



City of Flint

Department of Purchases & Supplies

Sheldon A. Neeley

TO: All Proposers
FROM: Lauren Rowley
Purchasing Manager
DATE: **August 5, 2021**
SUBJECT: **Addendum #01** – Proposal #22000507 – Municipal Advisor (3) Years

This addendum has been issued because of the following:

1. **Attached are Questions and Answers**
2. **Listed below is the Google Meet information for the bid opening date – Monday, August 16, 2021 at 12:00 p.m. McKenzie Conference Room**

Join with Google Meet

meet.google.com/cda-onou-wuh

Meeting ID

meet.google.com/cda-onou-wuh

Phone Numbers

(US)+1 617-675-4444

PIN: 835 145 253 3644#

All other bidding terms, requirements, and conditions continue as indicated in the remaining original bid documents.

The Purchasing Manager, Lauren Rowley, is an officer for the City of Flint with respect to this RFP.

In the submission of their proposal, Proposer must acknowledge receipt of this addendum. Proposer shall acknowledge this addendum by signing and returning one copy of this notice with their submission.

Company Name: _____

Address: _____

City / State / Zip: _____

Telephone: _____ Fax: _____ Email: _____

Print Name: _____ Title: _____

Signature: _____ Date: _____

Thank you.

**Purchasing Manager
City of Flint**



QUESTIONS RECEIVED IN THE DIVISION OF PURCHASES & SUPPLIES
For Municipal Advisor – (3) Years
PROPOSAL# 22000507

1. Will the City be issuing any debt prior to December 31, 2021? If so, please describe the issuance, par amount, purpose, security, and provide a projected amortization schedule.
Yes, we are planning to issue SRF debt in the next 60 days. See the attached documents (that have gone to council).

City of Flint WPCF CWSRF Projects

PROJECTS CURRENTLY IN DESIGN – PHASE 2

Third Avenue Pumping Station Improvements

Work at the pump station that is needed includes building upgrades, mechanical and HVAC, electrical, process valves and piping, structural, and low flow pumping capability. Each raw sewage pump at the pump station is equipped with a variable frequency drive (VFD) but cannot turn down to a pumping rate for the station's low flow events. Each of the 4 pumps has a capacity of 25,000 gpm. This leads to operating the pump beyond a recommended point or starting and stopping the pump too frequently. Dry weather flows which exist outside the raw sewage pumps operating range can be handled using one or two smaller rated pumps. This configuration would increase the longevity of the existing raw sewage pumps. These improvements, especially the additional dry rated pumps and isolation valves, would best be completed prior to replacing/rehabilitating the force mains so bypass pumping can be minimized or avoided.

Primary Settling Tanks Improvements

Improvements to the primary clarification tanks will include replacing the mechanism drives, longitudinal and cross flights for sludge conveyance, and the effluent weirs. These upgrades will promote a more reliable clarification system and will help prevent solids carry over to the secondary treatment. Concrete degradation will also be addressed and repaired.

Final Clarifier Improvements

The project will address the holes present in all portions of the effluent launders which is causing short circuiting of secondary effluent. Launders and weirs are no longer providing an even discharge around the circumference of the clarifiers because of settling. In addition, algae build up is exacerbating these problems. Improvements to the final clarifiers will include either launder covers or brushes to mitigate algae growth on the weirs and launders. New peripheral feed systems and skirt baffles will be installed to distribute incoming activated sludge evenly around the secondary clarifier. These improvements are important for the WPCF's treatment capability because it directly affects their secondary effluent and will aid in preventing solids carry over.

Battery-B Grit Removal and Screening Improvements

The complete upgrade of the grit removal system with the addition of fine screening in Battery B would require demolition of old equipment and reconfiguration of the grit tanks and building. Effectiveness, Efficiency, and reliability are the desired outcome. The new system must provide protection of downstream equipment and processes from grit and debris carryover not currently captured by screening and the grit removal system, while reducing maintenance repair expenses and labor.

The preferred grit removal system is the Hydro-International Headcell with the Slurry Cup grit washer and the Grit Snail dewatering escalator. Grit tank modifications will be required. Other systems may be considered. The addition of fine screening for Battery B prior to grit removal must include a screenings washer and compactor. All of these upgrades will require reconfiguration of the Battery B grit building and load-out garage. Other upgrades include replacement of the Influent water pipe and Magmeter, evaluation and recommendations for repair or replacement of all process piping, gates, and valves. Concrete evaluation and repairs should also be included

**RESOLUTION AUTHORIZING NOTICE OF INTENT AND
DECLARING INTENT TO REIMBURSE**

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

Minutes of a regular meeting of the City Council of the City of Flint, County of Genesee, State of Michigan, held on the 26th day of July, 2021, at 5:00 o'clock p.m., Eastern Daylight Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by the Administration:

WHEREAS, the City of Flint, County of Genesee, State of Michigan (the "City"), has determined that it is necessary for the public health, safety and welfare of the City to acquire, construct, furnish and equip improvements to the City's existing Sewage Disposal System (the "System"), including water pollution control facilities, pump station improvements, aeration process modifications and improvements, waste unloading station, disinfection retrofit, grit removal, influent box, sewer bypass, and sludge dewatering improvements, together with all related appurtenances and attachments thereto (the "Project"); and

