significant provider savings results in fewer claims exceeding the stop loss attachment point compared to our competitors.



ASC Cost Projection

Projected Cost	
Variable Cost	
Medical Claims Cost	
Facility	\$3,104,522
Professional	\$3,422,936
Total Medical Claims Cost	\$6,527,458
Prescription Drug Claims Cost	\$209,146
Dental Claims Cost	\$563,076
Adjustment for Membership and Benefit Changes including changes mandated by the Affordable Care Act	\$563,535
Total Variable Cost	\$7,863,215
Fixed Cost	
Stop-Loss Premium	\$554,652
Administrative Cost	\$644,155
Total Fixed Cost	\$1,198,807
Total Projected Cost	\$9,062,022
Total Annual Estimated Michigan Claims Tax ¹	\$51,098

¹The Total Annual Estimated Michigan Claims Tax above is Blue Cross and BCN's estimate and is subject to change.





Appendix A:

Value Added Services



CITY OF STERLING HEIGHTS: July 2016-June 2017

© 2009, Blue Cross Blue Shield of Michigan

Value Added Services

The Value of Blue

With 75-plus years as Michigan's leading health care company, our customers have come to expect more from us than the average carrier. You should. One of our greatest strengths as a company is the services that add significant value to your health care program – at no additional cost to you or your employees.

Here are just a few examples of the exclusive benefits we deliver to our Blues customers:

- We have the largest provider network in the state. That's how we can offer you more flexibility and specialty care than any other insurance carrier.
- Blue Cross's ID card is the most widely recognized health care card in the industry, accepted in more than 200 countries and territories.

Innovative insurance solutions

As a non-profit mutual, Blue Cross can now offer you new, long-term insurance solutions that make health care more affordable for your employees and business. Specialty products, such as LifeSecure®, Dearborn National™ and Assurity® Life Insurance Company, can expand employee benefits with affordable plans that can control expenses beyond covered medical services. They can also help you better manage the overall health and well-being of your employees.

Our social mission

Choosing the Blues also means choosing to support the stability, growth and well-being of Michigan and its citizens. Through our social mission programs, we're improving health, increasing access and enhancing the quality of care in every corner of the state.

Blue Cross's status as a non-profit mutual has also helped expand our nonprofit social mission. Some of the ways we do that are through promoting school fitness and nutrition programs, helping fund free clinics and strengthening the safety net for uninsured, underinsured, Medicaid and other vulnerable populations. So please join us and our many partners in making Michigan an even better place in which to live and work.

**Business of the City Council
Sterling Heights, Michigan**

City Clerk's Use
Item No: *1-M*
Meeting: 05/17/16

AGENDA STATEMENT

OMB A503 Rev. 11/04

Item Title: To accept a proposal by Reliance Standard Life Insurance Company for life, accidental death and dismemberment, and long-term disability insurance for the period July 1, 2016 to July 1, 2018 (Estimated annual cost of \$130,827).

Submitted By: Office of the City Clerk

Contact Person/Telephone: Mark Carufel, City Clerk / Risk Manager / 446- 2421

Administration (initial as applicable)

Attachments

<i>MC</i> City Clerk	___	Resolution	___	Minutes
<i>EB</i> Finance & Budget Director	___	Ordinance	___	Plan/Map
<i>JB</i> City Attorney (as to legal form)	___	Contract	___	Other
<i>[Signature]</i> City Manager				

Check box if this agenda item requires billing\revenue collection (fees, etc.) by Treasury Office

Executive Summary

Introduction

The City of Sterling Heights provides life, accidental death and dismemberment, and long-term disability insurance coverages to eligible employees and retirees pursuant to the terms and conditions of the respective collective bargaining agreements.

The City has purchased these coverages from various carriers over the years. Reliance Standard Life Insurance Company (Reliance Standard) is the City's current carrier (since 2006). In 2011, the City utilized its healthcare consultant, Cornerstone Municipal Advisory Group (Cornerstone), to solicit proposals from alternative carriers through an RFP. Reliance Standard retained the account by proposing the lowest pricing for the desired insurance, with guaranteed premiums for three years through June, 2014. That three-year price guarantee was once again extended another two years in June, 2014 and expires on June 30, 2016. Cornerstone Municipal conducted an RFP for these coverage lines in early 2016 and once again Reliance Standard is being recommended to continue as the City's provider of life, accidental death and dismemberment, and long-term disability insurance coverages.

Cornerstone requested quotes from twelve carriers, including Reliance Standard. Out of the twelve carriers solicited, only five provided quotes. Other carriers contacted declined because they were uncompetitive or because of their internal underwriting restrictions. Upon review of the results, Reliance Standard is being recommended based on its offer to extend the current rates (no increase) for two years. Only one carrier proposed pricing close to Reliance Standard's proposal. Voya offered a three-year rate guarantee, however the City's costs would increase by \$985 per year for three years. The proposed two-year extension comes after Reliance Standard reduced the City's costs by approximately \$36,302 per year for three years beginning in

2011. Since there is no increase to the current rates, the City will have the same rates for a seven-year period (2011 to 2018).

The final RFP results and impact of this negotiation process are contained in the attached Staff Report and supporting report from Cornerstone.

The current and proposed renewal rates from Reliance Standard are as follows:

	<u>Expiring</u>	<u>Proposed</u>	<u>Increase/ Decrease</u>
Employee and Retiree Life Insurance	\$0.12	\$0.12	No Change
Employee AD&D Insurance	\$0.02	\$0.02	No Change
Employee Long-Term Disability Insurance	\$0.23	\$0.23	No Change

Life and AD&D premiums are calculated and paid monthly based on the agreed upon insurance rate multiplied by each \$1,000 of life insurance coverage. The long-term disability premium is calculated and paid monthly based on the agreed upon insurance rate multiplied by each \$100 of covered payroll. The proposed coverage matches the expiring rates and still includes a waiver of premium benefit that will waive future premium payments by the City for any employee off work because of disability more than six months. All rates are guaranteed for the next two years. The estimated annual cost of this benefit is as follows:

Employee and Retiree Life Insurance and Employee AD&D:	\$ 63,656
Long-Term Disability Insurance	<u>67,171</u>
	\$130,827

Reliance Standard has successfully administered the City's fully insured life, AD&D, and long-term disability insurance benefits since 2006. Its claim processing and servicing of the City's account has been excellent.

The attached staff report and supporting documentation provides additional information and analysis.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to accept a proposal by Reliance Standard Life Insurance Company for life, accidental death and dismemberment, and long-term disability insurance for the period July 1, 2016 to July 1, 2018 at the following monthly rates:

Employee and Retiree Life Insurance	\$0.12 per \$1,000 of coverage
Employee Accidental Death & Dismemberment Insurance	\$0.02 per \$1,000 of coverage
Employee Long-Term Disability Insurance	\$0.23 per \$100 of covered payroll

**CITY OF STERLING HEIGHTS
STAFF REPORT
May 17, 2016**

Prepared by: Mark Carufel, City Clerk / Risk Manager

Contact: 586-446-2421

GENERAL INFORMATION:

All full-time employees receive City-paid life, accidental death and dismemberment, and long-term disability insurance. Eligible retirees also receive a reduced level of City-paid retiree life insurance until age 70. The rates offered by the current carrier expire June 30, 2016.

In early 2016, the City's benefit consultant, Cornerstone Municipal Advisory Group (Cornerstone), created and distributed a Request for Proposal (RFP) for the City's life and disability coverage. While Reliance Standard has provided great service at competitive rates, it had been several years since a full RFP was conducted. Five alternative carriers responded in addition to Reliance Standard, but only one offered a competitive quote. The competitive quote represented an increase over current pricing, but guaranteed the rates for three years. Cornerstone Municipal used this competitive offer to negotiate with Reliance Standard, and they agreed to maintain the current rates for another two years. This means that the current rates will not change until July 1, 2018.

STAFF ANALYSIS & FINDINGS:

Upon review and analysis of the RFP results, the recommendation from Cornerstone is to purchase life, accidental death and dismemberment, and long-term disability insurance from Reliance Standard, with a two-year rate guarantee effective July 1, 2016 through June 30, 2018, at no increase from the expiring rates.

