

City of Flint, Michigan

*Third Floor, City Hall
1101 S. Saginaw Street
Flint, Michigan 48502
www.cityofflint.com*



Meeting Agenda - Final

Wednesday, September 6, 2017

5:00 PM

Committee Room

FINANCE COMMITTEE

Scott Kincaid, Chairperson, Ward 9

*Eric Mays, Ward 1
Kerry L. Nelson, Ward 3
Wantwaz D. Davis, Ward 5
Monica Galloway, Ward 7*

*Jacqueline Poplar, Ward 2
Kate Fields, Ward 4
Herbert J. Winfrey, Ward 6
Vicki VanBuren, Ward 8*

Inez M. Brown, City Clerk

ROLL CALL

EXECUTIVE SESSION

An Executive Session as requested by the Department of Law for the purpose of updating the City Council regarding City of Flint v Leek Properties (17-109355-CB), City of Flint v Finish Line (C173570-GC) and City of Flint v Atlas Oil (C176371-GC).

RESOLUTIONS

170466 Genesee Conservation District (GCD)/Hazardous Tree Removals/Management of City's Street Tree Activities

Resolution resolving that the proper City Officials are authorized to do all things necessary to allocate \$300,000.00 to Genesee Conservation District (GCD) to provide supplemental funding to contract hazardous tree removals in the city of Flint and manage of City's street tree activities through June 30, 2018, with funding made available from Acct. No. 202-449.215-801.000 (\$158,000.00) and Acct. No. 203-449.215-801.000 (\$142,000.00), as requested by Street Maintenance. [NOTE: On July 9, 2012, the City of Flint entered into a partnership with GCD via a Memorandum of Understanding (MOU), which authorized GCD to manage contracts for annual hazardous tree removals, maintain a wood utilization effort, and perform community plantings throughout the city. The MOU has no expiration date, but must be reviewed and amended as deemed necessary and agreed to by the parties.] [Administration Submission No. CA5072017]

170467 Consumers Energy Company/Amendment/Generator Interconnection and Operating Agreement

Resolution resolving that City Officials are authorized to amend the Interconnection and Operating Agreement between Consumers Energy Company, Bioworks Energy LLC, and the City of Flint, to interconnect their respective equipment and electrical gear, and allow the City to draw power from both the Bioworks Energy generator and the normal Consumers equipment, with each of the three entities responsible for their equipment - except as delineated in the Interconnection Agreement - with the generators' combined design capacity nameplate rating not-to-exceed 550 kilowatts, unless the Agreement is further modified, as requested by Utilities. [NOTE: On May 19, 2015, the City of Flint entered into a contract with Bioworks Energy LLC (formerly known as SBI International) and Consumers Energy Company to allow Bioworks to operate an electrical generator at the City Water Pollution Control (WPC) plant. Consumers Energy owns and operates the electrical facilities and appurtenances in the State of Michigan, which supply power to the WPC plant.] [Administration Submission No. CA5092017]

170468 CO#2/Contract/Standard Life Insurance Company/Employee Life Insurance Coverage

Resolution resolving that the proper City Officials are authorized to enter into change order no. 2 to the contract with Standard Life Insurances Company for employee life and short-term disability insurance, in an amount NOT-TO-EXCEED \$154,830.00 during FY2018, as requested by Human Resources [Fringe Benefit Fund Acct. No. 627-853.300-717.000]. [NOTE: On January 23, 2017, City Officials were authorized to enter into change order no. 1 with Standard for additional funding of life and short-term disability insurance as a result of an increase in the City's staffing levels (in an amount of \$41,400.00 and a total contractual amount of \$454,320.00). The original resolution that precipitated the aforementioned change order was formally adopted on February 8, 2016, but did not provide the appropriate funding language that would allow payments in an amount NOT-TO-EXCEED \$154,830.00 during FY18 on the contract that expires March 18, 2018.] [Administration Submission No. CA5102017]