WHEREAS, the City has been advised by the Michigan Department of Environment, Great Lakes and Energy ("EGLE"), that financial assistance to accomplish the acquisition and construction of the Project is available through the Clean Water Revolving Fund ("CWRF") Loan Program administered by EGLE and the Michigan Finance Authority (the "MFA"); and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended ("Act 94"), provides a means for financing the purchase, acquisition, construction, improvement, enlargement, extension, and repair of public improvements such as the Project through the issuance of revenue bonds; and

WHEREAS, the issuance of bonds payable from revenues of the System under Act 94 in a total amount not to exceed Forty-Six Million Dollars (\$46,000,000.00) (the "Bonds") for the purpose of financing all or part of the Project represents the most practical means to that end; and

WHEREAS, the City has made application for participation in the CWRF loan program; and

WHEREAS, a notice of intent to issue revenue bonds must be published before the issuance of the Bonds in order to comply with the requirements of Section 33 of Act 94; and

WHEREAS, the City intends at this time to state its intentions to be reimbursed from proceeds of the Bonds for any expenditures undertaken by the City for the Project prior to issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Clerk is hereby authorized and directed to publish a notice of intent to issue the Bonds in *The Flint Journal*, a newspaper of general circulation in the City.

2. The notice of intent shall be published as a display advertisement not less than one-quarter (1/4) page in size in substantially the form attached to this resolution as Exhibit A.

3. The City Council does hereby determine that the foregoing form of Notice of Intent to Issue Bonds, and the manner of publication directed, is adequate notice to the electors of the City and users of the System, and is the method best calculated to give them notice of the City's intent to issue the Bonds, the purpose of the Bonds, the security for the Bonds, and the right of referendum of the electors with respect thereto, and the newspaper named for publication is hereby determined to reach the largest number of persons to whom the notice is directed.

4. The City makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the City reasonably expects to reimburse the City for the expenditures described in (b) below with proceeds of debt to be incurred by the City.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$46,000,000.00.

5. The Mayor, City Clerk, Finance Director and City Treasurer of the City are each authorized to act as an authorized officer or designated representative in connection with the Project and execute and deliver such applications, documents or certificates with EGLE, the MFA or other entities as may be necessary or advisable to enable the City to issue and sell the Bonds as contemplated herein and to meet its obligations under the CWRP loan program.

6. The City hereby confirms the retention of PFM Financial Advisors LLC ("PFM") to provide financial advisory services in connection with the Bonds. The City has been advised that PFM has represented the MFA in the past and may be representing the MFA presently in connection with various matters including the CWRP loan program and the City consents to the representation of the MFA by PFM in connection with the CWRP loan program that may be utilized by the City in connection with the Bonds.

7. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Flint City Council of the City of Flint, County of Genesee, State of Michigan, at a regular meeting held on July 26, 2021, and that the meeting was conducted and public notice of the meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of the meeting were kept and will be or have been made available as required by the Open Meetings Act.

City Clerk

EXHIBIT A

NOTICE TO TAXPAYERS AND ELECTORS OF THE CITY OF FLINT
AND TO USERS OF THE CITY'S SEWAGE DISPOSAL SYSTEM
OF INTENT TO ISSUE REVENUE BONDS AND THE
RIGHT OF REFERENDUM RELATING THERETO

PLEASE TAKE NOTICE that the City Council of the City of Flint, County of Genesee, State of Michigan (the "City"), intends to issue and sell revenue bonds pursuant to Act 94, Public Acts of Michigan, 1933, as amended, in one or more series in a total amount not to exceed Forty-Six Million Dollars (\$46,000,000.00), for the purpose of paying all or part of the cost to acquire, construct, furnish and equip improvements to the City's existing Sewage Disposal System, including water pollution control facilities, pump station improvements, aeration process modifications and improvements, waste unloading station, disinfection retrofit, grit removal, influent box, sewer bypass, and sludge dewatering improvements, together with all related appurtenances and attachments thereto.

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 operations of the Sewage Disposal System (the "System"). The revenues will consist of rates and charges billed to the users of the System, a schedule of which is presently on file in the office of the City Clerk. The rates and charges may from time to time be revised to provide sufficient revenues to provide for the expenses of operating and maintaining the System, to pay the principal of and interest on the bonds and to pay other obligations of the System.

BOND DETAILS

THE REVENUE BONDS will be payable in annual installments not to exceed thirty (30) in number and will bear interest at the rate or rates to be determined at public or private sale but in no event to exceed such rates as may be permitted by law on the unpaid balance from time to time remaining outstanding on said bonds.