Reliance Standard has provided the City with exceptional service and low costs since 2006. The expiring and proposed coverage types and monthly rates are as follows:

<u>COVERAGE</u>	<u>CARRIER</u>	<u>COST</u>
<u>Life</u>		
2008 – 2011 (reference)	Reliance Standard Life	\$0.17 per \$1,000 of coverage
2011 – 2014 (reference)	Reliance Standard Life	\$0.12 per \$1,000 of coverage
Expiring 2014 - 2016	Reliance Standard Life	\$0.12 per \$1,000 of coverage
Proposed 2016 - 2018	Reliance Standard Life	\$0.12 per \$1,000 of coverage
<u>AD&D</u>		
2008 – 2011 (reference)	Reliance Standard Life	\$0.02 per \$1,000 of coverage
2011 – 2014 (reference)	Reliance Standard Life	\$0.02 per \$1,000 of coverage
Expiring 2014 – 2016	Reliance Standard Life	\$0.02 per \$1,000 of coverage
Proposed 2016 – 2018	Reliance Standard Life	\$0.02 per \$1,000 of coverage
<u>Long-Term Disability</u>		
2008 – 2011 (reference)	Reliance Standard Life	\$0.25 per \$100 of covered payroll
2011 – 2014 (reference)	Reliance Standard Life	\$0.23 per \$100 of covered payroll
Expiring 2014 – 2016	Reliance Standard Life	\$0.23 per \$100 of covered payroll
Proposed 2016 - 2018	Reliance Standard Life	\$0.23 per \$100 of covered payroll

The combined total premium is estimated at \$130,827 annually.

STAFF COMMENTS:

Reliance Standard is financially strong and rated A+ (Superior) by A.M. Best. Cornerstone is recommending continuation of coverage with Reliance Standard, a company that provides low costs and an ability to handle all life and long-term disability claims promptly and fairly for City employees, retirees, and their beneficiaries. For the two years of this proposed rate guarantee, these rates will result in the same annual premium costs of approximately \$130,827. This amount is variable based on volume but the rates are fixed and guaranteed. Employee life and accidental death and dismemberment insurance coverage are based upon stated amounts or a percentage of base wages, pursuant to the terms contained in collective bargaining agreements. Retiree life insurance is based upon stated amounts contained in collective bargaining agreements at the time of retirement and ends at age 70. Employee long-term disability benefits are based on covered employee base wages. The annual LTD benefit costs to the City will vary as wages increase or decrease. The estimated annual cost of this benefit is found in the table below and based on January 2016 costs and annualized:

	New <u>2016 - 2018</u>	Expiring <u>2014 - 2016</u>
Employee / Retiree Life Insurance and Employee AD&D	\$ 63,656	\$ 63,656
Long-Term Disability Insurance	<u>67,171</u>	<u>67,171</u>
	\$130,827	\$130,827

Please see the attached report from Mark Manquen representing Cornerstone for additional information.

STAFF RECOMMENDATION:

Please see Suggested Action on the accompanying Agenda Statement.



April 15, 2016

Mr. Mark Carufel,
City Clerk / Risk Manager
City of Sterling Heights
40555 Utica Road
P.O. Box 8009
Sterling Heights MI 48311-8009

RE: Renewal for Group Term Life/AD&D and Long Term Disability

Dear Mark:

Pursuant to discussion and direction, Cornerstone Municipal Advisory Group marketed the City's life insurance, accidental death and dismemberment insurance, and long-term disability insurance in early 2016 in preparation for the City's July renewal. Since the conclusion of the 2011 life and disability RFP, the City has paid Reliance Standard the same rates each year. The initial 2016 renewal from Reliance Standard represented no change in rates for one year. However, we marketed the coverage to determine whether a more competitive alternative existed.

Through the marketing process, Cornerstone requested quotes from twelve different organizations including the incumbent. Out of the twelve quote requests, five alternative organizations provided financial proposals. Out of these five, only one proposed pricing that was close to the current in-force levels. This firm, Voya, extended a three year offer that would increase the City's annual costs by \$985 per year. Cornerstone Municipal used this quote to negotiate with Reliance Standard and successfully received an additional year rate guarantee on the current rates. That means the current rates will continue for another two years beginning July 1, 2016.

This two year rate guarantee extension from Reliance Standard means the City will pay the same rates for seven consecutive years (2011 – 2018). Cornerstone's recommendation is to retain / renew with Reliance Standard Life Insurance Company for life / accidental death & dismemberment and long-term disability at a rate of \$0.12 per \$1,000 of life insurance coverage, \$0.02 per \$1,000 of accidental death and dismemberment coverage, and \$0.23 per \$100 of covered payroll for long-term disability coverage.

Sincerely,

Mark Manquen

Life and Disability RFP

Reliance Standard:

- The City's Life and Disability coverage with Reliance Standard is due to renew on July 1, 2016. Reliance Standard's initial renewal offer was no change to rates, with rates to be guaranteed for one year. Cornerstone was able to negotiate this renewal to a two year guarantee.
- The plan has had the following loss ratios since 1/1/2012: Life/AD&D – 35%; LTD – 82%. The group's life population is not large enough to be considered credible. The LTD may have some credibility, but the 82% loss ratio is above what is typically considered tolerable by the insurer.
- An RFP was released to the market. The RFP was sent to the following carriers:

Company Name	Proposal Bids
Reliance Standard	Incumbent
Aetna	Quoted
Dearborn National	Decline - Not Competitive
Hartford	Decline - Not Competitive
Lincoln Financial	Decline - Police & Fire Percentage Too High
MetLife	Decline - Not Competitive
Minnesota Life	Quoted
Mutual of Omaha	Quoted
Standard	Quoted
Sun Life	Decline - Not Competitive
Unum	Decline - Not Competitive
Voya	Quoted

Life and Disability RFP

Financial Summary

Total Life & Disability Cost Fully Insured Reliance Standard	
Basic Life/AD&D	\$63,656
Long Term Disability	\$67,171
Total Cost	\$130,827

Proposed Alternatives - 7/1/16 effective date					
Plan Design	Basic Life/AD&D	LTD	Total Cost	Cost Change	Percentage
Reliance Standard Renewal	\$63,656	\$67,171	\$130,827	\$0	0.0%
Mutual of Omaha	\$91,364	\$67,171	\$158,535	\$27,708	21.2%
Standard	\$109,837	\$67,171	\$177,008	\$46,181	35.3%
Voya	\$54,420	\$77,392	\$131,812	\$985	0.8%
Minnesota Life/NIS	\$98,042	\$49,648	\$147,690	\$16,863	12.9%
Aetna	\$111,896	\$99,296	\$211,192	\$80,366	61.4%

Life and Disability RFP

Life Benefit Comparison

	Reliance Standard	Mutual of Omaha	Standard	Voya
Life Plan Design:				
Life/AD&D Amount	Class 1 - 2x Earnings Life to \$250k and AD&D Class 2 - 1.5x Earnings Life to \$250k and AD&D Class 3 - 1.5x Earnings Life to \$125k and AD&D Class 4 - \$100,000 Life and AD&D Class 5 - \$50,000 Life and AD&D Class 6 - Life Only - Varies	Class 1: 2x Annual Salary to \$250k Class 2: 1.5x Annual Salary to \$250k Class 3: 1.5x Annual Salary to \$125k Class 4: \$100k Class 5: \$50k Class 6: Life Only \$5k, \$10k, or \$20k	Class 1 - 2x Earnings Life to \$250k and AD&D Class 2 - 1.5x Earnings Life to \$125k and AD&D Class 3 - 1.5x Earnings Life to \$125k and AD&D Class 4 - \$100,000 Life and AD&D Class 5 - \$50,000 Life and AD&D Class 6 - Life Only - Varies	Class 1: 2x Annual Salary to \$250k Class 2: 1.5x Annual Salary to \$250k Class 3: 1.5x Annual Salary to \$125k Class 4: \$100k Class 5: \$50k Class 6: Life Only \$5k, \$10k, or \$20k
Guarantee Issue Amount	Full Amount	Full Amount	Full Amount	Full Amount
Age reduction	Benefit ends at age 70, except for Command Retirees	End at age 70	None	None, Retiree Coverage ends at age 70
Conversion	Included	Included	Included	Included
Accelerated Benefit	75% up to \$500,000	75% to \$250,000	75% to \$500,000 - No Class 6	75% to \$350,000 - No Class 6
Waiver of Premium	Classes 1-5 only: If disabled at least 6 months prior to age 60; payable to age 70 or retirement	Classes 1-5 only: 9 month EP, payable to age 65	Classes 1-5 only: If disabled prior to age 60, payable to age 65	Classes 1-5 only: If disabled prior to age 60 for a 6 month waiting period, payable to age 65
Portability	Not included	Not Included	Not Included	Included
Additional Benefits	Military Service Leave of Absence, 12 week FMLA.	Seat Belt and Airbag	Air Bag, Seat Belt, Repatriation, Child Care, Career Adjustment, Higher Education	EAP, Travel Assistance, Seat Belt, Air Bag, Child Care, Education
Rate Guarantee	2 years	2 years	2 years	3 years
Monthly Premium Rates:	Current Renewal	Proposed	Proposed	Proposed
Life Volume	\$38,484,000 \$38,484,000	\$38,484,000	\$38,484,000	\$38,484,000
AD&D Volume	\$34,329,000 \$34,329,000	\$34,329,000	\$34,329,000	\$34,329,000
Life Rate (per \$1,000)	\$0.120 \$0.120	\$0.180	\$0.220	\$0.100
AD&D Rate (per \$1,000)	\$0.020 \$0.020	\$0.020	\$0.020	\$0.020
Estimated Monthly Premium	\$5,305 \$5,305	\$7,614	\$9,153	\$4,535
Estimated Annual Premium	\$63,656 \$63,656	\$91,364	\$109,837	\$54,420
Percentage Change	0.00%	43.53%	50.55%	-14.51%
Dollar Change	\$0	\$27,708	\$46,181	-\$9,236

