

City of Flint, Michigan

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



Meeting Agenda - Final

Wednesday, August 22, 2018

5:00 PM

Committee Room

FINANCE COMMITTEE

Eric Mays, Chairperson, Ward 1

*Maurice D. Davis, Ward 2
Kate Fields, Ward 4
Herbert J. Winfrey, Ward 6
Allan Griggs, Ward 8*

*Santino J. Guerra, Ward 3
Jerri Winfrey-Carter, Ward 5
Monica Galloway, Ward 7
Eva L. Worthing, Ward 9*

Inez M. Brown, City Clerk

ROLL CALL**SPECIAL ORDERS****180420 Special Order/Master Fee Schedule**

A Special Order as requested by Councilperson Mays concerning the recently amended (Reso No. 180351 - adopted July 23, 2018) Master Fee Schedule that added fees for micro-cell equipment.

180421 Special Order/Flint Police Sergeants Union Retiree Insurance Recipients

A Special Order as requested by Councilperson Mays to discuss Michael Brown's Emergency Order No. 20 regarding Flint Police Sergeants Union Retiree Insurance Recipients.

180422 Special Order/Goyette Mechanical

A Special Order as requested by Councilperson Galloway to discuss a "cease work" order issued to Goyette Mechanical. She would also like a copy of Goyette's bid/change proposal for service line replacement.

RESOLUTIONS**180425 Metron-Farnier, LLC/Residential and Commercial Water Meters**

Resolution resolving that the Department of Purchases and Supplies, upon City Council's approval, is authorized to issue a purchase order to Metron-Farnier, LLC (for residential and commercial water meters), as requested by the Water Service Center, in an amount NOT-TO-EXCEED \$300,000.00 [Sewer Fund Acct. No. 590-540.207-726.000 = \$150,000.00 and Water Fund Acct. No. 591-540.200-726.000 = \$150,000.00].

180426 Contract/Test America Laboratories, Inc./Environmental Monitoring Services

Resolution resolving that the proper city officials are authorized to enter into a contract with Test America Laboratories, Inc., for a three-year environmental monitoring services contract at the DPW/Utilities/Water Pollution Control in an annual amount NOT-TO-EXCEED \$40,000.00 (pending the adoption of the FY2020 and FY2021 budgets), for a total contract amount NOT-TO-EXCEED \$120,000.00 [Sewer Fund Acct. No. 590-550.100-801.000.]

180427 Budget Amendments/Transfers/Water Fund

Resolution resolving that the appropriate city officials are authorized to do all things necessary to amend the 2018-2019 budget of the City of Flint to reflect the changes requested to the city's Water Fund (591), of which \$1,339,902.73 is to be transferred into Water Fund Acct. No. 591-540.202-801.000 and \$196,528.00

is to be transferred into Water Fund Acct. No. 591-540.300-801.000, for a grand total of \$1,536,430.73, as requested by the Water Service Center. [NOTE: The \$1,536,430.73 is for three projects: 1. to complete the Stewart Avenue project (\$1,200.00), 2. for water main leak detection services (\$196,528.00), and for Stewart Avenue water main design/engineering services (\$139,902.73).]

180428 Budget Amendments/Transfers/Water Infrastructure & Distribution
Improvements/Grants Fund

Resolution resolving that the appropriate city officials are authorized to do all things necessary to amend the 2018-2019 budget to include revenue and expenditure appropriations for State of Michigan Department of Health and Human Services (DHHS) Grant No. WLRP-2018 for water infrastructure and distribution improvements, in the amount of \$8,000,000.00, in Grant Fund Acct. No. FHHS18CHIP-1, to comply with the associated grant agreements, and to budget any unspent grant funds in subsequent fiscal years in which they continue to remain available by the Grantor, with funds going into Acct. No. 296-540.210-801.013. [NOTE: \$8,000,000.00 is available from the U.S. DHHS through the Michigan DHHS to provide for lead service line and lead fixture replacement for eligible families.]

180429 Budget Amendment/Police Department Grant/Office of Justice
Programs/Department of Justice (DOJ)/Charter Township of Flint

Resolution resolving that the appropriate City Officials are authorized to do all things necessary to appropriate revenue and expenditure amounts in Fund-Department No. 296-301.601, under Grant Code FDOJ17JAG, in compliance with the Department of Justice-Office of Justice Program guidelines, in the amount of \$121,974.00, as requested by the Police Department. [NOTE: The City of Flint applied for and accepted a 2017 Justice Assistance grant as a sub-grant from the Charter Township of Flint, who was awarded the grant from the DOJ-Office of Justice Programs.]

180430 Settlement Agreement/City of Flint v C3 Inc. Remington's Food & Spirit/Genesee
County District Court No. C17G4038

Resolution resolving that the City Administrator hereby authorizes settlement in the matter of City of Flint v C3 Inc. Remington's Food & Spirit, Genesee County District Court No. C17G4038, in the amount of \$8,511.18, in satisfaction of any and all claims arising out of said matter, AND, resolving that the appropriate city officials are authorized to do all things necessary to amend the 2017-2018 adopted budget to recognize revenue in the amount of \$8,511.18 in General Fund Acct. No. 101-253.204-439.000.

180431 Approval/Issuance of Water Supply System Revenue Bonds & Authorizing
Publication of Notice

Resolution resolved by the City Council of the City of Flint, Genesee County, Michigan, as follows: SECTION 1 - Definitions; SECTION 2 - Necessity; Public

Purpose: Project Costs; Period of Usefulness; SECTION 3 - Project Plan Bonds Authorized; SECTION 4 - Project Plan Bond Details; SECTION 5 - Payment of Principal and Interest; SECTION 6 - Forgiveness of Principal; SECTION 7 - Bond Registrar and Paying Agent; SECTION 8 -Execution and Delivery of the Project Plan Bonds; SECTION 9 - Exchange and Transfer of the Project Plan Bonds; SECTION 10 - Bondholders' Rights: Receiver; SECTION 11 - Rates and Charges; SECTION 12 - No Free Service or Use; SECTION 13 - Fixing and Revising Rates: Rate Covenant; SECTION 14 Funds and Accounts: Flow of Funds; SECTION 15 - Project Plan Bond Proceeds; SECTION 16 - Investments; SECTION 17 - Project Plan Bonds Bond Form. [NOTE: The City Council does hereby determine that it is necessary to acquire and construct improvements to the System. Pursuant to Resolution No. 180284.2 (the "Project Plan Resolution," adopted by the City Council on July 23, 2018, approval was given to a proposed project plan application for the Michigan Department of Environmental Quality Drinking Fund for improvements to the system. The Project Plan includes eight projects and within such projects, subparts of the various projects, for the acquisition and construction of repairs, enlargements, extensions, additions and improvements to the system. The cost of acquiring, constructing and installing the Project is estimated to be at least One Hundred Thirty-Two Million, Nine Hundred Sixty-Three Thousand and Two Hundred Dollars (\$132,963,200.00). The city desires to issue bonds, as authorized by the provisions of Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), to pay all or part of the cost of acquiring, constructing and installing the Project, in an amount NOT-TO-EXCEED Eighty Million Dollars (\$80,000,000.00). A Notice of Intent to Issue Bonds must be published at least 45 days before the issuance of such bonds in order to comply with the requirements of Act 94. The city wishes at this time to authorize the issuance of such bonds, from time to time, in one or more series to defray the cost of acquiring, constructing and installing the Project and to sell the bonds to the Michigan Finance Authority ("the Authority") as authorized by Act 227, Public Acts of Michigan, 1985, as amended ("Act 227"), in order to enable the Authority to provide assistance with respect to financing the Project through the Michigan Department of Environmental Quality Drinking Revolving Fund, including such funds provided through the Drinking Water Revolving Fund pursuant to the Water Infrastructure Improvements for the Nation Act of 2016, Pub. Law No. 114-322 ("WIIN Act"). The loan related to the issuance of such bonds that provide assistance to the city through Drinking Water Revolving Fund are eligible for subsidization pursuant to provisions providing for 100 percent principal forgiveness and zero interest rate loans under the WIIN Act, Act 227 and Part 54 Safe Drinking Water Assistance of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994 ("Part 54").]

DISCUSSION ITEMS

180417 Referral/Budget Amendment/\$100,000.00 WIIN Grant

Referral by Councilperson Fields to FIN, re: She would like to see the budget amendment resolution passed by City Council moving the \$100,000.00 in federal WIIN grant dollars from the Grants Fund to the Water Fund. [Referral Action Date:

8/8/2018 @ Finance Committee Meeting.]

180418 Referral/Dates/Activities in FastStart

Referral by Councilperson Galloway to FIN, re: She would like to see dates for each of the activities described on Page 6 of the FastStart presentation given by the Finance Director at the last Finance Committee meeting. [Referral Action Date: 8/8/2018 @ Finance Committee Meeting.]

180419 Referral/Payments from Water Fund to Subcontractors

Referral by Councilperson Fields to LAW, re: She would like to justification for paying a subcontractor (Arco) out of the Water Fund without City Council permission. [Referral Action Date: 8/8/2018 @ Finance Committee Meeting.]

OLD, OUTSTANDING DISCUSSION ITEMS

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.]

170194 Repair/Copper Service Line/618 W. Alma

Referral by Councilperson Mays to ADM: He would like to know when the city plans to repair a ruptured copper service line at 618 W. Alma. [Referral Action Date: 4/19/2017 @ Finance Committee Meeting.]

170218 Discussion/Fast-Start Management Fund

A discussion item as requested by Councilperson Mays: He would like to talk about a proposed Fast-Start Management Fund. [Referral Action Date: 4/19/2017 @ 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.]

- 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.]
- 170420** Ordinances/Oversight/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.]
- 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.]
- 170577** Reimbursements/State of Michigan/City of Flint Departments
- Referral from Councilperson Mays to FINANCE DIRECTOR: Regarding State of Michigan reimbursements to all city departments except Finance (see Discussion Item 170390): What has been requested and what has been reimbursed? [Referral Action Date: 11/21/17 @ Finance Committee Meeting.]
- 170601** Referral/2016 Tax Reverted Property/5306 North Street
- Referral by Councilperson Mays to LEGAL: He would like to know how and when the ownership of 5306 North Street (old Jefferson Elementary School) will be returned to the 2nd Chance Church (5306 North Street was the only tax reverted property whose transfer from Genesee County the City of Flint did not object to in 2016). [Referral Action Date: 12/13/2017 @ Special City Council Meeting.]
- 180001** Payments/State of Michigan's \$25 Million Discretionary Fund
- Referral and discussion item from Councilperson Mays to FIN: How much money has been taken from the State of Michigan's \$25 million in discretionary funds and what was it used for? [Referral Action Date: 1/3/18 @ Finance Committee Meeting.]

- 180002** Referral/Positions/Water Plant/Water Service Center/Wage Study
- Referral by Councilperson Fields to HUMAN RESOURCES/WATER SERVICE CENTER/DPW: 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. She is also asking if a wage study for City of Flint positions has been completed (or started). [Referral Action Date: 1/3/2018 @ Finance Committee Meeting.]
- 180003** Referral/Change Orders/Fast Start Vendors
- Referral by Councilperson Galloway to ADMIN/FIN: She 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: 1/3/2018 @ Finance Committee Meeting.]
- 180015** Referral/List/Water Customers With Estimated Bills
- Referral by Councilperson Mays to FIN: He would like a list of water customers who had estimated bills and then were hit with high bills when actual readings were used. He would also like to know if these customers still have "holds" on their accounts and if they are in danger of having their water shut off. [Referral Action Date: 1/3/2018 @ Finance Committee Meeting.]
- 180016** Referral/List/FAQs/Water Residential Assistance Program (WRAP)
- Referral by Councilperson Fields to FIN: She would like a list of FAQs (frequently asked questions) for the WRAP (Water Residential Assistance Program). [Referral Action Date: 1/3/2018 @ Finance Committee Meeting.]
- 180019** Referral/City of Flint/How Much Unfilled Positions Are Worth
- A referral by Councilperson Galloway for FINANCE/HUMAN RESOURCES: She would like to know how much the 87 unfilled positions in the City of Flint are worth. [Referral Action Date: 1/17/2018 @ Finance Committee Meeting.]
- 180021** Referral/Accounts/Long Outstanding Balance Sheet Account
- A referral from Councilperson Galloway to FIN: She would like to know what the accounts are in the "Long Outstanding Balance Sheet Account" on Page 14 of the Audit Report Summary. [Referral Action Date: 1/17/2018 @ Finance Committee Meeting.]
- 180022** Referral/Information Requested of Community & Economic Development
- A referral from Councilperson Galloway to FIN: She would like to know when the information (that has not been received) was requested of the Community and Economic Development Division and why it hasn't been received yet (so that the

Single Audit can be completed). [Referral Action Date: 1/17/2018 @ Finance Committee Meeting.]

180023 Referral/Breakdown/\$100,000.00 For Seven (7) Homes

A referral from Councilperson Guerra to FIN/LAW/PLANNING & DEVELOPMENT: He would like a breakdown of the \$100,000.00 that the city says is needed to secure the seven (7) homes that the city recently assumed ownership of and prepare them for transfer. [Referral Action Date: 1/17/2018 @ Finance Committee Meeting.]

180025 Referral/Copy/"Transfer of Property"

A referral from Councilperson Mays to LAW: He would like a copy of the Legal Department's interpretation of "Transfer of Property." [Referral Action Date: 1/17/2018 @ Finance Committee Meeting.]

180051 Referral/Discussion Item/Citizens' Participation Plan/HUD Guidelines

Referral by Councilperson Fields to PLANNING & DEVELOPMENT: She would like a discussion item on the Citizens' Participation Plan. She would also like past Citizens' Participation Plans and HUD guidelines for such plans provided to the City Council. [Referral Action Date: 2/7/2018 @ Finance Committee Meeting.]

180055 Referral/Reprogramming/Unspent CDBG Grant Funds/HUD Regulations/Email Exchange

Referral by Councilperson Galloway to PLANNING and DEVELOPMENT, re: She requests copies of the HUD rules/policies that govern the distribution and reprogramming of unspent CDBG grant funds. She also requests a copy of the email exchange between Interim Planning and Development Director Suzanne Wilcox and HUD representatives with regard to \$442,200.00 reprogrammed funds (See Resolution No. 180011, as adopted by the City Council on January 22, 2018). [Referral Action Date: 2/12/2018 @ Special Affairs Committee Meeting.]

180057 Referral/Life Insurance/Short-Term Disability Insurance/Flint City Council

Referral by Councilperson Fields to CITY ATTORNEY/FINANCE, re: She would like for the Legal and Finance departments to investigate what it would take to reinstitute the ability of the City Council to pay into a retirement benefits fund (life insurance; short-term disability insurance). [Referral Action Date: 2/12/2018 @ Special Affairs Committee Meeting.]

180058 Discussion Item/Guidelines for Granting Hardship Exemptions from Property Taxes/Attendance Request/Assessor Staci Bassi

Discussion Item as requested by Councilperson Galloway, with referral to ASSESSMENTS, re: She asks that City Assessor Staci Bassi attend the

2/21/2018 Governmental Operations Committee meeting in order to continue discussion about the guidelines for granting hardship exemptions from property taxes, including questions regarding (non) eligibility for renters (See Resolution No. 180037, as adopted by the City Council on February 12, 2018). [Referral Action Date: 2/12/2018 @ City Council Meeting.]

180073 Discussion Item/Road Restoration/Previous/Ongoing

Discussion item proposed by Councilperson Fields, re: She would like a discussion item about road restoration, previous and ongoing, for Governmental Operations. [Referral Action Date: 2/21/2018 @ Finance Committee Meeting.]

180074 Referral/Copies/Current & Revised/WIIN Project Plans

Referral by Councilperson Fields TO FINANCE/DPW, re: She would like copies of the plans, both old and new, for the WIIN grant, and a rationale for the amounts assigned to each. (For example, money allocated to the Water Plant was reduced after the city signed the long-term water deal with the Great Lakes Water Authority). [Referral Action Date: 2/21/2018 @ Finance Committee Meeting.]

180075 Discussion Item/Water System Projects

A discussion item as proposed by Councilperson Fields, re: She would like to discuss water system projects at the next Finance Committee Meeting. [Referral Action Date: 2/21/2018 @ Finance Committee Meeting.]

