

1. Agenda

Documents: [CITY COMMISSION REGULAR MEETING AGENDA MARCH 21, 2016.PDF](#)

2. City Commission Meeting Minutes February 22, 2016

Documents: [CITY COMMISSION MEETING MINUTES FEBRUARY 22, 2016.PDF](#)

3. Claims - March 18, 2016

Documents: [CLAIMS - MARCH 18, 2016.PDF](#)

4. Approval Of Purchase Orders

Documents: [APPROVAL OF PURCHASE ORDERS.PDF](#)

5. Declaration And Disposal Of Surplus City Property

Documents: [DECLARATION AND DISPOSAL OF SURPLUS CITY PROPERTY.PDF](#)

6. Approval Of §12 Appointments Ordinance Amendments

Documents: [APPROVAL OF 12 APPOINTMENTS ORDINANCE AMENDMENTS.PDF](#)

7. Resolution Designating April As Fair Housing Month

Documents: [RESOLUTION DESIGNATING APRIL AS FAIR HOUSING MONTH.PDF](#)

8. Approval Of Administrative Services Contract With Blue Cross Blue Shield Of Michigan

Documents: [APPROVAL OF ADMINISTRATIVE SERVICES CONTRACT WITH BLUE CROSS BLUE SHIELD OF MICHIGAN.PDF](#)

9. Award Of Contract CAP1625 2016 Joint Sealing Improvements

Documents: [AWARD OF CONTRACT CAP1625 2016 JOINT SEALING IMPROVEMENTS.PDF](#)

10. Contract Modification To Contract SBP-ENG-03-003

Documents: [CONTRACT MODIFICATION TO CONTRACT SBP-ENG-03-003.PDF](#)

11. Standard Resolution 2 Special Assessment Paving Of South Edison

Documents: [STANDARD RESOLUTION 2 SPECIAL ASSESSMENT PAVING OF SOUTH EDISON.PDF](#)

12. Resolution Support For Recreation Passport Grant Application For Wendland Park Play Structure

Documents: [RESOLUTION SUPPORT FOR RECREATION PASSPORT GRANT APPLICATION FOR WENDLAND PARK PLAY STRUCTURE.PDF](#)

13. Approval Of Participation In Water Relief Assistance Program

Documents: [APPROVAL OF PARTICIPATION IN WATER RELIEF ASSISTANCE PROGRAM.PDF](#)

14. Naming Committee Recommendation

Documents: [NAMING COMMITTEE RECOMMENDATION.PDF](#)

15. Public Hearing Removal Of Dutch Elm Diseased Trees

Documents: [PUBLIC HEARING REMOVAL OF DUTCH ELM DISEASED TREES.PDF](#)

16. Commission For The Arts Annual Report

Documents: [COMMISSION FOR THE ARTS ANNUAL REPORT.PDF](#)

17. Approval Of Geographical Information System Software And Consulting Agreements

Documents: [APPROVAL OF GEOGRAPHICAL INFORMATION SYSTEM SOFTWARE AND CONSULTING AGREEMENTS.PDF](#)

18. Approval Of Agreement For Website Redesign

Documents: [APPROVAL OF AGREEMENT FOR WEBSITE REDESIGN.PDF](#)

19. Discussion Of North Lafayette Paving Options

Documents: [DISCUSSION OF NORTH LAFAYETTE PAVING OPTIONS.PDF](#)

20. Approval Of New Parking Structure Design

Documents: [APPROVAL OF NEW PARKING STRUCTURE DESIGN.PDF](#)

21. Approval Of Smart Park Construction Documentation And Construction Administration Services

Documents: [APPROVAL OF SMART PARK CONSTRUCTION DOCUMENTATION AND CONSTRUCTION ADMINISTRATION SERVICES.PDF](#)

22. Initial Review Of Properties For Potential Exemptions From 2016 Sidewalk Improvement Program

Documents: [INITIAL REVIEW OF PROPERTIES FOR POTENTIAL EXEMPTIONS FROM 2016 SIDEWALK IMPROVEMENT PROGRAM.PDF](#)

23. Approval Of Proposed Memorandum Of Understanding Grand Sakwa

Documents: [APPROVAL OF PROPOSED MEMORANDUM OF UNDERSTANDING GRAND SAKWA.PDF](#)

24. Recommendation To Retain Legal Services Of Kerr Russell Weber, P.L.C

Documents: [RECOMMENDATION TO RETAIN LEGAL SERVICES OF KERR RUSSELL WEBER, P.L.C.PDF](#)

25. Draft Of Purchase Agreement With Robertson Brothers

Documents: [DRAFT OF PURCHASE AGREEMENT WITH ROBERTSON BROTHERS.PDF](#)

26. Assignment Of Fund Balance For State Construction Code Fund

Documents: [ASSIGNMENT OF FUND BALANCE FOR STATE CONSTRUCTION CODE FUND.PDF](#)



Agenda (Revised)
Royal Oak City Commission Meeting
March 21, 2016
7:00p.m. Closed Session – Collective Bargaining / Pending Litigation
7:30p.m. Regular Meeting

As a reminder, if you have not already done so, please turn your cellular phones off or to a silent or vibrate mode for the duration of the meeting. This will allow the meeting to proceed without distractions or interruptions. Thank you for your cooperation.

1. Call to Order
2. Invocation Commissioner Poulton
3. Pledge of Allegiance
4. Public Comment
5. Approval of Agenda
6. Consent Agenda
 - a. [City Commission Meeting Minutes February 22, 2016](#)
 - b. [Claims March 18, 2016](#)
 - c. [Approval of Purchase Orders](#)
 - d. [Declaration and Disposal of Surplus City Property](#)
 - e. [Approval of §12 Appointments Ordinance Amendments, Second Reading](#)
 - f. [Resolution Designating April as Fair Housing Month](#)
 - g. [Approval of Administrative Services Contract with Blue Cross Blue Shield of Michigan](#)
 - h. [Award of Contract CAP1625 2016 Joint Sealing Improvements](#)
 - i. [Contract Modification to Contract SBP-ENG-03-003 Star Dream Sculpture Inspection and Maintenance](#)
 - j. [Standard Resolution 2 Special Assessment Paving of South Edison](#)
 - k. [Resolution Support for Recreation Passport Grant Application for Wendland Park Play Structure](#)
 - l. [Approval of Participation in Water Relief Assistance Program \(WRAP\)](#)
7. [Naming Committee Recommendation](#)
8. [Public Hearing Removal of Dutch Elm Diseased Trees](#)
9. [Commission for the Arts Annual Report](#)
10. [Approval of Geographical Information System Software and Consulting Agreements](#)
11. [Approval of Agreement for Website Redesign](#)
12. [Discussion of North Lafayette Paving Options](#)
13. [Approval of New Parking Structure Design](#)
14. [Approval of Smart Park Construction Documentation and Construction Administration Services](#)
15. [Initial Review of Properties for Potential Exemptions from 2016 Sidewalk Improvement Program](#)
16. Continued Discussion Regarding Pending Legislation to Amend 1970 Public Act 169 Local Historic Districts
17. [Approval of Proposed Memorandum of Understanding Grand Sakwa](#)
18. [Recommendation to Retain Legal Services of Kerr Russell Weber, P.L.C.](#)
19. [Draft of Purchase Agreement with Robertson Brothers](#)

Non-Action Items

Assignment of Fund Balance for State Construction Code Fund

A special meeting of the Royal Oak City Commission was held on Monday, February 22, 2016, in room 309 of city hall, 211 Williams, Royal Oak. The meeting was called to order by Mayor Ellison at 6:00 p.m. Present were Mayor Ellison, Mayor Pro Tem Fournier, Commissioner Douglas, Commissioner DuBuc, Commissioner Mahrle, Commissioner Paruch and Commissioner Poulton. Also present were City Manager Johnson, Interim City Attorney Liss, Management Analyst/Grants Coordinator Barber-Perrotta, Police Chief/Assistant City Manager O'Donohue, City Engineer Callahan, Director of Public Service and Recreation Rassel, Director of Community Development Thwing, and City Clerk Halas.

There was no one present who wished to speak at public comment.

The first objective was to direct staff to prepare for a major rewrite of the master plan in 2017. That would involve identifying areas that need improvement and areas that are problems.

With regards to the next goal, diversify and expand recreation opportunities for all ages, Mr. Rassel explained that they were working as fast as they could with the funds available. They prioritize and focus on the larger parks that have the highest usage. Three of the neighborhood parks were scheduled for improvements this year.

Life now moving was the goal to put people first, focus on walkability and incorporate whatever pedestrian amenities they could. The mindset should be a walkable, bike-able community 365 days a year. Several roads were being looked at for dedicated bicycle lanes. Traffic calming on 11 Mile was briefly discussed.

Adopted unanimously the special meeting adjourned at 7:27 p.m.

* * * * *

A regular meeting of the Royal Oak City Commission was held on Monday, February 22, 2016, in the city hall, 211 Williams, Royal Oak. The meeting was called to order by Mayor Ellison at 7:30 p.m.

Commissioner Mahrle gave the Invocation. Everyone present gave the pledge of allegiance.

ROLL CALL	PRESENT	ABSENT
Mayor	Ellison	
Mayor Pro Tem	Fournier	
Commissioners	Douglas	
	DuBuc	
	Mahrle	
	Paruch	
	Poulton	

* * * * *

PUBLIC COMMENT

Mr. Scott Warheit, 350 N. Main, announced that the Friends of the Royal Oak Library book sale would take place March 3-5. The funds raised would allow them to do great things for the library. He presented the commission with the library's annual report. Over 200,000 people came through their doors and over 500 programs were funded throughout the year. Their annual report can be viewed at www.ropl.org . Copies of the Royal Oak Area Preschool and Childcare directory were now available.

Mr. Danny Torresan, 103 Normandy, addressed the possible sale of city hall. Many people were opposed to the idea. Selling city property wasn't the way to go. He hoped there would be better communication with the residents.

Ms. Amanda Oparka, Clinton River Watershed Council, thanked the city commission for considering membership with them. They are a non-profit dedicated to protecting, enhancing and celebrating the Clinton River, its watershed and Lake St. Clair. They help member communities with grants.

Ms. Candace Isaacson, 513 Wellesley, complained about the multicolor fire hydrant near her home and hoped it would be painted soon.

Mr. Clyde Esbri, 4135 S. Fulton Place, spoke regarding the widening of I-75. The county executive wasn't looking at who would benefit from it. Citing statistics from transportation studies he thought the money would be better spent on city centers and developing mass transit. Widening I-75 was a waste of money.

Ms. Monika Sipe, 626 Symes, agreed with Mr. Esbri that the widening of I-75 was a waste of money. It would disrupt her work commute and increase the noise pollution.

Mr. Steve Bischoff, 123 La Plaza, was new to the city and liked the way it was set up. It was one of the reasons he moved here. He opposed the I-75 expansion and saw it as a continuation of urban sprawl. A healthier society would have people walking, mass transit and other options.

Mr. Tim Makar, 924 Marywood, opposed the I-75 expansion. He was proud that Royal Oak was considering the resolution.

* * * * *

APPROVAL OF AGENDA

Items 6F and H were pulled from the consent agenda and item 14 was moved up to follow item 9.

Moved by Commissioner Mahrle
Seconded by Commissioner Douglas

BE IT RESOLVED that the city commission hereby approves the agenda for the February 22, 2016 meeting as amended.

ADOPTED UNANIMOUSLY

* * * * *

CONSENT AGENDA

Moved by Commissioner Douglas
Seconded by Commissioner Mahrle

BE IT RESOLVED that the city commission hereby approves the consent agenda as follows:

- A. BE IT RESOLVED that the city commission minutes of January 25, February 1 and 8, 2016 are hereby approved.
- B. BE IT RESOLVED that the claims of February 16 and 19, 2016 audited by the department of finance are hereby approved.

Be it resolved, the city commission hereby approves the following reappointments:

<u>Name</u>	<u>REAPPOINTMENTS</u> <u>Committee</u>	<u>Term</u>
Wil White	Fire Civil Service Commission	03/14/21
Michael R. Sherman	Memorial Day Parade Committee	12/31/18

Be it resolved, the city commission hereby approves the following appointments:

VACANCIES

<u>Name</u>	<u>Committee</u>	<u>Term</u>
Dan Bittner	Board of Review – Regular Member	12/31/17
Marguerite Doster	Board of Review – Alternate Member	12/31/16
Leslie Snow	Historic District Study Committee	12/31/17
Lisa Kimmel	Historical Commission	12/31/18
Nancy Robinson	Historical Commission	12/31/18
Mallory Campbell	Parks and Recreation Committee	12/31/16
Kyle Bruckner	Rehab Board of Appeals	12/31/16
Kristina Andreski	ROOTS	12/31/17

Be it resolved, the city commission hereby approves the following student appointments:

STUDENT APPOINTMENTS

<u>Name</u>	<u>Committee</u>	<u>Term</u>
AJ Carter	Planning Commission	12/31/16
Sean McMahon	Royal Oak Environmental Advisory Board	12/31/16

D. Be it resolved, a public hearing be held on March 21, 2016 at Royal Oak City Hall, 211 South Williams Street at 7:30p.m. to hear public comment on the proposed removal of Dutch Elm diseased trees.

E. Be it resolved, the city commission hereby adopts the administrative policy and procedure for the public inspection and copying of public assessing records.

G. Be it resolved, the city commission hereby awards 2016 E. Fourth Street Streetscape Improvements Contract CAP1604 to Warren Contractors and Development, Inc. of Shelby Township, Michigan for the bid price of \$984,071.25 and directs staff to issue a purchase order in the amount of the bid price, and

Be it further resolved, the city commission hereby awards the construction administration and inspection services for 2016 E. Fourth Street Streetscape Improvements Contract CAP1604 to Nowak and Fraus Engineers of Pontiac, Michigan for 7% of the construction cost estimated at \$68,885, and directs staff to issue a purchase order in the amount of the estimated price.

I. Be it resolved, the city commission hereby awards Contract CAP1607 2016 Water Main Improvements to C&P Construction Co., Inc. of Shelby Township, Michigan for the bid price of \$2,524,676.50 and directs staff to issue a purchase order in the amount of the bid price.

J. Be it resolved, the commission awards Contract CAP1608 2016 Sidewalk Improvement Program, to Audia Concrete Construction of Milford Charter Township, MI, for the bid price of \$1,611,170 and directs staff to issue a purchase order in the amount of the bid price.

K. Whereas, pursuant to provisions of Chapter 12, City Charter of Royal Oak, as amended, the Royal Oak City Commission may commence proceedings for the making of local public improvements within the city and determine the tentative necessity thereof without a petition; and

Whereas, the Royal Oak City Commission deems it in the public interest, health, and welfare to make certain public improvements in the city, to wit:

S. Edison Avenue from E. 11 Mile Road to the south property line of 227 S. Edison Avenue

Now, therefore be it resolved that:

1. The city assessor be and is hereby directed to cause to be prepared a report which shall include necessary plans, profiles, specifications and detailed estimates of costs, an estimate of the life of the improvements, and a description of the public improvements, and to prepare a special assessment of the district and such other pertinent information as will permit the commission to decide the cost, extent, and necessity of the improvement proposed and what part or proportion thereof should be paid by special assessments upon the property especially benefited and what part, if any, should be paid by the city.
2. When the aforesaid report is completed, the city assessor shall file the same with the city clerk for presentation to the commission.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

L. Whereas, the city commission has met after due and legal notice and reviewed the special assessment roll prepared for the purpose of defraying the special assessment district's share of certain public improvements; and

Whereas, after hearing all persons interested therein and after carefully reviewing said special assessment roll, the city commission deems said special assessment roll to be fair, just, and equitable and that each of the assessments contained thereon results in the special assessment being in accordance with the benefits to be derived by the parcel of land assessed.

Now, therefore, be it resolved that:

1. Said special assessment roll as prepared by the city assessor in the amount of \$75,629.24 is hereby confirmed and shall be known as special assessment roll 2391.
2. Said special assessment roll shall be divided into fifteen (15) equal annual installments, the first of which shall be due and payable on July 1, 2016 and the remaining installments shall become due in consecutive order, one each year [not to exceed twenty (20) years in total], on the 1st day of July, beginning with the year 2016.
3. Interest shall be charged on the unpaid balance of said special assessment roll at the rate of six percent (6%) per annum beginning July 1, 2016. Provided, however, in the event bonds are issued in anticipation of the collection of said special assessment, interest shall be charged on the unpaid balance of the roll at a rate not to exceed one percent (1%) greater than the average rate of interest borne by said special assessment bonds payable annually on the respective due dates of subsequent installments. Provided, however, that the whole assessment may be paid to the city treasurer at any time after confirmation in full with accrued interest thereon; and the amounts to be paid by the city shall be paid as the construction work progresses.
4. The city clerk be and is hereby directed to attach her warrant to said special assessment roll after confirmation of said roll commanding the city treasurer to collect the sums and amounts as directed by the city charter and by resolution of the city commission. Said warrant shall further require the city treasurer on the 1st day of April following the date when such assessments, or any installment thereof, have become due,

to submit to the city commission a sworn statement setting forth a description of the lots, premises and parcels of land as to which such delinquency exists, and amounts of such delinquency, including accrued interest computed to April 1st of such year.

5. The city clerk be and is hereby directed to endorse the date of confirmation on each special assessment Roll.

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

M. Be it resolved, the city commission approves the following requisitions/purchase order for fiscal year 2015-16:

Requisition #	R004218
Vendor:	GRANITE NETWORKS, INC.
Requesting approval for:	\$18,000
Price Source:	bid by Royal Oak
Budgeted:	\$20,000
Department / Fund:	parks and forestry/misc grants/ restricted fund
Description:	smart park kiosk

Requisition #	R004224
Vendor:	KELLEY BROTHERS, LC
Requesting approval for:	\$25,020
Price Source:	quote
Budgeted:	\$0
Department / Fund:	fire/public safety
Description:	emergency replacement of fire department generator

ADOPTED UNANIMOUSLY

* * *

AWARD OF CONTRACT CAP1535 2016 CONCRETE STREET RECONSTRUCTION

Moved by Commissioner Douglas
Seconded by Commissioner Paruch

Be it resolved, the city commission hereby awards Parts A, B, C, D, F, G and I of the 2016 Road Reconstruction Improvements Contract CAP1535 to Hard Rock Concrete, Inc. of Westland, Michigan for the bid price of \$5,104,808 and directs staff to issue a purchase order in the amount of the bid price.

AYES: Commissioners Douglas, DuBuc, Mahrle, Paruch and Poulton

NAYS: Mayor Pro Tem Fournier and Mayor Ellison

MOTION ADOPTED

* * *

AWARD OF CONTRACT CAP1606 2016 SEWER AND WATER MAIN IMPROVEMENTS

Moved by Commissioner Douglas
Seconded by Commissioner Paruch

Be it resolved, the city commission hereby awards Contract CAP1606 2016 Sewer and Water Main Improvements to Pamar Enterprises, Inc. of New Haven, Michigan for the bid price of \$1,890,920.55 and directs staff to issue a purchase order in the amount of the bid price.

AYES: Commissioners Douglas, DuBuc, Paruch, Poulton, Mayor Pro Tem Fournier and Mayor Ellison

NAYS: Commissioner Mahrle

MOTION ADOPTED

* * * * *

TRAFFIC COMMITTEE RESOLUTIONS

Moved by Commissioner Poulton
Seconded by Commissioner Paruch

Be it resolved, the commission approves the installation of a "Stop" sign on Yorba Linda Boulevard where it tees into Springer Avenue from the south. (Item 5A); and

Be it further resolved, the commission denies the request to close the southbound entrance from Crooks Road onto southbound Edgewood Drive, and further denies the request to install speed humps on Edgewood Drive. (Item 5B); and

Be it further resolved, the commission denies the request to install speed humps on Mohawk Avenue. (Item 5C); and

Be it further resolved, the commission denies the request to install speed bumps on Wyandotte Avenue. (Item 5D); and

Be it further resolved, the commission denies the request to install stop signs on Fernwood Drive at Crane Avenue (Item 5E); and

Be it further resolved, the commission denies the request to prohibit parking on the south and or north sides of Manor Avenue west of Crooks Road (Item 5F); and

Be it finally resolved, the commission approves the revised Royal Oak Citizens Traffic Committee Bylaws (Item 6A).

ADOPTED UNANIMOUSLY

* * * * *

MICHIGAN STREET LIGHTING COALITION RESOLUTION

Moved by Mayor Pro Tem Fournier
Seconded by Commissioner DuBuc

Be it resolved, the City of Royal Oak continues its support of the MSLC intervention in MPSC Rate Case U-17767 through the duration of the directed collaborative process, and approves a purchase order in the amount of \$3,395 to support the effort.

ADOPTED UNANIMOUSLY

* * * * *

SET BUDGET WORK SESSIONS

Moved by Commissioner Paruch
Seconded by Commissioner Mahrle

Be it resolved, the Royal Oak City Commission hereby calls special meetings to review and discuss the city manager's fiscal year 2016-17 recommended budget at 6:00p.m. on Monday May 16, Tuesday May 17, and Thursday May 26, 2016.

ADOPTED UNANIMOUSLY

* * * * *

PARTICIPATORY BUDGETING AND APPLICATIONS DISCUSSIONS

Commissioner Poulton left the table at 8:48 p.m.

Moved by Commissioner Mahrle
Seconded by Commissioner Douglas

Be it resolved that the city commission hereby directs staff to look into different participatory budget proposals throughout the country that encourage residents of all ages to participate in the budget process.

AYES: Commissioners Douglas, DuBuc, Mahrle, Paruch, Mayor Pro Tem Fournier and Mayor Ellison

NAYS: None

ABSENT: Commissioner Poulton

MOTION ADOPTED

* * * * *

CLINTON RIVER WATERSHED COUNCIL MEMBERSHIP

Commissioner Poulton returned to the table at 8:50 p.m.

Moved by Commissioner Paruch
Seconded by Commissioner Mahrle

Be it resolved, the Royal Oak City Commission directs staff to apply for government membership benefits in the Clinton River Watershed Council at a cost of \$5,000.

ADOPTED UNANIMOUSLY

* * * * *

**ACCOUNTANT POSITION
TREASURY**

Moved by Commissioner Douglas
Seconded by Commissioner Paruch

Be It Resolved the city commission hereby approves the creation and hiring of a full-time accountant I.

ADOPTED UNANIMOUSLY

* * * * *

**CASHIER VACANCY
TREASURY**

Moved by Commissioner Poulton
Seconded by Commissioner Mahrle

Be It Resolved, the city commission hereby approves the modification and filling of the vacant full-time cashier position with a full-time cashier III.

ADOPTED UNANIMOUSLY

* * * * *

**COLLECTIONS CLERK
44TH DISTRICT COURT**

Moved by Commissioner Douglas
Seconded by Commissioner Mahrle

Be it resolved, the director of finance shall include in her next budget adjustment an increase to court revenue and expenditures to allow for the conversion of the court collections clerk to full-time status.