Life and Disability RFP

Life Benefit Comparison, Cont

	Reliance Standard	Minnesota Life/NIS	Aetna
Life Plan Design:			
Life/AD&D Amount	Class 1 - 2x Earnings Life to \$250k and AD&D Class 2 - 1.5x Earnings Life to \$250k and AD&D Class 3 - 1.5x Earnings Life to \$125k and AD&D Class 4 - \$100,000 Life and AD&D Class 5 - \$50,000 Life and AD&D Class 6 - Life Only - Varies	Class 1: 2x Annual Salary to \$250k Class 2: 1.5x Annual Salary to \$250k Class 3: 1.5x Annual Salary to \$125k Class 4: \$100k Class 5: \$50k Class 6: Life Only \$5k, \$10k, or \$20k	Class 1: 2x Annual Salary to \$250k Class 2: 1.5x Annual Salary to \$250k Class 3: 1.5x Annual Salary to \$125k Class 4: \$100k Class 5: \$50k Class 6: Life Only \$5k, \$10k, or \$20k
Guarantee Issue Amount	Full Amount	Full Amount	Full Amount
Age reduction	Benefit ends at age 70, expect for Command Retirees	None, Retiree Coverage ends at age 70	None
Conversion	Included	Included	
Accelerated Benefit	75% up to \$500,000	100% to \$1,000,000 - No Class 6	75% to \$500,000 - No Class 6
Waiver of Premium	Classes 1-5 only: If disabled at least 6 months prior to age 60; payable to age 70 or retirement	Classes 1-5 only: If disabled prior to age 60 for a 9 month waiting period, payable to age 65	Classes 1-5 only: If disabled prior to age 60 for a 6 month waiting period, payable to age 70
Portability	Not included	Included	
Additional Benefits	Military Service Leave of Absence, 12 week FMLA.	Air Bag and Seat Belt	Air Bag, Seat Belt, Education, Child Care, Repatriation
Rate Guarantee	2 years	3 years	3 years
Monthly Premium Rates:	Current	Renewal	Proposed
Life Volume	\$38,484,000	\$38,484,000	\$38,484,000
AD&D Volume	\$34,329,000	\$34,329,000	\$34,329,000
Life Rate (per \$1,000)	\$0.120	\$0.120	\$0.190
AD&D Rate (per \$1,000)	\$0.020	\$0.020	\$0.025
Estimated Monthly Premium	\$5,305	\$5,305	\$8,170
Estimated Annual Premium	\$63,656	\$63,656	\$98,042
Percentage Change		0.00%	54.02%
Dollar Change		\$0	\$34,386

Life and Disability RFP

LTD Benefit Comparison

LTD Plan Design:	Reliance Standard	Mutual of Omaha	Standard	Voya
Benefit Percentage	All Classes: 60% of salary	All Classes: 60% of salary	All Classes: 60% of salary	All Classes: 60% of salary
Occupation Period	2 year Regular Occupation, then any Occ	2 year Ow n Occ	2 year Ow n Occ	2 year Ow n Occ
Disability Definition	Unable to perform material duties of his/her Regular Occupation	Unable to perform ow n Occupation	Unable to perform ow n Occupation	Unable to perform duty or earnings
Monthly Benefit Maximum	Class 1: \$7,500 monthly max Class 2: \$8,000 monthly max Class 3: \$2,500 monthly max Class 4: \$1,500 monthly max	Class 1: \$7,500 Class 2: \$8,000 Class 3: \$2,500 Class 4: \$1,500	Class 1: \$7,500 Class 2: \$8,000 Class 3: \$2,500 Class 4: \$1,500	Class 1: \$7,500 Class 2: \$8,000 Class 3: \$2,500 Class 4: \$1,500
Monthly Benefit Minimum	\$100	\$100	\$100	\$100
Elimination Period	180 consecutive days of Total Disability	180 days, accumulated in 360 days	180 days	180 days, accumulated in 360 days
Benefit Payable Period	Disabled prior to age 61, to Age 65 or SSNRA	To SSNRA	To SSNRA	To SSNRA
Pre-Existing Conditions	Must be actively at work 1 day following the end of 12 months of being insured	3/12	3/12	3/12
Limitations	Mental Illness and Substance Abuse - 24 months per occurrence	Mental Health and Substance Abuse - 24 Months	Mental Health, Substance Abuse & Connective Tissue Disorders - 24 Months	Mental Health and Substance Abuse - 24 Months
Rehabilitation Program	Rehab benefit - Only 50% offset for rehab income	5% Vocational Incentive	10% Incentive Included	5% Vocational Incentive to \$500
Other Services	Worksite Modification, Survivor Benefit, Work Incentive, Child Care, Indemnity Benefit	Enhanced Disability, Survivor Benefit, Indemnity Benefit	Reasonable Accommodation Benefit, Survivor Benefit, EAP	Return to Work, Survivor Benefit, Indemnity Benefit, Child Care Benefit
Rate Guarantee	2 years	2 years	2 years	3 years
Monthly Premium Rates:	Current	Renewal	Proposed	Proposed
Covered Monthly Earnings Volume	\$2,433,725	\$2,433,725	\$2,433,725	\$2,433,725
Rate (per \$ 100 of Covered Monthly Earnings)	\$0.230	\$0.230	\$0.230	\$0.265
Estimated Monthly Premium	\$5,598	\$5,598	\$5,598	\$6,449
Estimated Annual Premium	\$67,171	\$67,171	\$67,171	\$77,392
Dollar Change - from Current	\$0	\$0	\$0	\$10,222
Percentage Change - from Current	0.0%	0.0%	0.0%	15.2%

Life and Disability RFP

LTD Benefit Comparison, Cont

LTD Plan Design:	Reliance Standard	Minnesota Life/NIS	Aetna
Benefit Percentage	All Classes: 60% of salary	All Classes: 60% of salary	All Classes: 60% of salary
Occupation Period	2 year Regular Occupation, then any Occ	2 year Ow n Occ	2 year Ow n Occ
Disability Definition	Unable to perform material duties of his/her Regular Occupation	Unable to perform duty or earnings	Unable to perform ow n Occupation, after 24 months, any Occupation
Monthly Benefit Maximum	Class 1: \$7,500 monthly max Class 2: \$8,000 monthly max Class 3: \$2,500 monthly max Class 4: \$1,500 monthly max	Class 1: \$7,500 Class 2: \$8,000 Class 3: \$2,500 Class 4: \$1,500	Class 1: \$7,500 Class 2: \$8,000 Class 3: \$2,500 Class 4: \$1,500
Monthly Benefit Minimum	\$100	\$100	\$100
Elimination Period	180 consecutive days of Total Disability	180 days	180 days
Benefit Payable Period	Disabled prior to age 61, to Age 65 or SSNRA	To SSNRA	To SSNRA
Pre-Existing Conditions	Must be actively at work 1 day follow ing the end of 12 months of being insured	3/12	3/12
Limitations	Mental Illness and Substance Abuse - 24 months per occurrence	Mental Health and Substance Abuse - 24 Months	Mental Health and Substance Abuse - 24 Months
Rehabilitation Program	Rehab benefit - Only 50% offset for rehab income	Applies	10% Incentive Included
Other Services	Worksite Modification, Survivor Benefit, Work Incentive, Child Care, Indemnity Benefit	Reasonable Accommodation, Survivor Benefit, Child Care, Indemnity	Work Incentive, Survivor Benefit, EAP, Child Care
Rate Guarantee	2 years	3 years	3 years
Monthly Premium Rates:	Current	Renewal	Proposed
Covered Monthly Earnings Volume	\$2,433,725	\$2,433,725	\$2,433,725
Rate (per \$100 of Covered Monthly Earnings)	\$0.230	\$0.230	\$0.170
Estimated Monthly Premium	\$5,598	\$5,598	\$4,137
Estimated Annual Premium	\$67,171	\$67,171	\$49,648
Dollar Change - from Current		\$0	-\$17,523
Percentage Change - from Current		0.0%	-26.1%
			\$32,125
			47.8%



AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To approve an agreement with Cornerstone Municipal Advisory Group, LLC, for healthcare and benefits consulting services for a three-year period at an annual cost of \$75,000.

Submitted By: Office of the City Clerk

Contact Person/Telephone: Mark Carufel, City Clerk / Risk Manager / 446- 2421

Administration (initial as applicable)

Attachments

Table with 4 columns: Initials, Title, Attachment 1, Attachment 2. Rows include City Clerk, Finance & Budget Director, City Attorney, and City Manager.

Check box if this agenda item requires billing\revenue collection (fees, etc.) by Treasury Office

Executive Summary

Introduction

On September 1, 2009, City Council accepted a proposal from Cornerstone Municipal Advisory Group, LLC (Cornerstone) for healthcare and benefits consulting services...

The initial agreement with Cornerstone expired on July 1, 2013. City Administration then recommended and City Council approved a new three (3) year agreement with Cornerstone for the period of July 1, 2013 through June 30, 2016...

Since 2009, City Administration has relied upon Cornerstone's staff of highly skilled and experienced personnel to assist with the administration of the City's health insurance and employee benefit programs.

- Implementation of "hard cap" required under PA 152
Development, presentation, and oversight of a new high deductible plan and health savings account
Retiree Drug Subsidy claim processing since 2005
Early Retiree Reinsurance Program claim processing since 2010
Annual open enrollment meeting with employees
Technical assistance and compliance with state and federal regulations
Carrier RFP support and negotiations that has produced annual cost reductions for the City

Cornerstone will be compensated \$75,000 as a total fee for the services provided. Part of the \$75,000 annual fee is covered by commissions paid by the various benefit carriers and service providers, and an agent fee payment by the City through BCBSM. Please refer to the attached Staff Report for additional information on the commissions and fees associated with this approval. In addition, Cornerstone will continue to waive the annual fee to administer the City's Medicare Part D Retiree Drug Subsidy program, saving the City an additional \$23,000 annually.

The attached staff report and supporting documentation provide additional information and analysis.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to approve the agreement with Cornerstone Municipal Advisory Group, LLC, 50 W. Big Beaver, Suite 220, Troy, MI 48084, for healthcare and benefits consulting services at a cost of \$75,000 annually, for the period July 1, 2016 through June 30, 2019, and authorize the City Manager to sign all documents required in conjunction with this approval.

**CITY OF STERLING HEIGHTS
STAFF REPORT
May 17, 2016**

Prepared by: Mark Carufel, City Clerk / Risk Manager

Contact: 586-446-2421

GENERAL INFORMATION:

Since 2009, Cornerstone Municipal Advisory Group LLC (Cornerstone) has provided healthcare and benefits consulting services to the City. Please see the attached correspondence and listing of services from Cornerstone.

STAFF ANALYSIS AND FINDINGS:

The maximum compensation paid to Cornerstone from all sources is \$75,000 for any one year. An audit will be conducted at the end of the year and any adjustments will be made at that time. It should also be noted that Cornerstone will continue to administer the City's Medicare Part D (Retiree Drug Subsidy) program with the federal government, at no additional cost to the City. The administration of this program is very complex and must be conducted by an outside firm / administrator, and has a value of approximately \$23,000, if the City were to hire this service directly from Cornerstone.

Expected Annual Commissions / Fees for July 1, 2016 to June 30, 2019:

Life Insurance	\$ 6,300
Long-Term Disability	6,600
Navitus Health Solutions	None
COPS Trust	None
EyeMed	3,300
BCBSM (Stop Loss Insurance)	<u>20,200</u>
Total Projected Commissions paid to Cornerstone	\$ 36,400
City Payment to Cornerstone	<u>\$ 38,600</u>
Total Maximum Annual Compensation	\$ 75,000

Due to the increase in the BCBSM Stop Loss commissions, the City is able to reduce its payment to Cornerstone by approximately \$8,500 per year.

City Administration is very pleased with the excellent service provided by Cornerstone since 2009 and is making the recommendation to renew the contract for healthcare and benefits consulting services for a three-year period at a total cost of \$75,000.

Please refer to the attached supporting documentation from Cornerstone for additional information.

STAFF RECOMMENDATION:

Please see Suggested Action on the accompanying Agenda Statement.

April 15, 2016

Mr. Mark Carufel,
City Clerk / Risk Manager
City of Sterling Heights
40555 Utica Road
P.O. Box 8009
Sterling Heights MI 48311-8009

RE: Consulting Agreement- Three Year Renewal

Dear Mark:

We sincerely appreciate the business the City has provided us over the last several years. The good work we have been able to perform on behalf of the City occurred because of great collaboration and team work between client and consultant. The City has been a great partner to execute the strategies that we have recommended. We are very excited about the opportunity to continue our partnership with the City.

Our firm is uniquely positioned in the municipal market to continue offering “best in class” services to serve the City. We are continuously exploring new plan and program strategies across our municipal block of business. We continue to offer proactive services and ideas that are at the forefront of the municipal market. These innovative ideas will assist the City in reigning in the spiraling cost of healthcare (see attached “Distinguishing Services” page). Our organization works exclusively with Michigan public sector organizations and we currently represent approximately 40 and that number is growing. We specialize in this market and have a great understanding of the intricacies that are specific to the municipal sector. We are able to leverage this information and offer valuable insights into what other groups are implementing and considering. We are aware of current trends in the market, including bargained plans, state legal cases that may impact the City’s healthcare costs, wellness strategies, and retiree healthcare strategies. A few of our standard services include testifying in 312 arbitration hearings, developing strategy and modeling for collective bargaining, evaluating retiree alternatives, managing the retiree drug subsidy program/process, creating and reviewing alternative carrier bids, producing PA 106, 54, and 152 modeling and education, and providing expert insight into PPACA implications and compliance requirements. In particular, PPACA is a fluid law and we are at the forefront of determining the impact to our clients and communicating in a timely manner.

We respectfully ask that the City renew our contract for three years at a fixed annual cost of \$75,000. This amount is the same as current, but the amount the City pays directly through its BCBSM agent fee payment will be reduced by \$8,510. This reduction is due to increasing commissions payments through the City’s other insurance lines. As those increase, the amount the City pays us through its BCBSM agent fee decreases. We are also still offering our retiree drug subsidy administration services to the City at no charge. Since we began managing the City’s RDS filings, we have recovered over \$2,000,000 in retiree drug subsidy income. We are committed to serving the City with the same diligence and work effort that has allowed the City to effectively accomplish its healthcare plan goals since contracting with our firm. We look forward to the opportunity to continue to serve the City as its healthcare consultant.