180076 Referral/Last Appearance Date/Ret. Brig. Gen. Michael McDaniel

A referral by Councilperson Galloway to DPW, re: She would like to know when Ret. Brig. Gen. Michael McDaniel last appeared before Council. [Referral Action Date: 2/21/2018 @ Finance Committee Meeting.]

180080 Referral/Kellogg Grant/Entire Proposal

A referral from Councilperson Fields to ADMIN/LAW, re: She would like a copy of the entire Kellogg Grant proposal. [Referral Action Date: 2/21/2018 @ Finance Committee Meeting.]

180084 Referral/Police Department/Number of Lawsuits/Cost of Lawsuits

A referral from Councilperson Fields to LAW, re: She would like to know how many lawsuits there have been in the last two years involving the Flint Police Department, including the status for each and the total estimated cost. [Referral Action Date: 2/21/2018 @ Finance Committee Meeting.]

180085 Referral/Employment Contract/Whitney Frasier-Jenkins

A referral from Councilperson Fields to LAW/HUMAN RESOURCES, re: She

would like the employment contract for Whitney Frasier-Jenkins and a copy of her work log. [Referral Action Date: 2/21/2018 @ Finance Committee Meeting.]

180142 Referral/Executive Session/Lawsuit Over Water Rates

A referral from Councilperson Fields to LAW, re: She requests an executive session on the lawsuit filed by former Councilperson Scott Kincaid regarding water rates. [Referral Action Date: 3/12/2018 @ Special Affairs Committee Meeting.]

180160 Discussion Item/Itemized Water Fund Revenues & Expenditures

A discussion item as requested by Councilperson Mays regarding the city's Water Fund. He would like itemized revenues and expenditures. [Referral Action Date: 3/22/2018 @ Finance Committee Meeting.]

180161 Referral/Justification/\$60 Service Fee

A referral as requested by Councilperson Fields to FIN: she would like justification for the \$60 ready-for-use charge on customers' water/sewer bills. [Referral Action Date: 3/22/2018 @ Finance Committee Meeting.]

180179 Referral/Genesee County Conservation District

A referral as requested by Councilperson Fields to FIN/DPW: She would like to know how much money the Genesee County Conservation District has left-over from last year's budget. [Referral Action Date: 4/4/2018 @ Finance Committee Meeting.]

180180 Referral/Community Development Block Grant (CDBG) Money/Salvation Army

A referral as requested by Councilperson Mays to Planning & Development: He would like to know if Community Development Block Grant (CDBG) money can be given to the Salvation Army. [Referral Action Date: 4/4/2018 @ Finance Committee Meeting.]

180181 Referral/Justification/\$75.00 Turn-On, Turn-Off Fee

A referral as requested by Councilperson Fields to FIN/DPW: She would like justification for charging customers \$75.00 to turn water on and \$75.00 to turn water off. [Referral Action Date: 4/4/2018 @ Finance Committee Meeting.]

180182 Referral/Justification/Number of Personnel/Water Turn-Ons, Turn-Offs

A referral as requested by Councilperson Fields to FIN/DPW: She would like to know how many people are needed to turn water on/off. [Referral Action Date: 4/4/2018 @ Finance Committee Meeting.]

180203 Referral/Notice of Advancement/Interim City Treasurer

A referral as requested by Councilperson Fields to MAYOR/ADM: She would like to know why City Council was not notified that Amanda Trujillo is now Interim City Treasurer. [Referral Action Date: 4/18/2018 @ Finance Committee Meeting.]

180204 Referral/Trial Water Shut-Off/Shut-On Policy

A referral as requested by Councilperson Fields to FIN: She would like to know how the new Trial Collection Policy for shutting water off and turning it back on it working. [Referral Action Date: 4/18/2018 @ Finance Committee Meeting.]

180205 Referral/Itemized Billing Statements/Attorneys

A referral as requested by Councilperson Fields to FIN/LAW: She would like itemized billing statements for Attorney Kendall Williams and the Butzell Long Law Firm. [Referral Action Date: 4/18/2018 @ Finance Committee Meeting.]

180206 Referral/Cost/Parliamentarian

A referral as requested by Councilperson Fields to CITY CLERK: She would like to know the cost for the City Council to hire a Parliamentarian. [Referral Action Date: 4/18/2018 @ Finance Committee Meeting.]

180233 Copy/Environmental Protection Agency (EPA)/Emergency Order

A referral from Councilperson Galloway to LEGAL: re, she would like a copy of the EPA emergency order given to each Councilperson. [Referral Action Date: 5/9/2018 @ Finance Committee Meeting.]

180234 Update/Great Lakes Water Authority Contract

A referral from Councilperson Fields to LEGAL: re, she would like an update on the Great Lakes Water Authority (GLWA) contract, particularly the additional elements within the contract. [Referral Action Date: 5/9/2018 @ Finance Committee Meeting.]

180272 Referral/Update/Restoration

Referral by Councilperson Worthing to DPW, re: She would like to know the current status of restoration efforts. [Referral Action Date: 6/25/2018 @ City Council Meeting.]

180294 Referral/LED Street Lights

Referral by Councilpersons Fields and Guerra to ADMIN, re: An action plan and project steps (equipment and labor) concerning the LED street lights. [Referral Action Date: 6/20/2018 @ Finance Committee Meeting.]

180297 Referral/Breakdown/Chief of Staff Budget

Referral by Councilperson Fields to FINANCE, re: She would like a detailed breakdown of the \$75,000.00 budgeted for the Chief of Staff, including how, who, when and the date it was spent. [Referral Action Date: 6/25/2018 @ Special Affairs Committee Meeting.]

180298 Referral/Breakdown/Budgets/Mayor & City Administrator

Referral by Councilperson Fields to FINANCE, re: She would like a detailed, itemized breakdown of the budgets for Mayor and City Administrator, particularly for wages and salaries -- who they're for and how much each earns. [Referral Action Date: 6/25/2018 @ Special Affairs Committee Meeting.]

180299 Referral/Itemized Billing/Butzel Long/Kendall Williams

Referral by Councilperson Fields to LEGAL, re: She asks again for itemized billing statements for Attorney Kendall Williams and the Butzell Long Law Firm going back two- and-one-half years. [Referral Action Date: 6/25/2018 @ Special Affairs Committee Meeting.]

180300 Referral/Quarterly Budget Amendment Reports

Referral by Councilperson Fields to FINANCE, re: She would like to see quarterly budget amendment reports that are supposed to be supplied to City Council per the newly adopted City Charter. [Referral Action Date: 6/25/2018 @ Special Affairs Committee Meeting.]

180302 Discussion Item/Budgetary Requirements/Ethics & Accountability Board

Referral by Councilperson Mays to FINANCE, re: He would like to add a discussion about budgetary requirements as they relate to the Ethics and Accountability Board on the Finance Committee Agenda. [Referral Action Date: 6/25/2018 @ City Council Meeting.]

180303 Referral/Budget Figures/April, May, June 2018

Referral by Councilperson Galloway to FINANCE, re: She would like to see budget figures for the last three months of the last fiscal year in order to comply with the budget monitoring requirements set forth in the recently adopted City Charter. [Referral Action Date: 6/25/2018 @ City Council Meeting.]

180353 Referral/List or Map/Streets Contractors are Working On/Fast Start Program

Referral by Councilperson Guerra to CITY ADMINISTRATOR, re: He would like a copy (list or map) of what streets contractors are working on now for the Fast Start Program, plus he would like to see periodic updates on the Finance Committee Meeting agenda. [Referral Action Date: 6/20/2018 @ Finance Committee Meeting.]

180356 Discussion Item/Investigative Hearing

Councilperson Mays asked that a discussion item about the Investigative Hearing City Council members approved for financial issues related to the Water Crisis be placed on the Finance Committee Agenda. [Referral Action Date: 7/9/2018 @ Finance Committee Meeting.]

180365 Attendance Request/Discussion/Filling Budgeted Positions in Water/Sewer

Referral from Councilperson Mays to HUMAN RESOURCES/DEPARTMENT OF PUBLIC WORKS, re: He would like for Makini Jackson, Director of Human Resources, and Rob Binscik, Director of DPW, to attend the next Finance Committee meeting to discuss unfilled budgeted positions in water and sewer as identified on an organizational chart distributed at the last Finance Committee Meeting. [Referral Action Date: 7/18/2018 @ Finance Committee Meeting.]

180369 Referral/Number of Employees Needed/Turning Water On and Off

Referral from Councilperson Mays to DEPARTMENT OF PUBLIC WORKS/FINANCE, re: He would like a breakdown of personnel needed to turn water on and then to turn water off. [Referral Action Date: 7/18/2018 @ Finance Committee Meeting.]

NEW BUSINESS**ADJOURNMENT**

18 - 6414

180389

(Proposal #19000526)

SUBMISSION NO.: _____

PRESENTED: 8-8-18

ADOPTED: _____

**RESOLUTION TO WASTE MANAGEMENT/VENICE PARK LANDFILL FOR THREE (3) YR.
BIOSOLIDS SLUDGE DISPOSAL SERVICES**

BY THE CITY ADMINISTRATOR

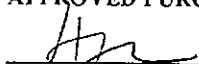
RESOLUTION

The Department of Purchases & Supplies has solicited proposals for a three (3) yr. biosolids sludge disposal and waste hauling services agreement for removal of the sludge cake from the Utilities Water Pollution Control Facility's biosolids loading facility; and

Waste Management, 4143 Rathbun Rd., Birch Run, Michigan was the best total cost solution for landfill disposal fees in conjunction with transportation/hauling fees with the city's recommended sludge hauling contractor for a three (3) year period and was the sole bidder. The funding for this request will come from the following account number: 590-550.100-801.500; and

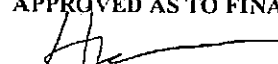
IT IS RESOLVED, that the Proper City Officials, upon City Council's approval, are authorized to enter into a three (3) yr. contract with Waste Management for the disposal of the biosolids sludge cake the amount of \$1,302,000. \$420,000.00 FY19, \$432,000.00 pending the adoption of FY20 \$450,000.00 pending adoption of the FY21 budget (Sewer Fund)

APPROVED PURCHASING DEPT.:



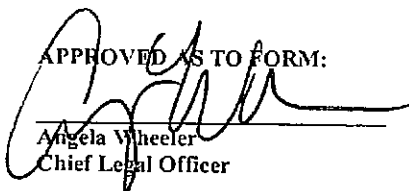
Hughie Newsome
for Purchasing Department

APPROVED AS TO FINANCE:



Hughie Newsome
Chief Financial Officer

APPROVED AS TO FORM:



Angela Wheeler
Chief Legal Officer



Steve Branch, Acting City Administrator

CITY COUNCIL:

Herbert J. Winfrey, Council President

FY19 - KRN

RESOLUTION STAFF REVIEW

July 3, 2018

Agenda Item Title: Biosolids Cake Landfill Disposal Services

Background/Summary of Proposed Action:

WPC is required to dispose of treated sludge offsite. Contracts are needed with a suitable licensed landfill and a hauling company to transport and dispose of the cake. WPC does not have the capacity to store the cake. Therefore it is imperative that an agreement for said services be available.

Financial Implications:

Please approve a three year agreement for Sludge Hauling for fiscal years 2019, 2020, and 2021. The FY2019 budgeted amount is \$420,000.00, future allocations to be determined upon budget adoption. Use account number 590-550.100-801.500.

Budgeted Expenditure: Yes: ☒ No: ☐ Please explain if no:

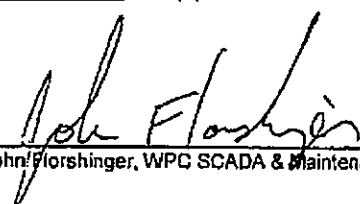
Account No.: 590-550.100-801.500 - \$420,000.00

Pre-encumbered: Yes: ☒ No: ☐ Requisition: 180000361

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Approve

Staff Person:


John Florshinger, WPC SCADA & Maintenance Supervisor

180425

RESOLUTION NO.: _____

PRESENTED: 8-22-18

ADOPTED: _____

**RESOLUTION TO METRON-FARNIER FOR
RESIDENTIAL AND COMMERCIAL WATER METERS**

BY THE MAYOR:

RESOLUTION

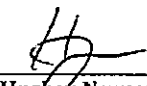
The Water Service Center has requested to purchase water meters in the sum of \$300,000. This amount represents half of the amount budgeted in FY19 for the purchase of water meters.

At this time the department is requesting only half of the budgeted amount it expects a complete water meter replacement program to be funded by WIIN during this fiscal year. In the event the program is not funded and moved forward, a similar request will be made later in this fiscal year. Regardless of the water meter replacement program, the City needs to run the day-to-day operation and will require the needed meters in stock.

Metron-Farnier, LLC, 5661 Airport Blvd., Suite B, Boulder Colorado is the manufacturer for said meters supported by its current delivery system. Funding will come from the following account numbers 590-540.207-726.000 (\$150,000), 591-540.200-726.000 (\$150,000); and

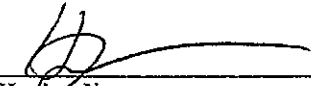
The Department of Purchases and Supplies is hereby authorized to issue a purchase order to Metron-Farnier, LLC in the amount of \$300,000.00 (Sewer Fund, Water Fund -- in the account listed above).

APPROVED PURCHASING DEPT.:



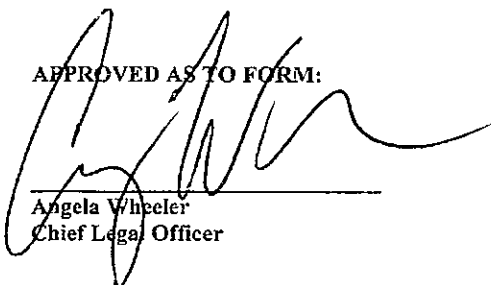
Hugh Newsome
for Purchasing Department

APPROVED AS TO FINANCE:



Hugh Newsome
Chief Financial Officer

APPROVED AS TO FORM:



Angela Wheeler
Chief Legal Officer

FOR THE CITY OF FLINT:



Dr. Karen Weaver
Mayor

STAFF REVIEW

DATE: 8-15-18

Agenda Item Title: Water Meters

Prepared By: V. Foster for Cheri Priest, WSC Administrative Manager

Background/Summary of Proposed Action:

The City of Flint has nearly 30,000 water meters, and a minimum of 11,000 meters need immediate replacement. The meters that the City currently utilizes are Metron meters, and the Water Department requests that Metron meters be used for the continuing change out.

For example, the \$300,000 will buy a quantity of 845 5/8" meters or 540 1" meters or 387 1½" meters or any combination of sizes. A price listing is attached.

Financial Implications

Adequate funding exists in the below listed accounts.

Pre-encumbered? Yes Requisition #180001064

<u>Budgeted Expenditure?</u> Yes	<u>Account No.:</u> 591-540.200-726.000 \$150,000
	590-540.207-726.000 \$150,000

Other Implications (i.e., collective bargaining):

None

Staff Recommendation:

Recommend approval.