170469

First Supplement/Karegnondi Water Authority Financing Contract

Resolution resolving that: (1) the First Supplement [to the Karegnondi Water Authority Financing Contract] is hereby approved in substantially the form attached as Exhibit A. The Mayor and the City Clerk are authorized and directed to execute and deliver the First Supplement on behalf of the City. The First Supplement shall become effective immediately upon execution and delivery thereof by the City, the County and the Authority, AND, (2) the City hereby approves of the issuance of the Series 2017 Bonds by the Authority, under and pursuant to the terms of the Financing Contract, as supplemented by the First Supplement, in one or more series, in the aggregate principal amount of NOT-TO-EXCEED \$79,000,000.00, for the purposes of paying the costs of completing the acquisition, construction and equipping of the System, refunding the outstanding Series 2016 Bonds, and paying the costs of issuing and securing the Series 2017 Bonds, all as set forth in the First Supplement and, unless otherwise determined by the Mayor to be in the best interest of the City, bearing interest at a rate not exceeding eight percent (8%) per annum, having a final maturity date of not later than November 1, 2045, the principal of which is not subject to acceleration prior to the maturity, and having approximately level annual debt service with a deviation of not more than \$250,000 per year with the Mayor's determination being evidenced by the Mayor's execution and delivery of the First Supplement. The Series 2017 Bonds shall be issued in anticipation of; and shall be secured by, the contractual obligations of the City and the County as set forth in the Financing Contract. Pursuant to the Financing Contract, the City has pledged its limited tax full faith and credit for the prompt and timely payment of its obligations under the Financing Contract, AND, (3) the City hereby authorizes the Authority to prepare and circulate a Preliminary Official Statement and a final Official Statement in connection with the sale of the Series 2017 Bonds. The Mayor and the City Administrator (each an "Authorized Officer") are each hereby authorized to prepare, approve and distribute information describing the City to be used by the Authority in connection with the preparation and distribution by the Authority of the Preliminary Official Statement and the Official Statement, and to deem such information final for the purpose of enabling the purchaser of the Series 2017 Bonds to comply with the requirements of Rule

15c2-12 of the United States Securities and Exchange Commission. Each Authorized Officer is authorized, if applicable, to execute the final Official Statement on behalf of the City, AND, (4) if required in connection with the sale and delivery of the Series 2017 Bonds, the City agrees to enter into a continuing disclosure undertaking for the benefit of the holders and beneficial owners of the Series 2017 Bonds in accordance with the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission, and each Authorized Officer is hereby authorized to execute such undertaking on behalf of the City prior to delivery of the Series 2017 Bonds, AND, (5) the City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of interest on the Series 2017 Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, AND, (6) the Mayor, City Administrator and City Clerk are each individually authorized to complete, execute and file any and all applications or requests for waivers with the Michigan Department of Treasury necessary to effectuate the sale and delivery of the Series 2017 Bonds as contemplated by this resolution and the First Supplement, including, if necessary, an Application for State Treasurer's Approval to Issue Long-Term Securities, in such form as shall be approved by any of such officers, and to pay any and all necessary application or filing fees in connection therewith. The Mayor, City Administrator and City Clerk are each individually authorized to take all other actions, and to execute and deliver such other documents and certificates on behalf of the City, as may be necessary in connection with issuance, sale and delivery of the Series 2017 Bonds, AND, (7) the City has been advised that the Authority has retained Miller, Canfield, Paddock and Stone, P.L.C. ("Miller Canfield") as its bond counsel in connection with the issuance of the Series 2017 Bonds and the City hereby consents to the representation of the Authority by Miller Canfield. [NOTE: In accordance with the provisions of Act 233, the Karegnondi Water Authority, the City of Flint and the County of Genesee entered a Karegnondi Water Authority Financing Contract, dated as of August 1, 2013, whereby the Authority agreed to acquire, construct and equip a water supply system to provide untreated water to the City and the County. Pursuant to the Financing Contract, the Authority has previously issued its Water Supply System Bonds (Karegnondi Water Pipeline), Series 2014A, dated April 16, 2014, in the aggregate principal amount of \$220,500,000.00, and its Water Supply System Bonds (Karegnondi Water Pipeline), Series 2016, dated June 10, 2016, in the aggregate principal amount of \$74,370,000.00 (the "Series 2016 Bonds"), for the purpose of financing the costs of the acquisition, construction and equipping of the System. The Series 2016 Bonds have a stated maturity date of May 1, 2018, and the Authority, the City and the County have determined that it is necessary that the Authority refund all of the outstanding Series 2016 Bonds in order to establish permanent long-term financing for the capital costs of the System. The Authority, the City and the County have further determined that it is necessary for the Authority to issue additional bonds under and pursuant to the terms of the Financing Contract, in the aggregate principal amount of NOT-TO-EXCEED \$4,200,000.00, to pay or to reimburse the Authority for the costs of completing the acquisition, construction and equipping of the System. In order to finance these costs, and to pay the costs of refunding the Series 2016 Bonds, the Authority, the City and the County have determined that it is necessary for the Authority to issue additional bonds under and pursuant to the terms of the Financing Contract, in one or more series, in the aggregate principal amount of not to exceed \$79,000,000.00 (the "Series 2017 Bonds").]