Sincerely,

Mark A .Manquen, CPA, MST
President of Cornerstone Municipal Advisory Group, LLC

DISTINGUISHING SERVICES

A. Independent Consultant - Oversight of Markets, Laws, Carriers and Vendors

- 1) Largest municipal government client base in southeast Michigan
- 2) Assess carrier plans; review all other insurance products
- 3) Monitor compliance with State and Federal Laws
- 4) Support collective bargaining efforts; prepared 312 support exhibits; testified in 312 proceeding
- 5) Benchmark municipal government healthcare plans
- 6) Identify market changes, best practices
 - i. Wellness
 - ii. Pooling arrangements
 - iii. Federal/State laws- PA 152/54

B. Innovative programs

- 1) Full Retiree Drug Subsidy (RDS) administration- **collected \$2,187,463** on the City's behalf since 2006- *no additional charge for these services!*
- 2) Developed "data aggregation" application to process Early Retiree Reinsurance Subsidy- **approximately \$400,000** in 2010 and 2011
- 3) **Health & Wellness Primary Care Centers** - collaboration opportunity; establishes a healthcare delivery model that generates savings from a more effective "payment model" for care rendered and provides a better environment for promoting "wellness" programs
- 4) PPACA tracking/IRS reporting application to meet compliance requirements under PPACA and avoid penalties

C. RFP work, compilation and evaluation

- 1) Prescription Drug RFP and Formal Evaluation – SAVINGS of over \$215,000 in first year after transition (2012). City has experienced savings each under new Rx carrier since 2011 when compared to prior carriers
 - i. Negotiated Navitus renewal fees – have not increased since 2011. This has saved the City approximately \$7,800 in fee expenses
- 2) Life/AD&D and Disability RFP – Negotiated reduced fees - SAVINGS of \$32,602/yr.
 - i. Since negotiating the above cost reduction, we have also negotiated rate guarantee durations and conducted an RFP in 2016 which has allowed the City's life/disability rate costs to remain static for seven consecutive years
- 3) Conducted market review for City-sponsored vision plans and implemented EyeMed for eligible employees with BCBSM vision effective 09/01/2011
 - i. Conducted an additional vision RFP in 2015, which led to the extension of the EyeMed contract. We used the RFP process to negotiate their proposed 2.9% increase (to no increase), which has resulted in the City paying the same vision rates for seven consecutive years

D. Financial Oversight

- 1) Regularly oversee and review the City's healthcare costs. As a result of this oversight, our office uncovered a mistake made by BCBSM during their stop loss crediting that led to a recovery of over **\$500,000** for the City in early 2016
 - 2) Continue to review and discuss wellness objectives. Proposing the implementation of BCBSM Total Care Management effective 7/1/16, which will provide disease and case management services to the City's BCBSM active enrollees. Additionally, continue to discuss employer sponsored health and wellness centers
 - 3) Continue to review alternative Medicare platforms on behalf of the City, in search of savings resulting from alternative Medicare subsidies.
-



Healthcare & Benefits Consulting Services Agreement

This Consulting Agreement, hereinafter referred to as “Agreement” is between the **City of Sterling Heights**, hereinafter referred to as “Client” and **Cornerstone Municipal Advisory Group, LLC** hereinafter referred to as “Consultant” or “We.”

WHEREAS, Client wishes to obtain the assistance of Consultant with strategic benefit planning, design, funding, administration, and communication with respect to its employee benefit programs;

WHEREAS, Consultant has superior knowledge and expertise in assisting employers with designing and servicing employee benefit plans; and

WHEREAS, the parties wish to set forth their respective expectations;

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereby agree as follows:

1. Scope of Services to be Provided by Consultant

Consultant will provide Client with consulting, communication, and brokerage services in the following areas and consistent with the following:

- A. Strategic Benefit Planning.** Consultant will provide assistance in developing overall plan strategies in accordance with Client’s healthcare program goals.
- B. Benefit Plan Design.** Consultant will help to ensure that benefit designs are consistent with the strategic benchmarks and targets set forth in the strategic benefit planning process.
- C. Administration.** Consultant will identify core administrative services, assess vendor performance, and manage vendor relationships to provide appropriate program administration.
- D. Funding.** Consultant will advise and counsel regarding program funding alternatives, including review fee proposals, recommend budget rates, employee contribution rates, and COBRA rates; select and procure appropriate stop loss terms; and monitor program costs against expectations.
- E. Enrollment & Communication.** Consultant will assist in drafting employee communications regarding benefit program performance and changes, benefit books and assist in the review of plan documents and insurance certificates during the planning and enrollment process.
- F. Medicare Services.** Consultant will advise and counsel client as requested with respect to group Medicare planning including evaluating plans, pricing, transition and other issues.
- G. Retiree Drug Subsidy Services.** Consultant will perform such tasks and services as requested by Client with respect to compliance with the RDS Program. Consultant will also continue to provide the tasks and services in this area that Consultant has performed on Client’s behalf in the past including completion of RDS Applications, payment requests and annual reconciliations. The existing agreement titled “Retiree Drug Subsidy Consulting Agreement” is hereby incorporated by reference and shall remain in full force and effect, except that all unpaid and future fees payable under the Retiree Drug Subsidy Consulting Agreement are hereby waived upon execution of this agreement.
- H. GASB Consultation and Benefit Design** Consultant will perform such tasks and services with respect to GASB compliance and its impact on Client’s benefit plans as requested by Client including

recommendations regarding plan design that may reduce client's current and future retiree costs paid and GASB liability.

- I. Collective Bargaining Support Services.** Consultant will perform such tasks and services with respect to collective bargaining support services as requested by Client.
- J. RFQ / RFP Services.** In addition to general day-to-day services, Consultant will release a Request for Proposal to the marketplace in order to review all your vendor options as necessary. Consultant will evaluate, negotiate with, and make recommendations regarding insurers and providers.
- K. Compliance & Legislative Oversight.** Consultant will provide Client with advice and guidance on legislative developments impacting benefit plans. Topics include FMLA, COBRA, HIPAA, HIPAA Privacy, Section 125, PA 106, PA 54, PA 152, and PPACA.
- L. Meetings with Client and Vendors.** Consultant will attend and facilitate meetings with Client and vendors as needed to facilitate program management including day-to-day operations and program changes.
 - Consultant shall meet with Client at least semi-annually to discuss review of the program, state of the marketplace, progress made toward achieving objectives of the strategic plan, and developments and changes within Client's organization.
- M. Day-to-Day Administrative Issues.** Consultant shall provide assistance in the daily administration of programs, including resolution of vendor service issues and addressing questions and concerns raised by Client's employees (escalated issues) and management.
- N. Data Analysis.** Upon receipt of acceptable claims data, Consultant will provide Client with a) a summary health plan management report analyzing health care claims paid during the previous twelve month period; b) claims analysis that allows further analysis of claims data; and c) plan modeling that evaluates the impact of plan design changes before they are implemented. Consultant will analyze health care claims data and provide data analysis at least annually.

2. Disclosure and Record Keeping

- A. Full Disclosure.** Client has the right to approve any arrangements and/or the utilization of any intermediaries in connection with, or arising out of, or in any way related to Client's insurance and risk management program. Consultant must seek approval from Client prior to the use of any of the above in connection with the Client's insurance and risk management program.
- B. Record Keeping.** Consultant will maintain accurate and current files including, but not limited to, insurance policies and correspondence with insurers in accordance with industry standard record retention practice or as otherwise directed by Client.

3. Term & Termination

- A. Term.** The term of this Agreement shall be three years, commencing on July 1, 2016 and ending June 30, 2019. Upon mutual written agreement of the parties, the term of this Agreement may be extended.
- B. Termination.** This Agreement may be terminated by either party effective upon thirty (30) days advance written notice to the other party.



4. Cost of Services

Client agrees to assign Consultant as agent of record for the purpose of Consultant receiving commissions/fees from the Client's various carriers and administrators in accordance with attached Exhibit 1. Total commissions with carriers and negotiated fees shall not exceed, nor fall below \$75,000/year for services identified under this Service Agreement. An annual accounting will be performed to determine total fees and commissions earned by Consultant. Any overpayment or underpayment will be adjusted in the following year. It is understood and agreed that the commissions are to be paid to Consultant by the various carriers and service providers based upon their standard commission schedule and that no commission fee will be paid to Consultant directly by Client, other than the BCBSM agent fee. When requested by Client, Consultant shall disclose to Client in writing all commissions /fees received as a result of this Agreement.

5. Personnel

Consultant will assign its personnel according to the needs of Client and according to the disciplines required to complete the appointed task in a professional manner. Consultant retains the right to substitute personnel with reasonable cause subject to Client's right to request replacement of any assigned personnel for reasonable cause. The Account Management Team consists of the following individuals:

Primary Service Team:

- Mark A. Manquen, Partner
- John Vance, Account Director
- Kim Kulas, Sr. Account Manager
- Rick Woodruff, Account Manager
- Craig Kuenzer, Plan Analyst
- Jim Kiers, RDS Program Manager

6. Client's Responsibilities

Client will make available such reasonable information as required for Consultant to conduct its services. Such data will be made available as promptly as possible. It is understood by Consultant that the time of Client's personnel is limited, and judicious use of that time is a requirement of this Agreement.