IN THE EVENT THAT THE CITY DEEMS IT DESIRABLE TO SELL THE REVENUE BONDS TO THE MICHIGAN FINANCE AUTHORITY, THE CITY MAY BE REQUIRED TO PLEDGE FOR THE PAYMENT OF THE BONDS MONEY RECEIVED OR TO BE RECEIVED BY THE CITY DERIVED FROM IMPOSITION OF TAXES BY THE STATE AND RETURNED OR TO BE RETURNED TO THE CITY AS PROVIDED BY LAW, except for money the use of which is prohibited for such purposes by the State Constitution. The City may enter into an agreement providing for the payment of taxes, which taxes are collected by the State and returned to the City as provided by law, to the authority or a trustee, and such funds may be pledged for the payment of the revenue bonds.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT A VOTE OF THE ELECTORS UNLESS A PETITION REQUESTING SUCH A VOTE SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY IS FILED WITH THE CITY CLERK WITHIN FORTY-FIVE (45) DAYS AFTER PUBLICATION OF THIS NOTICE. IF SUCH PETITION IS FILED, THE BONDS MAY NOT BE ISSUED WITHOUT AN APPROVING VOTE OF A MAJORITY OF THE QUALIFIED ELECTORS OF THE CITY VOTING THEREON.

THIS NOTICE is given pursuant to the requirements of Section 33, Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION will be furnished at the office of the City Clerk upon request.

City Clerk
City of Flint



T: 313-961-2550

F: 313-961-1270

535 Griswold, Suite 2300, Detroit, Michigan 48226

www.lewis-munday.com

July 16, 2021

City Council
City of Flint
1101 S. Saginaw Street
Flint, Michigan 48502

Re: Flint CWRP 2021 – Resolution Authorizing the Notice of Intent to Issue Bonds

Dear Members of City Council:

The attached resolution would authorize the publication of a notice of the City's intent to issue bonds to finance the next phase of sewer system improvements that began last year. The notice initiates a 45-day referendum period during which electors have a right to petition for a vote on the matter. The Notice is the same in all material respects as the notice adopted and published for Phase I of the sewer improvement project. As a point of reference, the 2020 notice was in the amount of \$40 million for Phase I, which was estimated at \$31 million prior to construction bids being received. \$35.4 million of bonds were eventually issued, but because of 20% State grant funds, the amount of bonds to be repaid has been reduced to \$28.3 million. The interest rate on the 30-year loan was 2.25%.

It is important to note that although the loan amount to be repaid has been reduced to \$28.3 million, the City still had to issue \$35.4 million of bonds because the loan forgiveness is not applied until after the bond issue closing. That is why the notice of intent and approved bond amount do not reflect the value of the state grant.

The next phase of the sewer project will include improvements to the Third Avenue Pumping Station, settling tanks, clarifiers and grit removal systems. The current project estimate is \$35.1 million, and construction bids have not been received yet. If this project is financed by September 29, 2021, a State grant of 25% of the cost is expected which would amount to about \$8.8 million that would be forgiven and not have to be repaid. The interest rate this year is 2.125%.

The attached Notice of Intent resolution reflects a not-to-exceed amount of bonds at \$46 million. This amount is approximately 30% in excess of the current project budget. This buffer is provided because construction bids have not been received yet, and many utility projects have been experiencing bids

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July 16, 2021

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coming in over estimate due to supply chain issues and the sheer volume of work in process. Bids for the project are expected next week but may take some time to analyze.

Also, concerning the amount published in the Notice, the project still needs to come back to City Council for final approval with consideration of the bond authorizing resolution. That will likely occur sometime in August. At that point, all project bids will be in hand and have been analyzed. And even then, the authority of the City to issue the bonds will be further limited by the final loan amount approved by the State.

Timing is critical for this action because if the loan does not close by September 29, the project will shift to the State's next fiscal year and funding availability (including the 25% State grant) cannot be confirmed.

Very truly yours,

LEWIS & MUNDAY,
A Professional Corporation

Janene McIntyre

Janene McIntyre



FINANCING TIMETABLE
City of Flint
County of Genesee
State of Michigan
CWRF Project #5709-01

JULY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

AUGUST						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

SEPTEMBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

<u>DATE</u>	<u>✓ ACTION REQUIRED</u>	<u>RESPONSIBLE PARTY</u>
Monday, July 26, 2021	City Council adopts Notice of Intent Resolution	C, FA, BC
Thursday, July 29, 2021	Notice of Intent Resolution published	C
Wednesday, August 18, 2021	City Council meeting to consider Bond Authorizing Resolution	C
Monday, August 23, 2021	City Council adopts Bond Authorizing Resolution	C, FA, BC
Wednesday, August 25, 2021	Application to Issue Long-Term Securities filed with the Department of Treasury (Application)	FA
Wednesday, August 25, 2021	City to issue check to Department of Treasury for Application	C
Wednesday, August 25, 2021	Call with Michigan Department of Environment, Great Lakes, and Energy (EGLE) (Time TBD)	C, FA
Monday, September 13, 2021	45-day referendum expires	
By September 20, 2021	Treasury Approval Received	
Monday, September 20	EGLE Order of Approval (OOA) issued	
Wednesday, September 29, 2021	Tentative bond closing - via phone and wire	ALL

Legend:

- C = City of Flint
- BC = Bond Counsel (Lewis & Munday PC)
- FA = Financial Advisor (PFM Financial Advisors LLC)