ADOPTED UNANIMOUSLY

* * * * *

I-75 EXPANSION DISCUSSION

Moved by Commissioner DuBuc
Seconded by Commissioner Mahrle

WHEREAS, communities across the southeast Michigan face an acute shortage of transportation funds to repair existing streets and bridges, address safety needs, and provide the quality of life that attracts and retains residents and employers; and

WHEREAS, within the City of Royal Oak these needs specifically include the repair of existing roads; and

WHEREAS, the Michigan Department of Transportation has approved and intends to commence major highway reconstruction and capacity expansion projects on I-75 in Oakland County and I-94 in Detroit, with expected costs that may exceed \$4 billion dollars, including hundreds of millions for capacity expansion; and

WHEREAS, the 2040 Long-Range Plan states that traffic congestion in southeast Michigan is "limited," that the region will not regain its 2000 population with the next 25 years, and that any increase in traffic levels will be modest; and

WHEREAS, surveys performed by SEMCOG show that a majority of the region's residents do not support raising taxes for the purpose of expanding highway capacity; and

WHEREAS, the expansions threaten significant negative impacts to the communities they traverse, including displacement of residents, destruction of local tax base, loss of property value, increases in traffic noise, aggravated air pollution, and continued disinvestment;

WHEREAS, it has been well established that such road expansions provide only temporary relief, while exacerbating traffic congestion in the long run; and

WHEREAS, \$4 billion would be far better spent addressing our region's desperate need for a comprehensive regional transit system to meet the needs of residents; and

WHEREAS, cities across the state are suffering consequences of decades of anti-urban policies, such as freeway expansions, which encourage sprawl while decreasing investment in the very population centers where the majority of residents live; and

WHEREAS, state law dictates that not only must cities and villages suffer the consequences of these policies, but in fact, must bear a portion of the cost of opening, widening, and improving state trunk line highways resulting in further deterioration of existing local infrastructure; and

WHEREAS, SB 557 introduced by State Senator Knollenberg proposed to eliminate the requirement that Royal Oak residents' tax dollars be redirected to a project that harms our community; and

NOW THEREFORE BE IT RESOLVED, the City Commission of the City of Royal Oak opposes the inclusion of these highway capacity expansion projects in the 2040 Long-Range Plan; and

BE IT FURTHER RESOLVED, the City Commission especially opposes the proposed Transportation Improvement Project amendments pertaining to the acceleration of the widening of I-75 between Eight Mile Road and M-59; and

BE IT FURTHER RESOLVED, the Royal Oak City Commission requests that the funding currently programmed for these capacity projects be redirected to other roadway projects, such as performing preventive maintenance and rehabilitating existing major roads, bridges and local streets; addressing critical safety needs; developing and implementing mass transit; and enhancing the overall quality of life through these measures; and

BE IT FURTHER RESOLVED, that the city of Royal Oak will utilize all legal means at its disposal to prevent this expansion from taking place; and

BE IT FURTHER RESOLVED, that the city of Royal Oak supports the passage of SB 557 which, at the very least, would end the requirement that Royal Oak residents fund a project that will bring harm to our city; and

BE IT FURTHER RESOLVED, this Resolution shall be transmitted to SEMCOG and its Member Communities, the Michigan Municipal League, the Michigan Department of Transportation (MDOT), Governor Rick Snyder, and Representative James Townsend and Senator Marty Knollenberg.

BE IT FINALLY RESOLVED, the City of Royal Oak hereby adopts this Resolution requesting that the two expansion projects be excluded from the 2040 Long-Range Plan, and funding redirected towards other needs, until such time as their utility is re-examined in the light of current transportation and funding conditions.

FRIENDLY AMENDMENT OFFERED BY COMMISSIONER MAHRLE TO INCLUDE THE OAKLAND COUNTY ROAD COMMISSION, COUNTY EXECUTIVE L. BROOKS PATTERSON AND THE OAKLAND COUNTY BOARD OF COMMISSIONERS TO THE DISTRIBUTION LIST

MOTION NOW READS:

WHEREAS, communities across the southeast Michigan face an acute shortage of transportation funds to repair existing streets and bridges, address safety needs, and provide the quality of life that attracts and retains residents and employers; and

WHEREAS, within the City of Royal Oak these needs specifically include the repair of existing roads; and

WHEREAS, the Michigan Department of Transportation has approved and intends to commence major highway reconstruction and capacity expansion projects on I-75 in Oakland County and I-94 in Detroit, with expected costs that may exceed \$4 billion dollars, including hundreds of millions for capacity expansion; and

WHEREAS, the 2040 Long-Range Plan states that traffic congestion in southeast Michigan is "limited," that the region will not regain its 2000 population with the next 25 years, and that any increase in traffic levels will be modest; and

WHEREAS, surveys performed by SEMCOG show that a majority of the region's residents do not support raising taxes for the purpose of expanding highway capacity; and

WHEREAS, the expansions threaten significant negative impacts to the communities they traverse, including displacement of residents, destruction of local tax base, loss of property value, increases in traffic noise, aggravated air pollution, and continued disinvestment;

WHEREAS, it has been well established that such road expansions provide only temporary relief, while exacerbating traffic congestion in the long run; and

WHEREAS, \$4 billion would be far better spent addressing our region's desperate need for a comprehensive regional transit system to meet the needs of residents; and

WHEREAS, cities across the state are suffering consequences of decades of anti-urban policies, such as freeway expansions, which encourage sprawl while decreasing investment in the very population centers where the majority of residents live; and

WHEREAS, state law dictates that not only must cities and villages suffer the consequences of these policies, but in fact, must bear a portion of the cost of opening, widening, and improving state trunk line highways resulting in further deterioration of existing local infrastructure; and

WHEREAS, SB 557 introduced by State Senator Knollenberg proposed to eliminate the requirement that Royal Oak residents' tax dollars be redirected to a project that harms our community; and

NOW THEREFORE BE IT RESOLVED, the City Commission of the City of Royal Oak opposes the inclusion of these highway capacity expansion projects in the 2040 Long-Range Plan; and

BE IT FURTHER RESOLVED, the City Commission especially opposes the proposed Transportation Improvement Project amendments pertaining to the acceleration of the widening of I-75 between Eight Mile Road and M-59; and

BE IT FURTHER RESOLVED, the Royal Oak City Commission requests that the funding currently programmed for these capacity projects be redirected to other roadway projects, such as performing preventive maintenance and rehabilitating existing major roads, bridges and local streets; addressing critical safety needs; developing and implementing mass transit; and enhancing the overall quality of life through these measures; and

BE IT FURTHER RESOLVED, that the city of Royal Oak will utilize all legal means at its disposal to prevent this expansion from taking place; and

BE IT FURTHER RESOLVED, that the city of Royal Oak supports the passage of SB 557 which, at the very least, would end the requirement that Royal Oak residents fund a project that will bring harm to our city; and

BE IT FURTHER RESOLVED, this Resolution shall be transmitted to SEMCOG and its Member Communities, the Michigan Municipal League, the Michigan Department of Transportation (MDOT), the Oakland County Road Commission, County Executive L. Brooks Patterson, the Oakland County Commission, Governor Rick Snyder, and Representative James Townsend and Senator Marty Knollenberg.

BE IT FINALLY RESOLVED, the City of Royal Oak hereby adopts this Resolution requesting that the two expansion projects be excluded from the 2040 Long-Range Plan, and funding redirected towards other needs, until such time as their utility is re-examined in the light of current transportation and funding conditions.

ADOPTED UNANIMOUSLY

* * * * *

Upon motion of Commissioner DuBuc, seconded by Commissioner Mahrle, and adopted unanimously, the regular meeting was adjourned at 9:28 p.m.

Melanie Halas, City Clerk

The foregoing minutes of the regular meeting held on February 22, 2016, having been officially approved by the city commission on Monday, March 14, 2016, are hereby signed this fourteenth day of March 2016.

James B. Ellison, Mayor

PAYROLL #176

PAYROLL DATE: 3-18-2016

FIFTH THIRD BANK 558,276.35 (Wire)

FIRST MERIT - PAYROLL (Net) 5,803.41 (Wire)

IRS - 171,612.84 (Wire)
FED. W/H 90,552.18
SOC SEC 57,600.02
MEDICARE 23,460.64
Electronic withdrawal on 3-18-2016

SITW 29,412.35

FRIEND OF THE COURT 1,650.02 MISDU (Wire)

FRIEND OF THE COURT (MA)

FRIEND OF THE COURT (MO) 184.62

ICMA 53,872.29 (Wire)

NATIONWIDE 28,309.99 (Wire)

MERS 6,532.76

MICHIGAN EDUCATION TRUST 148.00

CHAPTER 13 _____

TAX LEVY 413.32

GARNISHMENTS _____

UNION DUES -

PSA _____
POA _____
Command _____
Detectives _____
DPS _____
Fire _____
TPOAM _____
Parking _____

TASC 4,297.73

Worker's Comp Offset* 1,684.00

*Note: Not incl'd in total

GRAND TOTAL 860,513.68

Approval of Purchase Orders

March 21, 2016 Revised

The Honorable Mayor Ellison and
Members of the City Commission:

If the city commission is in agreement, the following resolution is recommended for approval:

Be it resolved, the city commission approves the following requisitions/purchase orders for fiscal year 2015-16:

Requisition # R004237
Vendor: STRYKER EMS EQUIPMENT
Requesting approval for: \$89,200
Price Source: bid by Royal Oak
Budgeted: \$89,200
Department / Fund: fire/public safety
Description: fully loaded power load stretchers

Requisition # change order
Vendor: RAUHORN ELECTRIC
Requesting approval for: additional \$13,130 totals \$32,930
Price Source: quote
Budgeted: \$32,930
Department / Fund: street lighting/general
Description: additional work found during installation

Requisition # change order
Vendor: MCNAUGHTON-MCKAY ELECTRIC
Requesting approval for: additional \$12,270 totals \$282,040
Price Source: quote
Budgeted: \$282,040
Department / Fund: street lighting/general
Description: replacement street lights

Requisition # R004236
Vendor: MUNN TRACTOR SALES INC
Requesting approval for: \$10,950
Price Source: quote
Budgeted: \$10,950
Department / Fund: motor pool
Description: repair of tractor

Requisition #	R004246
Vendor:	SIGNAL RESTORATION SERVICES
Requesting approval for:	\$250,320
Price Source:	quote
Budgeted:	\$250,320
Department / Fund:	motor pool, building maintenance & general fund
Description:	Emergency dps building restoration and city hall restoration/abatement

Respectfully submitted,
Julie Rudd
Finance Director

Approved,



Donald E. Johnson
City Manager

Declaration and Disposal of Surplus Property

March 11, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Please find below, city property that the administration is requesting to be declared as surplus to allow for sale at auction. Any property that is not sold at auction will be recycled or thrown out.

General

Model	Quantity
Dell Optiplex 745 w/ 15" Flat Monitor & Stand	33
Dell Optiplex 745 w/o Monitor & Stand	7
Dell Optiplex 740	2
Dell Optiplex 960	2
Dell Optiplex 755	2
Dell Optiplex 780	2
Dell Optiplex 760	1
Dell Optiplex 390	1
Dell Optiplex 280	2
Dell Optiplex 260	1
Dell Optiplex 620	2
Dell Optiplex 330	1
Dell Optiplex 520	1
Dell PowerEdge 2300	1
Okidata 320	1
Net Screen 10	1
Bay networks 152 Hub	2
Bay networks 153 Hub	1
Bay networks 154 Hub	1
HP Procurve 2512 / 12 port	1
Cisco 2900 XL	2
Cisco 2950	1
Cisco 3500 XL	2
Bay Networks ARN CV1001004	4
Adtran TSU	3
Dell Power Connect Switch 2748	1
Dell Power Connect Switch 3448	1
Bay Networks Switch 303/ 24 port	10
Bay Networks Switch 304/ 12 port	1

Bay Networks Switch 310/ 24port	3
Bay Networks Switch 350F-HD/ 24 port	2
Bay Networks Switch 350T/ 16 port	2
Bay Networks Ancelaar 1100	1
HP Laser Jet 3380 MFP Printer	2
HP Laser Jet 2100 Printer	2
HP Laser Jet 5P Printer	1
Panasonic CF-19 Tough Book	4
Dell Laptop 520	1
Dell Laptop D531	1
Dell Laptop 610	1
Dell Laptop 620	2
Dell Laptop 6400	2
Dell Laptop 820	1
Sony VAIO Laptop	1
AST Laptop	1
Toshiba Satellite Laptop	1
Dell 15" Flat Monitor	9
NEC NEAX 2400 Switch	1
NEC NEAX 2000 Chassis	6
NEC Phone Sets	340
Desks	2
Magazine Stand	1
Filing Cabinets	14
Paper Towel Dispensers	28
Mini fridge	1
Keyboards	18
Lexmark 4226 Printer	1
HP LaserJet 4100dn	1
Lexmark 2500 Series	1
HP Jet direct 300x printer server	2
Small book Shelf	1
Plastic Floor mats	2
Miscellaneous Chairs	18
PS-14C Shredder	1

Motor Pool

Asset	Vin Number	Make	Model	Year
X101	3J256088	Chevy	Tahoe	2003
X106	1G226444	Chevy	Suburban	2001
X110	1L601645	Jeep	Cherokee	2001

X180	24176565	Pontiac	Bonneville	2002
X431	41192194	GMC	Savanna	2004
X433	41192263	GMC	Savanna	2004
X601	14249277	Pontiac	Bonneville	2001
X632	9X128244	Ford	Crown Vic	2009
X633	9X128243	Ford	Crown Vic	2009
X635	4E274383	GMC	Sierra	2004
X638	1Z245001	GMC	Sierra	2001
X663	TJ511051	GMC	Sierra	1996
X665	4J234606	Chevy	Tahoe	2004
X714	4E289033	GMC	Sierra	2004
X812	AX108522	Ford	Crown Vic	2010

The items above are no longer of use to the administration and/or have been replaced.

If the city commission is in agreement, the following resolution is recommended for approval:

Be it resolved, the city commission declares the above property surplus and authorizes the disposal of those items by auction. Any net proceeds from the sale of the items listed under "general" will be deposited into the general miscellaneous revenue account 101.000.67100. Any net proceeds from the sale of items listed under "motor pool" will be deposited into the motor pool fund gain on sale of fix assets account 661.000.69301 or miscellaneous revenue account 661.000.67100.

Respectfully submitted,
Julie Rudd
Director of Finance

Approved,



Donald E. Johnson
City Manager

**Approval of §12 Appointments Ordinance
Second Reading**

March 18, 2016 Revised

The Honorable Mayor Ellison and
Members of the City Commission:

At the city commission meeting on Monday, March 14, 2016, the amended Appoints Ordinance was passed unanimously on first reading. The ordinance was amended in response to increased student interest and to better align and make opportunities flexible for student participation in accordance with the school district's academic year and programs.

The amended ordinance is attached (Attachment 1) and specific changes are as follows:

- Add "authority" to "boards, commissions and committees" throughout the ordinance.
- Eliminate the eligibility restriction which currently only allows juniors and seniors to participate.
- Change the term of office to expire at the beginning of the next academic year. The current ordinance prohibits any student representative from serving during the summer vacation period.
- Eliminate the list of specific boards, commissions, authorities and committees eligible to participate. The proposed language gives the commission complete flexibility to determine at any time whether a particular board, commission, authority or committee should have a student representative and it won't be made obsolete by future decisions to create or eliminate such bodies.

I recommend the commission approve the proposed changes on second reading.

Be it resolved, the city commission hereby approves the amendments to Chapter §12 Appointments Ordinance on second reading.

Respectfully submitted,
Carol Schwanger
Legal Administrative Assistant to the City Attorney
Administrative Assistant to the City Manager

Approved,



Donald E. Johnson
City Manager

1 Attachment

Attachment 1

THE CITY OF ROYAL OAK ORDAINS:

Chapter 12. Appointments to Advisory Boards, Commissions, Authorities and Committees

[HISTORY: Adopted by the City Commission of the City of Royal Oak 1-10-1994 by Ord. No. 93-21. Amendments noted where applicable.]

GENERAL REFERENCES

Committees — See Ch. 39.

§ 12-1. Short title.

This chapter shall be known and may be cited as the "Appointment Ordinance."

§ 12-2. Statement of purpose.

This chapter distinguishes between those people whose terms have expired but who are still, by past custom and practice, serving actively on a board or commission, and those vacancies which are truly empty chairs because someone has dropped off a board or commission.

§ 12-3. High school student representation.

[Added 4-17-2000 by Ord. No. 2000-8]

This chapter encourages high school student representation on City boards and committees so as to provide opportunities to students to serve the community, to participate in democratic government, to enhance input from students in governmental decisions that affect them, to create positive interaction between adult and student leaders of the community, and to give students an opportunity to gain valuable experience in the public sector decision making process.

§ 12-4. Committee review of appointment process.

A rotating committee of three members of the City Commission shall be appointed in a timely manner to begin serving each January, May and September to review the appointment process.

§ 12-5. Terms of appointment.

[Amended 9-11-1995 by Ord. No. 95-11; 1-22-1996 by Ord. No. 96-1]

A.

Whenever possible, except for student appointments made under § 12-11 of this chapter, terms of appointment shall expire December 31 of the appropriate year.

[Amended 4-17-2000 by Ord. No. 2000-8]

Attachment 1

B.

Any City Commission member serving as a representative of the City Commission on an appointed board or commission is required to be a current member of the City Commission; the term of a City Commission representative shall correspond to the term of the City Commission.

C.

City Commission representation on standing boards and committees shall, if possible, be rotated at the start of each new term of the City Commission. Representation must rotate after two terms of the City Commission.

D.

An appointed board or commission member who ceases to reside in, own property in, own a business in, or be employed in the City of Royal Oak shall be replaced pursuant to § 12-9 unless the City Commission finds good cause for that member to remain on the board or commission.

§ 12-6. No appointments made after election and before first meeting.

The City Commission shall not make an appointment during the period of time between a biennial municipal election and the first meeting of newly elected Commissioners.

§ 12-7. Criteria for reappointment.

In deciding whether or not to recommend to the City Commission the reappointment of someone whose term has expired, the Committee shall consider the following:

A.

Attendance at meetings.

B.

Length of service.

C.

Special expertise required by the board or commission, which can either come from outside experience in the field (i.e., planning) or from experience actually serving on the board or commission (i.e., zoning).

D.

Recommendations from other members of the board or commission and/or City Commissioners.

E.

The opportunity for allowing new people to serve on a board or commission.

§ 12-8. Procedure for reappointment.

If in the judgment of the Committee the board or commission member should be reappointed for another term, the following should occur:

A.

The member shall be contacted to determine if he or she is interested in serving for another term. If he or she is interested, the Committee may recommend to the City Commission the member's name for reappointment.

Attachment 1

B.

If in the judgment of the Committee the member should not be reappointed, the City Commission shall be notified of this and shall receive a brief explanation as to why the member should not be reappointed.

C.

The person shall be notified by the Committee, and the Committee shall then make a recommendation for the vacancy from applicants.

D.

If the Commission concurs with the recommendations of the Committee for reappointments, these should be made as soon as possible and the appointees notified by personal letter.

E.

All reappointments shall be made not later than 60 days after expiration of the term of the incumbent.

F.

If the person is not interested in another term, the City Commission shall be notified and the position filled pursuant to § 12-9 of this chapter.

§ 12-9. Procedure for new appointments.

A.

No person shall be appointed unless an application is on file with the City Clerk.

B.

The Committee shall review applications on file.

C.

If additional applications are needed, the Committee will seek additional applications from the general public.

D.

The Committee shall review all applications and may interview applicants when necessary.

E.

The Committee shall then make a recommendation to the City Commission for appointment.

F.

Any member of the City Commission, at his or her discretion, may interview a person recommended for appointment prior to acting on the recommendation.

G.

All new appointments shall be made not later than 60 days after expiration of the term of the incumbent, and appointees shall receive a letter notifying them of the appointment.

§ 12-10. Recommendation for appointment by Mayor or City Manager.

A.

If the Mayor or City Manager does not intend to reappoint a person currently serving on a board or commission, both the City Commission and the person serving shall be notified two weeks prior to the time when a recommendation for a new appointee will be considered by the City Commission and provided the name of the recommended appointee.

B.

Recommendation for new appointees shall be accompanied by a completed application.

Attachment 1

C.

Any member of the City Commission, at his or her discretion, may interview a person recommended as a new appointee by either the Mayor or City Manager.

§ 12-11. Student appointments.

[Added 4-17-2000 by Ord. No. 2000-8]

A.

Whenever possible, terms of appointments made under this section shall coincide with the academic school year of the student representative, expiring at the beginning of the following academic year of the student representative or by September 1, whichever is earlier. A student representative who graduates may continue to serve until the beginning of the next academic year or until September 1, whichever is earlier. Former student representatives are eligible for reappointment or to serve on other boards or committees.

B.

Students appointed shall be Royal Oak residents and shall be attending high school at the time of their appointment.

C.

Students seeking appointment under this chapter must submit a completed application form to the City Clerk. The form shall also be signed by the applicant's parent or legal guardian granting permission to seek appointment and to serve as a student representative under this chapter. The application shall be submitted to the City Clerk. The City Manager shall develop the application form.

D.

The City Commission Appointment Committee shall review all applications and make recommendations to the entire City Commission.

E.

Students appointed to City boards and commission under this section shall serve as nonvoting members.

F.

Each City board or commission with a student representative shall appoint an adult member to serve as a student liaison.

G.

The City Manager shall appoint a student representative liaison to help coordinate this program at its inception.

H.

The commission, at its sole discretion, may appoint a student representative to any City of Royal Oak board, commission, authority or committee. The commission may also elect to not appoint a student representative to some or all boards, commissions, authorities or committees.

§ 12-12. Exemption.

This chapter shall not apply to appointments of City employees to any board or commission. It is not intended to preclude service on more than one board or commission, nor is it intended to prevent reappointment to a board or commission after one year of nonmembership.

Attachment 1

§ 12-13. Term limitation.

This chapter limits the number of terms for new appointments and for reappointments to three consecutive full terms, unless the City Commission specifically finds by resolution that there is not a qualified individual available to replace the member, or that some other special circumstance(s) exists which supports the reappointment of the serving member.

§ 12-14. Vacancies; absence from meetings.

[Amended 1-26-2015 by Ord. No. 2015-01]

A.

Vacancy, defined. If an appointed board, committee or commission member misses two consecutive meetings, with or without excuse, and/or three meetings within one calendar year, with or without excuse, is convicted of a felony or any other serious crime while serving as a member, the position shall be automatically vacated by law and filled pursuant to § [12-9](#). The member whose position was vacated shall not participate in meetings as a board, committee or commission member, the member's presence shall not count towards quorum of the membership and shall not have the right to vote.

B.

Notice. The chairperson of each appointed board, committee or commission shall keep a roll of attendance of each member and shall provide written notice to the member of any vacancy created by the number of the member's absences before the next meeting of that board, committee or commission. Notice shall not be considered a condition to vacate a position.

C.