7. Notices

All notices, demands and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed given (a) when personally delivered or sent by facsimile transmission to the party to be given the notice or other communication, (b) on the third business day following the day such notice was sent certified mail, return receipt requested, with postage prepaid, and (c) on the business day following the day such notice or other communication is sent by overnight courier, to the following:

If to Consultant:

- Cornerstone Municipal Advisory Group, LLC
- W. Big Beaver Rd., Ste 220
- Troy, Michigan 48084
- Attention: Mark A. Manquen, President
- Fax: 248-878-2112



If to the City: City of Sterling Heights
 40555 Utica Road
 Post Office Box 8009
 Sterling Heights, Michigan 48311-8009
 Attention: Mark Carufel, City Clerk / Risk Management

8. Records and Information

Consultant understands and agrees to limit its use and disclosure of protected health information as described in the HIPAA Business Associate Contract attached hereto as Exhibit 2.

9. Independent Contractor

It is understood and agreed that Consultant is engaged by Client to perform services under this Agreement as an independent contractor. Consultant shall use its best efforts to follow written, oral, or electronically transmitted (i.e., sent via facsimile or e-mail) instructions from Client as to policy and procedure.

10. Fiduciary Responsibility.

Client acknowledges that: (i) Consultant shall have no discretionary authority or discretionary control respecting the management of any of the employee benefit plans; (ii) Consultant shall exercise no authority or control with respect to management or disposition of the assets of Client's employee benefit plans; and (iii) Consultant shall perform services pursuant to this Agreement in a non-fiduciary capacity. Client agrees to notify Consultant as soon as possible of any proposed amendments to the plans' legal documents to the extent that the amendments would affect Consultant in the performance of its obligations under this Agreement. Client agrees to submit (or cause its agent, consultants, or vendors to submit) all information in its (or their) control reasonably necessary for Consultant to perform the services covered by this Agreement.

11. Liability Insurance.

Consultant agrees to procure and maintain during the term of this agreement, professional liability / errors & omissions coverage, with minimum occurrence limits of \$1,000,000, and to provide evidence of such coverage to Client.

12. Entire Agreement

This constitutes the entire Agreement between the parties, and any other warranties or agreements are hereby superseded. Subsequent amendments to this Agreement shall only be in writing signed by both parties.



City of Sterling Heights

Signature

Date

Title

Cornerstone Municipal Advisory Group, LLC

Signature

Date

Title

Exhibit 1
Consulting Fees/Commissions

Description	Fee
Consulting Services, including <ul style="list-style-type: none"> ▪ Develop a healthcare & benefits strategic plan ▪ Set-up primary healthcare plans with vendors; oversee all paperwork and implementation tasks ▪ When requested by Client, act as agent / broker in all dealings with Client's employee benefit carriers and service providers ▪ Manage the Vendor relationships ▪ Conduct cost analysis and market studies for primary group healthcare plans ▪ Perform Prescription Drug analysis, PBM implementation ▪ Recommend plan design changes ▪ Evaluate GASB liability, recommend and implement solutions ▪ Evaluate retiree medical plans, apply for Part D Subsidy, manage all administrative requirements of the RDS program ▪ Manage day-to-day insurance plan changes & paperwork ▪ Prepare management for union negotiations ▪ Monitor plan performance ▪ Identify Wellness Program Initiatives 	See Below
Financial Analyses <ul style="list-style-type: none"> ▪ Ad-hoc analysis of primary healthcare plans ▪ Plan Modeling-Alternative plan designs ▪ Annual Review- Review Renewal reports from carriers, identify trends, recommend alternatives 	See Below
Implementation Variables <ul style="list-style-type: none"> ▪ Establish an implementation time line ▪ Run Employee Enrollment Meetings ▪ Establish client benefit books, website ▪ Review alternative vendors/insurers/TPA's ▪ Communicate plan design changes* 	See Below
Annual Compensation for above services*	\$75,000.00

***See Paragraph 4-Cost of Services for explanation of the annual settlement of the above fee.**

Exhibit 2
HIPAA Business Associate Contract

This Business Associate Contract (Agreement) is entered into by and between the City of Sterling Heights, (Covered Entity) and Cornerstone Municipal Advisory Group LLC, (Business Associate) effective immediately upon execution of the “Healthcare & Benefits Consulting Services Agreement” between Covered Entity and Business Associate (hereafter “Consulting Agreement”).

WHEREAS, the Covered Entity is a group health plan as defined in the privacy rules adopted pursuant to the Health Insurance Portability and Accountability Act of 1996¹ (HIPAA);

WHEREAS, the Business Associate wishes to perform on behalf of the Covered Entity treatment, payment, or health care operations as defined by HIPAA;

WHEREAS, the parties wish to set forth their understandings with regard to the use and disclosure of Protected Health Information (PHI) by the Business Associate in performance of its obligations;

In consideration of the mutual promises set forth below, the parties hereby agree as follows:

A. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

1. Use of Protected Health Information (PHI). Business Associate shall not use or further disclose PHI other than as permitted or required by this Agreement or as required by law.
2. Safeguards. Business Associate agrees that it will implement all appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Agreement. Business Associate agrees that performance of its obligations to implement safeguards includes establishing procedures that limit its use and disclosure of PHI to the minimum necessary amount of information required for the intended purpose, including limiting access to PHI within its organization to those employees with a need to know.
3. Unauthorized Disclosures of PHI. Business Associate shall, within ten (10) days of becoming aware of a disclosure of PHI in violation of this Agreement by Business Associate, its officers, directors, employees, contractors, or agents or by a third party to which Business Associate disclosed PHI, report to Covered Entity any such disclosure. Business Associate agrees to mitigate, to the extent practicable, any harmful effect of the unauthorized disclosure.
4. Agreements With Third Parties. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by Business Associate on behalf of the Covered Entity, agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
5. Access to Information. Within ten (10) days of a request by the Covered Entity for access to PHI about an individual contained in a Designated Record Set, Business Associate shall make available to the Covered Entity such PHI for so long as such information is maintained in a Designated Record Set. In the event any individual requests access to PHI directly from the Business Associate, Business Associate shall respond to the request for PHI within two (2) days. Any denials of access to the PHI requested shall be the responsibility of the Business Associate.

¹ The HIPAA Privacy Rules were originally published at 65 Fed. Reg. 82462 on December 28, 2000 and amended on August 14, 2002 as set forth at 67 Fed. Reg. 53182.

6. Availability of PHI for Amendment. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR 164.526 at the request of the Covered Entity or an individual, and in the time and manner designated by Covered Entity.
7. Inspection of Books and Records. Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary of the U.S. Department of Health and Human Services or designee, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with HIPAA.
8. Accounting of Disclosures. Business Associate agrees to maintain and make available to the Covered Entity an accounting of disclosures of PHI as would be required for Covered Entity to respond to a request by an individual made in accordance with 45 CFR 164.528. Business Associate shall provide an accounting of disclosures made during the six years prior to the date on which the accounting is requested. At a minimum, the accounting of disclosures shall include the following information:
 - a. Date of disclosure,
 - b. The name of the person or entity who received the PHI, and if known, the address of such entity or person,
 - c. A brief description of the PHI disclosed, and
 - d. A brief statement of the purpose of such disclosure, which includes an explanation of the basis of such disclosure.

In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall respond to the request within two (2) days. Any denials of a request for an accounting shall be the responsibility of the Business Associate.

Business Associate agrees to implement an appropriate record keeping process to enable it to comply with the requirements of this Section.

B. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

1. Business Associate shall not use or disclose any PHI for any purpose other than performance of services for Covered Entity as provided for in the Consulting Agreement. Except as otherwise limited by this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified above, provided that such use or disclosure would not violate HIPAA if done by the Covered Entity.
2. Except as otherwise limited by this Agreement, Business Associate may provide PHI to Zywave, Inc., a subcontractor of Consultant, for the limited purpose of providing data analysis and data aggregation services on behalf of the Covered Entity as defined in 45 CFR Sec. 164.501.