DISCUSSION ITEMS**170453** Referral/Positions/Water Plant/Water Service Center

Referral by Councilperson Fields to HUMAN RESOURCES/WATER SERVICE CENTER, re: She would like a list of all unfilled positions at the Water Plant and Water Service Center; she would like the list also to include what certifications are needed for each position, what the compensation packages are, and what the city has done so far to recruit for these positions. [Referral Action Date: 8/23/2017 @ Finance Committee Meeting]

170454 Referral/Change Orders/Fast Start Vendors

Referral by Councilperson Kincaid to ADMIN/FINANCE, re: He would like a list of Change Orders -- and amount of increase for each Change Order -- for each company contracted to work on the Fast Start Program. [Referral Action Date: 8/23/2017 @ Finance Committee Meeting]

170470 Discussion Item/Master Agreement/Long-Term Water Delivery to the City of Flint

A discussion item as requested by Councilpersons Mays, re: He would like to discuss the long-term water delivery Master Agreement between the City of Flint (COF), the Michigan Department of Environmental Quality (MDEQ), the Genesee County Drain Commissioner (GCDC), the Great Lakes Water Authority (GLWA), and the Karegnondi Water Authority (KWA), as signed by the Parties and dated April 18, 2017. [Referral Action Date: 8/28/2017 @ Special Affairs Committee Meeting]

170473 Discussion Item/Moving CDBG and HOME Expenditures

A discussion item as requested by Councilpersons Mays, re: He would like to discuss moving CDBG and/or HOME expenditures in prior grant years. [Referral Action Date: 8/28/2017 @ Special Affairs Committee Meeting]

170474 Referral/Management of City Trees

Referral by Councilperson Galloway to FINANCE, re: She would like to know how much money has been allocated in this year's budget for City tree management/removals. [Referral Action Date: 8/28/2017 @ City Council Meeting]

170476 Referral/Vendor Invoices/Atty. Kendall Williams

Referral by Councilperson Poplar to LEGAL, re: She would like a detailed listing of all invoices paid (or unpaid) to date for Atty. Kendall Williams, since November of 2015, to include the date, amount, reason for billing, etc. [Referral Action Date: 8/28/2017 @ City Council Meeting]

OLD, OUTSTANDING DISCUSSION ITEMS

170056 Referral/Status/Revolving Loan Fund

Referral by Councilperson Poplar to ADMIN/PLANNING and DEVELOPMENT, re: She would like the status of the revolving loan fund for 2016 - who got them, what they were for, how much they received and how much they owe. [Referral Action Date: 1/18/2017 @ Finance Committee Meeting]