Staff Person: Rob Bincsik
Rob Bincsik, Director of Public Works



Confidential

2017 Meter / I8 VN Price List

Single Jet Water Meters

Model	Size	Sale Price
Spectrum 30 (composite)	5/8" x 3/4"	\$355
Spectrum 50	1"	\$555
Spectrum 88	1 1/2"	\$775
Spectrum 130	2"	\$1,145
Spectrum 175	3"	\$1,850
Spectrum 500	4"	\$2,950
Spectrum 1000	6"	\$3,850
Enduro 2800	6"	\$5,200
Enduro 2800	8"	\$6,400
Tablet Programmer		\$750
External Antenna as needed		\$25
I8 VN Cellular Register		\$305
I8 VNr Cellular Remote		\$305

All Meters will come with I8 VN Cellular register.
All Meters include access to Waterscope Software

180426

(Proposal No. 19000525)

SUBMISSION NO.: _____

PRESENTED: 8-22-18

ADOPTED: _____

**RESOLUTION TO TEST AMERICA LABORATORIES, INC. FOR A THREE (3) YR.
ENVIRONMENTAL MONITORING SERVICES CONTRACT AT THE WATER POLLUTION
CONTROL FACILITIES**

BY THE CITY ADMINISTRATOR

RESOLUTION

The Department of Purchases & Supplies has solicited a proposal for a three (3) year environmental monitoring services contract at the DPW Utilities Water Pollution Control; and

The Water Pollution Control has determined that Test America Laboratories, Incorporated, 4101 Shuffel Street NW, North Canton, Ohio is the lowest responsive proposer from six (6) proposals received. The funding for this purchase will come from the following account: 590-550.100-801.000 (\$40,000.00); and

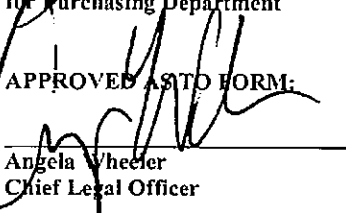
IT IS RESOLVED, that the Proper City Officials are authorized to enter into a contract with Test America Laboratories, Incorporated for a three (3) year environmental monitoring services contract at the DPW Utilities Water Pollution Control in the annual amount of \$40,000.00 pending the adoptions of the FY20 and FY21 budgets in a total contract amount not to exceed of \$120,000.00. (Sewer Fund – in the account listed above)

APPROVED PURCHASING DEPT.:



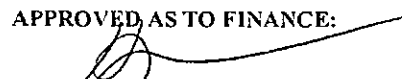
Hughley Newsome
for Purchasing Department

APPROVED AS TO FORM:



Angela Wheeler
Chief Legal Officer

APPROVED AS TO FINANCE:



Hughley Newsome
Chief Financial Officer



Steve Branch, City Administrator

FY 19 – KRN

RESOLUTION STAFF REVIEW

August 9, 2018

Agenda Item Title: Environmental Monitoring Services

Submitted By: Eric Brubaker, Laboratory Supervisor

Background/Summary of Proposed Action:

Water Pollution Control needs to procure laboratory testing services for performing water quality testing to monitor compliance as required by the State NPDES discharge permit.

Test America Laboratories, Inc. can quantify pollutant concentrations far below the City of Flint's levels of concern, even in cases of sample matrix interferences, thereby ensuring that the Water Pollution Control Facility can measure discharge concentrations below our discharge limits and not violate our NPDES permit.

Financial Implications: Please issue a purchase order in the approved FY 2019 budgeted amount of \$40,000.00, using account 590-550.100-801.000.

Budgeted Expenditure? Yes ☒ No ☐ Please explain if no:

Account No: 590-550.100-801.000

Pre-encumbered? Yes ☒ No ☐ **Requisition:** 180000355

Other Implications (i.e., collective bargaining): None.

Staff Recommendation: Approve 3-Year Contract

Staff Person: 
(Eric Brubaker, Laboratory Supervisor)

SEALED PROPOSALS RECEIVED PURCHASING DEPARTMENT ON JUNE 25, 2018
FOR ENVIRONMENTAL MONITORING SERVICES
PROPOSAL #19-525

Test America 4101 Shuffel St. NW North Canton, OH	Pace Analytical Services LLC 5560 Corporate Exchange Ct. Grand Rapids, MI	Merit Laboratories, Inc. 2680 E. Lansing Dr. East Lansing, MI
\$98,034.00	\$ 111,546.00	\$130,119.00

Fibertec Environmental Services 1914 Holloway Dr. Holt, MI	Paragon Laboratories, Inc. 12649 Richfield Ct. Livonia, MI	ALS Group, USA 10450 Stancliff Rd., Suite 210 Houston, TX 77099
\$144,549.00	\$ 222,627.00	\$93,613.50*

* Bid incomplete

180427

SUBMISSION NO.: _____

PRESENTED: 8-22-18

ADOPTED: _____

BY THE MAYOR:

**RESOLUTION AUTHORIZING THE AMENDMENT OF THE 2018-2019 ADOPTED BUDGET
IN THE AMOUNT OF \$ 1,536,430.73**

The Water Service Center is requesting a 2018-19 Budget Amendment to complete the Stewart Street project at an approximate cost of \$1,200,000 and for water main leak detection services of \$196,528, both of these projects were not completed in FY2017-18, therefore the allocated funds rolled into Fund Balance.

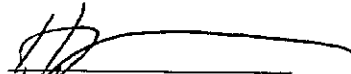
The Water Service Center is requesting an additional \$139,902.73 from Fund Balance for the Stewart Avenue water main design/engineering services.

In accordance with Budget Ordinance # 3856 adopted 1-25-15, transfers from Fund Balance qualify as budget amendments; and

In accordance with budget Ordinance #3856 adopted 1-25-15, budget amendments in excess of \$25,000.00 shall be submitted to City Council for its approval;

IT IS RESOLVED, that the appropriate city officials are hereby authorized to do all things necessary to amend the 2018-2019 budget of the City of Flint to reflect the changes requested above for the City's Water Fund (591) of which \$1,339,902.73 is to be transferred into account 591-540.202-801.000 and \$196,528.00 is to be transferred into account 591-540.300-801.000 for a grand total of \$1,536,430.73.

APPROVED AS TO FINANCE:


Hughie Newsome
Chief Financial Officer


Steve Branch, City Administrator

APPROVED AS TO FORM:


Angela Wheeler
Chief Legal Officer


Dr. Karen W. Weaver, Mayor

RESOLUTION STAFF REVIEW

DATE: August 14, 2018

ADOPTED BUDGET FOR WATER DEPARTMENT

Prepared By: Cheri Priest for Robert Bincsik

Background/Summary of Proposed Action: Requesting FY 17-18 (591) fund balance roll over to cover expenses in the Water Department capital improvement and professional services accounts, which were either unfunded or underfunded. The funds are needed for the following account numbers:

591-540.202-801.000 - \$1,200,000.00 for Stewart Avenue water main replacement. The funds were allocated FY 17-18 but were not rolled over to FY 18-19.

\$ 139,902.73 for Stewart Avenue water main design/engineering services

591-540.300-801.000 \$ 196,528.00 for water main leak detection services. The funds for this project were also not rolled over from last fiscal year.

Financial Implications:

Budgeted Expenditure? Yes ☐ No ☒ Please explain if no:

Account No.: 591-540.300-801.000, 591-540.202-801.000

Pre-encumbered? Yes ☐ No ☒ Requisition

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person:

Robert Bincsik

Robert Bincsik, Director of Public Works

180428

RESOLUTION NO.: _____

PRESENTED: 8-22-18

ADOPTED: _____

**RESOLUTION TO AMEND BUDGET TO INCLUDE WATER AND DISTRIBUTION
IMPROVEMENTS UNDER STATE OF MICHIGAN DHHS GRANT (#WLRP-2018)**

BY THE MAYOR:

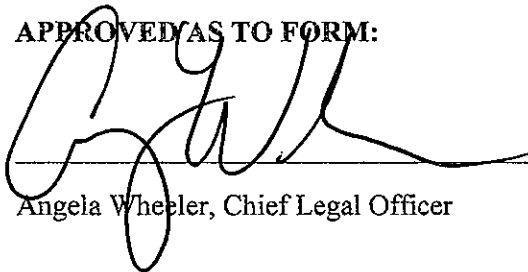
WHEREAS, \$8,000,000 is available from the US Department of Health and Human Services (DHHS) through the Michigan DHHS to provide for lead service line and lead fixture replacement for eligible families; and

WHEREAS, these grant funds will be utilized in conjunction with the lead line replacement program that is funded with funds from the State of Michigan and the Federal Government; and

WHEREAS, in accordance with Budget Ordinance #3856 adopted 1-25-15, budget amendments in excess of \$25,000 shall be submitted to the City Council for its approval;

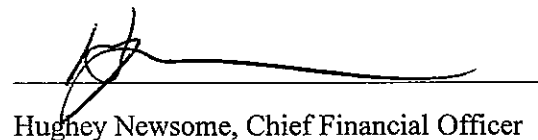
NOW THEREFORE BE IT RESOLVED, that the appropriate City Officials are authorized to do all things necessary to amend the 2018-19 adopted budget to include revenue and expenditure appropriation for State of Michigan DHHS Grant # WLRP-2018 for water infrastructure and distribution improvements in the amount of \$8,000,000 in the grant fund under City of Flint Grant Code #FHHS18CHIP-1, to comply with the associated grant agreement(s), and to budget any unspent grant funds in subsequent fiscal years in which they continue to remain available by the grantor. The funds will go to account number 296-540.210-801.013.

APPROVED AS TO FORM:



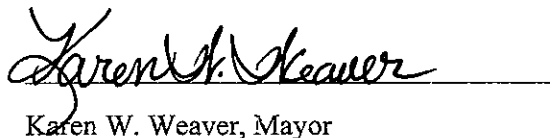
Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:



Hughey Newsome, Chief Financial Officer

FOR THE CITY OF FLINT:



Karen W. Weaver, Mayor

CITY COUNCIL:

Grant Agreement Between
Michigan Department of Health and Human Services
hereinafter referred to as the "Department"
and
City of Flint
1101 S. Saginaw Street
Flint MI 48502 1420
Federal I.D.#: 38-6004611, DUNS#: 072780067
hereinafter referred to as the "Grantee"
for
Water Line Replacement Program - 2018
Part I

1. Period of Agreement:

This agreement will commence on October 1, 2017, and continue through September 30, 2018. No service will be provided and no costs to the state will be incurred prior to October 1, 2017 of the Agreement. Through the Agreement October 1, 2017 shall be referred to as the begin date. This agreement is in full force and effect for the period specified.

2. Program Budget and Agreement Amount:

A. Agreement Amount

The total amount of this agreement is \$8,000,000.00. The Department under the terms of this agreement will provide funding not to exceed \$8,000,000.00.

The grant agreement is designated as a:

- ☒ Subrecipient relationship; or
☐ Recipient relationship (non-federal funding).

The grant agreement is designated as:

- ☐ Research and development project; or
☒ Not a research and development project.

B. Equipment Purchases and Title

Any Grantee equipment purchases supported in whole or in part through this agreement must be listed in the supporting Equipment Inventory Schedule. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Title to items having a unit acquisition cost of less than \$5,000 shall vest with the Grantee upon acquisition. The Department reserves the right to retain or transfer the title to all items of equipment having a unit acquisition cost of \$5,000 or more, to the extent that the Department's proportionate interest in such equipment supports such retention or transfer of title.

C. Deviation Allowance

A deviation allowance modifying an established budget category by \$10,000 or 15%, whichever is greater, is permissible without prior written approval of the Department. Any modification or deviations in excess of this provision, including any adjustment to the total amount of this agreement, must be made in writing and executed by all parties to this agreement before the modifications can be implemented. This deviation allowance does not authorize new categories, subcontracts, equipment items or positions not shown in the attached Program Budget Summary and supporting detail schedules.

3. Purpose:

The focus of the program is to replace service lines in different areas of the City, for houses where children with CHIP funding reside. The replacement will focus in neighborhoods with the greatest density of lead and galvanized service lines. Replacement of these service lines has been determined to be the best remedy in restoring the integrity of the drinking water. The service line removal will include the removal and replacement of lead and galvanized service lines to as many homes as possible.

4. Statement of Work:

The Grantee agrees to undertake, perform and complete the services described in Attachment A, which is part of this agreement through reference.

5. Financial Requirements:

The financial requirements shall be followed as described in Part II of this agreement and Attachments B, which are part of this agreement through reference.

6. Performance/Progress Report Requirements:

The progress reporting methods shall be followed as described in Part II and Attachment C, which are part of this agreement through reference.

7. General Provisions:

The Grantee agrees to comply with the General Provisions outlined in Part II, which are part of this agreement through reference.

8. **Administration of the Agreement:**

The person acting for the Department in administering this agreement (hereinafter referred to as the Contract Manager) is:

Crystal Kline Accountant (517) 284-1184
klinec1@michigan.gov

Name	Title	Telephone No.	Email Address
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9. **Grantee's Financial Contact for the Agreement:**

The person acting for the Grantee on the financial reporting for this agreement is:

Yolanda Gray Financial Officer

Name	Title
ygray@cityofflint.com	(810) 787-6537 x 350

E-Mail Address	Telephone No.
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10. Special Conditions:

- A. This agreement is valid upon approval and execution by the Department which may be contingent upon approval by the State Administrative Board and Signature by the Grantee.
- B. This agreement is conditionally approved subject to and contingent upon the availability of funds.
- C. The Department will not assume any responsibility or liability for costs incurred by the Grantee prior to the signing of this agreement.
- D. The Grantee is required by PA 533 of 2004 to receive payments by electronic funds transfer.

11. Special Certification:

The individual or officer signing this agreement certifies by his or her signature that he or she is authorized to sign this agreement on behalf of the responsible governing board, official or Grantee.

12. Signature Section:

FOR the GRANTEE
City of Flint

Sylvester Jones

Administrator

Name

Title

Date

For the Michigan Department of Health and Human Services

Christine H. Sanches

11/01/2017

Christine H. Sanches, Director

Date

Bureau of Grants and Purchasing

Part II
General Provisions

I. Responsibilities - Grantee

The Grantee in accordance with the general purposes and objectives of this agreement shall:

A. Publication Rights

1. Where the Grantee exclusively develops books, films, or other such copyrightable materials through activities supported by this agreement, the Grantee may copyright those materials. The materials that the Grantee copyrights cannot include service recipient information or personal identification data. Grantee grants the Department a royalty-free, non-exclusive and irrevocable license to reproduce, publish and use such materials copyrighted by the Grantee and authorizes others to reproduce and use such materials.
2. Any materials copyrighted by the Grantee or modifications bearing acknowledgment of the Department's name must be approved by the Department before reproduction and use of such materials. The State of Michigan may modify the material copyrighted by the Grantee and may combine it with other copyrightable intellectual property to form a derivative work. The State of Michigan will own and hold all copyright and other intellectual property rights in any such derivative work, excluding any rights or interest granted in this agreement to the Grantee. If the Grantee ceases to conduct business for any reason, or ceases to support the copyrightable materials developed under this agreement, the State of Michigan has the right to convert its licenses into transferable licenses to the extent consistent with any applicable obligations the Grantee has.
3. Give recognition to the Department in any and all publications, papers and presentations arising from the program and service contract herein; the Department will do likewise. Prior written authorization must be requested from the Department's Communication office.
4. Notify the Department's Bureau of Grants and Purchasing 30 days before applying to register a copyright with the U.S. Copyright Office. The Grantee must submit an annual report for all copyrighted materials developed by the Grantee through activities supported by this agreement and must submit a final invention statement and certification within 90 days of the end of the agreement period.
5. Not make any media releases related to this agreement, without prior written authorization from the Department's Communication office.

B. Fees

1. Guarantee that any claims made to the Department under this Agreement shall not be financed by any sources other than the Department under the terms of this Agreement. If funding is received through any other source, the Grantee agrees to budget the additional source of funds and reflect the source of funding on the Financial Status Report.
2. Make reasonable efforts to collect 1st and 3rd party fees, where applicable, and report those collections on the Financial Status Report. Any underrecoveries of otherwise available fees resulting from failure to bill for eligible services will be excluded from reimbursable expenditures.

C. Grant Program Operation

Provide the necessary administrative, professional, and technical staff for operation of the grant program. Obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of this Agreement.

D. Reporting

Utilize all report forms and reporting formats required by the Department at the effective date of this agreement, and provide the Department with timely review and commentary on any new report forms and reporting formats proposed for issuance thereafter.

E. Record Maintenance/Retention

Maintain adequate program and fiscal records and files, including source documentation, to support program activities and all expenditures made under the terms of this agreement, as required. Assure that all terms of the agreement will be appropriately adhered to and that records and detailed documentation for the grant project or grant program identified in this agreement will be maintained for a period of not less than three years from the date of termination, the date of submission of the final expenditure report or until litigation and audit findings have been resolved. This Section applies to Grantee, any parent, affiliate, or subsidiary organization of Grantee, and any subcontractor that performs Agreement Activities in connection with this Agreement.

F. Authorized Access

1. Permit within 10 calendar days of providing notification and at reasonable times, access by authorized representatives of the Department, Federal Grantor Agency, Inspector General, Comptroller General of the United States and State Auditor General, or any of their duly authorized representatives, to records, papers, files, documentation and personnel related to this agreement, to the extent authorized by applicable state or federal law, rule or regulation.
2. The rights of access in this section are not limited to the required

retention period but last as long as the records are retained.

3. Grantee must cooperate and provide reasonable assistance to authorized representatives of the Department and others when those individuals have access to Grantee's grant records.