C. OBLIGATIONS OF COVERED ENTITY

1. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR 164.520, as well as any changes to such notice.
2. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures.
3. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522.



D. PERMISSIBLE REQUESTS BY COVERED ENTITY

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by the Covered Entity.

E. TERMINATION

1. Term. The term of this Agreement shall commence immediately and shall remain in effect until the Consulting Agreement is terminated, or until this Agreement is otherwise terminated pursuant to Section E, paragraph 2 of this Agreement.

2. Termination. This Agreement shall be terminated only as follows:

a. Termination For Cause

This Agreement may be terminated by the Covered Entity upon thirty (30) days written notice to the Business Associate in the event that the Business Associate breaches any provision contained in Paragraphs A or B of this Agreement and such breach is not cured within such thirty (30) day period; provided, however, that in the event that termination of this Agreement is not feasible in the Covered Entity's sole discretion, Business Associate hereby acknowledges that the Covered Entity shall have the right to report the breach to the Secretary, notwithstanding any other provision of this Agreement to the contrary.

b. Termination Due To Change in Law

Either party may terminate this Agreement effective upon thirty (30) days advance written notice to the other party in the event that the terminating party has sought amendment of this Agreement pursuant to Paragraph G (1) and no amendment has been agreed upon.

3. Return or Destruction of PHI

Upon termination of this Agreement, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

Notwithstanding the above, to the extent that it is not feasible to return or destroy such PHI, the terms and provisions of Paragraphs 1 and 2 shall survive termination of this Agreement and such PHI shall be used or disclosed solely for such purpose or purposes which prevented the return or destruction of such PHI.

F. DEFINITIONS

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in 45 CFR 160.103 and 164.501. Capitalized terms within this Agreement are defined in the text or as follows:

1. Designated Record Set means a group of records maintained by or for the Covered Entity that is (a) medical records and billing records about individuals maintained by or for the Covered Entity, (b) the enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan, or (c) used, in whole or in part, by or for the Covered Entity to make decisions about individuals. As used herein the term "record" means any item, collection, or grouping of information that includes PHI and is maintained, collected, used, or disseminated by or for the Covered Entity.

2. Individually Identifiable Health Information means information that is a subset of health information, including demographic information collected from an individual, and

- a. is created or received by a health care provider, health plan, employer, or health care clearinghouse; and
 - b. relates to the past, present, or future physical or mental health or condition of an individual; the provision of healthcare to an individual; or the past, present, or future payment for the provision of healthcare to an individual; and (1) identifies the individual or (2) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
3. Protected Health Information (PHI) means Individually Identifiable Health Information that is (a) transmitted by electronic media, (b) maintained in any medium constituting electronic media, or (c) transmitted or maintained in any other form or medium. PHI shall not include (a) education records covered by the Family Education Right and Privacy Act, as amended, 20 USC Sec. 1232g and (b) records described in 20 USC Sec. 1232g(a)(4)(B)(iv).

G. GENERAL PROVISIONS

1. Amendment. This Agreement may be amended only by the mutual written agreement of the parties. The parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Covered Entity to comply with the requirements of HIPAA.
2. Remedies. The parties acknowledge that breach of Paragraphs A or B of this Agreement may cause irreparable harm for which there is no adequate remedy at law. In the event of a breach, or if Covered Entity has actual notice of an intended breach, Covered Entity shall be entitled to a remedy of specific performance and/or injunction refraining Business Associate from violating or further violating this Agreement. The parties agree the election of the Covered Entity to seek injunctive relief and or specific performance of this Agreement does not foreclose or have any effect on any right the Covered Entity may have to recover damages.
3. Survival. Business Associate's obligation to limit its use and disclosure of Protection Information as set out in Paragraphs A and B survive the termination of this Agreement so long as Business Associate has PHI received during the performance of its services as described in this Agreement.
4. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan.
5. Assigns. Neither this Agreement nor any of the rights, benefits, duties, or obligations provided herein may be assigned by any party to this Agreement without the prior written consent of the other party.
6. Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create any rights or remedies in any third party.
7. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Covered Entity to comply with HIPAA.
8. Notices. Any notice given under this Agreement must be in writing and delivered via first class mail, via reputable overnight courier service, or in person to the following addresses, or to such addresses or facsimile numbers as the parties may specify by like notice:

If to Covered Entity:

City of Sterling Heights
40555 Utica Road
Post Office Box 8009
Sterling Heights, MI 48311-8009



If to Business Associate: Cornerstone Municipal Advisory Group, LLC
50 W. Big Beaver Rd., Suite 220
Troy, MI 48084

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Cornerstone Municipal Advisory Group, LLC City of Sterling Heights

Signed: _____ Signed: _____

Date: _____ Date: _____

Name (Print): _____ Name: Mark Vanderpool

Title: _____ Title: City Manager

CID: _____

AGENT FEE PROCESSING AGREEMENT

This agent fee processing agreement ("Agreement") is effective July 1, 2016, and is made among Blue Cross Blue Shield of Michigan, a Michigan non-profit corporation with offices at 600 Lafayette East, Detroit, Michigan 48226 ("BCBSM"), City of Sterling Heights, MI with offices at Sterling Heights, MI ("Group") and Cornerstone Municipal Advisory Group, LLC with offices at Troy, MI ("Agent").

Whereas, Group and Agent have negotiated an agent fee ("Agent Fee") that Group will pay Agent; Whereas, BCBSM is willing to assist Group with the payment process of the Agent Fee;

Now therefore, in consideration of the mutual promises set forth below, the parties agree as follows:

1. Group and Agent have negotiated and agreed to the following Agent Fee for the period beginning 7/1/16 until terminated by any party as set forth below:
 - a. \$ 3,216.67 per month; or
 - b. \$ _____ per contract per month (only for non-quarterly settled Groups)
2. Group and Agent acknowledge and agree that such Agent Fee is reasonable compensation for Agent's services.
3. In addition to the services that BCBSM performs pursuant to an administrative services contract ("ASC") with Group, BCBSM is willing to assist Group with the payment process for the Agent Fee.
4. BCBSM will add the Agent Fee to Group's ASC invoice as follows:
 - a. If Group's ASC is a weekly or monthly invoice program, the Agent Fee will be added to the invoice that contains the ASC administrative fee;
 - b. If Group's ASC is a quarterly settled weekly or quarterly settled monthly invoice program, each month the Agent Fee will be set forth on BCBSM's eBookshelf or eBilling website (Note: Group's Quarterly Payment Schedule will not reflect the Agent Fee, however, the Group's quarterly reconciliation will include a separate line item for the Agent Fee payments that were made in the previous quarter);
 - c. If Group's ASC is an advance deposit program or monthly cap program, each month the Agent Fee will be set forth on BCBSM's eBookshelf or eBilling website;
5. Group will pay BCBSM the Agent Fee in addition to Group's required ASC payments and on the same schedule, terms and conditions as set forth in the ASC.
6. BCBSM will process all Agent Fee payments on a pass-through basis and BCBSM will only pay the Agent if BCBSM receives such amount from Group. BCBSM will report the Agent Fee to Group for Group's Form 5500. BCBSM will also report the Agent Fee to the Internal Revenue Service and issue Form 1099s to the Agent.
7. Group may change the Agent and/or Agent Fee by completing and giving BCBSM a new, fully executed Agent Fee Agreement 30 days prior to the 1st of the month in which the new Agent and/or Agent Fee will be payable.
8. Group and Agent acknowledge that BCBSM's process does not allow for any retro-changes to the Agent or Agent Fee.
9. This Agreement may be terminated by any party by giving the other parties 30 days prior written notice.
10. The terms and conditions of this Agreement shall be confidential and shall not be disclosed or released to any third party without the prior written consent of all parties.