Appeal. The affected member shall have the right to appeal his/her removal from the board, committee or commission he/she served by filing a written request for appeal with the City Clerk within two weeks of the vacancy as defined by this section. The request for appeal shall state the reasons the former member should be reinstated. The Appointments Committee shall hear the appeal within two of its next regularly scheduled meetings, or at a mutual time and place agreeable to the Appointments Committee and the former member. The Appointments Committee shall have the right to establish reasonable rules of procedure governing the appeal, or any hearing, by resolution.

D.

Exceptions. If a state statute or separate City ordinance regulates the removal of members from certain boards, committees, commissions or authorities, then that state statute or separate City ordinance shall govern.

[Added 6-15-2015 by Ord. No. 2015-14]

§ 12-15 Severability.

If any Section, subsection, clause, phrase or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent portion of this ordinance, and such holding shall not affect the validity of the remaining portions of this ordinance.

Attachment 1

§ 12-16 Savings.

All proceedings pending and all rights and liabilities existing, acquired or incurred at the time this ordinance takes effect are saved and may be consummated according to the law in force when they are commenced.

§ 12-17 Repealer.

All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this ordinance full force and effect.

§ 12-18 Effective Date.

This ordinance shall take effect ten (10) days after the final passage thereof."



Community Development Department
Planning Division
211 South Williams Street
Royal Oak, MI 48067

**Resolution Designating
April as Fair Housing Month**

March 9, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

The month of April is designated as Fair Housing Month by the U.S. Department of Housing and Urban Development. This is the 48th anniversary of the National Fair Housing Law, Title VIII of the Civil Rights Act of 1968. This law prohibits discrimination in the sale, rental, financing and advertising of housing and calls for equal access to housing regardless of race, color, religion, sex, national origin, age, familial status or disability.

Fair housing goals and objectives are an integral part of the city and are incorporated into the long term plans for the community development block grant program. The city actively pursues compliance with the national fair housing law and regularly provides educational information through both of the above referenced programs.

While April is designated as "Fair Housing Month", the city is committed to advocate, educate and comply with fair housing laws all year long.

The following resolution is recommended:

Whereas, April 2016 marks the 48th anniversary of the signing of the Fair Housing Act; and

Whereas, this landmark law prohibits housing discrimination on the basis of sex, color, race, age, religion, national origin, disability, family or marital status; and

Whereas, Fair Housing Month is designed to heighten people's awareness of their rights under the law when pursuing the purchase, rental, financing or advertising of housing; and

Whereas, all citizens are entitled to freedom of choice in the selection of housing and are guaranteed certain protections under the law if they are victims of discrimination.

Be it resolved, the city commission hereby designates April 2016 as Fair Housing Month in the City of Royal Oak.

Respectfully submitted,
Timothy E. Thwing
Director of Community Development

Approved,

A handwritten signature in black ink that reads 'Donald E. Johnson'.

Donald E. Johnson
City Manager

**Approval of Administrative Services Contract with
Blue Cross Blue Shield of Michigan**

February 2, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

The City of Royal Oak is entering its seventh year of being self funded through Blue Cross Blue Shield of Michigan. This has allowed the city to pay fixed fees for administration and stop loss insurance on a monthly basis, along with actual claims from the prior quarter.

Attached is schedule A for the renewal term April 2016 through March 30, 2017 (Attachment 1). It lists the administrative and stop loss fees for the renewal period. The administration fee has increased 4.5 percent since last year, and the stop loss fee has increased 2.3 percent. The fees are attributable to the city's experience as well as that of other BCBSM groups. These are relatively moderate increases. Renewal fees for the term April 2016 through March 2017 are projected at \$879,084.

The administrative services contract-quarterly settled monthly wire program between BCBSM and the city, effective April 1, 2016 is also attached (Attachment 2). It describes the terms and responsibilities between BCBSM and the city.

The following resolutions are recommended for approval:

Be it resolved, the commission hereby approves Schedule A of the administrative services contract between BCBSM and the city, and the administrative services contract-quarterly settled monthly wire program; and

Be it further resolved, the mayor and city clerk are authorized to execute the contracts on behalf of the city.

Respectfully submitted,
Mary Jo DiPaolo
Human Resources Director

Approved,



Donald E. Johnson
City Manager

2 Attachments

Attachment 1

SCHEDULE A-Renewal Term (Effective April 2016 through March 2017)
Administrative Services Contract (ASC)

- 1 . Group Name: City of Royal Oak
2 . Group Number: 007001000
3 . Contract Effective Date: April 01, 2006
4 . ASC Funding Arrangement: Quarterly Settled Monthly Wire
5 . Line(s) of Business:

Facility Professional Dental
 Facility Foreign Prescription Drugs Vision
 Facility Domestic

*Domestic Facility Code(s):

- 6 . Administrative Fees: The below administrative fees cover the Lines of Business checked in Section 5 above, unless otherwise indicated.

	<u>Administrative Fee Per Contract Per Month</u>	<u>Estimated Monthly Contracts</u>	<u>Estimated Monthly Administrative Fee</u>
A. Administrative Fee (Full Fixed)	\$63.18	624	\$39,424
B. Additional Wellness Fees	not applicable	not applicable	not applicable
C. Online Visits	not applicable	not applicable	not applicable
D. Prescription Drug Accumulator Fee	not applicable	not applicable	not applicable
E. Third-Party Stop Loss Vendor Fee	<u>not applicable</u>	<u>not applicable</u>	<u>not applicable</u>
Total Administrative Fee	\$63.18	624	\$39,424

- 7 . This Schedule A does not include any fees payable by Group to an Agent. If Group has an Agent Fee Processing Agreement on file with BCBSM, please refer to that agreement for fees and details.

- 8 . Late Payment Charges/Interest:

A. Late Payment Charge 2%
B. Yearly Statutory Interest Charge (Simple Interest) 12%
C. Provider Contractual Interest

- 9 . BCBSM Account: 1840-09397-3 Comerica 0720-00096
Wire Number Bank American Bank Assoc

- 10 . Amounts billed may include BlueCard access fees.

- 11 . If your group contains Medicare contracts and they are being separated from the current funding arrangement, all figures within the current funding arrangement will be adjusted.

Attachment 1

- 12 . The Group acknowledges that BCBSM or a Blue Cross and Blue Shield Plan may have compensation arrangements with providers in which the provider is subject to performance or risk-based compensation, including but not limited to withholds, bonuses, incentive payments, provider credits and member management fees. Often the compensation amount is determined after the medical service has been performed and after the Group has been invoiced. The Claims billed to Group include both service-based and value-based reimbursement to health care providers. Group acknowledges that BCBSM's negotiated reimbursement rates include all reimbursement obligations to providers including provider obligations and entitlements under BCBSM Quality Programs. Service-based reimbursement means the portion of the negotiated rate attributed to a particular health care service. Value-based reimbursement is the portion of the negotiated reimbursement rate attributable to BCBSM Quality Programs, as described in the Exhibit to Schedule A. BCBSM negotiates provider reimbursement rates and settles provider obligations on its own behalf, not Group. Group receives the benefit of BCBSM provider rates, but it has no entitlement to a particular rate or to unbundle the service-based or value-based components of Claims. See Exhibit 1 for additional information.

- 13 . BCBSM will charge an additional administrative fee if an ASC customer obtains stop-loss coverage from a third-party stop-loss vendor. The additional fee will be \$6.00 per contract per month.

- 14 . If you have a Consumer-Directed Health (CDH) spending account, you may be billed a separate fee for the applicable contracts.

- 15 . Prescription drug rebate administration fees are \$0.25 per BCBSM Clinical Formulary claims that are administered by Express Scripts and up to 5.5% of gross rebates for BCBSM's Custom Formulary, Custom Select Formulary, Part D formularies, specialty drugs and other medical benefit drugs that are administered by Highmark. The administrative fee is withheld from the rebate payments received from BCBSM's rebate administrators.

- 16 . If the number of monthly contracts varies by +/- 10% from the estimate stated in 6(A), BCBSM reserves the right to change the administrative fee.

BCBSM:

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

THE GROUP:

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

Blue Cross Blue Shield of Michigan is an independent licensee of the Blue Cross and Blue Shield Association.

City of Royal Oak

Group Number - 007001000

Attachment 1

B. Specific Stop-Loss Insurance:

Yes

No

If yes, complete items 1 through 6 below.

1. Stop-Loss Coverage Period:

New Coverage (Select one from below):

Standard: Claims incurred and paid during the Policy Period.

"Run-in" included: Claims incurred on or after and paid during the Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator:

Yes

No

Renewal of Existing Coverage: Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

initial here

"Run-Out" included: Claims incurred on or after the original Effective Date of Policy and paid during the Run-Out Period. **(If Run-Out is selected, Policyholder must place initials on the line next to selection)**

2. Specific (Individual) Stop-Loss Insurance shall apply to Amounts Billed for:

Medical Claims

Medical Claims and Outpatient Prescription Drug Claims

3. Specific (Individual) Stop-Loss Coverage Attachment Point is \$150,000 per Coverage Unit.

4. Specific (Individual) Stop-Loss Coverage - The Amounts Billed during the current Policy Period in excess of the individual Attachment Point in B.3. above per Policy Period.

5. Run-Out Stop-Loss Insurance - The Amounts Billed during the Run-Out Period for Claims incurred since the original Effective Date of Policy in excess of the individual Attachment Point identified in B.3. above less any Specific (Individual) Stop-Loss Claims previously paid for Amounts Billed paid during the Run-Out Period.

6. Premium:

If The Policyholder has selected Specific (Individual) Stop-Loss Coverage, the Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by the premium rate of \$54.22 for each Coverage Unit.

If The Policyholder has selected Run-Out Stop-Loss Insurance, the Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for the final month before termination by the same amount described above for Stop-Loss Premium and shall be payable for the first three months after termination of the Administrative Services Contract. However, if the number of Coverage Units in the final month is less than the number in the month exactly one year earlier, BCBSM shall calculate the Monthly Premium using the higher count from one year earlier.

7. The number of current Coverage Units is 624. If the number of Coverage Units varies by +/- 10%, the premium rate and Attachment Point may be revised.

Additional Provisions:

The undersigned person represents that he/she is authorized and responsible for purchasing stop-loss coverage on behalf of the Policyholder. It is understood that the actual terms and conditions of coverage are those contained in this Exhibit and the Stop-Loss Coverage Policy into which this Exhibit shall be incorporated at the time of acceptance by Blue Cross Blue Shield of Michigan, a nonprofit mutual disability insurer ("BCBSM"). Upon acceptance, BCBSM shall issue a Stop-Loss Coverage Policy to the Policyholder. Upon acceptance of this Exhibit and issuance of the Stop-Loss Coverage Policy, the Policyholder Group shall be referred to as the "Policyholder."

Signature of BCBSM Representative

Signature of Authorized Purchaser

Title of BCBSM Vice President or Delegate

Title of Authorized Purchaser

Date

Date

EXHIBIT TO THE STOP-LOSS INSURANCE POLICY

CITY OF ROYAL OAK

CID 102837

April 1, 2016



EXHIBIT TO THE STOP-LOSS INSURANCE POLICY

Policyholder Group Name: CITY OF ROYAL OAK
Policyholder Group Address: PO BOX 64
City: ROYAL OAK **State of Situs:** MICHIGAN **Zip Code:** 48068
Customer ID Number: 102837
Policyholder Group Number: 007001000
Effective Date of Policy: April 1, 2006
Policy Period: These specifications are for the Policy Period commencing on April 01, 2016 and ending on March 31, 2017.

The specifications below shall become effective on the first day of the Policy Period specified above and shall continue in full force and effect until the earliest of the following dates: (1) The last day of the Policy Period; (2) The date the Policy terminates; or (3) The date this Exhibit is superseded in whole or in part by a later executed Exhibit.

A. Aggregate Stop-Loss Insurance: Yes No

If yes, the Attachment Point will be set at 0% of the expected Claims for the Policy Period, and items 1 through 6 below should be completed.

1. Stop-Loss Coverage Period:

New Coverage: Claims incurred and paid during the Policy Period.

Standard: Claims incurred and paid during the Policy Period.

"Run-in" only applies to claims incurred under experience rated coverage provided to Group by Blue Cross Blue Shield of Michigan on or after and paid during the Policy Period.

Renewal of Existing Coverage: Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

2. Aggregate Stop-Loss insurance shall apply to Amounts Billed for:

Medical Claims

Medical Claims and Outpatient Prescription Drug Claims

All lines of covered business as identified in the Schedule A to the Administrative Services Contract

Other (please specify): _____

3. Attachment Point -The Attachment Point for Aggregate Stop-Loss coverage shall be the average of the number of Coverage Units for the Policy Period multiplied by the following amount: \$0, for each Coverage Unit.

4. Aggregate Stop-Loss Coverage

Amounts Billed during the current Policy Period (less Specific (Individual) Stop-Loss Claims, if any) that exceed the Attachment Point. For any aggregate credits to be provided, a twelve month period is required.

5. Premium: Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by the premium rate of \$0.00 for each Coverage Unit.

6. The number of current Coverage Units is 624. If the number of Coverage Units varies by +/- 10%, the premium rate and Attachment Point may be revised.

Administrative Services Contract – Quarterly Settled Monthly Wire Program

City of Royal Oak

This Contract commences on 4/1/2016 (the "Effective Date") and is made between Blue Cross Blue Shield of Michigan, a Michigan non-profit mutual insurance corporation, with offices at 600 Lafayette East, Detroit, Michigan 48226-2998 ("BCBSM") and City of Royal Oak with offices at PO BOX 64, Royal Oak, MI 48068 ("Group"), as the plan sponsor and administrator of its group health care plan ("Plan").

BCBSM and Group have agreed that BCBSM shall administer Claims processing for the Plan. This Contract sets forth the administrative responsibilities of BCBSM and Group's financial and other obligations with respect to BCBSM's role as a service provider to the Plan.

By entering into this Contract, Group and BCBSM hereby agree that, to the extent the Plan is governed by the Employee Retirement Income Security Act of 1974 ("ERISA"), their relationship is that of Group as "Plan Fiduciary" and BCBSM as "Service Provider" as those terms are used in Department of Labor guidance including 29 C.F.R. §2550.408b-2.

BCBSM and Group agree as follows:

ARTICLE I **DEFINITIONS**

- A. **"Amounts Billed"** means the amount that Group shall reimburse and pay BCBSM for Claims which have been processed and paid by BCBSM or another BCBS Plan under the terms of this Contract, Pharmacy Benefits if applicable, the Administrative Fee set forth in Schedule A, any Additional Administrative Compensation ("AAC") as set forth in Schedule A, Michigan Claims Tax, Pharmacy benefit fees as set forth in Schedule A, Health Care Provider Interest, and other fees and charges as set forth in Schedules A and B.
- B. **"BCBS Plan"** means a company that has been licensed by BCBSA other than BCBSM.
- C. **"BCBSA"** means the Blue Cross and Blue Shield Association.
- D. **"BlueCard Program"** means the national program established by BCBSA under which Enrollee Claims are processed by BCBS Plans when Enrollees receive health care services outside of the geographic area that BCBSM serves. BCBSA mandates the policies, procedures and disclosures of the BlueCard Program and amends them from time to time. Schedule B sets forth BCBSA's required disclosures for the BlueCard Program and is incorporated into this Contract. If BCBSA amends the disclosures, such amendments shall automatically become a part of this Contract upon BCBSM giving 60 days prior written notice to Group.
- E. **"Claim"** means a request for payment from a health care provider for a health care service provided to an Enrollee, with an incurred date for the service during the term of this Contract. Claims billed to Group include all amounts that BCBSM reimburses health care providers including both service-based and value-based reimbursement. BCBSM negotiates provider reimbursement rates on its own behalf and may set the rate for health care services to cover any BCBSM obligation to health care providers. BCBSM does not retain any portion of Claims as compensation. Provider reimbursement is governed by separate agreements with providers, BCBSM standard operating procedures for Claims, and BCBSM Quality Programs.

Claims received from an out-of-state BCBS Plan for a health care service provided to an Enrollee out-of-state are paid according to that BCBS Plan's health provider contracts and processed according to BlueCard Program standard operating procedures. Pursuant to the BlueCard Program, as described in Schedule B, out-of-state Claims may include a BlueCard Access Fee for processing the claim. Out-

Attachment 2

of-state Claims are reported and billed to the Group as they are received by BCBSM from the out-of-state BCBS Plan.

- F. **"Contract"** means this Administrative Services Contract – Monthly Wire Program, as may be amended from time to time, and any Schedules, Parts, Exhibits and Addenda attached hereto and incorporated herein by reference.
- G. **"Contract Year"** means the period from the Effective Date to the first Renewal Date, or the period from one Renewal Date to the next Renewal Date. If termination occurs, other than at the end of a Contract Year, Contract Year means that period from the Effective Date or the most recent Renewal Date through the date of termination.
- H. **"Coverages"** means the health care benefits set forth in the Universal Group Application or Part C of the Group Enrollment and Coverage Agreement, which is incorporated into this Contract.
- I. **"Employee"** means the following which are eligible and enrolled for Coverage under the terms of the Plan or as required by law: (i) employees as designated by Group; (ii) retirees and their surviving spouses as designated by the Group; and (iii) COBRA beneficiaries.
- J. **"Enrollee"** means an individual that Group enrolled as an employee, spouse or dependent in the Plan pursuant to Article II.B, either as an Employee or as a dependent of an Employee.
- K. **"ERISA"** means the Employee Retirement Income Security Act of 1974, as amended, 29 USC 1101, *et seq.*, and regulations promulgated thereunder.
- L. **"Estimated Outstanding Liability (EOL)"** means an estimate of the Group's future liability, including but not limited to, IBNR Claims which will be paid by BCBSM on behalf of the Group during the Transition Assistance Period and which is the Group's obligation to pay pursuant to the provisions of this Contract.
- M. **"HIPAA"** means the Health Insurance Portability and Accountability Act of 1996, as amended, Public Law 104 -191 of 1996, *et seq.*, and regulations promulgated thereunder.
- N. **"IBNR Claims"** means Claims which are incurred during the term of this Contract, including during the Transition Assistance Period, but have not been reported to the Group as Amounts Billed or paid and which remain the Group's liability.
- O. **"PPACA"** means the Patient Protection and Affordable Care Act, as amended, Public Law 111-148 of 2010, *et seq.*, and regulations promulgated thereunder.
- P. **"Quality Programs"** refer to BCBSM programs funded with value-based provider reimbursement. Quality Programs are governed by separate agreements with health care providers and are designed to improve health care outcomes and control health care costs.
- Q. **"Quarterly Payment Period"** means each three (3) month period, commencing on the Effective Date and continuing during the term of this Contract and includes the first three (3) months following the date initiating the Termination Assistance Period.
- R. **"Renewal Date"** means the date one year after the Effective Date, and the same date of every subsequent year. The Renewal Date may be changed by mutual agreement of BCBSM and Group.
- S. **"Transition Assistance Period (TAP)"** means a period of twenty-four (24) months after Termination has been effectively demanded under Article IV, during which BCBSM shall provide those services, and Group shall perform those obligations, set forth in Article IV, Section B.

ARTICLE II GENERAL RESPONSIBILITIES

A. **Claims Administrator Status.**

If the Plan is governed by ERISA, based on Group's disclosure of ERISA status in this Contract, Group hereby delegates to BCBSM the responsibility and discretionary authority as claims administrator to make final benefit determinations and plan interpretations necessary to make those benefit determinations. BCBSM's claims administrator responsibilities extend only to the full and fair review of claims and administrative appeals as set forth in ERISA §433. By assuming these specifically delegated responsibilities as claims administrator, BCBSM does not thereby assume any other duty of the Group as Plan Administrator or any other fiduciary function Group performs on behalf of its Plan. Any determination or interpretation made by BCBSM pursuant to its claim determination authority is binding on the Enrollee, Group, and BCBSM unless it is demonstrated that the determination or interpretation was arbitrary and capricious. Group retains all other fiduciary responsibilities and duties under ERISA not specifically delegated to BCBSM in this Contract.

BCBSM shall not be responsible for Group's failure to meet any of its financial obligations or Plan Administrator responsibilities with respect to the Plan.

B. **Eligibility and Enrollment.**

Prior to the Effective Date, Group shall notify BCBSM of all Enrollees that will be covered by the Plan. During the term of this Contract, following agreed upon procedures, Group shall notify BCBSM of all changes in Plan enrollment. Until BCBSM has been properly notified of changes to Group's Plan enrollment, BCBSM shall continue to process Claims for Enrollees as listed on BCBSM's computer membership programs. Group represents and warrants that any eligibility and status changes it requests are compliant with and permissible under applicable state and federal law, including the PPACA; and, agrees that it will only request eligibility and status change requests that are compliant with and permissible under applicable state and federal law, including the PPACA.

C. **Claims Processing.**

During the term of this Contract, requests for payment from Michigan providers will be directly submitted to BCBSM and shall be processed according to BCBSM's standard operating procedures for Claims. Requests for payment from out-of-state providers may, depending on the type of request for payment, be directly submitted to the appropriate out-of-state BCBS Plan and shall be processed pursuant to the BlueCard Program as set forth in Schedule B.

D. **Disputed Claims.**

Group shall notify BCBSM in writing of any Claim that Group disputes within 60 days of Group's access to a paid Claims listing. BCBSM shall investigate such Claims and respond to Group within a reasonable time period. Upon BCBSM's request, Group shall execute any reasonably necessary documents that will allow BCBSM to recover any amounts that may be owed by a third party with respect to such disputed Claim. If BCBSM recovers any amount from a third party or if BCBSM determines that the disputed Claim is not Group's financial responsibility or is incorrect, then BCBSM shall give Group a credit for the recovered or corrected amount (reduced by any stop loss credits given by BCBSM relating to such disputed Claim).

E. **Subrogation.**

BCBSM shall be subrogated to all of Group's, the Plan's, or an Enrollee's rights with respect to any Claim, however, BCBSM is not obligated to institute or become involved in any litigation concerning such Claim. BCBSM will use reasonable efforts to identify Claims in which the Group may have a subrogation or reimbursement interest. BCBSM will evaluate information provided by the Enrollee and other sources to determine whether a subrogation or reimbursement interest exists. BCBSM will

not be obligated to undertake any such recovery litigation unless mutually agreed to by BCBSM and Group in writing. Absent written agreement, should Group elect to pursue such recovery litigation, BCBSM agrees to cooperate in Group's recovery efforts. BCBSM will remit to Group the funds recovered from third parties, less any expenses BCBSM has incurred in the recovery effort, including any attorney fees. BCBSM may assign or subcontract a portion of its duties under this provision of the Contract to third parties. Group will assist BCBSM or its assignee or subcontractor as reasonably necessary for BCBSM, its assignee, or subcontractor to carry out its duties under this provision.