G. Audits

This section only applies to Grantees designated as subrecipients by the Department (see Part I, Section 2. A.).

1. Required Audit or Audit Exemption Notice

Grantees must submit to the Department either a Single Audit, Financial Related Audit, or Audit Exemption Notice as described below. A Financial Related Audit is applicable to for-profit Grantees that are designated as subrecipients. If submitting a Single Audit or Financial Related Audit, Grantees must also submit a corrective action plan prepared in accordance with Title 2 Code of Federal Regulations, Section 200.511(c) for any audit findings that impacts the Department funded programs, and management letter (if issued) with a corrective action plan.

a. Single Audit

Grantees that are a state, local government, or non-profit organization that expend \$750,000 or more in federal awards during the Grantee's fiscal year, must submit a Single Audit to the Department, regardless of the amount of funding received from the Department. The Single Audit must comply with the requirements of Title 2 Code of Federal Regulations, Subpart F. The Single Audit reporting package must include all components described in Title 2 Code of Federal Regulations, Section 200.512 (c).

b. Financial Related Audit

Grantees that are for-profit organizations that expend \$750,000 or more in federal awards during the Grantee's fiscal year must submit either a financial related audit prepared in accordance with Government Auditing Standards relating to all federal awards; or an audit that meets the requirements contained in Title 2 Code of Federal Regulations, Subpart F, if required by the federal awarding agency.

c. Audit Exemption Notice

Grantees exempt from the Single Audit and Financial Related Audit requirements (a. and b. above) must submit an Audit Exemption Notice that certifies these exemptions. The template Audit Exemption Notice and further instructions are available at State of Michigan - MDHHS by selecting Inside

MDHHS – MDHHS Audit.

2. Financial Statement Audit

Grantees exempt from the Single Audit and Financial Related Audit requirements (that are required to submit an Audit Exemption Notice as described above) must also submit to the Department a Financial Statement Audit prepared in accordance with generally accepted auditing standards if the audit includes disclosures that may negatively impacts the Department funded programs including, but not limited to fraud, going concern uncertainties, financial statement misstatements, and violations of contract and grant provisions. If submitting a Financial Statement Audit, Grantees must also submit a corrective action plan for any audit findings that impacts the Department funded programs.

3. Due Date and Where to Send

The required audit and any other required submissions (i.e. corrective action plan, and management letter with a corrective action plan), and/or Audit Exemption Notice must be submitted to the Department within nine months after the end of the Grantee's fiscal year by e-mail at MDHHS-AuditReports@michigan.gov. The required submissions must be assembled in PDF files and compatible with Adobe Acrobat (read only). The subject line must state the agency name and fiscal year end. The Department reserves the right to request a hard copy of the audit materials if for any reason the electronic submission process is not successful.

4. Penalty

a. Delinquent Single Audit or Financial Related Audit

If the Grantee does not submit the required Single Audit or Financial Related Audit, including any management letter and applicable corrective action plan(s) within nine months after the end of the Grantee's fiscal year, the Department may withhold any payment from the Department to the Grantee an amount equal to five percent of the audit year's grant funding (not to exceed \$200,000) until the required filing is received by the Department. The Department may retain the amount withheld if the Grantee is more than 120 days delinquent in meeting the filing requirements. The Department may terminate the current grant if the Grantee is more than 180 days delinquent in meeting the filing requirements.

b. Delinquent Audit Exemption Notice

Failure to submit the Audit Exemption Notice, when required, may result in withholding payment from Department to Grantee an amount equal to one percent of the audit year's grant funding until the Audit Exemption Notice is received.

5. Other Audits

The Department or federal agencies may also conduct or arrange for “agreed upon procedures” or additional audits to meet their needs.

H. Subrecipient/Contractor Monitoring

When passing federal funds through to a subrecipient (if the agreement does not prohibit the passing of federal funds through to a subrecipient), the Grantee must:

1. Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the information required by 2 CFR 200.331 (a).
2. Evaluate each subrecipient’s risk for noncompliance as required by 2 CFR 200.331(b).
3. Ensure the subrecipient complies with all the requirements of the original grant.
4. Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subawards; that subaward performance goals are achieved; and that all monitoring requirements of 2 CFR 200.331(d) are met including reviewing financial and programmatic reports, following up on corrective actions, and issuing management decisions for audit findings.
5. Verify that every subrecipient is audited as required by Subpart F of 2 CFR 200.

The Grantee must develop a subrecipient monitoring plan that addresses the above requirements and provides reasonable assurance that the subrecipient administers federal awards in compliance with laws, regulations, and the provisions of contracts, and that performance goals are achieved. The subrecipient monitoring plan should include a risk-based assessment to determine the level of oversight, and monitoring activities, such as reviewing financial and performance reports, performing site visits, and maintaining regular contact with subrecipients.

The Grantee must establish requirements to ensure compliance for for-profit subrecipients as required by Title 2 (CFR), Section 200.501(h), as applicable. The Grantee must ensure that transactions with contractors comply with laws, regulations, and provisions of contracts or grant agreements in compliance with Title 2 CFR, Section 200.501(h), as applicable.

I. Notification of Modifications

Provide timely notification to the Department, in writing, of any action by its governing board or any other funding source that would require or result in significant modification in the provision of services, funding or compliance with operational procedures.

J. Software Compliance

Ensure software compliance and compatibility with the Department's data systems for services provided under this agreement including, but not limited to: stored data, databases, and interfaces for the production of work products and reports. All required data under this agreement shall be provided in an accurate and timely manner without interruption, failure or errors due to the inaccuracy of the Grantee's business operations for processing date/time data. All information systems, electronic or hard copy, that contain state or federal data must be protected from unauthorized access.

K. Human Subjects

Comply with Protection of Human Subjects Act, 45 CFR, Part 46. The Grantee agrees that prior to the initiation of the research, the Grantee will submit Institutional Review Board (IRB) application material for all research involving human subjects, which is conducted in programs sponsored by the Department or in programs which receive funding from or through the state of Michigan, to the Department's IRB for review and approval, or the IRB application and approval materials for acceptance of the review of another IRB. All such research must be approved by a federally assured IRB, but the Department's IRB can only accept the review and approval of another institution's IRB under a formally-approved IRB Authorization Agreement. The manner of the review will be agreed upon between the Department's IRB Signatory Official and the Grantee's IRB Signatory Official.

L. Mandatory Disclosures

1. Disclose to the Department in writing within 14 days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "Proceeding") involving Grantee, a subcontractor, or an officer or director of Grantee or subcontract, or that arises during the term of this Agreement including:
 - a. All violations of federal and state criminal law involving fraud, bribery, or gratuity violations potentially affecting the agreement;
 - b. A criminal Proceeding;
 - c. A parole or probation Proceeding;
 - d. A Proceeding under the Sarbanes-Oxley Act;
 - e. A civil Proceeding involving:
 1. A claim that might reasonably be expected to adversely affect Grantee's viability or financial stability; or
 2. A governmental or public entity's claim or written allegation of fraud; or
 - f. A Proceeding involving any license that Grantee is required to possess in order to perform under this Agreement.

2. Notify the Department, at least 90 calendar days before the effective date, of a change in Grantee's ownership or executive management.

M. Statement of Work Progress Reports

Submit quarterly Statement of Work progress reports to the Department via the EGrAMS website by the 15th of the month following the end of the quarter and a final report by November 15th.

N. Conflict of Interest and Code of Conduct Standards

1. The Grantee is subject to the provisions of 1968 PA 317, as amended, 1973 PA 196, as amended, and Title 2 Code of Federal Regulations, Section 200.318 (c) (1) and (2).
2. The Grantee will uphold high ethical standards and is prohibited from:
 - a. Holding or acquiring an interest that would conflict with this Agreement;
 - b. Doing anything that creates an appearance of impropriety with respect to the award or performance of this Agreement;
 - c. Attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or
 - d. Paying or agreeing to pay any person, other than employees and consultants working for Grantee, any consideration contingent upon the award of this Agreement.
3. Immediately notify the Department of any violation or potential violation of these standards. This Section applies to Grantee, any parent, affiliate, or subsidiary organization of Grantee, and any subcontractor that performs activities in connection with this agreement.

O. Travel Costs

1. Be reimbursed for travel cost (including mileage, meals, and lodging) budgeted and incurred related to services provided under this agreement.
2. If the Grantee has a documented policy related to travel reimbursement for employees and if the Grantee follows that documented policy, the Department will reimburse the Grantee for travel costs at the Grantee's documented reimbursement rate for employees. Otherwise, the State of Michigan travel reimbursement rate applies.
3. State of Michigan travel rates may be found at the following website:
http://www.michigan.gov/dtmb/0,5552.7-150-9141_13132-.00.html

P. Federal Funding Accountability and Transparency Act (FFATA)

1. Complete and upload the FFATA Executive Compensation report to the EGrAMS agency profile if:
 - a. The grantee's federal revenue was 80% or more of the grantees annual gross revenue;

- b. Grantee's gross revenue from federal awards was \$25,000,000 or more; AND
 - c. The public does not have access to the information about executive officers compensation through periodic reports filed under Section 13(a) or 15 (d) of the Securities Exchange Act of 1934 or Section 6104 of the Internal Revenue Code of 1986.
2. FFATA Executive Compensation report template can be found in Attachment F or in the MI E-Grants documents.

Q Insurance Requirements

- 1. Maintain a minimum of the insurances or governmental self-insurances listed below and is responsible for all deductibles. All required insurance or self-insurance must:
 - a. Protect the State of Michigan from claims that may arise out of, are alleged to arise out of, or result from Grantee's or a subcontractor's performance;
 - b. Be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and
 - c. Be provided by a company with an A.M. Best rating of "A" or better and a financial size of VII or better.
- 2. Insurance Types
 - a. Commercial General Liability Insurance or Governmental Self-Insurance: Except for Governmental Self—Insurance, policies must be endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 2010 07 04 and CG 2037 07 04.

If the Grantee will deal with children, schools, or the cognitively impaired, coverage must not have exclusions or limitations related to sexual abuse and molestation liability.

 - b. Workers' Compensation Insurance or Governmental Self-Insurance: Coverage according to applicable laws governing work activities. Waiver of subrogation, except where waiver is prohibited by law.
 - c. Employers Liability Insurance or Governmental Self-Insurance
- 3. Grantees must require that subcontractors maintain the required insurances contained in this Section.
- 4. This Section is not intended to and is not to be construed in any manner as waiving, restricting or limiting the liability of the Grantee from any obligations under this agreement.
- 5. Each Party must promptly notify the other Party of any knowledge

regarding an occurrence which the notifying Party reasonably believes may result in a claim against either Party. The Parties must cooperate with each other regarding such claim.

II. Responsibilities - Department

The Department in accordance with the general purposes and objectives of this agreement will:

A. Reimbursement

Provide reimbursement in accordance with the terms and conditions of this agreement based upon appropriate reports, records, and documentation maintained by the Grantee.

B. Report Forms

Provide any report forms and reporting formats required by the Department at the effective date of this agreement, and provide to the Grantee any new report forms and reporting formats proposed for issuance thereafter at least 90 days prior to their required usage in order to afford the Grantee an opportunity to review and offer comment.

III. Assurances

The following assurances are hereby given to the Department:

A. Compliance with Applicable Laws

The Grantee will comply with applicable federal and state laws, guidelines, rules and regulations in carrying out the terms of this agreement. The Grantee will also comply with all applicable general administrative requirements, such as Title 2 Code of Federal Regulations (CFR) covering cost principles, grant/agreement principles, and audits, in carrying out the terms of this agreement. The Grantee will comply with all applicable requirements in the original grant awarded to the Department if the Grantee is a subgrantee. The Department may determine that the Grantee has not complied with applicable federal or state laws, guidelines, rules, and regulations in carrying out the terms of this agreement and may then terminate this agreement under Part II Section V.

B. Anti-Lobbying Act

The Grantee will comply with the Anti-Lobbying Act, 31 USC 1352 as revised by the Lobbying Disclosure Act of 1995, 2 USC 1601 et seq, and Section 503 of the Departments of Labor, Health and Human Services, and Education, and Related Agencies section of the FY 1997 Omnibus Consolidated Appropriations Act (Public Law 104-208). Further, the Grantee shall require that the language of this assurance be included in the award documents of all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

C. Non-Discrimination

1. In the performance of any contract or purchase order resulting herefrom, the Grantee agrees not to discriminate against any employee or applicant for employment or service delivery and access, with respect to their hire, tenure, terms, conditions or privileges of employment, programs and services provided or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position or to receive services. The Grantee further agrees that every subcontract entered into for the performance of any contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, service delivery and access, as herein specified binding upon each subcontractor. This covenant is required pursuant to the Elliot-Larsen Civil Rights Act, 1976 PA 453, as amended, MCL 37.2201 et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, as amended, MCL 37.1101 et seq., and any breach thereof may be regarded as a material breach of the contract or purchase order.
2. The Grantee will comply with all federal statutes relating to nondiscrimination. These include but are not limited to:
 - a. Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin;
 - b. Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex;
 - c. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of disabilities;
 - d. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age;
 - e. The Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse;
 - f. The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
 - g. §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to

- confidentiality of alcohol and drug abuse patient records;
- h. Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
 - i. The requirements of any other nondiscrimination statute(s) which may apply to the application.
3. Additionally, assurance is given to the Department that proactive efforts will be made to identify and encourage the participation of minority-owned and women-owned businesses, and businesses owned by persons with disabilities in contract solicitations. The Grantee shall incorporate language in all contracts awarded: (1) prohibiting discrimination against minority-owned and women-owned businesses and businesses owned by persons with disabilities in subcontracting; and (2) making discrimination a material breach of contract.

D. Debarment and Suspension

The Grantee will comply with Federal Regulation, 2 CFR part 180 and certifies to the best of its knowledge and belief that it, its employees and its subcontractors:

- 1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or contractor;
- 2. Have not within a three-year period preceding this agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 3. Are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state or local) with commission of any of the offenses enumerated in section 2; and
- 4. Have not within a three-year period preceding this agreement had one or more public transactions (federal, state or local) terminated for cause or default.

E. Federal Requirement: Pro-Children Act

- 1. The Grantee will comply with Public Law 103-227, also known as the Pro-Children Act of 1994, 20 USC 6091 et seq, which requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted by and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are

funded by federal programs either directly or through state or local governments, by federal grant, contract, loan or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where Women, Infants, and Children (WIC) coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity. The Grantee also assures that this language will be included in any subawards which contain provisions for children's services.

2. The Grantee also assures, in addition to compliance with Public Law 103-227, any service or activity funded in whole or in part through this agreement will be delivered in a smoke-free facility or environment. Smoking shall not be permitted anywhere in the facility, or those parts of the facility under the control of the Grantee. If activities or services are delivered in facilities or areas that are not under the control of the Grantee (e.g., a mall, restaurant or private work site), the activities or services shall be smoke-free.

F. Hatch Political Activity Act and Intergovernmental Personnel Act

The Grantee will comply with the Hatch Political Activity Act, 5 USC 1501-1509 and 7324-7328, and the Intergovernmental Personnel Act of 1970, as amended by Title VI of the Civil Service Reform Act, Public Law 95-454, 42 USC 4728 - 4763. Federal funds cannot be used for partisan political purposes of any kind by any person or organization involved in the administration of federally-assisted programs.

G. National Defense Authorization Act Employee Whistleblower Protections

The Grantee will comply with the National Defense Authorization Act "Pilot Program for Enhancement of Grantee Employee Whistleblower Protections".

1. This agreement and employees working on this agreement will be subject to the whistleblower rights and remedies in the pilot program on Grantee employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2012 and FAR 3.908.
2. The Grantee shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
3. The Grantee shall insert the substance of this clause, including this

paragraph (3), in all subcontracts over the simplified acquisition threshold.

H. Clean Air Act and Federal Water Pollution Control Act

The Grantee will comply with the Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended.

- a. This agreement and anyone working on this agreement will be subject to the Clean Air Act and Federal Water Pollution Control Act and must comply with all applicable standards, orders or regulations issued pursuant to these Acts. Violations must be reported to the Department.

I. Subcontracts

For any subcontracted service, activity or product, the Grantee will ensure:

1. That a written subcontract is executed by all affected parties prior to the initiation of any new subcontract activity. Exceptions to this policy may be granted by the Department if the Grantee asks the Department in writing within 30 days of execution of the agreement.
2. That any executed subcontract to this agreement shall require the subcontractor to comply with all applicable terms and conditions of this agreement. In the event of a conflict between this agreement and the provisions of the subcontract, the provisions of this agreement shall prevail.