170057 Referral/Status/Grants

Referral by Councilperson Poplar to ADMIN/PLANNING and DEVELOPMENT, re: She would like the status of all grants received by Planning & Development for 2016 - amount, who got them and what they were for. [Referral Action Date: 1/18/2017 @ Finance Committee Meeting]

170061 Referral/Copy/Public Relations Contract

Referral by Councilperson Fields to ADMIN/LEGAL, re: She would like a copy of the public relations contract that was entered into with pipe replacement funding. [Referral Action Date: 1/18/2017 @ Finance Committee Meeting]

170066 Referral/Business Customers/Legal Action/Multi-Unit Developments

Referral by Councilperson Mays to ADMIN/LEGAL, re: He would like the law department to provide information on how to pursue action against owners of multi-unit developments when the renters pay their water bills but the landlord does not, and if that can be written into an ordinance. [Referral Action Date: 1/18/2017 @ Finance Committee Meeting]

170139 Referral/Protocol for Grants

Referral by Councilperson Mays to CITY CLERK: re: He asks for the written protocol on grants (what has to be approved by council). [Referral Action Date: 3/8/2017 @ Finance Committee Meeting]

170387 Hydrovacs/Fast Start Program

Referral by Councilperson Mays to MAYOR/ADM/: He asks that the city purchase two more hydrovacs for use in the Fast Start Program. [Referral Action Date: 7/6/2017 @ Finance Committee Meeting.]

170388 Discussion Item/Ward Accounts

Discussion item from Councilperson Mays: He would like a discussion of ward accounts on the next Finance Committee Meeting agenda. [Referral Action Date: 7/6/2017 @ Finance Committee Meeting.]

170389 Discussion Item/Police Finances

Discussion item from Councilperson Mays: He would like a discussion of police finances on the next Finance Committee Meeting agenda. [Referral Action Date: 7/6/2017 @ Finance Committee Meeting.]

170390 Discussion Item/State of Michigan Reimbursements

Discussion item from Councilperson Mays: He would like a discussion item about State of Michigan reimbursements to other city departments on the next Finance Committee Meeting agenda. [Referral Action Date: 7/6/2017 @ Finance Committee Meeting.]

170419 Licensing/Potential Revenue/Residential Medical Marijuana

Referral by Councilperson Fields to PLANNING & DEVELOPMENT: She would like to know if it's possible for the city to license and gain revenue from people growing medical marijuana in their basements and yards. [Referral Action Date: 6/19/2017 @ Finance Committee Meeting.]

170420 Ordinances/Oversite/Residential Medical Marijuana

Referral by Councilperson Galloway to LAW/PLANNING & DEVELOPMENT: She would like to know if ordinances can be written for better oversight of residential medical marijuana. [Referral Action Date: 6/19/2017 @ Finance Committee Meeting.]

170422 Copies/Bid/Contract/Martin Waymire

Referral by Councilperson Fields to GENERAL MCDANIEL: She would like copies of the bid and the contract for public relations firm Martin Waymire. [Referral Action Date: 6/19/2017 @ Finance Committee Meeting.]

170423 Discussion Item/City of Flint/Water Options

Discussion item as requested by Councilperson Mays: He would like to discuss the city's water options. [Referral Action Date: 6/19/2017 @ Finance Committee Meeting.]

170424 Discussion Item/Water Assistance Program/Disadvantaged/Elderly Customers

Discussion item as requested by Councilperson Mays: He would like to talk about a water assistance program and/or agencies that can assist disadvantaged and/or elderly water customers. [Referral Action Date: 6/19/2017 @ Finance Committee Meeting.]

170425 Discussion Item/\$25 Million/Undiscretionary Dollars

Discussion item as requested by Councilperson Mays: He would like to discuss the \$25 million of undiscretionary dollars that have been set aside in the state budget.
[Referral Action Date: 6/19/2017 @ Finance Committee Meeting.]

ADJOURNMENT