Group authorizes BCBSM to act on behalf of Group and/or the Plan in any health care class action litigation of which BCBSM has knowledge, including but not by way of limitation, drug manufacturer and product liability litigation. BCBSM will take reasonable steps to notify Group of such class action litigation. Group will notify BCBSM if Group desires to independently pursue such litigation and BCBSM will reasonably cooperate with Group. As part of BCBSM's subrogation duties, BCBSM will use reasonable efforts to identify Claims that may be included in such class action litigation. BCBSM may institute and participate in such class action litigation, however, Group acknowledges that BCBSM is not obligated to do so unless BCBSM and Group otherwise agree in writing. Group will reasonably cooperate with BCBSM with respect to any such litigation. BCBSM may assign or subcontract a portion of its duties under this provision to third parties. Group authorizes BCBSM to settle or compromise any litigation and BCBSM will remit to Group any funds recovered, less any expenses that BCBSM has incurred in participation of such class action litigation.

F. **Litigation.**

If a third party initiates a claim, suit, or proceeding against the Plan, Group, or BCBSM relating to benefits payable under the Plan or any of the administrative services subject to this Contract ("Litigation"):

1. Each party shall provide prompt written notice of the Litigation to the other party if served with such Litigation.
2. Group may, with BCBSM's consent, request that BCBSM select counsel and defend litigation. BCBSM retains the right to deny this request and enforce Group's obligation to defend the Litigation.
3. Whenever Group or BCBSM is a party in any Litigation, regardless of who is obligated to defend the litigation, Group and BCBSM each reserve the right, at its own cost and expense, to retain counsel to protect its own interests.
4. Regardless of who is obligated to defend the litigation, Group and BCBSM shall reasonably cooperate with each other to provide all relevant information and documents within their respective control that are not subject to a privilege or confidentiality obligation; and to reasonably assist each other to defend, settle, compromise, or otherwise resolve the Litigation. Whenever either party is served with any Litigation, the party served shall take all steps necessary to prevent a default in the Litigation prior to determining which party will defend such Litigation.
5. BCBSM shall have full authority to settle or compromise such Litigation, without Group's specific consent, unless:
 - a. \$50,000 or more is at issue in the Litigation;
 - b. State tax issues or mandated benefit issues are part of the Litigation and Group has requested BCBSM to defend the Litigation; or
 - c. Settlement of the Litigation could have a material adverse impact on Plan costs or administration.

If Group's consent to settle or compromise Litigation is required, such consent shall not be unreasonably withheld. If Group withholds consent for any reason and the final resolution of the Litigation is equal to or greater than a settlement or compromise proposed by BCBSM, Group shall pay BCBSM the additional cost of any subsequent settlement, compromise or

judgment including all of BCBSM's reasonable attorney fees and costs for proceeding with the Litigation.

6. When Group is obligated to defend the Litigation, Group shall have full authority to settle or compromise such Litigation without BCBSM's consent, unless BCBSM has notified Group that the Litigation may have a material adverse impact on BCBSM.

If BCBSM's consent to settle or compromise Litigation is required, such consent shall not be unreasonably withheld. If BCBSM withholds consent for any reason and the final resolution of the Litigation is equal to or greater than a settlement or compromise proposed by Group, BCBSM shall pay the additional cost of any subsequent settlement, compromise or judgment including all of Group's reasonable attorney fees and costs for proceeding with the Litigation.

7. When BCBSM defends the Litigation, the cost and expenses of such defense shall be paid by BCBSM. The cost and expenses of such defense shall include reasonable attorney fees and other reasonable litigation costs, however, any settlement or payment of amounts that are the financial responsibility of Group, including but not limited to Claims, (via judgment, award, etc.) shall be paid by Group.
8. Subject to paragraph 7 above, when the Group defends the Litigation, the cost and expenses of such defense shall be paid by Group. The cost and expenses of such defense shall include reasonable attorney fees and other reasonable litigation costs and any settlement or payment for benefits or Claims shall be paid by Group.

G. Group Audits.

Group, at its own expense, shall have the right to audit Claims incurred under this Contract; however, audits shall not occur more frequently than once every twelve months and shall not include Claims from previously audited periods or Claims paid prior to the last 24 months. Both parties acknowledge that Claims with incurred dates over two years old may be more costly to retrieve and that it may not be possible to recover over-payments for these Claims; however, BCBSM shall use best efforts to retrieve such Claims.

All audits shall be conducted pursuant to BCBSM corporate policy and other requirements at the time of the audit. The parties acknowledge staffing constraints may exist in servicing concurrent Group initiated audits. Therefore after notice from Group requesting an audit, BCBSM will have 60 to 90 days, depending on scope and sample size, to begin gathering requested documentation and to schedule the on-site phase of the audit.

Sample sizes shall not exceed 200 Claims and shall be selected to meet standard statistical requirements (i.e., 95% Confidence Level; precision of +/- 3%). Group shall reimburse BCBSM for Claims documentation in excess of 200 Claims at \$50 per Claim.

Following the on-site activity and prior to disclosing the audit findings to Group, the auditor shall meet with BCBSM Management and present the audit findings. BCBSM, depending upon the scope of the audit, shall be given a reasonable period of time to respond to the findings and provide additional documentation to the Auditor before the Auditor discloses the audit findings to the Group.

BCBSM shall have no obligation to make any payments in connection with audit findings to Group unless there has been a recovery from the provider, Enrollee, or third-party carrier as applicable. No adjustments or refunds shall be made on the basis of the auditor's statistical projections of sampled dollar errors. An audit error will not be assessed if the Claim payment is consistent with BCBSM policies and procedures, or consistent with specific provisions contained in this Contract or other written Group instructions agreed to by BCBSM.

Prior to any audit, Group and BCBSM must mutually agree upon any independent third party auditor that Group wishes to perform the audit. Additionally, prior to audit, Group and any third party auditor shall sign all documents BCBSM believes necessary for the audit which will, at a minimum,

provide for: the scope of the audit; the costs for which BCBSM is to be reimbursed by Group; the protection of confidential and proprietary information belonging to BCBSM, and of any patient specific information; and the indemnification and hold harmless of BCBSM from any claims, actions, demands or loss, including all expenses and reasonable attorney fees, arising from any suit or other action brought by an individual or provider to the extent caused by Group or its auditor.

Group shall provide BCBSM with a copy of any internal audit or review of the services performed under any agreement with BCBSM.

H. **Disclosures.**

Group shall disclose the following to Enrollees in writing:

1. BCBSM services being provided.
2. BCBSM does not insure any Enrollees.
3. Group is responsible for the payment of Claims.
4. Group is responsible for changes in Plan benefits.
5. Group is responsible for enrollment.

I. **Health Care Provider Interest.**

Group acknowledges that various states including Michigan have enacted prompt payment legislation with respect to the payment of Claims that may require the payment of interest to providers under circumstances dictated by statute. BCBSM will invoice the Group for any interest required by statute and Group shall pay such interest. Additionally, out-of-state Claims may be inclusive of any interest owed by statute or required by the terms of provider contracts with the out-of-state BCBS Plan. Out-of-state Claims are reported and billed to Group as submitted to BCBSM by the out-of-state BCBS Plan.

J. **Confidentiality.**

The terms of this Contract and the items set forth below are confidential and shall not be disclosed or released to a third party without the prior written consent of BCBSM, unless required by law.

1. Claim Information
Enrollee personal or individually identifiable health information.
2. Provider Proprietary Information
Health care provider names, addresses, tax identification numbers, and financial amounts paid to such providers.
3. BCBSM and Other BCBS Plan Proprietary Information
BCBSM's or any other BCBS Plan's methods of reimbursement, amounts of payments, discounts and access fees; BCBSM's administrative fees and, if applicable, stop loss fees; those processes, methods, and systems developed for collecting, organizing, maintaining, relating, processing and transacting comprehensive membership, provider reimbursement and health care utilization data.

K. **Amounts Billed.**

1. Claims:

The Claims billed to Group include both service-based and value-based reimbursement to health care providers. Group acknowledges that BCBSM's negotiated reimbursement rates include all reimbursement obligations to providers including provider obligations and entitlements under BCBSM Quality Programs. Service-based reimbursement means the portion of the negotiated rate attributed to a particular health care service. Value-based reimbursement is the portion of the negotiated reimbursement rate attributable to BCBSM Quality Programs, as described in the Exhibit to Schedule A.

Attachment 2

BCBSM negotiates provider reimbursement rates and settles provider obligations on its own behalf, not Group. Through this contract, Group receives the benefit of BCBSM provider rates, but it has no entitlement to a particular rate or to unbundle the service-based or value-based components of Claims. BCBSM does not retain any portion of Claims as compensation. All amounts collected from Group in Claims are used to satisfy provider obligations. Group agrees to pay Claims as defined herein.

Out-of-state Claims processed through the BlueCard Program, shall be calculated according to the BlueCard Program policies and procedures, as set forth in Schedule B.

2. **Additional Administrative Compensation:**

Group shall pay Additional Administrative Compensation ("AAC") as set forth in Schedule A unless the Group has elected a Full Fixed Administrative Fee in lieu of AAC. AAC is calculated as a percentage of BCBSM discounts on Michigan hospital Claims with a cap and floor as set forth in Schedule A.

3. **Health Care Provider Interest:**

See Article II.I.

4. **Taxes and Surcharges:**

State and Federal governments may impose surcharges or taxes on Claims. The State of Michigan imposes a tax on all Michigan Claims for Michigan residents. Tax rates are governed by applicable law.

Such surcharges or taxes, where imposed by law, may be invoiced to Group or billed and reported to Group in Claims. Group agrees to pay all such surcharges or taxes.

5. **Pharmacy Benefits Services:**

If Group elects BCBSM pharmacy benefits, Amounts Billed shall include pharmacy Claims and any claims processing, pharmacy fees, and rebate processing fees set forth in Schedule A.

6. Amounts Billed shall also include any fee or charge identified in Group's Schedule A, including but not limited to Group's Administrative Fee.

L. **Coordination with Medicare.**

Group shall timely notify BCBSM whether Medicare is the primary payer for Claims of any Enrollee. BCBSM shall change such Enrollee's eligibility record within 15 business days of BCBSM's receipt of Group's notice. Group shall indemnify and hold harmless BCBSM for any claim, demand, judgment, penalty or other liability that arises out of Group's failure to provide timely notice to BCBSM.

M. **Pharmacy Benefits.**

To the extent Group has engaged BCBSM to administer prescription drug claims for its Plan, BCBSM or its subcontractor shall process all prescription drug claims according to Group's benefit design and BCBSM's participating pharmacy contracts.

Group acknowledges that payments to participating pharmacies may include prescription drug costs, dispensing fees, and incentive fees for dispensing a generic drug or compounding a prescription drug.

Group authorizes BCBSM to act and serve as Group's exclusive agent for the purpose of negotiating with and obtaining rebates from pharmaceutical manufacturers. Group understands and agrees that BCBSM may directly contract with pharmaceutical manufacturers or BCBSM may contract with various subcontractors that have contracts with pharmaceutical manufacturers. BCBSM's rebate

Attachment 2

administrators retain a portion of the total rebates collected from drug manufacturers as a rebate administration fee. BCBSM will pass on to Group rebates net of rebate administration fees. If BCBSM receives rebate adjustments or de minimis amounts of unidentifiable rebates that cannot practicably be tied to particular claims, BCBSM will proportionally allocate those rebate amounts to customers with pharmacy benefits.

Pharmacy administration fees and rebate administration fees are set forth in Schedule A.

ARTICLE III FINANCIAL RESPONSIBILITIES

A. Group Responsibilities.

Group shall be liable for all risks, financial obligations, Amounts Billed, fees, and interest set forth in this Contract, including Schedules A, B, and C. Group shall also be liable for any statutory court costs and attorney's fees awarded by a court to Enrollees, and all other liabilities which BCBSM may assume or which might otherwise attach with respect to the administration of Coverages pursuant to this Contract, including Schedules A, B, and C. Group shall make full payment and satisfaction to BCBSM for all amounts resulting from such risks, financial obligations, and liabilities.

B. Scheduled Payments by Group.

During the first two Quarterly Payment Periods of this Contract, Group shall pay to BCBSM each month the "Estimated Monthly Payment" which consists of (1) the pro rata cost of the Group's estimated Amounts Billed for the Quarterly Payment Period; (2) the pro rata costs of the Group's estimated administrative charge and, if applicable, of the stop loss fees for the Contract Year; (3) the amount BCBSM determines necessary to maintain the prospective hospital reimbursement funding for the Quarterly Payment Period ("Michigan Hospital Advance"); and (4) any other amounts owed by the Group pursuant to this Contract. Thereafter, approximately thirty (30) days before each Quarterly Payment Period, BCBSM will notify Group of any adjustments in the above amounts to be paid during the next Quarterly Payment Period. The estimated amounts owed relating to Claims for each Quarterly Payment Period are based on the total of Amounts Billed during the prior available twelve (12) months, adjusted for costs and utilization.

C. Interest.

Pursuant to the instructions in Schedule A, Group shall pay the Estimated Monthly Payment to a designated BCBSM bank account, which funds other BCBSM accounts. To the extent any of those bank accounts are interest bearing, BCBSM retains any interest earned and will not pay or credit any interest to Group. Additionally, banks holding BCBSM accounts may retain float interest earned on transactions with the funds in those accounts.

D. Schedule A Renewals.

Thirty (30) days prior to each Renewal Date, BCBSM shall send Group a Schedule A for the new Contract Year with all pricing terms, including BCBSM's administrative fee, applicable AAC, interest rates, and any new Michigan hospital advance. Such Schedule A may specify the pricing terms for a single Contract Year or, with the agreement of BCBSM and Group, may specify the pricing terms for multiple Contract Years. The renewal term Schedule A as received by the Group shall be considered fully executed and effective on the Renewal Date unless the Group notifies BCBSM prior to the Renewal Date that the contract will not be renewed.

E. Group's Monthly Wire and Other Payments.

Group shall make monthly wire transfer payments of all amounts due to BCBSM within one business day of the payment day set forth in the Quarterly Settlement Payment Schedule. In addition, Group

Attachment 2

shall pay to BCBSM any separately invoiced amounts within fifteen (15) days of invoice or settlement receipt.

If Group's payment is more than one business day late, Group shall pay a late fee of the lesser of two percent (2%) of any outstanding amount due or the maximum amount permitted by law. In addition, BCBSM may cease to process Claims retroactive to the last date for which full payment was made.

F. Settlements.

1. **Quarterly Settlements.** Approximately sixty (60) days after the close of each Quarterly Payment Period, BCBSM will provide a settlement that sets forth amounts paid by Group and, to the extent known by BCBSM at that time, the Amounts Billed with respect to the covered lines of business for the immediate prior Quarterly Period.
2. **Annual Settlements.** Group shall receive its Annual Settlement approximately one hundred twenty (120) days after the end of each Contract Year, which may include a reconciliation of the administrative fee based on BCBSM's enrollment records for the Contract Year at the time the reconciliation is performed. Because reconciliation of Group's hospital Claims depends on BCBSM's final settlement with the hospitals, a separate settlement process called CSR, explained below, captures that reconciliation.

If the Group has an arrangement whereby it pays AAC, the total AAC reported to Group with the Annual Settlement equals the total amount of AAC collected from Group during the year in Amounts Billed less any AAC that was refunded to Group pursuant to a stop-loss insurance policy with BCBSM. If the total AAC exceeds the maximum AAC set forth in Schedule A, BCBSM shall return the excess AAC to Group. If the total AAC is less than the minimum AAC set forth in Schedule A, Group shall pay BCBSM the shortfall. Neither Group nor BCBSM shall pay any interest on these payments/refunds.

3. **Customer Savings Refund.** Customer Savings Refund (CSR) is the annual report reconciling Group's Amounts Billed during the 12-month period 7/1 - 6/30 with any of the following items settled during the same period: (1) retroactive adjustments made in the Michigan Hospital Settlement (MHS), explained below, (2) drug rebates received pursuant to Group's Pharmacy Benefits arrangement, (3) class action recoveries, and (4) any other settlements from litigation and provider audits for which claim readjudication is not practicable.

If a refund is due, Group will receive a CSR payment in the year following the close of the CSR period. In the case of a liability resulting from the MHS, the liability will be reported to Group in the year following the close of the CSR period. A liability will accumulate with interest and be offset against future CSR payments. BCBSM may in its sole discretion elect not to offset any MHS liability against some or all drug rebates.

MHS liabilities will continue to accumulate from year to year unless Group elects to pay the liability or CSR payments in subsequent years exceed the amount of Group's outstanding MHS liability. BCBSM may in its sole discretion invoice Group for some or all of Group's CSR liability, which invoice shall be paid within thirty (30) days of receipt by Group.

The MHS is designed to reconcile amounts BCBSM paid to a hospital during a year with the total amount of reimbursement due to the hospital. Pursuant to separate agreements between BCBSM and Michigan hospitals, BCBSM makes periodic estimated payments to each hospital based on expected claims for all BCBSM customers. At the end of the contract year with the hospital, BCBSM settles the amount the hospital received in payments with actual claims experience, hospital reward and incentive payments under Quality Programs, and hospital obligations to Quality Programs. The MHS will result in a gain or loss applied to Group's CSR.

Group will not receive a CSR or incur adjusted liability attributable to a particular hospital until after the finalization of the MHS for a particular hospital. Group's refund or liability attributable to a particular hospital gain or loss, respectively, is proportionate to Group's utilization for that hospital.

G. Changes in Enrollment or Coverages – Effect on Pricing Terms.

If there is more than a 10 percent (10%) change in the number of Enrollees from the number stated in Schedule A during any month of the Contract Year or a change in Coverages, BCBSM may immediately revise any affected pricing terms in the Schedule A to reflect such changes in Enrollment and/or Coverages. Any revisions will be effective beginning with the next Quarterly Payment Period following thirty (30) day notification by BCBSM to the Group. The revised Schedule A will be treated as executed by Group and effective as of the date it is received by Group.

**ARTICLE IV
TERMINATION AND TERMINATION ASSISTANCE**

A. Termination & Notice.

1. With or Without Cause. Either party may with or without cause provide notice of intent to terminate this Contract by giving written notice to the other party. For the ninety (90) days following such written notice, each Party's obligations and entitlements will remain unaltered. At the conclusion of this ninety (90) day notice period, no claims with service dates following the conclusion of the ninety (90) day notice period will be approved and the Transition Assistance Period ("TAP") will begin, which will conclude 24 months later, at which time the contract will be terminated.
2. Nonpayment, Partial Payment, Insolvency, or Bankruptcy. Notwithstanding any other Contract provisions, if Group fails to timely pay any amounts owed or becomes insolvent or files for bankruptcy protection, BCBSM may at its option, after giving five (5) days notice in writing, cause the contract to immediately enter the TAP.
3. Termination within the First Contract Year. If Group gives notice of termination of the Contract before the end of the first Contract Year or if BCBSM terminates the contract under paragraph (2.) before the end of the first Contract Year, Group's total administrative fee liability to BCBSM shall be twelve months of administrative fees at the rate stated in Schedule A in order to compensate BCBSM for the costs of setting up and implementing the arrangement. Group's termination liability for administrative fees shall be determined using the average monthly enrollment prior to termination times twelve months, and shall be net of administrative fees paid prior to termination.

B. Transition Assistance Period.

Once written notice of termination has been given under Section A of this Article and the notice period has expired, the parties will continue to perform, and this Contract will continue, with respect to each party's obligations related to the wind-down of this Contract as set forth in this Section for the TAP. Upon the expiration of the TAP, this Contract shall terminate. The date on which the applicable notice period has expired following a termination trigger and on which the TAP commences will be called the "TAP Effective Date."

1. End of Coverage. Notwithstanding any other provisions contained herein, neither BCBSM nor any BCBS Plan shall have any obligation for payment for any health care services which are incurred after the TAP Effective Date.
2. Obligation to Pay. Notwithstanding any other provisions contained herein, Group's obligation to pay amounts incurred under the Contract shall survive during the TAP, and Group shall continue to timely pay all amounts owed. All Claims incurred prior to the TAP Effective Date, but not paid before that date, shall be processed by BCBSM or other BCBS Plans pursuant to the terms and conditions in this Contract and separate agreements with providers. Group agrees that it shall have no right to have any Claims incurred before the TAP Effective Date processed by a replacement carrier or administrator.

Attachment 2

BCBSM retains the right to cease paying Claims if, during the TAP, Group fails to timely pay BCBSM for Amounts Billed and/or if Group is insolvent and/or files for bankruptcy protection. Group represents and warrants that it understands that it will be solely liable for any Claims BCBSM does not pay as a result of Group's failure to make timely payment to BCBSM, and Group will indemnify, defend, and hold BCBSM harmless for any Litigation or other adversary proceeding brought by an Enrollee whose claim was not paid by BCBSM as a result of Group's failure to timely pay BCBSM. This paragraph is independent of BCBSM's rights under Art. IV.A.2.

3. Claim Payments. For the first three (3) months following the TAP Effective Date, Group shall make monthly payments in the same manner as prior to the TAP Effective Date, except that (i) if the TAP Effective Date occurs before the end of a Quarterly Payment Period, the monthly amounts then being made will continue to be made during the first three (3) months following TAP Effective Date and (ii) Group shall pay the fixed administrative fee for only the first two months after the TAP Effective Date. AAC, if any, will continue to be paid for the TAP. Thereafter, for the next twenty-one (21) months, Group shall make monthly payments to BCBSM for Amounts Billed.

Within ninety (90) days following the TAP Effective Date, BCBSM will prepare a settlement in the form of a quarterly settlement, for the period from the last quarterly settlement through the TAP Effective Date. Within sixty (60) days after the six-month and twelve-month periods following the TAP Effective Date, BCBSM will make new calculations of the EOL, MHS and any other settlements included in CSR, so that Group is aware of any estimated liability and continuing obligation for payment.

If any EOL balance shows a surplus over any funds then held by BCBSM, the amount of the surplus will be refunded to Group within thirty (30) days. Any Amounts Billed during the TAP will first be charged against any funds then held by BCBSM and, after such funds are exhausted, BCBSM may invoice Group as frequently as each month for Amounts Billed.

4. Settlement-Last Contract Year. Within one hundred eighty (180) days following the TAP Effective Date, BCBSM shall prepare a settlement statement for the last Contract Year. Such settlement statement shall include any compensation to BCBSM, including administrative fees.
5. Interest. If the total amount of the estimated Amounts Billed included in the monthly payments made during the first three (3) month period following termination exceed the actual Amounts Billed during the period, BCBSM will pay the Group interest at the then rate for short term government treasury bonds (STIGB), which is currently calculated as a rolling twelve-month average of the 90-day T-Bill yield rate on the average monthly balance of any excess. The total amount of any excess will be included in the settlement for the last Contract Year.
6. Final Calculation and Notifications of EOL. Within ninety (90) days after the expiration of the Transition Assistance Period, BCBSM will prepare a final EOL and will refund any positive balance or invoice Group for any negative balance. Any negative balance will be due within ten (10) days of the date of invoice. The payment to Group or to BCBSM as provided in the immediately preceding sentence shall fully and finally settle, release, and discharge each party from any and all claims that are known, unknown, liquidated, non-liquidated, incurred-but-not-reported, adjustments, recoupments, receivables, recoveries, rebates, hospital settlements, and other sums of money due and owing between the parties and arising under this Contract.
7. Group Duty to Notify/Indemnity. Group shall notify BCBSM if, as a result of its insolvency or other status, another party is required by law to receive any refunds, payments, or returned funds from BCBSM under this Article IV. Group shall indemnify, defend, and hold BCBSM harmless for any liability, including attorney fees, resulting from Group's failure to notify BCBSM under this paragraph.