A conflict between this agreement and a subcontract, however, shall not be deemed to exist where the subcontract:

- a. Contains additional non-conflicting provisions not set forth in this agreement;
 - b. Restates provisions of this agreement to afford the Grantee the same or substantially the same rights and privileges as the Department; or
 - c. Requires the subcontractor to perform duties and/or services in less time than that afforded the Grantee in this agreement.
3. That the subcontract does not affect the Grantee's accountability to the Department for the subcontracted activity.
 4. That any billing or request for reimbursement for subcontract costs is supported by a valid subcontract and adequate source documentation on costs and services.
 5. That the Grantee will submit a copy of the executed subcontract if requested by the Department.

J. Procurement

Grantee will ensure that all purchase transactions, whether negotiated or advertised, shall be conducted openly and competitively in accordance with the principles and requirements of Title 2 Code of Federal Regulations, Part

200. Funding from this agreement shall not be used for the purchase of foreign goods or services. Records shall be sufficient to document the significant history of all purchases and shall be maintained for a minimum of three years after the end of the agreement period.

K. Health Insurance Portability and Accountability Act

To the extent that the Health Insurance Portability and Accountability Act (HIPAA) is applicable to the Grantee under this agreement, the Grantee assures that it is in compliance with requirements of HIPAA including the following:

1. The Grantee must not share any protected health information provided by the Department that is covered by HIPAA except as permitted or required by applicable law; or to a subcontractor as appropriate under this agreement.
2. The Grantee will ensure that any subcontractor will have the same obligations as the Grantee not to share any protected health data and information from the Department that falls under HIPAA requirements in the terms and conditions of the subcontract.
3. The Grantee must only use the protected health data and information for the purposes of this agreement.
4. The Grantee must have written policies and procedures addressing the use of protected health data and information that falls under the HIPAA requirements. The policies and procedures must meet all applicable federal and state requirements including the HIPAA regulations. These policies and procedures must include restricting access to the protected health data and information by the Grantee's employees.
5. The Grantee must have a policy and procedure to immediately report to the Department any suspected or confirmed unauthorized use or disclosure of protected health information that falls under the HIPAA requirements of which the Grantee becomes aware. The Grantee will work with the Department to mitigate the breach, and will provide assurances to the Department of corrective actions to prevent further unauthorized uses or disclosures. The Department may demand specific corrective actions and assurances and the Grantee must provide the same to the Department.
6. Failure to comply with any of these contractual requirements may result in the termination of this agreement in accordance with Part II, Section V. Agreement Termination.
7. In accordance with HIPAA requirements, the Grantee is liable for any claim, loss or damage relating to unauthorized use or disclosure of protected health data and information, including without limitation the Department's costs in responding to a breach, received by the Grantee from the Department or any other source.

8. The Grantee will enter into a business associate agreement should the Department determine such an agreement is required under HIPAA.

L. Website Incorporation

The Department is not bound by any content on Grantee's website unless expressly incorporated directly into this Agreement. The Department is not bound by any end user license agreement or terms of use unless specifically incorporated in this agreement or any other agreement signed by the Department.

M. Survival

The provisions of this Agreement that impose continuing obligations will survive the expiration or termination of this Agreement.

N. Non-Disclosure of Confidential Information

1. The Grantee agrees that it will use Confidential Information solely for the purpose of this agreement. The Grantee agrees to hold all Confidential information in strict confidence and not to copy, reproduce, sell, transfer or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontracts of a party who have a need to know in connection with this Agreement or to use such Confidential Information for any purpose whatsoever other than the performance of this Agreement. The Grantee must take all reasonable precautions to safeguard the Confidential Information. These precautions must be at least as great as the precautions the Grantee takes to protect its own confidential or proprietary information.

2. Meaning of Confidential Information

For the purpose of this Agreement the term "Confidential Information" means all information and documentation of a party that:

- a. Has been marked "confidential" or with words or similar meaning, at the time of disclosure by such party;
 - b. If disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning;
 - c. Should reasonably be recognized as confidential information of the disclosing party;
 - d. Is unpublished or not available to the general public; or
 - e. Is designated by law as confidential.
3. The term "Confidential Information" does not include any information or documentation that was:
 - a. Subject to disclosure under the Michigan Freedom of Information Act (FOIA);

- b. Already in the possession of the receiving party without an obligation of confidentiality;
 - c. Developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights;
 - d. Obtained from a source other than the disclosing party without an obligation of confidentiality; or
 - e. Publicly available when received or thereafter became publicly available (other than through an unauthorized disclosure by, through or on behalf of, the receiving part).
4. The Grantee must notify the Department within one (1) business day after discovering any unauthorized use or disclosure of Confidential Information. The Grantee will cooperate with the Department in every way possible to assist the Grantee regain possession of the Confidential Information and prevent further unauthorized use or disclosure.

IV. Financial Requirements

A. Operating Advance

An operating advance may be requested by the Grantee to assist with program operations. The request should be addressed to the Contract Manager identified in Part I, Item 8. The operating advance will be administered as follows:

- 1. The advance amount requested must be reasonable in relationship to the program requirements, billing cycle, etc.; and in no case may the advance exceed the amount required for 60 days operating expense. Operating advances will be monitored and adjusted by the Department according to total Department agreement amount.
- 2. The advance must be recorded as an account payable to the Department in the Grantee's financial records. The operating advance payable must remain in the Grantee's financial records until fully recovered by the Department.
- 3. The monthly Financial Status Report (FSR) reimbursement for actual expenditures by the Department should be used by the Grantee to replenish the operating advance used for program operations.
- 4. The advance must be returned to the Department within 30 days of the end date of this agreement unless the Grantee has a recurring agreement with the Department, and may not be held pending agreement audit. Subsequent Department agreements may be withheld pending recovery of the outstanding advance from a prior agreement. If the Grantee has a recurring agreement with the Department, the Department requires an annual confirmation of the outstanding operating advance.

The Department may obtain the Michigan Department of Treasury's assistance in collecting outstanding operating advances. The Department will comply with the Michigan Department of Treasury's Due Process procedures prior to forwarding claims to Treasury. Specific Due Process procedures include the following:

- a. Department offer of a hearing to dispute the debt, identifying the time, place and date of such hearing.
 - b. A hearing by an impartial official.
 - c. An opportunity for the Grantee to examine department's associated records.
 - d. An opportunity for the Grantee to present evidence in person or in writing.
 - e. A hearing official with full authority to correct errors and make a decision not to forward debt to Treasury.
 - f. Grantee representation by an attorney and presentation of witnesses if necessary.
5. At the end of either the agreement period or Department's fiscal year, whichever is first, the Grantee must respond to the Department's request for confirmation of the operating advance. Failure to respond to the confirmation request may result in the Department recovering all or part of an outstanding operating advance.

B. Reimbursement Method

The Grantee will be reimbursed in accordance with the staffing grant reimbursement method as follows:

Reimbursement from the Department is based on the understanding that Department funds will be paid up to the total Department allocation as agreed to in the approved budget. Department funds are first source after the application of fees and earmarked sources unless a specific local match condition exists.

C. Financial Status Report Submission

Financial Status Reports (FSRs) shall be prepared and submitted electronically to the Department via the website <http://egram-mi.com/dch>.

FSRs must be submitted on a monthly basis, no later than 30 days after the close of each calendar month. The monthly FSRs must reflect total actual program expenditures, regardless of the source of funds.

Failure to meet financial reporting responsibilities as identified in this agreement may result in withholding future payments.

By submitting the FSR the individual is certifying to the best of their knowledge and belief that the report is true, complete and accurate and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of this agreement. The individual submitting the

FSR should be aware that any false, fictitious, or fraudulent information, or the omission of any material facts, may subject them to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.

The instructions for completing the FSR form are available on the website <http://egram-mi.com/dch>. Send FSR questions to FSRMDHHS@michigan.gov.

D. Reimbursement Mechanism

All Grantees must sign up through the on-line vendor registration process to receive all State of Michigan payments as Electronic Funds Transfers (EFT)/Direct Deposits, as mandated by MCL 18.1283a. Vendor registration information is available through the Department of Technology Management and Budget's website.

E. Final Obligations and Financial Status Reporting Requirements

1. Obligation Report

The Obligation Report, based on annual guidelines, must be submitted by the due date using the format provided by the Department's Accounting Division. The Grantee must provide an estimate of total expenditures for the entire agreement period. The information on the report will be used to record the Department's year-end accounts payables and receivables for this agreement.

2. Department-wide Payment Suspension

A temporary payment suspension is in effect on agreements during the department's year-end closing period beginning September 20 until mid-November. FSRs through the August period should be submitted by September 13 to ensure payment prior to the payment suspension period.

3. Final FSRs

Final FSRs are due 60 days following the end of the fiscal year or agreement period. The final FSR must be clearly marked "Final." Final FSRs not received by the due date may result in the loss of funding requested on the Obligation Report and may result in the potential reduction in the subsequent year's agreement amount.

F. Unobligated Funds

Any unobligated balance of funds held by the Grantee at the end of the agreement period will be returned to the Department within 30 days of the end of the agreement or treated in accordance with instructions provided by the Department.

G. Indirect Costs

The Grantee is allowed to use an approved federal indirect rate in their budget calculations and financial status reporting. If the Grantee does not have an existing approved federal indirect rate, they may use a 10% de minimis rate in

accordance with Title 2 Code of Federal Regulations (CFR) Part 200 to recover their indirect costs. Approved indirect rates will appear on Attachment 1.

V. Agreement Termination

The Department may cancel this agreement without further liability or penalty to the Department for any of the following reasons:

- A. This agreement may be terminated by either party by giving 30 days written notice to the other party stating the reasons for termination and the effective date.
- B. This agreement may be terminated on 30 days prior written notice upon the failure of either party to carry out the terms and conditions of this agreement, provided the alleged defaulting party is given notice of the alleged breach and fails to cure the default within the 30 day period.
- C. This agreement may be terminated immediately if the Grantee or an official of the Grantee or an owner is convicted of any activity referenced in Section III.D. of this agreement during the term of this agreement or any extension thereof.

VI. Stop Work Order

The Department may suspend any or all activities under this Agreement at any time. The Department will provide the Grantee with a written stop order detailing the suspension. Grantee must comply with the stop work order upon receipt. The Department will not pay for Activities, Grantee's lost profits, or any additional compensation during a stop work period.

VII. Final Reporting Upon Termination

Should this agreement be terminated by either party, within 30 days after the termination, the Grantee shall provide the Department with all financial, performance and other reports required as a condition of this agreement. The Department will make payments to the Grantee for allowable reimbursable costs not covered by previous payments or other state or federal programs. The Grantee shall immediately refund to the Department any funds not authorized for use and any payments or funds advanced to the Grantee in excess of allowable reimbursable expenditures.

VIII. Severability

If any part of this Agreement is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Agreement and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Agreement will continue in full force and effect.

IX. Waiver

Failure to enforce any provision of this Agreement will not constitute a waiver.

X. Amendments

Any changes to this agreement will be valid only if made in writing and accepted by all parties to this agreement. Any change proposed by the Grantee which would affect the Department funding of any project, in whole or in part in Part I, Section 2.C. of the agreement, must be submitted in writing to the Department for approval immediately upon determining the need for such change. The Grantee shall, upon request of the Department and receipt of a proposed amendment, amend this Agreement.

XI. Liability

All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities, such as direct service delivery, to be carried out by the Grantee in the performance of this agreement shall be the responsibility of the Grantee, and not the responsibility of the Department, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the Grantee, any subcontractor, anyone directly or indirectly employed by the Grantee, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the Grantee or its employees by statute or court decisions. The Department is not liable for consequential, incidental, indirect or special damages, regardless of the nature of the action.

XII. State of Michigan Agreement

This is a State of Michigan Agreement and must be exclusively governed by the laws and construed by the laws of Michigan, excluding Michigan's choice-of-law principle. All claims related to or arising out of this agreement, or its breach, whether sounding in contract, tort, or otherwise, must likewise be governed exclusively by the laws of Michigan, excluding Michigan's choice-of-law principles. Any dispute as a result of this agreement shall be resolved in the State of Michigan.

A Attachment A - Statement of Work

Objective : The City will support the replacement of service lines for eligible homes in the fourth phase of service line removal.

Activity : The City will subcontract with General Contractor(s), or the like, that have at least five (5) years' worth of experience in replacing service lines in order to perform the replacement of service lines to various residential homes/buildings located within the City of Flint. The selected vendor will have a designated individual who will perform as a "project manager," or like, in which the City will provide direction and receive timely updates as to vendor's progress on this project. This project work shall consist of replacing service lines by excavating streets and/or yard areas, removing existing lines, installing copper water service lines, extending service lines into the interior of houses, patching pipe penetration, and restoration. .

Responsible Staff : City of Flint Water Services

Date Range : 10/01/2017 - 09/30/2018

Expected Outcome :

Measurement :

B1 Attachment B1 - Program Budget Summary

PROGRAM Water Line Replacement Program - 2018			DATE PREPARED 11/1/2017		
CONTRACTOR NAME City of Flint			BUDGET PERIOD From : 10/1/2017 To : 9/30/2018		
MAILING ADDRESS (Number and Street) 1101 S. Saginaw Street			BUDGET AGREEMENT ☒ Original ☐ Amendment		AMENDMENT # 0
CITY Flint	STATE MI	ZIP CODE 48502-1420	FEDERAL ID NUMBER 38-6004611		

	Category	Amount	Total
DIRECT EXPENSES			
Program Expenses			
1	Salary & Wages	104,160.00	104,160.00
2	Fringe Benefits	69,440.00	69,440.00
3	Travel	0.00	0.00
4	Supplies & Materials	0.00	0.00
5	Contractual	0.00	0.00
6	Equipment	0.00	0.00
7	Other Expense	7,809,040.00	7,809,040.00
Total Program Expenses		7,982,640.00	7,982,640.00
TOTAL DIRECT EXPENSES		7,982,640.00	7,982,640.00
INDIRECT EXPENSES			
Indirect Costs			
1	Indirect Costs	17,360.00	17,360.00
Total Indirect Costs		17,360.00	17,360.00
TOTAL INDIRECT EXPENSES		17,360.00	17,360.00
TOTAL EXPENDITURES		8,000,000.00	8,000,000.00

SOURCE OF FUNDS

	Category	Amount	Cash	Inkind	Total
1	Source of Funds				
	Fees and Collections	0.00	0.00	0.00	0.00
	State Agreement	8,000,000.00	0.00	0.00	8,000,000.00
	Local	0.00	0.00	0.00	0.00
	Federal	0.00	0.00	0.00	0.00
	Other	0.00	0.00	0.00	0.00
	Total Source of Funds	8,000,000.00	0.00	0.00	8,000,000.00
	Totals	8,000,000.00	0.00	0.00	8,000,000.00

B2 Attachment B2 - Program Budget - Cost Detail Schedule

	Line Item	Qty	Rate	Units	UOM	Total
DIRECT EXPENSES						
Program Expenses						
1	Salary & Wages					
	Lead Worker	104160.000 0	1.000	0.000	VAR	104,160.00
2	Fringe Benefits					
	Unempl, FICA, Health, Pension	0.0000	100.000	69440.000		69,440.00
3	Travel					
4	Supplies & Materials					
5	Contractual					
6	Equipment					
7	Other Expense					
	Lead Line Replacement Program	0.0000	0.000	0.000		6,000,000.00
	-Contracts					
	Restoration-Contracts	0.0000	0.000	0.000		1,809,040.00
Total for Other Expense						7,809,040.00
Total Program Expenses						7,982,640.00
TOTAL DIRECT EXPENSES						7,982,640.00
INDIRECT EXPENSES						
Indirect Costs						
1	Indirect Costs					
	De Minimis Rate – up to 10%	0.0000	10.000	173600.000		17,360.00
Total Indirect Costs						17,360.00
TOTAL INDIRECT EXPENSES						17,360.00
TOTAL EXPENDITURES						8,000,000.00

- B3 Attachment B3 - Equipment Inventory Schedule**
Attachment B3 - Equipment Inventory Schedule
- C Attachment C - Performance Report Requirements**
Attachment C - Performance/Progress Report Requirements
- E Attachment E - Program Requirements**
Attachment E - Program Specific Requirements

**Amendment No. 1 to the
Agreement Between
the Michigan Department of Health and Human Services
and
City of Flint
for
Water Line Replacement Program - 2018**

1. Period of Agreement

This agreement shall commence on October 1, 2017 and continue through September 30, 2018. This agreement is in full force and effect for the period specified.