11. General Terms.

- a. Waiver. The failure of any party at any time to require performance of any provision of this Agreement shall not affect in any way that party's full right to require such performance at any time thereafter.
- b. Compliance with Laws. Agent shall comply with all state and federal laws and regulations applicable to Agent's representation of BCBSM. Agent shall also comply with all rules and instructions issued by BCBSM, including but not limited to underwriting rules, regarding the marketing, sale and servicing of any Products offered through BCBSM.
- c. Severability. If any provision of this Agreement is invalid, illegal, or unenforceable for any reason, that provision shall be severed from this Agreement and the other provisions shall remain in full force and effect.
- d. Merger Clause. This Agreement shall be the entire agreement of the parties and supersedes all previous agreements whether oral or written among BCBSM, Group and Agent.
- e. Assignment. The Agent Fee shall not be assignable to any third party without the prior written consent of all parties.
- f. Law. This Agreement is entered into in the State of Michigan and shall be construed according to the laws of Michigan.
- g. Amendment. This Agreement may be amended only by a written amendment duly executed by authorized representatives of each party.
- h. Warranties. BCBSM MAKES NO EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO ANY OF ITS SERVICES OR DELIVERABLES UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ITS PERFORMANCE.
- i. Indemnification. Group and Agent shall indemnify, defend, and hold BCBSM harmless from and against any and all claims, actions, loss, damage, liability, cost or expense resulting from Group or Agent's acts or omission with respect to this Agreement, unless caused by BCBSM's gross or willful misconduct. In addition, BCBSM shall not be liable for any indirect, incidental, reliance, special, consequential or punitive damages (including lost revenue, lost profit, or loss of business opportunity) of any Party, including third parties, whether or not such damages are foreseen or unforeseen.

Group

Agent

Signature


Signature

Print Name and Title

Mark A. Manguen
Print Name and Title

Date: _____

Date: 4/15/16

Blue Cross Blue Shield of Michigan

Signature

Print Name and Title

Date: _____



Business of the City Council
Sterling Heights, Michigan

DELIVERED MAY 12 2016

City Clerk's Use

Item No: 4
Meeting: 05/17/16

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To consider a nomination to the City of Sterling Heights Planning Commission

Submitted By: Office of the City Clerk

Contact Person/Telephone: Mark Carufel, City Clerk / Risk Manager, 586/446-2421

Administration (initial as applicable)

Attachments

Table with 4 columns: Initials, Title, Attachment 1, Attachment 2. Rows include City Clerk, Finance & Budget Director, City Attorney, and City Manager.

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

Executive Summary:

At the May 4, 2016 regular meeting, City Council postponed a nomination to the Planning Commission that currently has a vacancy due to a resignation.

City Council Governing Body Rule of Procedure 23, as amended on August 21, 2012, provides in relevant part as follows:

Prior to an appointment to the Planning Commission, Zoning Board of Appeals, Board of Ordinance Appeals, Board of Review, Police and Fire Pension Board, and General Employees Retirement System Board, an appointee shall be nominated, as applicable, by the Mayor or City Council at a prior regular meeting.

Due to the current vacancy on the Planning Commission, the two-step (nomination / appointment) process is required. The Mayor has the power of nomination and appointment, subject to City Council review.

Applications of the residents interested in serving on the Planning Commission are attached. Spreadsheets indicating the applicants' preferences for appointment as reflected by their ranking of the respective boards and commissions and meeting attendance records are also attached.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to nominate _____ for consideration as an appointee to the Planning Commission at the June 7, 2016 regular City Council meeting.

Planning Commission

(9 Members)

(One Vacancy)

Name	Request Re-Appt. (Yes/No)	Expiration Date of New Term	Action
1.		06/30/18	
Unexpired Term			

Applications on File:

Mohammed Alomari (Ethnic Community Committee-exp. 06/30/17)
Jack H. Beard
Mark Beninati
Eric Castiglia (Citizens Advisory Committee-Community Development BI Grant-exp. 06/30/16)
Derek B. D'Angelo (Board of Ordinance Appeals II-exp. 06/30/18)
(Zoning Board of Appeals-exp. 06/30/18)
Jazmine M. Early (Arts Commission-exp. 06/30/18)
Kozeta Elzhenni (Citizens Advisory Committee-Community Development BI Grant-exp. 06/30/16)
(Ethnic Community Committee-exp. 06/30/18)
Robert Ervin (Board of Ordinance Appeals-exp. 06/30/18)
Geoffrey Gariepy
Lisa J. Hamameh
Laurel Johnson (Board of Code Appeals-exp. 06/30/17)
(Local Development Finance Authority-exp. 06/30/19)
Robert Lulgjuraj (Ethnic Community Committee-exp. 06/30/16)
Kathleen Martin
David May
Stephanie A. McCarthy
Nils Omholt
Louis Ottolini
Joanne L. Paraventi (Citizens Advisory Committee-Community Development BI Grant-exp. 06/30/16)
Juli Sala (Board of Ordinance Appeals-exp. 06/30/18)
Howard Sizemore II
Thomas Szatkowski (Board of Code Appeals-exp. 06/30/20)
(Housing Commission-exp. 12/31/19)
Shawn Taylor (Arts Commission-exp. 06/30/16)
(Ethnic Community Committee-exp. 06/30/16)
Joyce Tye (Beautification Commission-exp. 06/30/17)
Pashko Ujkic (Zoning Board of Appeals-exp. 06/30/18)
Mona A. Yassine (Arts Commission-exp. 06/30/16)
Matthew Zarna

The Planning Commission shall consist of nine members. The members shall be appointed by the Mayor. Appointment shall be subject to the approval by a majority vote of the members elect of the City Council. The term of office of each member of the Planning Commission shall be three years. All members shall hold office until their successors are appointed.

"A" means the individual is already appointed to Board or Commission denoted												"E" means the individual has been elected to Board or Commission denoted																	
shaded area means Board or Commission that is appointed by the Mayor with confirmation of City Council																								5/11/2016					
the number is the ranking given by the applicant to that Board or Commission they are interested in																													
		Total Board and Comm. Assign	Arts Commission	Beautification Commission	Board of Code Appeals	Board of Ordinance Appeals	Board of Ordinance Appeals II	Board of Review	Building Authority	Citizens Advisory Committee	Civil Service Commission Act 78	Corridor Improvement Authority	Civil Service Comm - Charter	Econ Dev Corp/Brownfield Authority	Elected Officials Comp Comm	Election Commission	Ethnic Community Committee	Historical Commission	Housing Commission	Library Board of Trustees	Local Development Finance Authority	Pension Board Gen Emp	Pension Board Police & Fire	Planning Commission	Solid Waste Mgt Comm	Telecommunication Comm	Transportation Advisory Comm	Zoning Board of Appeals	
ALOMARI	MOHAMMED	1	17			4		6	7		8		9		2	1	A		10	13	11			12		14	15	3	6
BEARD	JACK	1																					2	A					1
BENINATI	MARK	0																					1	2		3			16
CASTIGLIA	ERIC	1						3		A		5		2									1						1
D'ANGELO	DEREK	2					A															1					A		1
EARLY	JAZMINE	1	A	20	25	2	2	12	21	5	19	18	24	23	17	16	3	15	4	14	13	22	11	6	1	10	9	7	1
ELZHENNI	KOZETA	2	17	2	21	22		20	19	A	23	25	18	24	16	4	A	6	5	7	8	9	10	11	12	14	13	15	2
ERVIN	ROBERT	1				A																	2					1	2
GARIEPY	GEOFFREY	0																					1						1
HAMAMEH	LISA	0				3																	1					2	1
JOHNSON	LAUREL	2			A				2					1					3		A		5			6	7		2
LULGJURAJ	ROBERT	1	22	24	15	9		11	14	1	13	4	20	2	5	12	A	19	8	23	3	17	18	21	16	10	6	20	3
MARTIN	KATHLEEN	0													3				1	2		4	5						1
MAY	DAVID	0									1							3					2						1
MCCARTHY	STEPHANIE	0																		1			2						1
OMHOLT	NILS	0																					1					2	1
OTTOLINI	LOUIS	0					1																2					3	1
PARAVENTI	JOANNE	1				8			6	A		10		5		1			2	3			7			4	9		1
SALA	JULI	1				A																	2					1	1
SIZEMORE II	HOWARD	0	14	5	10	9		6	18	7	13	21	19	2	11	4	22	25	20	24	3	17	16	1	8	23	12	15	1
SZATKOWSKI	THOMAS	2			A																		1					3	1
TAYLOR	SHAWN	2	A			5			8	6	4		7			A			A				2					3	1
TYE	JOYCE	1	4	A				2							5				1				6					7	3
UJKIC	PASHKO	1																					2				A		5
YASSINE	MONA	1	A																				1						1
ZARNA	MATTHEW	0	9	25		1		2		5	6	7	8	3	10	11	12	13	14	15	16	17	18	19	20	22	21	23	3