C. Conversion to Underwritten Group.

If Group converts from a self-funded group to a BCBSM underwritten group, Group shall continue to be obligated for any EOL and Group shall timely pay the amounts due and owing under this Contract in addition to any premium payments as a BCBSM underwritten group.

**ARTICLE V
GENERAL PROVISIONS**

A. Entire Agreement.

This entire Contract, including Schedules, represents the entire understanding and agreement of the parties regarding matters contained herein. This Contract supersedes any prior verbal or written agreements and understandings between the parties and shall be binding upon the parties, their successors or assigns.

B. Indemnity.

Group agrees to indemnify, defend and hold BCBSM harmless from any claims resulting from Group's breach of any term of this Contract and/or breach of any obligation or duty not expressly delegated to BCBSM in this Contract, including, but not limited to, Group's obligation to manage enrollment, to disclose Plan information to Enrollees, to respond to requests for Plan documents, and to read and understand the terms of this Contract.

The indemnity and hold harmless provisions of this Contract shall survive the termination of the Contract.

C. Service Mark Licensee Status.

BCBSM is an independent licensee of BCBSA and is licensed to use the "Blue Cross" and "Blue Shield" names and service marks in Michigan. BCBSM is not an agent of BCBSA and, by entering into this Contract, Group agrees that it made this Contract based solely on its relationship with BCBSM or its agents. Group agrees that BCBSA is not a party to this Contract, has no obligations under this Contract, and that no BCBSA obligations are created or implied under this Contract.

D. Notices.

Unless otherwise provided in this Contract, any notice required shall be given in writing and sent to the other party either by hand-delivery, electronic mail message to designated representative of the other party, or postage pre-paid US first class mail at the following address or such other address as a party may designate from time to time.

If to Group:

Current address shown on
BCBSM Group Header

If to BCBSM:

Blue Cross Blue Shield of Michigan
600 Lafayette East, Mail Code B612
Detroit, Michigan 48226-2998

E. Amendment.

This Contract may be amended only by a written agreement duly executed by authorized representatives of each party provided, however that this Contract may be amended by BCBSM upon written notice to Group in order to facilitate compliance with applicable law including changes in regulations, reporting requirements or data disclosure as long as such amendment is applicable to all BCBSM groups that would be similarly affected by the legal change in question. BCBSM will provide thirty (30) calendar days notice of any such amendment and regulatory provision, unless a shorter notice is necessary in order to accomplish regulatory compliance.

Attachment 2

Upon request by Group BCBSM will consult with Group regarding the regulatory basis for any amendment to this Contract as a result of regulatory requirements.

F. Severability.

The invalidity or nonenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision of this Contract.

G. Waiver.

The waiver by a party of any breach of this Contract by the other party shall not constitute a waiver as to any subsequent breach.

H. Law.

This Contract is entered into in the State of Michigan and, unless preempted by federal law, shall be construed according to the laws of Michigan. Group agrees to abide by all applicable state and federal law. Group agrees that, where applicable, the federal common law applied to interpret this Contract shall adopt as the federal rule of decision Michigan law on the interpretation of contracts. .

I. HIPAA.

1. Group Certification.

Group certifies that it is the Plan Sponsor and Plan Administrator, performs Plan administration functions, needs access to Enrollee protected health information to carry out such administration functions, and has amended the Plan documents to comply with the requirements of 45 CFR 164.504(f)(2). BCBSM is therefore authorized to provide Group with the minimum necessary Enrollee protected health information for Group to perform its plan administration functions.

2. Business Associate Agreement.

The parties shall enter into a business associate agreement.

J. Force Majeure.

Neither BCBSM nor Group shall be deemed to have breached this Contract or be held liable for any failure or delay in the performance of all or any portion of its obligations under this Contract if prevented from doing so by acts of God or the public enemy, fires, floods, storms, earthquakes, riots, strikes, boycotts, lock-outs, wars and war-operations, restraints of government, power or communication line failure, judgment, ruling, order of any federal or state court or agency of competent jurisdiction, change in federal or state law or regulation subsequent to the execution of this Contract, or other circumstances beyond the party's reasonable control for so long as such "force majeure" event reasonably prevents performance.

K. Group Disclosure of Other Coverage Vendors.

Group agrees that, to the extent that BCBSM does not administer all of Plan's "essential health benefits," as that term is defined by the PPACA, Group shall identify for BCBSM all those vendors ("Vendors") that are also providing or administering essential health benefits to the Plan's participants, the benefits the Vendors are providing to them, the number of participants receiving such benefits, and the cost sharing arrangements for such benefits.

In addition, Group shall cause its officers, directors, employees, and representatives and Vendors' officers, directors, employees and representatives to fully and timely cooperate with BCBSM and provide it with the necessary information for BCBSM to ensure its compliance and that of the Plan with PPACA to the extent BCBSM is obligated to do so by law or by contract. This information

includes, but is not limited to, social security numbers or other forms of government identification numbers of each Plan participant and beneficiary.

Group is solely responsible to ensure Group's maximum out-of-pocket amount is in compliance with PPACA. If BCBSM agrees to assist Group in determining whether Group's maximum out-of-pocket amount is in compliance with PPACA, then Group authorizes all Vendors to, and shall inform the Vendors in Group's contract with them that they must, effective on the beginning of the Group's first plan year on or after January 1, 2014, disclose to BCBSM on a daily basis (or some other regularly scheduled period as determined by BCBSM) all claims data for the essential health benefit(s) of Plan participants and beneficiaries that they possess.

L. Other Data Requirements.

Group agrees to provide to BCBSM all data reasonably necessary for BCBSM to comply with the requirements of PPACA or other applicable federal or state laws. Such data includes, but is not limited to, all Enrollee data needed to comply with any reporting or other requirements of PPACA, *e.g.*, the employer's share of any premium and social security or tax identification numbers. Group certifies that if it fails to provide all the data requested and if it has provided such information to BCBSM in response to a previous request, then Group shall be deemed to have certified to BCBSM that such information previously supplied remains correct and can be relied upon.

Group and Group's Vendors will maintain relevant books, records, policies, procedures, internal practices, and/or data logs relating to this Contract in a manner that permits review for a period of seven (7) years or ten (10) years in the case of Medicare/Medicaid transactions) after the expiration of this Contract. With reasonable notice and during usual business hours, BCBSM, or its designated third party (with appropriate confidentiality obligations), may audit those relevant books, records, policies, procedures, internal practices, and/or data logs of Group and/or its Vendors, as necessary, to verify calculations related to the imposition of any taxes and fees under PPACA or other federal or state laws and to ensure compliance with this Contract and any applicable federal and state laws. Group shall cooperate with BCBSM in all reasonable respects in connection with such audits.

BCBSM's failure to detect, failure to notify Group of detection, or failure to require Group's remediation of any unsatisfactory practices does not relieve Group of its responsibility to comply with this Contract or applicable law, does not constitute acceptance of such practice, and does not constitute a waiver of BCBSM's enforcement rights under this Contract or applicable law.

If Group conducts, or contracts to have conducted, an internal audit or review of the services performed under any agreement with BCBSM, Group shall provide BCBSM with a copy of such audit or review within thirty (30) days of BCBSM's written request. This also applies to audits/reviews performed by or at the request of any federal or state regulatory agencies of BCBSM services. The selection of an independent auditor by Group to conduct an internal audit of Group does not preclude BCBSM from conducting an audit in accordance with the terms contained herein.

The provisions of this Section shall survive the termination of this Contract.

M. Grandfather Status; Women's Preventative Care Religious Exemption.

Group acknowledges and agrees that unless a written certificate of grandfather status and indemnity in form and substance satisfactory to BCBSM was previously provided to BCBSM by Group or, for a Group new to BCBSM as of January 1, 2013, was provided to and accepted by BCBSM concurrently with the signing of this Contract, Group will be considered non-grandfathered for all purposes.

In addition, Group acknowledges that the health care coverages provided to its Enrollees will include recommended women's preventive health services without cost sharing (as required by PPACA) unless the Plan (i) is a grandfathered group health plan that has not provided such coverage or (ii) qualifies as either an exempt group health plan or one eligible for the temporary safe harbor under PPACA and has provided a certificate to that effect in form and substance satisfactory to BCBSM.

Attachment 2

N. Summary of Benefits and Coverage.

Group is solely responsible for compliance with the federal Summary of Benefit and Coverage (SBC) rules, including SBC creation and distribution. BCBSM does not assume any responsibility for SBC rule compliance relating to the Plan, or for creation or disclosure of compliant SBCs. BCBSM disclaims any liability or responsibility for any non-compliance by Plan with SBC rules and regulations relating to creation, disclosure or other requirements.

O. Plan Year.

Group's Plan Year, as that term is defined in PPACA, is the one year period beginning on the Effective Date and ending one year (or less) later on the last day of the month immediately preceding the month in which the Effective Date falls ("Effective Date Month"). Each Plan Year thereafter shall begin on the first day of the Effective Date Month and end one year later.

If Group's Plan Year that is not consistent with that reflected in the preceding paragraph, Group will promptly notify BCBSM in writing. Group will notify BCBSM at least six months in advance of any change in the Plan Year.

P. Knowing Assent.

Group acknowledges that it has had full opportunity to consult with such legal and financial advisors as it has deemed necessary or advisable in connection with its decision knowingly to enter into this Contract. Group acknowledges that it is its obligation as Plan Fiduciary to determine whether the financial arrangements set forth in this Contract and Schedules are an appropriate Plan expense and for the exclusive benefit of the Plan. Group acknowledges that it has had any questions about this Contract posed to BCBSM fully answered to Group's satisfaction.

Neither party has executed this Contract in reliance on any representations, warranties, or statements other than those expressly set forth herein.

Q. Group Health Plan Type; Attestation.

Is Group's Plan governed by ERISA? Yes. No.

Group attests that, to the best of its knowledge, this response is correct and acknowledges that BCBSM will rely on this response to determine requirements applicable to Group and the performance of this Contract.

Attachment 2

AGREED AND ACCEPTED.

BCBSM:

GROUP:

By: (Signature)	By: (Signature)
Name: (Print)	Name: (Print)
Title:	Title:
Date:	Date:

By: (Signature)	By: (Signature)
Name: (Print)	Name: (Print)
Title:	Title:
Date:	Date:

Schedule B

BlueCard Disclosures

BCBSM has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as "Inter-Plan Programs." Whenever Enrollees access healthcare services outside the geographic area BCBSM serves, the claim for those services may be processed through one of these Inter-Plan Programs and presented to BCBSM for payment in accordance with the rules of the Inter-Plan Programs policies then in effect. The Inter-Plan Programs available to Enrollees under this contract are described generally below.

Typically, Enrollees when accessing care outside the geographic area BCBSM serves obtain care from healthcare providers that have a contractual agreement (i.e., are "participating providers") with the local Blue Cross and/or Blue Shield Licensee in that other geographic area ("Host Blue"). In some instances, Enrollees may obtain care from non-participating healthcare providers. BCBSM's payment practices in both instances are described below.

A. BlueCard® Program

Under the BlueCard® Program, when Enrollees access covered healthcare services within the geographic area served by a Host Blue, BCBSM will remain responsible to Group for fulfilling BCBSM's contractual obligations. However, in accordance with applicable Inter-Plan Programs policies then in effect, the Host Blue will be responsible for providing such services as contracting and handling substantially all interactions with its participating healthcare providers. The financial terms of the BlueCard Program are described generally below. Individual circumstances may arise that are not directly covered by this description; however, in those instances, our action will be consistent with the spirit of this description.

Liability Calculation Method Per Claim

The calculation of the Enrollee liability on claims for covered healthcare services processed through the BlueCard Program will be based on the lower of the participating healthcare provider's billed covered charges or the negotiated price made available to BCBSM by the Host Blue.

The calculation of Group's liability on claims for covered healthcare services processed through the BlueCard Program will be based on the negotiated price made available to BCBSM by the Host Blue. Sometimes, this negotiated price may be greater than billed charges if the Host Blue has negotiated with its participating healthcare provider(s) an inclusive allowance (e.g., per case or per day amount) for specific healthcare services.

Host Blues may use various methods to determine a negotiated price, depending on the terms of each Host Blue's healthcare provider contracts. The negotiated price made available to BCBSM by the Host Blue may represent a payment negotiated by a Host Blue with a healthcare provider that is one of the following:

- (i) an actual price. An actual price is a negotiated payment without any other increases or decreases, or
- (ii) an estimated price. An estimated price is a negotiated payment reduced or increased by a percentage to take into account certain payments negotiated with the provider and other claim- and non-claim-related transactions. Such transactions may include, but are not limited to, anti-fraud and abuse recoveries, provider

refunds not applied on a claim-specific basis, retrospective settlements, and performance-related bonuses or incentives, or

- (iii) an average price. An average price is a percentage of billed covered charges representing the aggregate payments negotiated by the Host Blue with all of its healthcare providers or a similar classification of its providers and other claim- and non-claim-related transactions. Such transactions may include the same ones as noted above for an estimated price.

Host Blues using either an estimated price or an average price may, in accordance with Inter-Plan Programs policies, prospectively increase or reduce such prices to correct for over- or underestimation of past prices. However, such prospective adjustments will not affect the price used to determine the amounts that the Enrollee and Group pay. The BlueCard Program requires that the price submitted by a Host Blue to BCBSM is a final price irrespective of any future adjustments based on the use of estimated or average pricing.

If a Host Blue uses either an estimated price or an average price on a claim, it may also hold some portion of the amount that Group pays in a variance account, pending settlement with its participating healthcare providers. Because all amounts paid are final, neither variance account funds held to be paid, nor the funds expected to be received are due to or from Group. Such payable or receivable would be eventually exhausted by healthcare provider settlements and/or through prospective adjustment to the negotiated prices.

A small number of states require Host Blues either (i) to use a basis for determining Enrollee liability for covered healthcare services that does not reflect the entire savings realized, or expected to be realized, on a particular claim or (ii) to add a surcharge. Should the state in which healthcare services are accessed mandate liability calculation methods that differ from the negotiated price methodology or require a surcharge, BCBSM would then calculate Enrollee liability and Group's liability in accordance with applicable law.

Return of Overpayments

Under the BlueCard Program, recoveries from a Host Blue or its participating healthcare providers can arise in several ways, including, but not limited to, anti-fraud and abuse recoveries, healthcare provider/hospital audits, credit balance audits, utilization review refunds, and unsolicited refunds. In some cases, the Host Blue will engage a third party to assist in identification or collection of recovery amounts. The fees of such a third party may be netted against the recovery. Recovery amounts determined in this way will be applied in accordance with applicable Inter-Plan Programs policies, which generally require correction on a claim-by-claim or prospective basis.

Unless otherwise agreed to by the Host Blue, BCBSM may request adjustments from the Host Blue for full refunds from healthcare providers due to the retroactive cancellation of membership but only for one year after the date of the Inter-Plan financial settlement process for the original claim. In some cases, recovery of claim payments associated with a retroactive cancellation may not be possible if, as an example, the recovery conflicts with the Host Blue's state law or healthcare provider contracts or would jeopardize its relationship with its healthcare providers.

BlueCard Program Fees and Compensation

Group understands and agrees to reimburse BCBSM for certain fees and compensation which we are obligated under the BlueCard Program to pay to the Host Blues, to the Blue Cross and Blue Shield Association (BCBSA), and/or to BlueCard Program vendors, as described below. Fees and compensation under the BlueCard Program may be revised in accordance with the

Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by any Groups. Such revisions typically are made annually as a result of Program policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Group benefit period under this contract.

Only the BlueCard Program access fee may be charged separately each time a claim is processed through the BlueCard Program. If one is charged, it will be a percentage of the discount/differential BCBSM receives from the Host Blue, based on the current rate in accordance with the Program's standard procedures for establishing the access fee rate. The access fee will not exceed \$2,000 for any claim. All other BlueCard Program-related fees are included in BCBSM's administrative fee.

A BlueCard Program access fee may be charged only if the Host Blue's arrangement with its healthcare provider prohibits billing Enrollees for amounts in excess of the negotiated payment. However, a healthcare provider may bill for non-covered healthcare services and for Enrollee cost sharing (for example, deductibles, copayments, and/or coinsurance) related to a particular claim.

When BCBSM is charged a BlueCard Program access fee, BCBSM may pass the charge along to you as a claim expense or as a separate amount. The access fee will not exceed \$2,000 for any claim. If BCBSM receives an access fee credit, BCBSM will give Group a claim expense credit or a separate credit.

Instances may occur in which the claim payment is zero or BCBSM pays only a small amount because the amounts eligible for payment were applied to patient cost sharing (such as a deductible or coinsurance). In these instances, BCBSM will pay the Host Blue's access fee and pass it along to Group as stated above even though you paid little or had no claim liability.

B. Negotiated National Account Arrangements

As an alternative to the BlueCard Program, your Enrollee claims for covered healthcare services may be processed through a negotiated National Account arrangement with a Host Blue.

If BCBSM and Group have agreed that a Host Blue(s) shall make available a custom healthcare provider network(s) in connection with this contract, then the terms and conditions set forth in BCBSM's negotiated National Account arrangement(s) with such Host Blue(s) shall apply. In negotiating such arrangement(s), BCBSM is not acting on behalf of or as an agent for Group, the Group's health care plan(s) or Enrollees.

Group agrees that BCBSM will not have any responsibility in connection with the processing and payment of claims when Enrollees access such network(s), except as may be set forth in the relevant participation agreement.

Enrollee Liability Calculation

Enrollee liability calculation will be based on the negotiated price/lower of either billed covered charges or negotiated price made available to BCBSM by the Host Blue that allows Group's Enrollees access to negotiated participation agreement networks of specified participating healthcare providers outside of BCBSM's service area.

Fees and Compensation

Group understands and agrees to reimburse BCBSM for certain fees and compensation which we are obligated under applicable Inter-Plan Programs requirements to pay to the Host Blues,

to the Blue Cross and Blue Shield Association, and/or to Inter-Plan Programs vendors. Fees and compensation under applicable Inter-Plan Programs may be revised in accordance with the Programs' standard procedures for revising such fees and compensation, which do not provide for prior approval by any Groups. Such revisions typically are made annually as a result of Inter-Plan Programs policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Group's benefit period under this Contract.

In addition, the participation agreement with the Host Blue may provide that BCBSM must pay an administrative and/or a network access fee to the Host Blue, and Group further agrees to reimburse BCBSM for any such applicable administrative and/or network access fees. For this type of negotiated participation arrangement, any such administrative and/or network access fees will not be greater than the comparable fees that would be charged under the BlueCard Program.

C. Non-Participating Healthcare Providers Outside BCBSM's Service Area

Enrollee Liability Calculation

1. In General

When covered healthcare services are provided outside of BCBSM's service area by non-participating healthcare providers, the amount(s) an Enrollee pays for such services will generally be based on either the Host Blue's non-participating healthcare provider local payment or the pricing arrangements required by applicable state law. In these situations, the Enrollee may be responsible for the difference between the amount that the non-participating healthcare provider bills and the payment BCBSM will make for the covered services as set forth in this paragraph.

2. Exceptions

In some exception cases, BCBSM may pay claims from non-participating healthcare providers outside of BCBSM's service area based on the provider's billed charge, such as in situations where an Enrollee did not have reasonable access to a participating provider, as determined by BCBSM in its sole and absolute discretion or by applicable state law. In other exception cases, we may pay such claims based on the payment we would make if BCBSM were paying a non-participating provider inside of its service area where the Host Blue's corresponding payment would be more than BCBSM's in-service area non-participating provider payment, or in our sole and absolute discretion, we may negotiate a payment with such a provider on an exception basis. In any of these exception situations, the [employee/member/subscriber] may be responsible for the difference between the amount that the non-participating healthcare provider bills and the payment BCBSM will make for the covered services as set forth in this paragraph.

Fees and Compensation

Group understands and agrees to reimburse BCBSM for certain fees and compensation which we are obligated under applicable Inter-Plan Programs requirements to pay to the Host Blues, to the Blue Cross and Blue Shield Association, and/or to Inter-Plan Programs vendors. Fees and compensation under applicable Inter-Plan Programs may be revised in accordance with the specific Program's standard procedures for revising such fees and compensation, which do not provide for prior approval by any groups. Such revisions typically are made annually as a result of Inter-Plan Programs policy changes and/or vendor negotiations. These revisions may occur at any time during the course of a given calendar year, and they do not necessarily coincide with Group's benefit period under this Contract.

Attachment 2

In addition, BCBSM must pay an administrative fee to the Host Blue, and Group further agree[s] to reimburse BCBSM for any such administrative fee.

In addition, a participation agreement with the Host Blue may provide that BCBSM must pay an administrative and/or a network access fee to the Host Blue, and Group further agrees to reimburse BCBSM for any such applicable administrative and/or network access fees. For this type of negotiated participation arrangement, any such administrative and/or network access fees will not be greater than the comparable fees that would be charged under the BlueCard Program.

Attachment 2

- 12 . The Group acknowledges that BCBSM or a Blue Cross and Blue Shield Plan may have compensation arrangements with providers in which the provider is subject to performance or risk-based compensation, including but not limited to withholds, bonuses, incentive payments, provider provider credits and member management fees. Often the compensation amount is determined after the medical service has been performed and after the Group has been invoiced. The Claims billed to Group include both service-based and value-based reimbursement to health care providers. Group acknowledges that BCBSM's negotiated reimbursement rates include all reimbursement obligations to providers including provider obligations and entitlements under BCBSM Quality Programs. Service-based reimbursement means the portion of the negotiated rate attributed to a particular health care service. Value-based reimbursement is the portion of the negotiated reimbursement rate attributable to BCBSM Quality Programs, as described in the Exhibit to Schedule A. BCBSM negotiates provider reimbursement rates and settles provider obligations on its own behalf, not Group. Group receives the benefit of BCBSM provider rates, but it has no entitlement to a particular rate or to unbundle the service-based or value-based components of Claims. See Exhibit 1 for additional information.
- 13 . BCBSM will charge an additional administrative fee if an ASC customer obtains stop-loss coverage from a third-party stop-loss vendor. The additional fee will be \$6.00 per contract per month.
- 14 . If you have a Consumer-Directed Health (CDH) spending account, you may be billed a separate fee for the applicable contracts.
- 15 . Prescription drug rebate administration fees are \$0.25 per BCBSM Clinical Formulary claims that are administered by Express Scripts and up to 5.5% of gross rebates for BCBSM's Custom Formulary, Custom Select Formulary, Part D formularies, specialty drugs and other medical benefit drugs that are administered by Highmark. The administrative fee is withheld from the rebate payments received from BCBSM's rebate administrators.
- 16 . If the number of monthly contracts varies by +/- 10% from the estimate stated in 6(A), BCBSM reserves the right to change the administrative fee.