2. Program Budget and Agreement Amount

This amendment does not change the total or Department's agreement amount of the original agreement. as shown on the Attachment B budget pages.

The source of funding provided by the Department and approved indirect rate shall be followed as described in Attachment 1, of this agreement, which is part of this agreement through reference.

3. Amendment Purpose

The purpose of the amendment is to modify attachment A, Statement of Work.

4. **Original Amendment Conditions**

It is understood and agreed that all other conditions of the original agreement remain the same.

5. **Special Certification**

The individual or officer signing this amendment certifies by his or her signature that he or she is authorized to sign this amendment on behalf of the responsible governing board, official or contractor.

6. **Signature Section**

FOR the City of Flint

Rodney Branch

Administrator

Name

Title

FOR the Michigan Department of Health and Human Services

Christine H. Sanches

08/02/2018

Christine H. Sanches, Director
Bureau of Grants and Purchasing

Date

Attachment 1 - Schedule of Financial Assistance

Attachment 1 - Schedule of Financial Assistance

Attachment A - Statement of Work

Objective : The City will support the replacement of service lines for eligible homes in the fourth phase of service line removal.

Activity : The City will subcontract with General Contractor(s), or the like, that have at least five (5) years' worth of experience in underground related construction in order to perform the replacement of service lines to various residential homes/buildings located within the City of Flint. The selected vendor will have a designated individual who will perform as a "project manager," or like, in which the City will provide direction and receive timely updates as to vendor's progress on this project. This project work shall consist of replacing service lines by excavating streets and/or yard areas, removing existing lines, installing copper water service lines, extending service lines into the interior of houses, patching pipe penetration, and restoration. .

Responsible Staff : City of Flint Water Services

Date Range : 10/01/2017 - 09/30/2018

Expected Outcome :

Measurement :

Attachment B1 - Program Budget Summary

PROGRAM Water Line Replacement Program - 2018			DATE PREPARED 8/2/2018	
CONTRACTOR NAME City of Flint			BUDGET PERIOD From : 10/1/2017 To : 9/30/2018	
MAILING ADDRESS (Number and Street) 1101 S. Saginaw Street			BUDGET AGREEMENT ☐ Original ☒ Amendment	AMENDMENT # 1
CITY Flint	STATE MI	ZIP CODE 48502-1420	FEDERAL ID NUMBER 38-6004611	

	Category	Amount	Total
DIRECT EXPENSES			
Program Expenses			
1	Salary & Wages	104,160.00	104,160.00
2	Fringe Benefits	69,440.00	69,440.00
3	Travel	0.00	0.00
4	Supplies & Materials	0.00	0.00
5	Contractual	0.00	0.00
6	Equipment	0.00	0.00
7	Other Expense	7,809,040.00	7,809,040.00
Total Program Expenses		7,982,640.00	7,982,640.00
TOTAL DIRECT EXPENSES		7,982,640.00	7,982,640.00
INDIRECT EXPENSES			
Indirect Costs			
1	Indirect Costs	17,360.00	17,360.00
Total Indirect Costs		17,360.00	17,360.00
TOTAL INDIRECT EXPENSES		17,360.00	17,360.00
TOTAL EXPENDITURES		8,000,000.00	8,000,000.00

Source of Funds

SOURCE OF FUNDS

	Category	Amount	Cash	Inkind	Total
1	Source of Funds				
	Fees and Collections	0.00	0.00	0.00	0.00
	State Agreement	8,000,000.00	0.00	0.00	8,000,000.00
	Local	0.00	0.00	0.00	0.00
	Federal	0.00	0.00	0.00	0.00
	Other	0.00	0.00	0.00	0.00
	Total Source of Funds	8,000,000.00	0.00	0.00	8,000,000.00
	Totals	8,000,000.00	0.00	0.00	8,000,000.00

Attachment B2 - Program Budget - Cost Detail Schedule

	Line Item	Qty	Rate	Units	UOM	Total
DIRECT EXPENSES						
Program Expenses						
1	Salary & Wages					
	Lead Worker	104160.000 0	1.000	0.000	VAR	104,160.00
2	Fringe Benefits					
	Unempl, FICA, Health, Pension	0.0000	100.000	69440.000		69,440.00
3	Travel					
4	Supplies & Materials					
5	Contractual					
6	Equipment					
7	Other Expense					
	Lead Line Replacement Program -Contracts	0.0000	0.000	0.000		6,000,000.00
	Restoration-Contracts	0.0000	0.000	0.000		1,809,040.00
Total for Other Expense						7,809,040.00
Total Program Expenses						7,982,640.00
TOTAL DIRECT EXPENSES						7,982,640.00
INDIRECT EXPENSES						
Indirect Costs						
1	Indirect Costs					
	De Minimis Rate – up to 10%	0.0000	10.000	173600.000		17,360.00
Total Indirect Costs						17,360.00
TOTAL INDIRECT EXPENSES						17,360.00
TOTAL EXPENDITURES						8,000,000.00

Modified Documents

180429

SUBMISSION NO.: _____

PRESENTED: 8-22-18

ADOPTED: _____

***RESOLUTION AUTHORIZING AMENDMENT OF THE 2019 BUDGET FOR A POLICE
DEPARTMENT GRANT FROM THE DEPARTMENT OF JUSTICE, OFFICE OF JUSTICE
PROGRAMS THROUGH THE CHARTER TOWNSHIP OF FLINT FOR \$121,974.00***

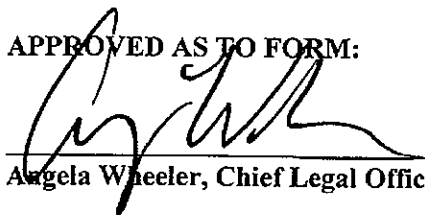
BY THE MAYOR:

The City of Flint has applied for and accepted a 2017 Justice Assistance grant as a sub-grant from the Charter Township of Flint whom was awarded the grant from the Department of Justice, Office of Justice Programs.

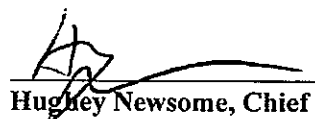
The grant award is a four year grant in the amount of \$177,364.00 of which \$121,974.00 has been allocated to the City of Flint as a sub-grantee. The 2017 Justice Assistance grant has no match and is to reimburse for Equipment, Overtime and Training expenditures.

IT IS RESOLVED that the appropriate City officials are authorized to do all things necessary to appropriate revenue and expenditure amounts in fund-dept #296-301.601 under grant code FDOJ17JAG in compliance with the Department of Justice, Office of Justice Programs guidelines for the amount of \$121,974.00

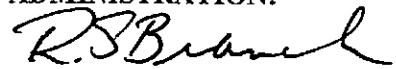
APPROVED AS TO FORM:


Angela Wheeler, Chief Legal Officer

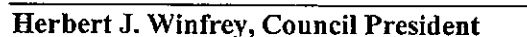
APPROVED AS TO FINANCE:


Hughey Newsome, Chief Financial Officer

ADMINISTRATION:


Steve Branch, Acting City Administrator

CITY COUNCIL:


Herbert J. Winfrey, Council President

RESOLUTION STAFF REVIEW FORM

DATE: 07/29/18

Agenda Item Title: 2017 Justice Assistance Grant (JAG)

Prepared By: Rick Johnson, Police Financial Coordinator

Background/Summary of Proposed Action: Requesting that JAG Grant funds in the amount of \$121,974.00 that was made available from the JAG grant 2017-DJ-BX-0971 award be recognized as received by the City of Flint and that appropriations in like amount be made to the City of Flint Police Department Grant Operating accounts. The Grant runs from October 01, 2016 thru September 30, 2020.

Financial Implications: The City will be reimbursed for all qualifying expenditures up to the full amount of the grant, \$121,974.00, from Flint Township.

Budgeted Expenditure: Yes ___ No X **Please explain, if no:** Grant amount was unknown at time of budget

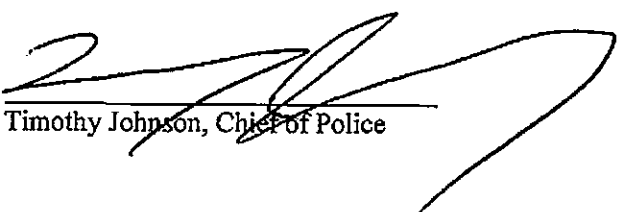
Account #: Revenue: 296-301.601-538.000 – FDOJ17JAG \$121,974.00
Expense: 296-301.601-709.000 – FDOJ17JAG \$40,658.00
296-301.601-758.000 – FDOJ17JAG \$40,658.00
296-301.601-977.000 – FDOJ17JAG \$40,658.00

Pre-encumbered: Yes ___ No X **Requisition #:** Budgetary Resolution

Other Implications (i.e., collective bargaining): None

Staff Recommendation: Recommend Approval

Staff Person:


Timothy Johnson, Chief of Police

GMS APPLICATION NUMBER:

2017-H2252-MI-DJ

The State of Michigan

Known by all these present

County of Genesee

**INTERLOCAL AGREEMENT
BETWEEN THE CITY OF FLINT, CITY OF BURTON, TOWNSHIP OF FLINT, TOWNSHIP
OF MOUNT MORRIS, AND COUNTY OF GENESEE.**

2017 BYRNE JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD

This agreement is made and entered into this 1st day of September, 2017 by and between The County of Genesee, and the Cities of Burton and Flint, and the Townships of Flint and Mt. Morris, acting as lawfully authorized by and through their governing bodies, witnesseth:

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party or parties: and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interest of all parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the service or functions under this agreement: and:

WHEREAS, the municipalities believe it to be in their best interests to reallocate the JAG funds.

NOW THEREFORE, the County of Genesee, Cities of Flint and Burton, and Townships of Flint and Mt. Morris, agree as follows:

Section 1.

The Charter Township of Flint shall act as the applicant, reporting, and fiduciary entity for the FY 2017 Genesee County JAG Initiative.

GMS APPLICATION NUMBER:

2017-H2252-MI-DJ

Section 2.

FY 2017 JAG funds shall be allocated as follows:

Genesee County	\$ 8,868
City of Flint	\$121,974
City of Burton	\$ 9,013
Flint Township	\$ 27,827
Mount Morris Township	\$ 9,682
Total	\$177,364

Section 3.

The Charter Township of Flint shall be the applicant, reporting, and fiduciary entity.

Section 4.

The Charter Township of Flint shall establish and maintain an interest bearing trust account for the FY 2017 JAG award and shall allocate interest earned to each municipality in accordance with said municipality's unexpended award amount.

Section 5.

The Charter Township of Flint shall reimburse each municipality for authorized expenses and costs associated with FY 2017 JAG programs, from the trust account upon receipt of documentation of expenditure from the requesting municipality.

Section 6.

Each municipality agrees to use their allocated funds for the FY 2017 JAG Initiative program until September 30, 2020.

Section 7.

Nothing in the performance of this Agreement shall impose any liability for claims against the County of Genesee, Cities of Flint and Burton, and Townships of Flint and Mount Morris.



GMS APPLICATION NUMBER:

2017-H2252-MI-DJ

Section 8.

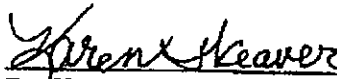
Each party to this agreement will be responsible for its own actions in providing services under this agreement and shall not be liable for any civil liability that may arise from the furnishing of the services by the other parties.

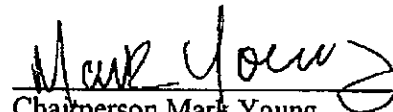
Section 9.

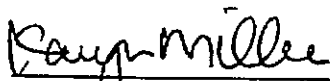
The parties to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement.

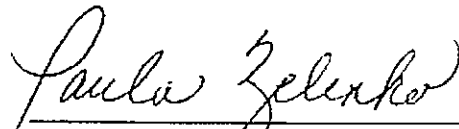
Section 10.

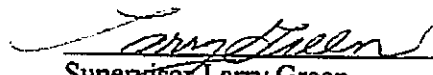
By entering into this Agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.


Dr. Karen Weaver
Mayor, City of Flint


Chairperson Mark Young
Genesee County Board of Commissioners


Supervisor Karyn Miller
Charter Township of Flint


Mayor Paula Zelenko
City of Burton


Supervisor Larry Green
Mount Morris Township

1F-6423

RESOLUTION REVIEW FORM

Number: _____

Contact Name: Rick Johnson

Ext. 6867

Time called for pickup: _____

From: Police Department

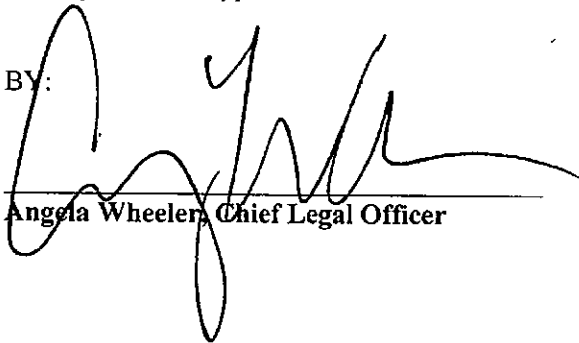
Date In: 07/31/18

Description: 2017 JAG Grant

The attached Resolution and staff Review is submitted to the Legal Department for approval as to **FORM ONLY**:

The Legal Department reviewed this Resolution, as to form, on 8-10-18 and by signing this form approves as to **FORM ONLY**.

BY:



Angela Wheeler, Chief Legal Officer

180430

RESOLUTION NO.: _____

PRESENTED: _____

ADOPTED: _____

**RESOLUTION TO APPROVE SETTLEMENT OF CITY OF FLINT V C3 INC.
REMINGTON'S FOOD AND SPIRIT, GENESEE COUNTY DISTRICT COURT NO.
C17G4038**

BY THE CITY ADMINISTRATOR:

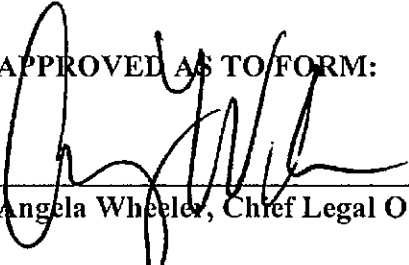
WHEREAS, Executive Session was requested regarding this matter on August 13, 2018.

WHEREAS, All parties have come to an agreement.

WHEREAS, C3 Inc. Remington's Food and Spirit shall pay \$8,511.18 in equal monthly installments of \$724.68. After payment has been received the City of Flint will file a dismissal in the 67-5th District Court.

IT IS RESOLVED that the City Administrator hereby authorizes settlement in the matter of City of Flint V C3 Inc. Remington's Food And Spirit, Genesee County District Court No. C17G4038, in the amount of \$8,511.18, in satisfaction of any and all claims arising out of said matter. The appropriate City officials are authorized to do all things necessary to amend the 2017-18 adopted budget to recognize revenue in the amount of \$8,511.18 in account #101-253.204-439.000.

APPROVED AS TO FORM:



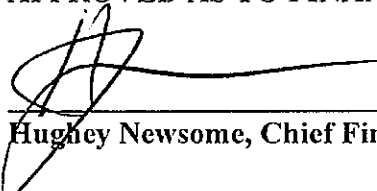
Angela Wheeler, Chief Legal Officer

FOR THE CITY OF FLINT:



Steve Branch, City Administrator

APPROVED AS TO FINANCE:



Hughey Newsome, Chief Financial Officer

APPROVED BY CITY COUNCIL:

Herbert Winfrey, City Council President

Resolution Routing

TO: Resolution Signatories
FROM: **Law Department**
SUBJECT: RESOLUTION FOR APPROVAL

This RESOLUTION has been forwarded to you for your respective review and approval.

Date recorded: 8/15/2018 **No.** 18-6429

All documents should be reviewed within three working days after receipt by your office.