BCBSM:

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

THE GROUP:

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

BY: _____
(Signature)

NAME: _____
(Print)

TITLE: _____

DATE: _____

Blue Cross Blue Shield of Michigan is an independent licensee of the Blue Cross and Blue Shield Association.

City of Royal Oak

Group Number - 007001000

Attachment 2

B. Specific Stop-Loss Insurance:

Yes No

If yes, complete items 1 through 6 below.

1. Stop-Loss Coverage Period:

New Coverage (Select one from below):

Standard: Claims incurred and paid during the Policy Period.

"Run-in" included: Claims incurred on or after and paid during the Policy Period.

"Run-in" includes claims paid by Policyholder's prior claim administrator: Yes No

Renewal of Existing Coverage: Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

"Run-Out" included: Claims incurred on or after the original Effective Date of Policy and paid during the Run-Out Period. **(If Run-Out is selected, Policyholder must place initials on the line next to selection)**

initial here

2. Specific (Individual) Stop-Loss Insurance shall apply to Amounts Billed for:

Medical Claims

Medical Claims and Outpatient Prescription Drug Claims

3. Specific (Individual) Stop-Loss Coverage Attachment Point is \$150,000 per Coverage Unit.

4. Specific (Individual) Stop-Loss Coverage - The Amounts Billed during the current Policy Period in excess of the individual Attachment Point in B.3. above per Policy Period.

5. Run-Out Stop-Loss Insurance - The Amounts Billed during the Run-Out Period for Claims incurred since the original Effective Date of Policy in excess of the individual Attachment Point identified in B.3. above less any Specific (Individual) Stop-Loss Claims previously paid for Amounts Billed paid during the Run-Out Period.

6. Premium:

If The Policyholder has selected Specific (Individual) Stop-Loss Coverage, the Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by the premium rate of \$54.22 for each Coverage Unit.

If The Policyholder has selected Run-Out Stop-Loss Insurance, the Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for the final month before termination by the same amount described above for Stop-Loss Premium and shall be payable for the first three months after termination of the Administrative Services Contract. However, if the number of Coverage Units in the final month is less than the number in the month exactly one year earlier, BCBSM shall calculate the Monthly Premium using the higher count from one year earlier.

7. The number of current Coverage Units is 624. If the number of Coverage Units varies by +/- 10%, the premium rate and Attachment Point may be revised.

Additional Provisions:

The undersigned person represents that he/she is authorized and responsible for purchasing stop-loss coverage on behalf of the Policyholder. It is understood that the actual terms and conditions of coverage are those contained in this Exhibit and the Stop-Loss Coverage Policy into which this Exhibit shall be incorporated at the time of acceptance by Blue Cross Blue Shield of Michigan, a nonprofit mutual disability insurer ("BCBSM"). Upon acceptance, BCBSM shall issue a Stop-Loss Coverage Policy to the Policyholder. Upon acceptance of this Exhibit and issuance of the Stop-Loss Coverage Policy, the Policyholder Group shall be referred to as the "Policyholder."

Signature of BCBSM Representative

Signature of Authorized Purchaser

Title of BCBSM Vice President or Delegate

Title of Authorized Purchaser

Date

Date

EXHIBIT TO THE STOP-LOSS INSURANCE POLICY

CITY OF ROYAL OAK

CID 102837

April 1, 2016

Page 2

Blue Cross Blue Shield of Michigan is a nonprofit corporation and independent licensee of the Blue Cross and Blue Shield Association



EXHIBIT TO THE STOP-LOSS INSURANCE POLICY

Policyholder Group Name: CITY OF ROYAL OAK
Policyholder Group Address: PO BOX 64
City: ROYAL OAK **State of Situs:** MICHIGAN **Zip Code:** 48068
Customer ID Number: 102837
Policyholder Group Number: 007001000
Effective Date of Policy: April 1, 2006
Policy Period: These specifications are for the Policy Period commencing on April 01, 2016 and ending on March 31, 2017.

The specifications below shall become effective on the first day of the Policy Period specified above and shall continue in full force and effect until the earliest of the following dates: (1) The last day of the Policy Period; (2) The date the Policy terminates; or (3) The date this Exhibit is superseded in whole or in part by a later executed Exhibit.

A. Aggregate Stop-Loss Insurance: Yes No

If yes, the Attachment Point will be set at 0% of the expected Claims for the Policy Period, and items 1 through 6 below should be completed.

1. Stop-Loss Coverage Period:

New Coverage: Claims incurred and paid during the Policy Period.

Standard: Claims incurred and paid during the Policy Period.

"Run-in" only applies to claims incurred under experience rated coverage provided to Group by Blue Cross Blue Shield of Michigan on or after and paid during the Policy Period.

Renewal of Existing Coverage: Claims incurred on or after the original Effective Date of Policy and paid during the Policy Period.

2. Aggregate Stop-Loss insurance shall apply to Amounts Billed for:

Medical Claims

Medical Claims and Outpatient Prescription Drug Claims

All lines of covered business as identified in the Schedule A to the Administrative Services Contract

Other (please specify): _____

3. Attachment Point -The Attachment Point for Aggregate Stop-Loss coverage shall be the average of the number of Coverage Units for the Policy Period multiplied by the following amount: \$0, for each Coverage Unit.

4. Aggregate Stop-Loss Coverage

Amounts Billed during the current Policy Period (less Specific (Individual) Stop-Loss Claims, if any) that exceed the Attachment Point. For any aggregate credits to be provided, a twelve month period is required.

5. Premium: Monthly Premium shall be equal to the amounts obtained by multiplying the number of Coverage Units for a particular Month by the premium rate of \$0.00 for each Coverage Unit.

6. The number of current Coverage Units is 624. If the number of Coverage Units varies by +/- 10%, the premium rate and Attachment Point may be revised.

**Award of Contract CAP1625
2016 Joint Sealing Improvements**

March 11, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Bids were received and opened at 9:00 a.m. local time on March 2, 2016, at the Royal Oak City Hall for the above subject work. The project scope includes preparing, cleaning and sealing longitudinal and transverse joints and cracks on local and major streets. Pavement joint sealing is a means of extending pavement life by reducing the ability of water to enter into pavement joints and cracks where distress can result from freezing and thawing. The work will be performed in sections 9, 14, 15, 16, 17, 21 and 22 of the city, and in particular on pavements that were improved last year.

The bid tabulation and award recommendation for this project is shown on Table I.

The low bid was initially received from Interstate Sealant & Concrete, Inc. The bidder provided written confirmation of the bid prices, but was unable to provide the required bonds as stipulated in the contract documents. The second low bid was received from Scodeller Construction, Inc of Wixom, Michigan. The engineering division has had favorable experience working with the contractor in the past. The funding source for this project is the major and local roads fund.

If the commission is in agreement, the following resolution is recommended for approval:

Be it resolved, the city commission hereby awards Royal Oak Contract CAP1625 -2016 Joint Sealing Improvements to Scodeller Construction, Inc. of Wixom, Michigan for the bid price of \$92,362.50 and directs staff to issue a purchase order in the amount of the bid price.

Respectfully submitted,
Matthew J. Callahan, P.E.
City Engineer

Approved,



Donald E. Johnson
City Manager

**Table I:
Bid Evaluation and Award Recommendation
2016 Joint Sealing Improvements
Contract CAP1625**

Contractor	Bid Amount	Recommended Contractor
1. Interstate Sealant & Concrete, Inc.	\$69,432.50 <i>(withdrawn*)</i>	
2. Scodeller Construction, Inc.	\$ 92,362.50	It is recommended that Scodeller Construction, Inc. be awarded the Royal Oak 2016 Joint Sealing Improvements Contract CAP1625 for the amount of \$92,362.50
3. Michigan Joint Sealing, Inc.	\$119,587.00	

** Interstate Sealant & Concrete, Inc. was unable to provide the required bonds as stipulated in the contract documents, and has withdrawn the bid.*

General Construction Contract Bid Information

Contract #:	CAP1625
Title:	2016 Joint Sealing Improvements
Recommended Contractor:	Scodeller Construction, Inc. 51722 Grand River Ave. Wixom, Michigan 48393
Bid Amount:	\$ 92,362.50
Number of Bids:	3
Range of Bids:	\$69,432.50 - \$ 119,587.00
Estimate:	\$ 96,712.50
Comparison of Bid to Estimate - % Comparison:	4.5% under
Starting Date Estimate:	May 9, 2016
Completion Date Estimate:	June 30, 2016

**Contract Modification 9 to Contract SBP-ENG-03-003
Star Dream Sculpture Inspection and Maintenance**

March 4, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

The work covered under contract SBP-ENG-03-003, Star Dream sculpture inspection and maintenance for contract year 2015 has already been performed and completed. Venus Bronze Works, Inc., of Detroit, Michigan was awarded the contract on March 17, 2003 in the amount of \$10,000 to perform inspection and maintenance work for the year 2003. The contract included annual extensions for subsequent years from 2004 through 2007 at the as-bid contract prices. In 2008 through 2015, Venus Bronze Works, Inc. agreed to perform all work as specified in the Star Dream sculpture inspection and maintenance contract at the 2007 as-bid contract price of \$9,250. In 2003, Venus Bronze Works bid was 44 percent lower than the second place bid; and 51 percent lower than the 2007 contract year second place bid.

Venus Bronze Works, Inc. contacted the engineering division indicating they would be willing to extend their contract with the city to perform inspection and maintenance work of the Star Dream sculpture for the contract year 2016. Venus Bronze Works, Inc. agrees and is willing to extend contract SBP-ENG-03-003 to perform inspection and maintenance work of the Star Dream sculpture at the 2007 as-bid contract price of \$9,250.

The work covered under this contract includes inspecting, cleaning, waxing of the sculpture, and preparing a status report of the sculpture's current condition to be completed in spring. Venus Bronze Works, Inc. has performed this annual inspection and maintenance work satisfactorily since 1999. The funding source for this contract is downtown development authority fund.

The following resolution is recommended for approval:

Be it resolved, the commission hereby approves extending the Star Dream Sculpture Inspection and Maintenance Contract SBP-ENG-03-003 with Venus Bronze Works, Inc., of Detroit, Michigan for one year in the amount of \$9,250 as contract modification 9, and directs staff to issue a purchase order in the amount of the contract modification.

Respectfully submitted,
Matthew J. Callahan, P.E.
City Engineer

Approved,



Donald E. Johnson
City Manager

Standard Resolution 2 Special Assessment Paving of South Edison Avenue

March 14, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

The city assessor has determined the special assessment district for the 27-foot wide, 6-inch thick concrete pavement with integral curb and gutter for S. Edison Avenue from E. 11 Mile Road to the south property line of 227 S. Edison Avenue as shown in Attachment 1. The petition signatures in favor of the paving represent 35.1% of the assessable front footage as illustrated in Attachment 2 (8 of the 10 residential property owners).

Note that one property owner, the Royal Oak Church of Christ, 115 S Campbell, owns 61.6% of the frontage along this portion of S. Edison Avenue, and has not yet signed the petition. Also note that the approximately half of the land where the current road sits is land owned by the church. The church representatives have verbally indicated they are willing to deed the necessary property to the city and participate in the special assessment. An agreement for the assessment and land exchange has been drafted by the city attorney and the church officials are currently reviewing it. The property owner of 227 S. Edison has already agreed to transfer the necessary land they own to the city for the road construction. The land transfer (quit claim) will require completion in order for the assessment district to be created by standard resolution 3.

The city plans to replace the water main along this portion of S. Edison Avenue as part of the paving project, and this estimated cost is included in the "city at large" cost along with improvements at the 11 Mile Road intersection.

City policy dictates that property owners have fifteen (15) years to pay for the improvements as shown in Attachment 3. The funding source for this project will be water and sewer fund, local street fund and special assessment district.

Standard resolution 2 is recommended for approval.

Respectfully submitted,
Matthew J. Callahan, P.E.
City Engineer

Approved,



Donald E. Johnson
City Manager

3 Attachments

Special Assessment Standard Resolution 2

City of Royal Oak - County of Oakland

At a regular meeting of the city commission of the City of Royal Oak, County of Oakland, Michigan, held on **March 21, 2016** at 7:30 o'clock p.m., Eastern Time.

Present: Commissioners _____

Absent: Commissioners _____

The following preamble and resolution were offered by commissioner _____ and supported by commissioner _____:

Whereas, the city manager and the assessor have prepared reports concerning certain public improvements as hereinafter described, which include all of the information required to be included by the provisions of the city's charter, chapter 12, "Special Assessments"; and

Whereas, the city commission has reviewed said reports; and

Whereas, the city commission determines that it is necessary to acquire and construct the public improvements in the City of Royal Oak more particularly hereinafter described in this resolution.

Now, therefore, be it resolved that:

1. The city commission hereby determines that the public improvements described more particularly hereinafter provided for are necessary.
2. The total cost of said public improvements according to frontage (or benefits) is estimated to be \$291,663:

\$74,025 of which shall be spread over the special assessment district as hereinafter described.

\$217,638 of which shall be paid by the city.

3. Said special assessment district shall consist of all the lots and parcels of land as herein described:

25-23-101-021	25-23-102-006	25-23-102-010
25-23-101-022	25-23-102-007	25-23-102-043
25-23-102-001	25-23-102-008	25-23-102-044
25-23-102-005	25-23-102-009	

4. The estimated life of such improvements is not less than 30 years.
5. The aforesaid reports shall be placed on file in the office of the city clerk where the same shall be available for public examination.
6. The city commission will meet on April 25, 2016 at 7:30 o'clock p.m., Eastern Time, at the city hall, for the purpose of hearing objections to the making of said public improvements.
7. The city clerk is hereby directed to cause notice of said hearing to be published in The Royal Oak Review, Warren, Michigan, a newspaper of general circulation in the City of Royal Oak, at least five (5) full days before the date of such hearing, and is further directed to cause notice of such hearing to be mailed by first class mail to each owner of or person in interest in the property in the special assessment district more particularly described in the following notice at the addresses shown on the last general tax assessment roll of the city, at least ten (10) full days prior to the date of such hearing.
8. The notice of said hearing to be published and mailed shall be in substantially the following form:

Notice of Hearing of Necessity
 Special Assessment Paving of S. Edison Avenue
 from E. 11 Mile Road to the south property line of 227 S. Edison Ave.
 City of Royal Oak - County of Oakland

Take notice that the city commission of the City of Royal Oak, Oakland County, Michigan, has determined it to be necessary to make the following described public improvement in the City of Royal Oak:

27-foot wide, 7-inch thick concrete pavement with integral curb and gutter
 of S. Edison Avenue from E. 11 Mile Road to the south property line of
 227 S. Edison Ave.

The city commission has determined that the cost of the above described public improvements, which is estimated to be \$291,663, shall be assessed against all lots and parcels of property abutting the above described improvements which properties are described as follows:

25-16-276-028	25-16-276-027	25-16-276-026
25-16-276-025	25-16-276-024	25-16-276-023
25-16-276-022	25-16-276-021	25-16-276-020
25-16-276-019	25-16-276-040	

\$74,025 of which shall be spread over the special assessment district

\$217,638 of which shall be paid by the city.

Take further notice that the city commission has caused reports concerning said public improvements to be prepared, which reports include necessary plans, profiles, specifications and estimates of costs of such public

improvements, a description of the assessment district, and other pertinent information, and these reports are on file in the office of the city clerk and are available for public examination.

Take further notice that the city commission will meet on April 25, 2016 at 7:30 o'clock p.m., Eastern Time, at the city hall in the City of Royal Oak, for the purpose of hearing objections to the necessity of making of such public improvements and the inclusion of the property within the proposed special assessment district.

This notice is given by order of the city commission of the City of Royal Oak, Oakland County, Michigan.

Melanie Halas, City Clerk

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

Ayes: Commissioners _____

Nays: Commissioners _____

Resolution declared adopted.

Melanie Halas, City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution duly adopted by the city commission of the City of Royal Oak, County of Oakland, Michigan, at a regular meeting held on March 21, 2016, and that public notice of said meeting was given pursuant to and in full conformity with Act No. 267, Public Acts of Michigan, 1976, as amended.

Melanie Halas, City Clerk

Attachment 1



City Assessor
211 S Williams Street
Royal Oak, Michigan 48067
P: 248.246.3110
F: 248.246.3011

February 24, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

At the regular meeting of the city commission held February 22, 2016, the city engineer presented a petition to pave **S. Edison Avenue from E. 11 Mile to the south property line of 227 S. Edison Avenue** with 27-foot wide, 7-inch thick concrete paving with integral curb and gutter. Your Honorable Body referred the petition to the city assessor for the purpose of preparing the necessary special assessment district. I have determined the district to be as follows:

27-foot wide, 7-inch thick Concrete paving with integral curb and gutter
S. Edison Avenue
from E. 11 Mile to south property line of 227 S. Edison Avenue

Total resident portion	\$74,025
Total district portion	\$100,490
City at large portion	\$117,148 (water main and intersection work)

The city commission may now initiate the necessary proceedings toward the adoption of standard resolution 2.

Respectfully Submitted,

Handwritten signature of James M. Geiermann in black ink.

James M. Geiermann
City Assessor

Approved,

Handwritten signature of Donald E. Johnson in black ink.

Donald E. Johnson
City Manager

Paving

\$ 233,330	Estimated Cost
<u>\$ 58,333</u>	25% Engineering & Inspection
\$ 291,663	Total Cost

\$ 74,025	District Portion
<u>\$ 217,638</u>	City at Large
\$ 291,663	Total Cost

City of Royal Oak
Assessor's Office

Recommended assessment for:

27' wide, 7" thick concrete paving with integral curb and gutter

In

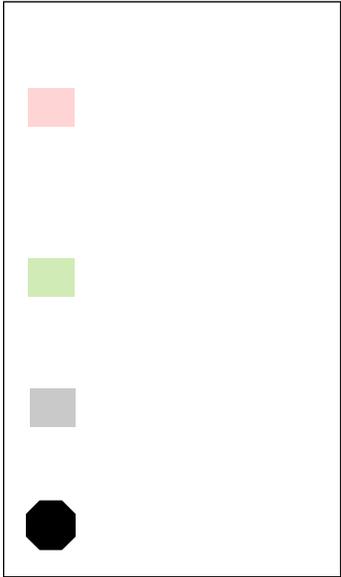
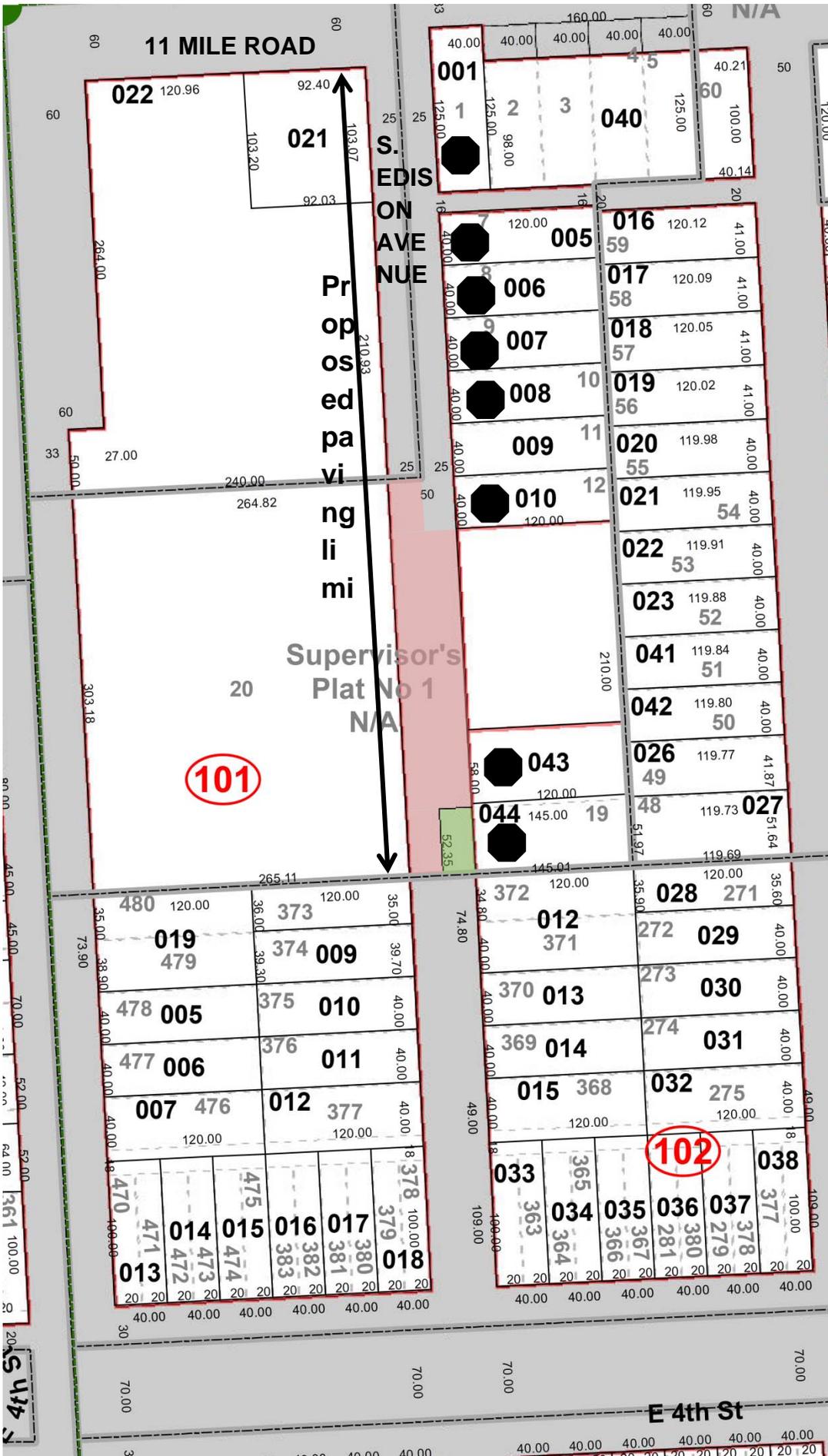
S. Edison Avenue

From **E. 11 Mile Road** to **South property line of 227 S. Edison Avenue**

Parcel Number	Subdivision & Lot No.	Frontage	Corrected Frontage	Benefit Units	Rate	Assessment
25-23-101-021	Supervisor's Plat No.1 part of...	103.07	51.54**	51.54**	\$70.00	\$3,607.80
25-23-101-022	Supervisor's Plat No.1 parts...	666.11	591.11**	591.11**	\$70.00	\$41,377.70
25-23-101-001	Supervisor's Plat No.1 Lot 1	125.00	62.50**	62.50**	\$70.00	\$4,375.00
25-23-102-005	Supervisor's Plat No.1 Lot 1	40.00	40.00	40.00	\$70.00	\$2,800.00
25-23-102-006	Supervisor's Plat No.1 Lot 1	40.00	40.00	40.00	\$70.00	\$2,800.00
25-23-102-007	Supervisor's Plat No.1 Lot 1	40.00	40.00	40.00	\$70.00	\$2,800.00
25-23-102-008	Supervisor's Plat No.1 Lot 1	40.00	40.00	40.00	\$70.00	\$2,800.00
25-23-102-009	Supervisor's Plat No.1 Lot 1	40.00	40.00	40.00	\$70.00	\$2,800.00
25-23-102-010	Supervisor's Plat No.1 Lot 1	40.00	40.00	40.00	\$70.00	\$2,800.00
25-23-102-043	Supervisor's Plat No.1 Lot 1	58.00	58.00	58.00	\$70.00	\$4,060.00
25-23-102-044	Supervisor's Plat No.1 Lot 1	54.35	54.35	54.35	\$70.00	\$3,804.50
	*Irregular Shape					
	**Side Yard					
	*** Residential Side Yard					
	Totals	1244.53	1057.50**	1057.50**	\$70.00	\$74,025.00

Attachment 2

Special Assessment Paving Petition Evaluation



Special assessment 27-foot wide, 6-inch thick concrete paving with integral curb and gutter of S. Edison Avenue from E. 11 Mile Road to south property line of 227 S. Edison.