Settlement C3 Remmington

The attached resolution is submitted to the Legal Dept. for approval as to form only:

Review and Approval:	IN	OUT	Approval
1. City Attorney (Form Only):		8/15/2018	
2. Finance			
3. City Administrator			

Please call Jennifer at ex. 2082

180431

RESOLUTION NO.: _____

PRESENTED: 8-22-18

ADOPTED: _____

**RESOLUTION AUTHORIZING ISSUANCE OF
WATER SUPPLY SYSTEM REVENUE BONDS AND PUBLICATION OF NOTICE**

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

WHEREAS, pursuant to Resolution No. 180284.2 (the "Project Plan Resolution") adopted by the City Council of the City on July 23, 2018, approval was given to a proposed project plan application for the Michigan Department of Environmental Quality Drinking Fund (the "Project Plan") for improvements to the System as set forth in such Project Plan; and

WHEREAS, the Project Plan, including Appendix A thereto, lists eight projects and within such eight projects, subparts of the various projects (collectively, the "Project"), for the acquisition and construction of repairs, enlargements, extensions, additions and improvements to the System; and

WHEREAS, this City Council does hereby determine that it is necessary to acquire and construct the Project as described in the Project Plan; and

WHEREAS, the cost of acquiring, constructing and installing the entire Project is estimated to be at least One Hundred Thirty-Two Million Nine Hundred Sixty-Three Thousand Two Hundred Dollars (\$132,963,200); and

WHEREAS, the City desires to issue bonds, as authorized by the provisions of Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), to pay all or part of the estimated cost of acquiring, constructing and installing the Project in an amount not to exceed Eighty Million Dollars

(\$80,000,000) and the City is not hereby making a determination to acquire, construct and install the entire Project described in the Project Plan; and

WHEREAS, a Notice of Intent to Issue Bonds must be published at least 45 days before the issuance of such bonds in order to comply with the requirements of Act 94; and

WHEREAS, the City wishes at this time to authorize the issuance of such bonds, from time to time, in one or more series to defray the cost of acquiring, constructing and installing the Project and to sell the bonds to the Michigan Finance Authority (the "Authority") as authorized by Act 227, Public Acts of Michigan, 1985, as amended ("Act 227"), in order to enable the Authority to provide assistance to the City with respect to financing the Project through the Michigan Department of Environmental Quality Drinking Water Revolving Fund including such funds provided through the Drinking Water Revolving Fund pursuant to the Water Infrastructure Improvements for the Nation Act of 2016, Pub. Law No. 114-322 ("WIIN Act"); and

WHEREAS, the loans related to the issuance of such bonds that provide assistance to the City through the Drinking Water Revolving Fund are eligible for subsidization pursuant to provisions providing for 100% principal forgiveness and zero interest rate loans under the WIIN Act, Act 227 and Part 54, Safe Drinking Water Assistance of the Natural Resources and Environmental Protection Act, Act 451 of the Public Acts of 1994 ("Part 54").

THEREFORE, BE IT RESOLVED by the City Council of the City of Flint, Genesee County, Michigan, as follows:

SECTION 1. Definitions. Whenever used in this Resolution, except when otherwise indicated by the context:

(a) "Additional Bonds" means any additional bonds of equal standing with the Project Plan Bonds in Net Revenues.

(b) "Bonds" means the Project Plan Bonds authorized for issuance under this Resolution and any Additional Bonds.

(c) "City" means the City of Flint, County of Genesee, Michigan.

(d) "Code" means the Internal Revenue Code of 1986, as it may be amended.

(e) "Council" means the City Council of the City.

(f) "Revenues" and "Net Revenues" shall be construed as defined in Section 3 of Act 94.

(g) "Project Plan Bonds" means the Water Supply System Revenue Bonds (Project Plan Projects) of the City authorized for issuance pursuant to this Resolution.

(h) "System" means the City's complete water supply system, both inside and outside the City, including all plants, works, equipment, instrumentalities and properties, used or useful in connection with the generation, transmission and distribution of water, as the same now exists, together with all additions, extensions, repairs and improvements thereto hereafter acquired.

SECTION 2. Necessity; Public Purpose; Project Costs; Period of Usefulness. It is hereby determined to be a necessary public purpose of the City to issue the Project Plan Bonds to finance all or a portion of the Project, or any component thereof, as such projects are described in the Project Plan that is now on file with the City Clerk, which Project Plan is hereby approved and adopted. The City hereby adopts the estimate of 40 years and upwards as the period of usefulness

of the Project and also adopts the estimate of \$132,963,200 as the total cost of the Project, not more than \$80,000,000 of which will be financed by the Project Plan Bonds, and both of which estimates are on file with the City Clerk.

SECTION 3. Project Plan Bonds Authorized. To pay all or part of the cost of the Project, including payment of legal, financial and other expenses incidental thereto and incidental to the issuance and sale of the Project Plan Bonds, the City shall borrow a sum totaling not more than Eighty Million Dollars (\$80,000,000) or such lesser amount as may be approved by the Director of Finance, and issue the Project Plan Bonds, from time to time, in one or more series therefor pursuant to the provisions of Act 94 and other applicable statutory provisions. The remaining cost of the Project, if any, shall be paid by the City from federal or state grants, federal or state funds provided to the City and/or from funds on hand and legally available to the City for such use.

SECTION 4. Project Plan Bond Details. In addition to the designation "Water Supply System Revenue Bonds (Project Plan Projects), each series shall bear the additional designation of "Series" and be numbered sequentially from 1 upwards and shall be entitled "Water Supply System Revenue Bonds (Project Plan Projects), Series []," shall be dated as of the date of delivery thereof; shall be registered in the name of the Authority, shall be in the form of a single bond in the denomination of the aggregate principal amount of such series of Project Plan Bonds, with an exhibit attached thereto that identifies the annual maturities for such Project Plan Bond, except to the extent the amount of the Project Plan Bonds to be paid with respect to such annual maturities has been forgiven; shall bear interest at the rate of .0% per annum from the date of delivery of the various principal installments as hereinafter described, payable on such dates as shall be determined by written order of the Director of Finance; and shall mature in installments of principal on such dates as shall be determined by written order of the Director of Finance.

The Project Plan Bonds of each series are expected to be delivered to the Authority as the purchaser thereof in installments (the "Installments") equal to the amounts advanced from time to time by the Authority to the City pursuant to the Purchase Contract and the Supplemental Agreement (each as hereinafter defined) related to each series of Project Plan Bonds.

SECTION 5. Payment of Principal and Interest. The Project Plan Bonds (net of any principal forgiveness) and the interest thereon shall be payable solely from the Net Revenues, and to secure such payment, there is hereby created a statutory lien for the Project Plan Bonds, upon the whole of the Net Revenues that shall continue until payment in full of the principal of (net of any principal forgiveness) and interest on all Project Plan Bonds, or until sufficient cash or direct obligations of the United States of America or obligations the principal and interest of which are fully guaranteed by the United States of America, not redeemable at the option of the issuer thereof, the principal and interest payments on which, without reinvestment of interest, come due at such times and in such amounts as to be fully sufficient to pay, when due, the principal of and interest on all Project Plan Bonds (net of any principal forgiveness) payable from the Net Revenues on their stated maturity date shall have been deposited in trust for payment in full of such Project Plan Bonds to their maturity. Upon such deposit or forgiveness, the statutory lien herein created shall be terminated with respect to the Project Plan Bonds, the holders of such Project Plan Bonds shall have no further rights under this Resolution except for payment from the deposited funds, and such Project Plan Bonds no longer shall be considered to be outstanding under this Resolution.

The City hereby reserves the right to issue such additional bonds which may be superior and senior or subordinate in all respects to the Project Plan Bonds as to the Net Revenues or of equal standing and priority of lien as to the Net Revenues with the Project Plan Bonds.

The principal of, premium, if any, and interest on the Project Plan Bonds (net of any principal forgiveness) shall be payable in lawful money of the United States. So long as any Project Plan Bonds are registered in the name of the Authority, the Project Plan Bonds are payable as to principal, redemption premium, if any, and interest at The Bank of New York Mellon Trust Company, N.A., or at such other place as shall be designated in writing to the City by the Authority (the "Authority's Depository").

SECTION 6. Forgiveness of Principal. Each of the various Installments of a series of Project Plan Bonds delivered to the Authority in amounts equal to the advancements from time to time by the Authority to the City with respect to the principal of such series of Project Plan Bonds shall be forgiven in accordance with the terms of the Supplemental Agreement related to such series of Project Plan Bonds and with the terms of such series of Project Plan Bonds. It is expected that each series of Project Plan Bonds will be subject to 100% principal forgiveness subject to compliance with the WIIN Act, Act 227, Part 54, such series of Project Plan Bonds and the Supplemental Agreement related to such series of Project Plan Bonds.

SECTION 7. Bond Registrar and Paving Agent. Until a successor is appointed by the Council, the City Treasurer shall act as bond registrar and paying agent.

SECTION 8. Execution and Delivery of the Project Plan Bonds. The Project Plan Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the Clerk of the City and authenticated by the manual signature of the bond registrar and paying agent, and the seal of the City (or a facsimile thereof) shall be impressed or imprinted on the Project Plan Bonds. After the Project Plan Bonds have been executed and authenticated for delivery to the Authority as the purchaser thereof, they shall be delivered by the Treasurer or the Director of Finance to the purchaser upon receipt of the purchase price or upon compliance with the terms and

conditions of the Purchase Contract applicable to a series of Project Plan Bonds. Additional Project Plan Bonds bearing the manual or facsimile signatures of the Mayor and the City Clerk, and upon which the seal of the City (or a facsimile thereof) has been impressed or imprinted, may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of Project Plan Bonds of the same series. The bond registrar and paying agent shall indicate on each Project Bond the date of its authentication.

SECTION 9. Exchange and Transfer of the Project Plan Bonds. Any Project Bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for Project Plan Bonds of any other authorized denominations of the same series, aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Project Bond. Each Project Bond shall be transferable only upon the books of the City, which shall be kept for that purpose by the bond registrar and paying agent, upon surrender of such Project Bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any Project Bond, the bond registrar and paying agent on behalf of the City shall cancel the surrendered Project Bond and shall authenticate and deliver to the transferee a new Project Bond or Bonds of any authorized denomination of the same series, aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Project Bond.

The City and the bond registrar and paying agent may deem and treat the person in whose name any Project Bond shall be registered upon the books of the City as the absolute owner of

such Project Bond, whether such Project Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Project Bond and for all other purposes, and all payments made to such registered owner, or upon his order, and principal forgiveness in accordance with the provisions of Section 5 of this Resolution shall be valid and effectual to satisfy and discharge the liability upon such Project Bond to the extent of the sum or sums so paid or forgiven, and neither the City nor the bond registrar and paying agent shall be affected by any notice to the contrary. The City agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of the Project Plan Bonds, the City or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

SECTION 10. Bondholders' Rights: Receiver. The registered owner or owners of the Project Plan Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding (net of any principal forgiveness) may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the City, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest on the Project Plan Bonds (net of any principal forgiveness), any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the City and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the City more particularly set forth herein and in Act 94.

The registered owner or owners of the Project Plan Bonds shall have all other rights and remedies given by Act 94 for the payment and enforcement of the Project Plan Bonds and the security therefor.

SECTION 11. Rates and Charges. The rates and charges for service furnished by and the use of the System and the methods of collection and enforcement of the collection of the rates shall be those in effect on the date of adoption of this Resolution.

SECTION 12. No Free Service or Use. No free service or use of the System, or service or use of the System at less than cost, shall be furnished by the System to any person, firm or corporation, public or private, or to any public agency or instrumentality.

SECTION 13. Fixing and Revising Rates: Rate Covenant. The rates now in effect are estimated to be sufficient to provide for the payment of the expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the System in good repair and working order, to pay an amount equal to the Repayment Amount, as described in each applicable Supplemental Agreement, in each series of the Project Plan Bonds, if any, and to provide for all other obligations, expenditures and funds for the System required by law and this Resolution. Rates shall be fixed and revised from time to time by the Council so as to produce the foregoing amounts, and the City covenants and agrees to review such rates at least annually and

maintain at all times such rates for service furnished by the System as shall be sufficient to provide for the foregoing.

SECTION 14. Funds and Accounts; Flow of Funds. A. All Revenues of the System shall be set aside as collected and credited to the WATER SUPPLY SYSTEM RECEIVING FUND (the "Receiving Fund") which is hereby established. Moneys on hand in the Receiving Fund are pledged for the purpose of the following funds and shall be transferred from the Receiving Fund periodically in the manner and at the times and in the order of priority:

A. Operation and Maintenance Fund: There shall be first set aside in, or credited to, a fund designated OPERATION AND MAINTENANCE FUND (the "Operation and Maintenance Fund") periodically, a sum sufficient to provide for all payment of the expenses of administration and operation of the System and such current expenses for the maintenance thereof as may be necessary to preserve the System in good repair and working order.

B. Bond and Interest Redemption Fund: There shall be established and maintained a separate depository fund designated BOND AND INTEREST REDEMPTION FUND (the "Redemption Fund"), the moneys on deposit therein which from time to time are to be used solely for the purpose of paying the principal of and interest on the Project Plan Bonds and Additional Bonds, if any. The moneys in the Redemption Fund shall be kept on deposit with the paying agent.

There shall be set aside in the Redemption Fund a sum proportionately sufficient to provide for the payment when due of the current principal of and interest on the Bonds (net of principal forgiveness).

No further payments need to be made into the Redemption Fund after enough of the Bonds have been retired so that the amount then held in the Redemption Fund is equal to the entire amount of principal and interest will be payable at the time of maturity of all the then outstanding Bonds.

C. Repair and Replacement Fund: There shall be established and maintained a fund designated REPAIR AND REPLACEMENT FUND (the "Repair and Replacement Fund"). The Council shall include in the annual budget and there shall be deposited in the Repair and Replacement Fund such amounts so as to maintain the System in proper repair and working order. Out of the Revenues remaining after meeting the monthly requirements of the foregoing funds, there shall be deposited monthly into the Repair and Replacement Fund such amounts described in the preceding sentence. The money deposited in said Fund shall be used for the purpose of paying the costs of making repairs and replacements to parts of the System as determined by the Council or to reimburse the City for any amounts advanced for such purpose.

D. Surplus Moneys: Any Revenues remaining in the Receiving Fund at the end of any operating year after satisfying the foregoing requirements of this Section shall be deemed to be surplus moneys, and may, at the option of the City, be used and applied for any purpose related to the System for which the foregoing funds and accounts were established or to improve or extend the System; provided however, that if there should be any deficit in the Operation and Maintenance Fund or the Redemption Fund then deposits of surplus moneys shall be made to such funds in the priority and order named to the extent of any such deficit.

SECTION 15. Project Bond Proceeds. Proceeds of each series of Project Plan Bonds shall be used solely to pay part of the cost of the improvements comprising part of the Project and any engineering, legal and other expenses incident thereto, and shall be paid out only upon

authorization of the Council; provided that the Council shall not authorize the payment of any such moneys for acquisition, construction and installation of the improvements until there shall have been first filed with it by the consulting engineer in charge of such work, a written statement to the effect that the sum so to be paid is in full or partial payment of a contractual obligation in connection with such improvements and that the City has received the consideration for such payment. The statement of the consulting engineer shall also show the cost of acquisition, construction and installation of the improvements that has theretofore been approved by him for payment and the amount of the balance that will be required for completion of such improvements. Moneys derived from the proceeds of the sale of such series of Project Plan Bonds shall be deposited with a bank, savings and loan association or credit union designated by resolution of the Council and may be invested as set forth in this Resolution.

SECTION 16. Investments. Except as otherwise provided herein, moneys in the funds and accounts established herein and moneys derived from the proceeds of the sale of the Bonds may be invested by the City in one or more of the following:

- (a) United States government obligations.
- (b) Obligations the principal and interest on which is fully guaranteed by the United States.
- (c) Repurchase agreements that are secured by United States government obligations or obligations fully guaranteed by the United States and that are held by an independent third party.
- (d) Certificates of deposit or other accounts of, or banker's acceptances of, one or more of the following:

(i) Banks that are members of the federal deposit insurance corporation.

(ii) Savings and loan associations that are members of the federal savings and loan insurance corporation.

(iii) Credit unions whose accounts are insured by the national credit union share insurance fund.

(e) Commercial paper that is rated in the highest category by a nationally recognized rating agency.