Attachment 2

Special Assessment Paving Petition Evaluation

Petition Evaluated: December 9, 2015

Petition Submitted: December 9, 2015

Special assessment 27-foot wide, 6-inch thick concrete paving with integral curb and gutter of S. Edison Avenue from E. 11 Mile Road to the south property line of 227 S. Edison Ave.

S. Edison Avenue from E. 11 Mile Road to the south property line of 227 S. Edison Ave.

LF of Properties	LF of Petition Signatures	% In Favor
1244.53	437.35	35.1%

LF of Properties	Property	Petition Signatures
103.07*	1714 E 11 Mile Rd.	
664.11*	115 S Campbell Rd.	
125.00*	1711 E. 11 Mile Rd.	125.00*
40.00	115 S. Edison Ave.	40.00
40.00	117 S. Edison Ave.	40.00
40.00	121 S. Edison Ave.	40.00
40.00	125 S. Edison Ave.	40.00
40.00	129. S. Edison Ave.	
40.00	201 S. Edison Ave.	40.00
58.00	223 S. Edison Ave.	58.00
54.35	227 S. Edison Ave.	54.35
Total: 1244.53 Feet		437.35 Feet

Indicates side-lot frontage



At a Regular Meeting of the Commission of the City of Royal Oak, Michigan, held at the City Hall in said City, on the 15th day of October, 1979, at 7:30 o'clock p. m.:

PRESENT: Commissioners Austin, Hallman, Kelber, Schoenholtz,
Warren, Webster

Mayor Lewis

The following Resolution was adopted:

"BE IT RESOLVED, that the term of Special Assessment Rolls for sidewalk construction and reconstruction shall be six (6) years:

BE IT FURTHER RESOLVED, that the term of Special Assessment Rolls for new paving, street reconstruction, water and sewer projects shall be fifteen (15) years."

ADOPTED UNANIMOUSLY.

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Commission of the City of Royal Oak at a Regular Meeting held on October 15, 1979.


Evelyn H. Demske, City Clerk

EXHIBIT C

Resolution of Support for Recreation Passport Grant Application for Wendland Park Playground Structure

March 21, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Through review of our 5-Year Approved Parks and Recreation Plan and discussion with our Recreation Supervisor, Tod Gazetti, a new play structure at Wendland Park was identified as a high priority for seeking grant funding in the 2016-2017 fiscal year. Though Wendland Park is identified as a mini-park servicing residents within ¼ mile of its facilities, it plays an important role in meeting our overall recreation needs.

Located just north of 10 Mile, and between Main and Woodward it services an area identified by the 5-Year Approved Parks and Recreation Plan as having several gaps in recreation facilities. Since city and public support for purchasing new lands for park development remained low during the latest update of our plan, greater importance was placed on the need to maintain the existing facilities in our city's southwest corner. Unfortunately, over the last several years a major source of funding for park updates has come from Community Development Block Grant funding for which this area is not eligible.

After reviewing potential grants, including those offered by the Michigan Department of Natural Resources, the Recreation Passport Grant was identified as the most likely source of funding for a project of this type. The Recreation Passport Grant supports the development of public recreation facilities for local units of government, and requires a 25% match either in funding or labor. For this project, the match comes to \$12,800 on a project total of \$51,100. Through discussions with Recreation Supervisor, Tod Gazetti, we have identified that our match would best be provided through the use of force account labor in installing the new play structure. In addition, a completed application requires a resolution of support by the City Commission for consideration.

As such, we are asking the City Commission to adopt the following resolution:

Whereas, the Royal Oak City Commission supports the submission of an application titled, "Wendland Park Playground Structure" to the Recreation Passport Grant Program for purchase and installation of a new play structure at Wendland Park; and

Whereas, the proposed application is supported by the Community's 5-Year Approved Parks and Recreation Plan; and

Whereas, the City of Royal Oak has made a financial commitment to the project in the amount of \$12,800 matching funds, in force account labor.

Now therefore be it resolved, the city commission hereby authorizes submission of a Recreation Passport Grant Program Application for \$38,300, and

further resolves to make available its financial obligation amount of \$12,800 of a total \$51,100 project cost, during the 2016-2017 and 2017-2018 fiscal years.

Respectfully submitted,
Kayla Barber-Perrotta
Management Analyst/Grants Coordinator

Approved,

A handwritten signature in black ink, appearing to read "Donald E. Johnson". The signature is written in a cursive style with a large initial "D".

Donald E. Johnson
City Manager

**Approval of Participation in
Water Relief Assistance Program (WRAP)**

March 15, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Attached is a description of the Great Lakes Water Authority (GLWA) Water Residential Assistance Program (WRAP) (Attachment 1). The city was notified two weeks ago that we had to opt in or opt out of this program by March 8. With no commission meeting before the deadline, we choose to opt in. However, they have since extended their deadline providing an opportunity for the commission to make this decision.

I recommend the commission reaffirm the staff decision to participate in this program. We do not expect many Royal Oak citizens to participate but we think those who qualify should have the opportunity. This program could be very important to those who need it.

Be it resolved, the commission chooses to participate in the Great Lakes Water Authority Water Residential Assistance Program.

Respectfully submitted,

Approved,



Donald E. Johnson
City Manager

1 Attachment

Attachment 1



City Manager's Office
211 S Williams Street
Royal Oak, MI 48067
248.246.3200

Memorandum

To: Don Johnson, City Manager
From: Dan Antosik, Graduate City Management Intern
Date: 3/15/2016
Re: Water Residential Assistance Program (WRAP)

In 2015, the [Great Lakes Water Authority](#) (GLWA) formed an advisory board that included representatives from Macomb, Oakland, and Wayne Counties, and community service agencies. The advisory group began looking into ways to assist low income customers of their retail service provider; this led to the formation of the Water Residential Assistance Program (WRAP). The program has a sustainable funding model; the funding will come out of the GLWA's retail revenue. For fiscal year 2015-2016, the program will receive 0.5 percent of the GLWA's retail revenue. This will provide \$4.5 million in funding for the first year of the WRAP program. The GLWA estimates that this will provide assistance to 2,500-5,000 retail customers. According to the GLWA, the main goals of the WRAP program are: "(1) assist low-income individuals and families with their water and sewer bills; (2) avoid water utility disconnection and reduce account arrearages; (3) assist clients in increasing self-sufficiency, in part through the provision of water conservation measures; (4) promote collaboration on program outreach to consumers and the public; and (5) foster collaboration to advance partnerships for developing and leveraging funding opportunities to deliver assistance". It is more than an assistance program, WRAP, also provides educational programs and funding to fix leaks and minor home plumbing repair. The program will provide payment assistance up to \$1,000 per household per year—\$25 monthly credit and help with arrears, home water audits for households above 120 percent of average water use, home repairs up to \$1,000 per household to fix minor plumbing issues leading to high usage, water saving kits and consumer training classes, and other WRAP-Around supportive services.

Administration and Requirements:

The program will be delivered by the [Wayne Metropolitan Community Action Alliance](#). For Oakland County, the program will be administered by the [Oakland Livingston Human Services Agency](#). According to GLWA, in order to qualify for the program residents need to meet the following criteria: "(1) have income at or below 150 percent of the federal poverty level; (2) be residential customers of the GLWA service area, with first priority to customers who have a past due bill and/or are in active shut off; (3) provide proof of residency or provide renter's proof of responsibility for water on lease; (4) customers with water usage 20 percent above average must participate in a home water audit and install water conservation measures". According to the Community Action Alliance's presentation (<https://www.waynemetro.org/wrap/wrap-docs/343-wrap-wholesale-presentation/file>) on the WRAP program, the program guidelines are as follows: "(1) \$25 per month equaling a total of \$300 of annual bill assistance; (2) up to \$700 in annual arrearage assistance; (3) at six months of successful payments, 50 percent of arrear assistance up to \$350 will be applied; (4) at 12 months of successful payments, the second 50 percent of arrear assistance up to

\$350 will be applied; and (5) participants can remain in the program for up to 24 months and must apply annually”.

Participant Workflow:

The following is the Community Action Alliance’s participant workflow for the WRAP program.

Step 1: Connect Center

- Clients seeking WRAP assistance call: 313-386-WRAP (9727)
- The CONNECT Center conducts pre-eligibility screening
- If eligible, client is informed of the required documentation, and an appointment is made at appropriate service area location accessible to client

Step 2: Appointment Confirmation

- Staff confirms the client appointment within 24-48 hours

Step 3: Appointment Day

- Staff verifies required documentation and assess eligibility
- Water usage assessed: clients at or above 120 percent of average water usage are referred for home water audit
- WRAP contract is completed by client
- Client application is processed
- Voluntary water conservation workshop is scheduled
- Client receives water conservation education materials

Step 4: Water Conservation Audit

- Home water audit conducted within 7 days of intake
- Water audit assistance measures determined
- Audit recommendation(s) performed
- If minor plumbing repair needed, licensed contractors are engaged
- Post-audit client follow up and bill analysis

Step 5: Award Made & Warp-Around Services Begin

Step 6: Accounting & Bill Payment

- Monthly reporting of enrolled households will be provided to participating municipalities via secure web portal
- Municipality (Royal Oak) will be reporting on enrolled households that did/did not make scheduled payment
- Municipality (Royal Oak) sends report and batched invoice to agency for current enrollees (\$25 per household)
- First missed payment the Alliance contacts clients to assess issue and provide case management. Client must pay total bill past due in order to remain in program
- Second missed payment an official letter is sent to client informing of exit from program. Municipality will also be notified
- Client can re-apply 12 months from initial date of enrollment

Step 7: If There Are Arrearages

At 6 months from date of intake and client has remained consistent on bill payment:

- Community Action Alliance staff processes 6 month voucher (first 50% of arrearage). Client report is batched by Alliance Agency and purchase requisition is sent to accounting
- Accounting pays requisition to municipality

At 12 months from date of intake and client has remained consistent on bill payment:

- Community Action Alliance staff processes 12 month voucher (second 50% of arrearage). Client report is batched by Alliance Agency and purchase requisition is sent to accounting
- Accounting pays requisition to municipality
- Monthly client database and accounting reconciliation performed

Step 8: Ongoing Case Management & WRAP-Around Services

- Household self-sufficiency assessment completed
- Referrals to Alliance and external provider services made and follow up progress tracked
- Clients successfully completing first year of WRAP can re-enroll in second year
- New program intake completed

Impact on Royal Oak:

Currently, for households' that are past due on their water bill, Royal Oak does not offer payment assistance and will not shutoff the water to the household. According to [Royal Oak's waterworks city code](#),

All water charges shall be a lien upon the premises from and after the due date thereof and a five-percent penalty shall immediately attach thereto. All unpaid water charges which upon the 31st day of December have remained delinquent for a period of two months shall be placed on the delinquent water roll and shall have appended thereto a five-percent penalty charge. If the items on the delinquent water roll remain unpaid as of February 28, they shall be reported by the city clerk to the city by the city treasurer to the delinquent tax rolls. In the process thereof, an additional five-percent penalty charge shall be added. Said delinquent charges shall then be dealt with by the city treasurer and enforce in the same manner and by the same means as are similar lien interests (§ 752-12).

After researching the possible downsides to opting into the WRAP program, two downsides were identified. First, in order to participate in the WRAP program, Royal Oak would need to halt the arrearage process for the households participating in WRAP program. Second, the city would need to monitor and report out on the billing payments for the households enrolled in the program. This would require the Royal Oak to appoint a liaison to be the point of contact for the WRAP program. Other than the manpower required for reporting and monitoring, participation in the WRAP program will not result in any other additional costs to the city. But, at this time it is difficult to estimate the number of households in Royal Oak that would be eligible for this program.

This program is design to help those in the community that need assistance. While, it is difficult to estimate the number of households that would be eligible in Royal Oak, the community does have households that could benefit from the WRAP program. The Administrative Services Chief at SOCWA, Sherri Gee, said that she was told by the WRAP program that they estimate 1,400 households in Oakland County would be eligible for the program. A portion of these households may be in Royal Oak. Additionally, Sherri said, that the main downside of this program is the manpower that must be devoted to monitoring the residents that are participating. Although it is difficult to estimate the number of qualifying households, overall, the WRAP program would be a good program and help some of the community's low income population. If at any time Royal Oak finds that manpower is an issue, with 30 days notice the city can withdraw from the program and all participants that are already enrolled will remain enrolled until completion of the first 12 month term. The Community Action Alliance provided a list of frequently asked questions for wholesale

providers (<https://waynemetrol.org/wrap/wrap-docs/347-wholesale-customer-faq/file>) and program clients (<https://waynemetrol.org/wrap/program-resources/wrap-faq>). At this time, Royal Oak has opted into the program.

Sincerely yours,

Dan Antosik
Graduate City Management Intern



Naming Committee Recommendation

March 7, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

In October 2015, the Royal Oak City Commission approved a resolution that encouraged elementary students to submit name recommendations to the Royal Oak Naming Committee for a new environmentally-friendly and technologically-smart park to be located adjacent to the Center Street parking structure.

Lisa Shannon, the Royal Oak School District's elementary curriculum supervisor, championed a process in which more than 30 students from grades 2 through 5 presented their ideas via YouTube videos to the Royal Oak Naming Committee.

On Feb. 28, the Royal Oak Naming Committee voted to recommend that the new park be named Eagle Plaza, after the Bald Eagle – the national emblem of the United States of America.

Royal Oak's determination and willingness to soar to new heights, is one of the inspirations behind the name, which was recommended by fifth grade students at Oak Ridge Elementary School.

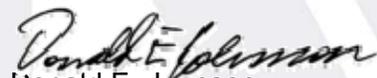
The following resolution is recommended for approval:

Be it resolved, the Royal Oak City Commission thanks the elementary students and staff of the Royal Oak School District for their thoughtful participation in local government. Such participation is valued, encouraged and appreciated.

Be it further resolved, the Royal Oak City Commission accepts the Royal Oak Naming Committee's recommendation to name the new park adjacent to the Center Street parking structure Eagle Plaza.

Respectfully submitted,
Judy Davids
Community Engagement Specialist

Approved,



Donald E. Johnson



**Public Hearing
Removal of Dutch Elm Diseased Trees**

March 7, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Attached for information purposes is a spreadsheet for the public hearing to be held March 21, 2016. All individuals on the spreadsheet were notified of the hearing through the mail by the clerk's office (Attachment 1).

The following resolution is recommended for approval:

Be it resolved, the commission authorizes the removal of the Dutch elm diseased trees listed on the attachment

Respectfully submitted,
Greg Rassel
Director of Recreation and Public Services

Approved

A handwritten signature in black ink that reads "Donald E. Johnson".

Donald E. Johnson
City Manager

1 Attachment

Commission for the Arts Annual Report

March 10, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Each year, the Royal Oak Commission for the Arts (ROCFA) is required to report on the progress of its prior year's goals and submit an updated plan for encouraging and supporting arts and culture in the City of Royal Oak.

A report on the progress of the goals and objectives for 2015 (Attachment 1) demonstrates ROCFA's commitment to increasing access and opportunities to participate in the arts for those who live in, work in and visit Royal Oak.

Looking toward the future, ROCFA initiated a series of work sessions, with facilitator Brett Tillander, to prepare a long-term strategic arts and culture plan that is intended to foster awareness, collaboration and diversity. A summary of the plan, for your review and approval, may be found in Attachment 2.

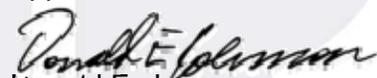
ROCFA recognizes that the arts are intrinsic to place-making and having a robust creative economy in Royal Oak. As such, ROCFA is committed to implementing and tracking the outcomes of its goals and objectives for FY 2016-2017.

The following resolution is recommended for approval:

Be it resolved, the Royal Oak City Commission hereby accepts the adopts the attached Royal Oak Commission for the Arts' annual report and adopts its strategic goals and objectives for the fiscal year 2016-2017 to support arts and culture in the City of Royal Oak.

Respectfully submitted,
Judy Davids
Community Engagement Specialist

Approved,



Donald E. Johnson

2 Attachments



Royal Oak

COMMISSION FOR THE ARTS

Annual Arts Report 2015



Royal Oak

**COMMISSION
FOR THE ARTS**

ARTS ANNUAL REPORT 2015

The mission of the Commission for the Arts is to encourage and support arts and culture in the City of Royal Oak.

Royal Oak Fourth and Fifth Grade Students Tell Why They Value Art

I value art in Royal Oak because it makes me feel happy and inspired. I value art in Royal Oak because it makes Royal Oak stand out. It has a nice feel and makes me want to go out in the world and draw. I value art in Royal Oak because it is creative, it inspires me to paint and draw, and it is beautiful. I believe having art in Royal Oak is important because it can inspire people to be artists. **I value art in Royal Oak because it makes life more pretty!** I value art in Royal Oak because it looks cool, but I think you should have a contest to see who has the best design for art. The art in Royal Oak is always inspiring for me because it is so creative and unique. I believe that it makes our city grow in every single way! That is because it always gives a little more “jazz” to our city. **I value art in Royal Oak because it shows different visions of different people.** I think art in the city is a lovely idea! My dad is an art teacher and I **ADORE** the idea of showing locally made masterpieces. **Every time I see one I think it is wonderful!** I value art in Royal Oak because ALL art makes me happy and inspired. **I value art in Royal Oak because no one is going to get good ideas if they don't look at good art.**



The Royal Oak Commission for the Arts is pleased to share an update its activities in 2015.

The outcomes of highlighted goals in this report demonstrate our continued focus to increase awareness and participation in arts and culture in Royal Oak

THINK ABOUT ART



GOAL: ESTABLISH PERMANENT AND TEMPORARY PUBLIC ART IN THE CITY OF ROYAL OAK

In 2015, the Royal Oak Commission for the Arts (ROCFA) showcased the works of nine Michigan artists in its third annual Art Explored series.

The works of Riichard Gage, Doug Delind, Paolo Pedini, Desiree Kelly, Molly Daine Murphy, Peter Pawlicki, Michael Jones, Tim Gralewshi and John Sobczak are on display in downtown Royal Oak through the spring of 2016.

A call for the 2016 Art Explored series received dozens of applications. The selections are expected to be announced by the end of March 2016.

In 2015, ROCFA also announced the winners of the 11 Mile Public Art Project. From nearly 60 applications, artworks by Richard Bennett of Detroit, Mark Beltchenko of Grosse Pointe Park, Mathew Zacharais of Ann Arbor, Emilie Beadle of Romulus and Gary Kulak of Birmingham were selected.

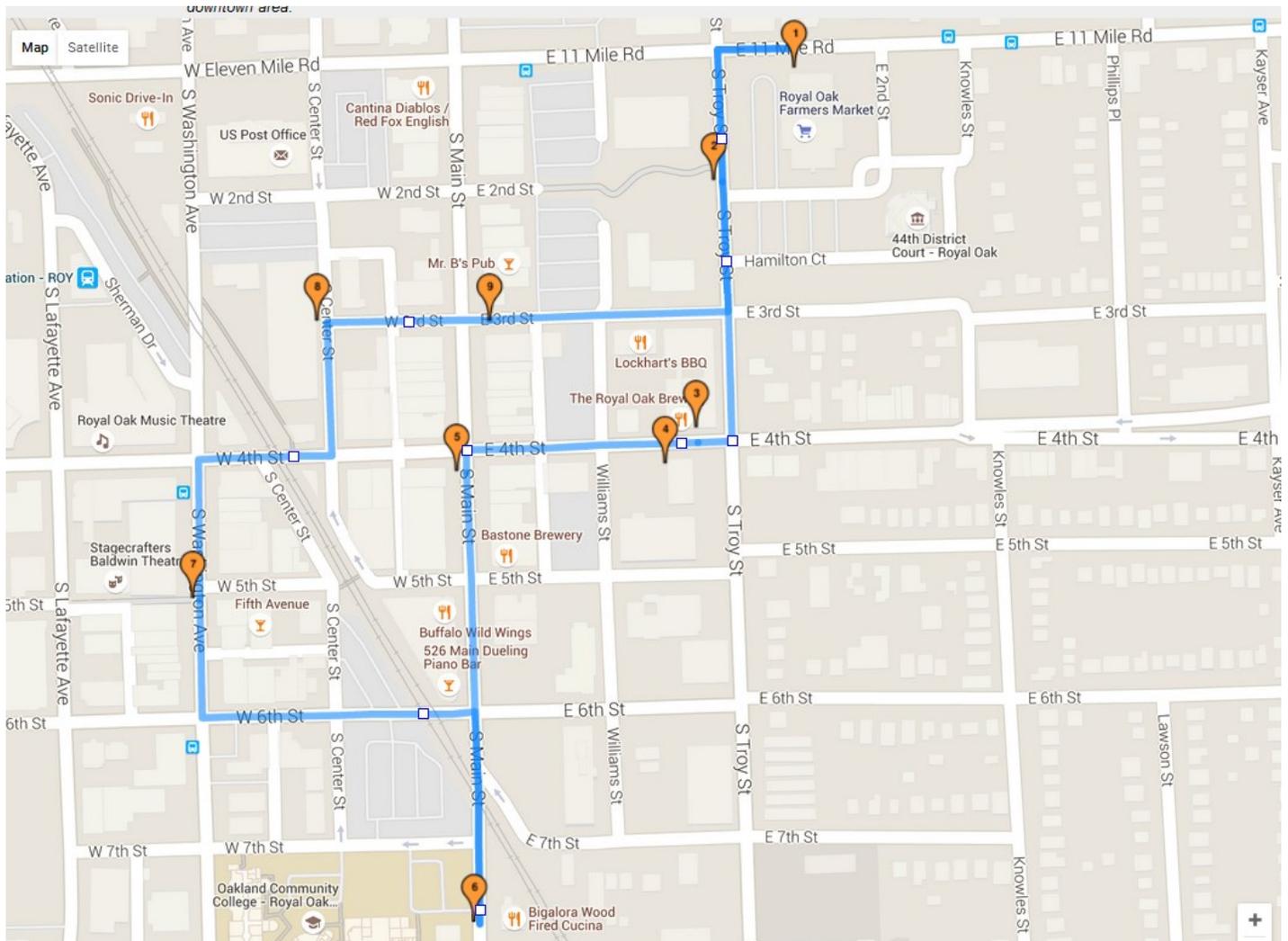
ROCFA budgeted up to \$40,000 of community development block grant (CDBG) funding for the purchase and installation of artwork to be permanently displayed along East 11 Mile Road from Troy Street to Campbell Road. CDBG funding is a U.S. Department of Housing and Urban Development program that provides communities with resources to implement unique community development needs.