(f) Obligations of a state of the United States or of a political subdivision of a state of the United States that are rated in one of the three highest categories by a nationally recognized rating agency.

(g) A collective investment fund that invests solely in one or more of the securities authorized for investment by this Section.

Investment of moneys in the Redemption Fund being accumulated for payment of the next maturing principal or interest on the Bonds is limited to one or more of the following:

(a) United States government obligations, or obligations the principal and interest of which are fully guaranteed by the United States, that mature not later than 10 days after the date for payment of the maturing principal or interest for which the moneys is being accumulated.

(b) Repurchase agreements that are to settle on or before the date set for payment and that are secured by United States government obligations or obligations fully guaranteed by the United States and that are held by an independent third party.

Profit realized or interest income earned on investment of funds in the Receiving Fund, the Operation and Maintenance Fund, the Redemption Fund and the Repair and Replacement Fund shall be deposited in or credited as received to the Receiving Fund.

SECTION 17. Project Plan Bonds Bond Form. Each series of Project Plan Bonds shall be in substantially the following form, with such changes, deletions and additions as shall be approved by the Mayor and the City Clerk, with such approval to be evidenced by their manual or facsimile signatures thereon:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GENESEE
CITY OF FLINT
WATER SUPPLY SYSTEM REVENUE BOND
(PROJECT PLAN PROJECTS), SERIES []

REGISTERED OWNER: Michigan Finance Authority
PRINCIPAL AMOUNT: _____ Million Dollars (\$_____)
DATE OF ORIGINAL ISSUE: [Dated Date]

The City of Flint, County of Genesee, State of Michigan (the "Issuer"), acknowledges itself to owe and for value received, hereby promises to pay, but only out of the hereinafter described Net Revenues of the Issuer's Water Supply System (hereinafter defined), to the Michigan Finance Authority (the "Authority"), or registered assigns, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environmental Quality, in lawful money of the United States of America, unless prepaid, reduced or forgiven prior thereto as hereinafter provided.

During the time funds are being drawn down by the Issuer under this Bond, the Authority will periodically provide a statement to the Issuer showing the amount of principal that has been advanced, the amount of principal that has been forgiven and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding principal amount actually advanced (subject to any principal forgiveness as provided for in Schedule A) and any other amount payable with respect thereto in accordance with the terms of this Bond.

The Principal Amount shall be payable as set forth on Schedule A attached hereto and made a part hereof, as such Schedule may be adjusted if less than \$_____ is disbursed to the Issuer or if a portion of the Principal Amount is prepaid, reduced or forgiven as provided herein, with interest on said principal installments from the date each said installment is delivered to the holder hereof until paid at the rate of zero percent (0.00%) per annum. The principal amount equal to each disbursement made pursuant to the terms of this Bond shall be forgiven by the Authority on the date such disbursement is made.

Notwithstanding any other provision of this bond, so long as the Authority is the owner of this bond, (a) this bond is payable, net of any principal forgiveness, at The Bank of New York Mellon Trust Company, N.A. or at such other place as shall be designated in writing to the Issuer by the Authority.

For prompt payment of principal (net of any principal forgiveness) on this bond, the Issuer has irrevocably pledged the revenues of the Water Supply System of the Issuer, including all appurtenances, extensions and improvements thereto (the "System"), after provision has been made for reasonable and necessary expenses of operation, maintenance and administration (the "Net Revenues"), and a statutory lien thereon is hereby recognized and created, subject to the lien of any additional bonds of the Issuer hereafter issued by the Issuer, of equal standing and priority of lien with the bonds of this issue (the "Outstanding Bonds"). The Issuer has reserved the right to issue such additional Bonds which may be superior and senior or subordinate in all respects to this bond as to the Net Revenues or of equal standing and priority of lien as to the Net Revenues with this bond and any Outstanding Bonds.

This bond is a single, fully-registered, non-convertible bond in the principal sum indicated above issued pursuant to Ordinance No. _____ and the Bond Resolution No. _____ duly adopted by the City Council of the Issuer (together, the "Ordinances"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), for the purpose of paying part of the cost of acquiring and constructing additions, extensions and improvements to the System.

For a complete statement of the revenues from which and the conditions under which this bond is payable including the conditions under which the principal payable on this bond is forgiven, a statement of the conditions under which additional bonds of superior and equal standing may hereafter be issued and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Ordinances. This Bond is subordinate to all bonds currently outstanding which have been issued by the Issuer for the System pursuant to Act 94.

This bond is a self-liquidating bond, payable solely and only from the Net Revenues of the System except to the extent the principal on the bond has been forgiven. The principal of this bond is secured by the statutory lien hereinbefore mentioned.

This bond is transferable only upon the books of the Issuer by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the transfer agent, duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Ordinances, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the Issuer, by its City Council has caused this bond to be executed with the manual or facsimile signatures of its Mayor and its City Clerk and the corporate seal of the Issuer to be impressed or imprinted hereon, all as of the Date of Original Issue.

**CITY OF FLINT
COUNTY OF GENESEE
STATE OF MICHIGAN**

By _____
Mayor

(Seal)
Countersigned:

By _____
City Clerk

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

Treasurer, City of Flint
Bond Registrar and Paying Agent

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto
(please print or type name, address and taxpayer identification number of transferee) the within
bond and all rights thereunder and does hereby irrevocably constitute and appoint an attorney to
transfer the within bond on the books kept for registration thereof, with full power of substitution
in the premises.

Dated:

Signature Guaranteed:

Signatures must be guaranteed by an eligible guarantor institution participating in a
Securities Transfer Association recognized signature guarantee program.

DEQ Project Number: _____
 DEQ Approved Amount: \$ _____
 Loan Amount Forgiven: _____ \$0
 Remaining Loan Amount to be \$ _____
 Forgiven:

SCHEDULE A

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the Bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environmental Quality (the "Order") approves a principal amount of assistance less than the amount of the Bond delivered to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order, (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Issuer is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

<u>Maturity Date</u>	<u>Principal Amount</u>
_____	\$ _____

[END OF BOND FORM]

SECTION 18. Sale, Issuance, Delivery, Transfer and Exchange of Project Plan Bonds.

The Project Plan Bonds shall be sold at a private, negotiated sale to the Authority, as authorized by Act 227. It is hereby determined that the sale of the Project Plan Bonds to the Authority as described in this Resolution will result in the lowest cost of borrowing funds to the City. The sale shall be made pursuant to the terms and conditions to be set forth in the Purchase Contract (the "Purchase Contract") and the Supplemental Agreement (the "Supplemental Agreement") related to each series of Project Plan Bonds. The Mayor and the City Clerk are authorized to execute and deliver a Supplemental Agreement and the Director of Finance or the City Administrator is authorized to execute and deliver a Project Plan Bond in the form set forth in Section 17 of this Resolution with such modifications as shall be approved by the officials signing such Project Plan Bond and is authorized to execute and deliver a Purchase Contract in such forms as shall be

approved by the officials signing the respective agreements, with such approval in each case to be evidenced by their signatures thereon. Notwithstanding any other provision of this Resolution, each series of the Project Plan Bonds shall be sold to the Authority as one bond, numbered in the manner described in this Resolution, in the aggregate principal amount of such Project Plan Bonds. In addition, the Mayor, the City Clerk, the City Treasurer, the City Administrator, the Director of Finance and other City employees and officials are authorized to execute and deliver to the Authority any such certificates and documents as the Authority or bond counsel shall require and to do all other things necessary to effectuate the sale, issuance, delivery, transfer and exchange of a series of Project Plan Bonds in accordance with the provisions of this Resolution.

SECTION 19. Replacement of Bonds. Upon receipt by the City Clerk of proof of ownership of an unmatured Project Bond, of satisfactory evidence that a Project Bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity that complies with applicable law and is satisfactory to the City Clerk, the City Clerk may authorize the bond registrar and paying agent to deliver a new executed Project Bond to replace the Project Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured Project Bond is lost, apparently destroyed or wrongfully taken, the City Clerk may authorize the bond registrar and paying agent to pay the Project Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Project Bond of the same series. The bond registrar and paying agent, for each new Project Bond delivered or paid (net of principal forgiveness) without presentation, as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the City in the premises. Any Project Bond delivered pursuant to the provisions of this Section in lieu of any Project Bond lost, apparently destroyed or wrongfully taken shall be

of the same form and tenor and be secured in the same manner as the Project Bond in substitution for which such Project Bond was delivered.

SECTION 20. Covenants. The City hereby covenants and agrees with the registered owners, from time to time, of the Project Plan Bonds herein authorized to be issued, that it will punctually perform all duties with reference to the System and the Project Plan Bonds required by the Constitution and laws of the State of Michigan and this Resolution; that it will not sell, lease, mortgage or in any manner dispose of the System or any substantial part thereof, until all Project Plan Bonds shall have been paid or forgiven in full; and that it will not, to the extent permitted by law, permit any person, firm or corporation to compete with it in the furnishing of water supply and distribution services to premises within its corporate limits. The City further covenants and agrees with the registered owners of the Project Plan Bonds that it will maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost, so long as the Project Plan Bonds are outstanding; that it will maintain insurance on the System for the benefit of the registered owners of the Project Plan Bonds in an amount that usually would be carried by private companies engaged in a similar type of business; that it will prepare, keep and file such records, statements and accounts as may be required by Act 94; and that it will furnish a copy of the foregoing statements and the annual audit of the System prepared by a certified public accountant to the registered owners of the Project Plan Bonds upon payment of the actual cost of such copy.

SECTION 21. Additional Bonds. In accordance with the provisions of Act 94, the City shall have the right to issue Additional Bonds payable from the Revenues of the System that shall be of equal standing and priority of lien on the Net Revenues of the System with the Project Plan Bonds for the acquisition and construction of repairs, enlargements extensions, additions and

improvements to the System, for refunding all or a part of any outstanding Bonds or any other debt incurred by the City for any purpose for which Bonds may be issued hereunder, for paying costs of issuing such Additional Bonds, and for payment of interest on such Additional Bonds. The City has the right to issue such additional bonds which may be superior and senior or subordinate in all respects to the Project Plan Bonds as to the Net Revenues or of equal standing and priority of lien as to the Net Revenues with the Project Plan Bonds and any outstanding Bonds.

SECTION 22. Reduction of Principal Maturities; Other Changes. In the event that the Director of Finance deems it necessary or desirable to reduce the aggregate principal amount of the Project Plan Bonds, the Director of Finance may do so by written order. In addition, the Director of Finance may by written order change provisions of or relating to a series of Project Plan Bonds if the Director of Finance deems such changes necessary to comply with State Revolving Fund Loan Program, the WIIN Act, or Authority requirements for the Project Plan Bonds.

SECTION 23. Michigan Department of Treasury Approval. The Mayor is authorized to submit an application, from time to time, for the State Treasurer's approval to issue each series of Project Plan Bonds, if necessary, and to pay the applicable filing fee therefor.

SECTION 24. Publication. The Finance Director is hereby authorized and directed to publish a Notice of Intent to Issue Bonds in an aggregate principal amount not to exceed \$80,000,000, with respect to the Project Plan Bonds in a newspaper of general circulation in the City of Flint.

SECTION 25. Publication and Recordation. This Resolution shall be published promptly after its adoption as required by law, including publication in full once in a newspaper of general circulation in the City of Flint.

SECTION 26. Severability: Section Headings. If any section, paragraph or clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution. The section headings in this Resolution are furnished for convenience of reference only and shall not be considered part of this Resolution.

SECTION 27. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they may be in conflict herewith are hereby rescinded.

SECTION 28. Effective Date. This Resolution shall be effective immediately upon its adoption.

YEAS:

NAYS:

ABSENT:

4826-2672-1902

NOTICE TO THE ELECTORS, TAXPAYERS AND OTHER INTERESTED PERSONS OF THE CITY OF FLINT AND TO USERS OF THE CITY'S WATER SUPPLY SYSTEM OF THE INTENT OF THE CITY OF FLINT TO ISSUE WATER SUPPLY SYSTEM REVENUE BONDS PAYABLE SOLELY FROM THE REVENUES OF SUCH SYSTEM AND THE RIGHT OF REFERENDUM RELATING THERETO

Please Take Notice that the City of Flint, Genesee County, Michigan, intends to issue and sell Water Supply System Revenue Bonds, pursuant to Act No. 94, Public Acts of Michigan, 1933, as amended, in a principal amount not to exceed \$80,000,000 (the *Revenue Bonds*) to the Michigan Finance Authority through the Michigan Department of Environmental Quality Drinking Water Revolving Fund, for the purpose of paying all or part of the cost of acquiring and constructing replacements, extensions, improvements, and repairs to the Water Supply System of the City (the *Water Supply System*).

**SOURCE OF PAYMENT
OF REVENUE BONDS**

The principal of and interest on the Revenue Bonds shall be payable solely from the revenues received by the City from the operation of the Water Supply System after paying costs of operation and maintenance of the Water Supply System. Such revenues will consist principally of income derived from the rates charged to the users of the Water Supply System, a schedule of which is on file in the office of the City Clerk. Such rates may from time to time be revised in accordance with law. Information concerning such rates and the adjustment in rates is available for inspection at the offices of the Water and Sewerage Department of the City.

BOND DETAILS

The Revenue Bonds will be issuable in one or more series and from time to time. Each series will be payable in the principal installments as determined by the Finance Director of the City, which principal installments are eligible for forgiveness in full, with the final installment due not more than 40 years after the original date of the Revenue Bonds. The Revenue Bonds are expected to bear interest at the rate of 0% per annum.

RIGHT OF REFERENDUM

THE REGISTERED ELECTORS OF THE CITY HAVE THE RIGHT TO FILE A PETITION FOR REFERENDUM WITH RESPECT TO THE REVENUE BONDS DESCRIBED IN THE FIRST PARAGRAPH OF THIS NOTICE. THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH VOTE SIGNED BY NOT FEWER

THAN [THE LESSER OF 10% OF THE VOTERS OR 15,000] REGISTERED ELECTORS OF THE CITY IS FILED WITH THE CITY CLERK WITHIN 45 DAYS AFTER PUBLICATION OF THIS NOTICE. If such a petition is filed, the Revenue Bonds cannot be issued without an approving vote by a majority of qualified electors of the City voting on the question.

Additional Information with respect to the above described Revenue Bonds, the Water Supply System of the City, the rates to be charged, the projects to be acquired and constructed, repairs to be made and the costs related thereto, the financing thereof, and any other matters relating to the foregoing may be obtained from the office of the City Clerk or from the Chief Financial Officer of the City of Flint.

This Notice is given pursuant to the requirements of Section 33 of Act No. 94, Public Acts of Michigan, 1933, as amended.

Hughey Newsome
Chief Financial Officer
City of Flint, Michigan

RESOLUTION NO.: _____

PRESENTED: _____

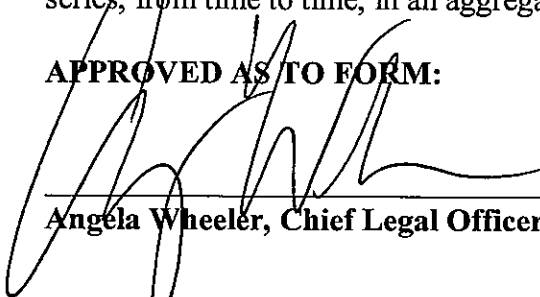
ADOPTED: _____

**RESOLUTION APPROVING ISSUANCE OF WATER SUPPLY SYSTEM REVENUE
BONDS AND AUTHORIZING PUBLICATION OF NOTICE**

BY THE MAYOR:

WHEREAS, The Flint City Council adopted a resolution on _____, 2018 authorizing the issuance of the City's Water Supply System Revenue Bonds, issued in one or more series, from time to time, in an aggregate principal amount not to exceed \$80,000,000.

APPROVED AS TO FORM:



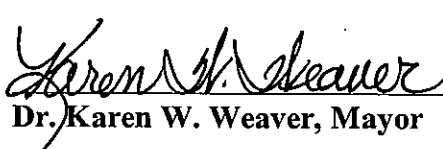
Angela Wheeler, Chief Legal Officer

APPROVED AS TO FINANCE:



Hughey Newsome, Chief Financial Officer

FOR THE CITY OF FLINT:



Dr. Karen W. Weaver, Mayor

APPROVED BY CITY COUNCIL:

Herbert Winfrey, City Council President