Abraham Lincoln strolls down Fourth Street past Desiree Kelly's 'Abe in Shades'

Attachment 1

A map showing the locations of the 2015 Art Explored works is available to residents and visitors at www.romi.gov/arts



1: Richard Gage's "Pollen Release" is located on the North side of the Royal Oak Farmer's Market off 11 Mile.

2: Doug DeLind's "The Man Who Catches Whales" is located in the Barbara A Hallman Memorial Plaza between the Royal Oak Public Library and Police Department.

3: Paolo Pedini's "Exit Portrait" is located at Comedy Castle on Fourth Street,

4: Desiree Kelly's "Abe in Shades" is located at the VFW Acorn Post 1669 on E. Fourth Street.

5: Molly Murphy & Peter Pawlicki's "Love Above Ground" is located in front of Metals in Time on S. Main Street,

6: Molly Murphy's "Back to the Beginning" is located on Oakland Community College across from Bigalora on S. Main Street.

7: Michael Jone's "Considering Evolution" is located in front of the Stagecrafters Baldwin Theater on S. Washington Ave.

8: Tim Gralewski's "Ritual" and "Men of Production" are located at the Center Street Garage at the junction of S. Center Street and Third Street.

9: John Sobczak's "Satori" is located at Qdoba on Third Street



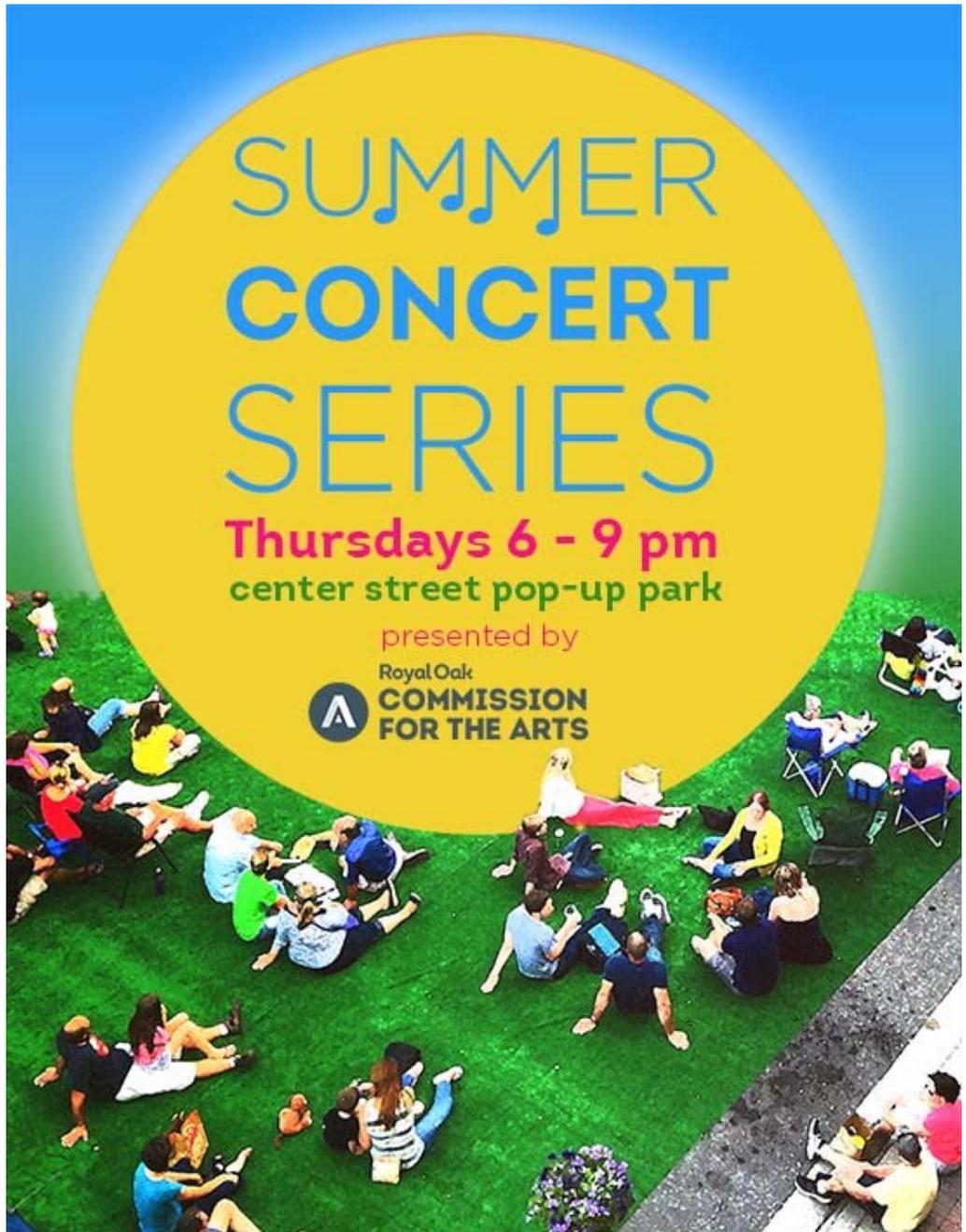
Attachment 1



Mark Beltchenko, of Grosse Pointe Park, stands next to 'X's and O's'. Beltchenko's work is part of the 11 Mile Art Project—a permanent collection of art funded by a community development block grant.

GOAL: PROMOTE LIVE PUBLIC PERFORMANCE ART IN THE CITY OF ROYAL OAK

In 2015, ROCFA continued and expanded its summer concert series in the Center Street pop-up park in downtown Royal Oak. Thousands of residents and visitors to Royal Oak attended the weekly Thursday night performances to hear everything from the funky The Brothers Groove to the soulful Laith Al-Saadi.



July 9
Melvin Davis
The Bob Mervak Trio

July 16
The Brothers Groove
Sean Blackman's In Transit Quintet

July 23
Nick Kuhl and the Gang
Dave Hamilton Band

July 30
Greater Alexander
The Bakersfield Dozen

Aug 6
Dennis Coffey
Laith Al-Saadi

Aug 13
The Reefermen
Evenin' Gentlemen



Attachment 1

GOAL: PROMOTE PUBLIC AWARENESS OF ARTS AND CULTURE, AND CREATE REGIONAL AWARENESS OF THE CITY OF ROYAL OAK AS A DESTINATION FOR ARTS AND CULTURE

In 2015, ROCFA partnered with Royal Oak Schools to present the Celebration of the Arts at Royal Oak Middle School. The day-long June event celebrated the importance of creative endeavors and encouraged attendees to explore the wide-range of artistic activities Royal Oak has to offer.



The Celebration of the Arts featured the creative endeavors of Royal Oak artists from age 5 to 100.

GOAL: ENCOURAGE ARTISTS AND SUPPORT LOCAL ARTS ORGANIZATIONS, ARTS NON-PROFITS, AND ARTS BUSINESSES

In 2015, ROCFA established a lifetime achievement award to recognize remarkable individuals and organizations for excellence in the arts.

Robert Jones was the award's first recipient. Jones' resume includes principal trombonist for the Detroit Symphony Orchestra in the 1940s. Jones was featured in Life Magazine, played with famous jazz bands and gave lessons to hundreds of music students at the former Royal Music up until the 1990s.

Two days after his 100th birthday, Jones was recognized for his accomplishments at the 'Celebration of the Arts' event at Royal Oak Middle School. Dozens of Jones' former trombone students attended the ceremony to honor the beloved teacher with a musical performance.



Trombonist Robert Jones at age 100, seated in center, was the first recipient of ROCFA lifetime achievement in arts award.



Robert Jones poses for a selfie after receiving a lifetime achievement in the arts award from ROCFA.

GOAL: SECURE FUNDING FOR PROJECTS THROUGH VARIOUS FUNDRAISING MECHANISMS

In 2015, Genisys Credit Union donated \$10,000 to ROCFA to become the signature sponsor of Art Explored and the summer concert series.



Attachment 1



IN SUMMARY

In 2015, the Royal Oak Commission for the Arts continued to raise awareness, engage community members, and serve to create momentum for arts and culture in our community.

Attachment 1



ROYAL OAK COMMISSION FOR THE ARTS STRATEGIC PLAN 2016

Goal: Increase the VALUE of Arts and Culture

- Community engagement ongoing project evaluating at the many ways we value the Arts in Royal Oak.

"I value The Arts in Royal Oak because _____", "Art/Music is _____ to me, because _____."

- 11 Mile Project
- Art Explored Live- Summer Concert Series
- Art Explored
- Celebration For The Arts

Goal: Increase the COLLABORATION amongst various local and regional organizations

- Partner with local and regional school districts/ Arts educators
- Assessment of businesses and non-profits currently providing Arts in our community
 - Inventory of art assets in our community
- Regional collaboration
- Symbiotic relationship with other local Arts organizations
- Community Arts Center

Goal: Generate AWARENESS of the Arts and Culture in the City of Royal Oak

- Seek local data regarding the importance of Art & Culture in our community
- Reach out to local Restaurant and Retail Association
 - One day a month Live Music in Royal Oak
 - Wine and Cheese stroll with Art stroll
- Heighten marketing and web presence
 - video for the Arts
 - Arts calendar
 - Investigate other cities with great art programs
- Create Business Award for the Arts Champion of the month/year
- Musician only loading zone during performances
- Music on Main Street

Goal: Become ADVOCATE and LEADERS for Art and Culture

- Expand role within The City Commission
 - Regularly attend and participate at City of Royal Oak Commission meetings during Public Comments
 - Present policies that nurture the Arts
 - Establish an list of city amenities where public art or event can happen
 - Annually attend and encourage The City of Royal Oak Strategic Planning Committee to include the Arts and Culture in City's Strategic Planning
- Provide training to assist our Commission
- Identify our "Arts Advocate and Leaders" in our community

Goal: Increase DIVERSITY & CULTURE

- Diversify Royal Oak Commission For the Arts

- Local and regional collaboration partnering around the Arts
- Involve community Youths organization, Deaf and Blind community

Goal: Realize ORGANIZATIONAL CAPACITY to strengthen the current structure of our Commission

- Implement Practices and Procedures
- Become engaged in the recruiting and board candidacy
- Create a pool of volunteer data base
 - Establishing a Volunteer Coordinator
- Create an Event Committee

Goal: Execute a STRATEGIC VISION for the long and short term

- Implement annual Strategic Planning procedures
- Survey of community, community-at-large, diverse groups, stake holders and the never been reached before groups
- Generate a robust creative economy- defining the HOW? WHERE?

Goal: Become a SUSTAINABLE Commission

- Recruit and involve Volunteers
- Investigate Best Practices in other cities with strong Art Communities
- Define an Operational Budget
- Define Our Needs & Wish List



Approval of Geographical Information System Software and Consulting Agreements

March 11, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

As the City of Royal Oak plans for the future and continues to develop its brand and its vibrant community, it is important to ensure that Royal Oak is continually improving the technology used and deliver desired functionality to the community. The right technology improves efficiency allows for collaboration and delivers functionality that is purposeful to the target audience.

Geographical information system (GIS) software helps to capture, store, manipulate, manage, analyze, and present various types of spatial or geographical data. The city's utilization of GIS software has been very limited. There is a need to expand the use of the software to other departments as well as a desire to provide enhanced services to the community via the city website. In order to publish GIS data online, the city needs to upgrade from the current desktop licensing model to Esri's Enterprise License Agreement (Attachment 1). This licensing model requires a three year commitment with a total financial commitment \$150,000, payable in even yearly installments.

To assist the city in the development of a project schedule, identify key applications for implementation, migrate existing data and properly configure ArcGIS, we recommending Enterprise, GISInc be contracted for consultation services. We propose \$7,000 be used for initial discovery and development of a project plan (Attachment 2) and a block of 95 consulting hours also be purchased in the amount of \$15,000 to be used toward execution of the project plan, data migration and system setup (Attachment 3).

The following resolution is recommended for approval:

Be it resolved, the contract and purchase order with Esri of Los Angeles California, for software licensing, be executed in the amount of \$150,000 for a three year agreement as noted in the contract; and

Be it further resolved, the contracts with GISInc of Birmingham Alabama, for a consulting block of ninety-five hours and health check consisting of two days onsite services, be executed in the amounts of \$15,000 and \$7,000 respectively, and a purchase order in the amount of \$22,000.

Respectfully submitted,

Mike Kirby, Manager of Information and Communication Technology and
Julie Rudd, Director of Finance

Approved,



Donald E. Johnson
City Manager

3 Attachments



January 6, 2016

Mr. Mike Kirby
City of Royal Oak
211 S Williams St
Royal Oak, MI 48067

Dear Mike,

The Esri Small Municipal and County Government Enterprise License Agreement (ELA) is a three-year agreement that will grant your organization access to Esri® term license software on an unlimited basis including maintenance on all software offered through the ELA for the term of the agreement. The ELA will be effective on the date executed and will require a firm, three-year commitment.

Based on Esri's work with several organizations similar to yours, we know there is significant potential to apply geographic information system (GIS) technology in many operational and technical areas within your organization. For this reason, we believe that your organization will greatly benefit from an enterprise license agreement.

An ELA will provide your organization with numerous benefits including:

- A lower cost per unit for licensed software
- Substantially reduced administrative and procurement expenses
- Maintenance on all Esri software deployed under this agreement
- Complete flexibility to deploy software products when and where needed

The following business terms and conditions will apply:

- All current departments, employees, and in-house contractors of the organization will be eligible to use the software and services included in the ELA.
- If your organization wishes to acquire and/or maintain any Esri software during the term of the agreement that is not included in the ELA, it may do so separately at the Esri pricing that is generally available for your organization for software and maintenance.
- The organization will establish a single point of contact for orders and deliveries and will be responsible for redistribution to eligible users.
- The organization will establish a Tier 1 support center to field calls from internal users of Esri software. The organization may designate individuals as specified in the ELA who may directly contact Esri for Tier 2 technical support.
- The organization will provide an annual report of installed Esri software to Esri.

Attachment 1

- Esri software and updates that the organization is licensed to use will be automatically available for downloading.
- The organization will act as an Esri reference site and will permit Esri to publicize its use of Esri software and services.
- The fee and benefits offered in this ELA proposal are contingent upon your acceptance of Esri's Small Municipal and County Government ELA terms and conditions.
- Licenses are valid for the term of the ELA.

This program offer is valid for 90 days. To complete the agreement within this time frame, please contact me within the next seven days to work through any questions or concerns you may have. To expedite your acceptance of this ELA offer:

1. Sign and return the whole agreement per the instructions in the terms and conditions.
2. On the first page of the ELA, identify the central point of contact/agreement administrator. The agreement administrator is the party that will be the contact for management of the software, administration issues, and general operations. Information should include name, title (if applicable), address, phone number, and e-mail address.
3. In the purchase order, identify the "Ship to" and "Bill to" information for your organization.
4. Send the purchase order and agreement to the address, email or fax noted below:

Esri	e-mail: service@esri.com
Attn: Customer Service SG-ELA	fax documents to: 909-307-3083
380 New York Street	
Redlands, CA 92373-8100	

I appreciate the opportunity to present you with this proposal, and I believe it will bring great benefits to your organization.

Thank you very much for your consideration.

Best Regards,

Brent Sherman

Brent Sherman | Account Manager

Esri | 880 Blue Gentian Road, Suite 200 | St. Paul, MN 55121-1670 | USA

O 651-454-0600 | C 972-989-5681

bsherman@esri.com | esri.com

Attachment 1



Quotation # 20480822

Date: January 6, 2016

ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.
380 New York Street
Redlands, CA 92373-8100
Phone: 909-793-2853 Fax: 909-307-3049
DUNS Number: 06-313-4175 CAGE Code: 0AMS3

Customer # 117042 Contract #

City of Royal Oak
Planning Dept
211 S Williams St
Royal Oak, MI 48067

ATTENTION: Mike Kirby
PHONE: (248) 246-3082
FAX: (248) 246-3005

To expedite your order, please attach a copy of this quotation to your purchase order.
Quote is valid from: 01/06/2016 To: 04/05/2016

Material	Qty	Description	Unit Price	Total
110037	1	Year 1: Populations of 50,001 to 100,000 Small Government Term Enterprise License Agreement	50,000.00	50,000.00
110037	1	Year 2: Populations of 50,001 to 100,000 Small Government Term Enterprise License Agreement	50,000.00	50,000.00
110037	1	Year 3: Populations of 50,001 to 100,000 Small Government Term Enterprise License Agreement	50,000.00	50,000.00
			Item Total:	150,000.00
			Subtotal:	150,000.00
			Sales Tax:	0.00
			Estimated Shipping & Handling(2 Day Delivery) :	0.00
			Contract Pricing Adjust:	0.00
			Total:	\$150,000.00

The following items are optional items listed for your convenience.
These items are not included in the totals of this quotation.

Material	Qty	Description	Unit Price	Total
116997	1	Small Enterprise License Agreement Training Package at ESRI Site 21 Days Prepaid ILT / ILV, Over 3 Year Term, Per Student Seat, 7 Days per Annum Instructor Led Training	3,500.00	3,500.00

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Brent Sherman

Email: bsherman@esri.com

Phone: (909) 793-2853 x1254

The items on this quotation are subject to the terms set forth herein and the terms of your signed agreement with Esri, if any, or, where applicable, Esri's standard terms and conditions at www.esri.com/legal, which are incorporated by reference. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Acceptance is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's products and services.

If sending remittance, please address to: Esri, File No. 54630, Los Angeles, Ca 90074-4630

Attachment 1



Quotation # 20480822

Date: January 6, 2016

ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE, INC.

**380 New York Street
Redlands, CA 92373-8100**

**Phone: 909-793-2853 Fax: 909-307-3049
DUNS Number: 06-313-4175 CAGE Code: 0AMS3**

**To expedite your order, please attach a copy of
this quotation to your purchase order.**

Quote is valid from: 01/06/2016 To: 04/05/2016

Customer # 117042 Contract #

City of Royal Oak
Planning Dept
211 S Williams St
Royal Oak, MI 48067

ATTENTION: Mike Kirby
PHONE: (248) 246-3082
FAX: (248) 246-3005

144576	1	The Web GIS Launch Kit - Basic services package provides up to 3 days of on-site support by 1 Esri consultant to configure an ArcGIS Organization (ArcGIS Online or Portal for ArcGIS). The Esri consultant will start with a resource assessment to determine the available GIS content, capabilities and information product needs. Based on the results the consultant will work with you to prioritize the maps and apps that can be configured during the time available. During the process of configuring the maps and apps, the Esri consultant will show you how to configure your ArcGIS organizational settings, populate the account with content, and provide best practices on leveraging Web GIS. The Web GIS Launch Kit also includes knowledge transfer on: authoring, registering and sharing content, creating web maps, management and administrative tools, using Web GIS in workflows, and securing content and governance. Customers will be provided a Web GIS Launch Kit questionnaire prior to the on-site visit. Topics outside the scope of the Web GIS Launch Kit include but are not limited to: ArcGIS for Server Software Installation, Portal for ArcGIS Installation, Migration of Databases and Applications, Application Development. The price includes airfare, hotel, car rental, per diem, and other direct costs. On-site support will be provided at a mutually agreed upon customer location during one trip within the United States on consecutive business days during a single work week. By purchasing this service, the customer agrees to Services Packages Terms and Conditions (G-363-D Addendum) which shall take precedence over any other terms and the customer's purchase order. If not attached, these Terms and Conditions can be viewed on the web at http://www.Esri.com/legal/service-agreements.html . This services package requires the customer to prepare for Esri's visit. The preparation requirements are outlined at http://www.Esri.com/legal/service-agreements.html and all services will be provided in accordance with the requirements and assumptions provided therein. Scheduling will be based on resource availability.	9,800.00	9,800.00
--------	---	--	----------	----------

Esri may charge a fee to cover expenses related to any customer requirement to use a proprietary vendor management, procurement, or invoice program.

For questions contact: Brent Sherman

Email: bsherman@esri.com

Phone: (909) 793-2853 x1254

The items on this quotation are subject to the terms set forth herein and the terms of your signed agreement with Esri, if any, or, where applicable, Esri's standard terms and conditions at www.esri.com/legal, which are incorporated by reference. Federal government entities and government prime contractors authorized under FAR 51.1 may purchase under the terms of Esri's GSA Federal Supply Schedule. Acceptance is limited to the terms of this quotation. Esri objects to and expressly rejects any different or additional terms contained in any purchase order, offer, or confirmation sent to or to be sent by buyer. All terms of this quotation will be incorporated into and become part of any additional agreement regarding Esri's products and services.

If sending remittance, please address to: Esri, File No. 54630, Los Angeles, Ca 90074-4630



Esri Use Only:
 Cust. Name _____
 Cust. # _____
 PO # _____
 Esri Agreement # _____

Esri, 380 New York St., Redlands, CA 92373-8100 USA • TEL 909-793-2853 • FAX 909-793-5953

SMALL ENTERPRISE LICENSE AGREEMENT COUNTY AND MUNICIPALITY (E214-3)

This Agreement is by and between the organization identified in the Quotation ("Licensee") and **Environmental Systems Research Institute, Inc. ("Esri")**.

This Agreement sets forth the terms for Licensee's use of Products and incorporates by reference (i) the Quotation and (ii) the License Agreement. Should there be any conflict between the terms and conditions of the documents that comprise this Agreement, the order of precedence for the documents shall be as follows: (i) the Quotation, (ii) this Agreement, and (iii) the License Agreement. This Agreement shall be governed by and construed in accordance with the laws of the state in which Licensee is located without reference to conflict of laws principles, and the USA federal law shall govern in matters of intellectual property. The modifications and additional rights granted in this Agreement apply only to the Products listed in Table A.

**Table A
 List of Products**

Uncapped Quantities

Desktop Software and Extensions

ArcGIS for Desktop Advanced
 ArcGIS for Desktop Standard
 ArcGIS for Desktop Basic
 ArcGIS for Desktop Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Publisher, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager for Desktop, ArcGIS Data Reviewer

Server Software and Extensions

ArcGIS for Server Workgroup and Enterprise (Advanced, Standard, and Basic)
 ArcGIS for Server Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Geostatistical Analyst, ArcGIS Network Analyst, ArcGIS Schematics, ArcGIS Workflow Manager for Server, ArcGIS Image Extension for Server

Developer Tools

ArcGIS Engine
 ArcGIS Engine Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Engine Geodatabase Update, ArcGIS Network Analyst, ArcGIS Schematics ArcGIS Runtime Standard
 ArcGIS Runtime Standard Extensions: ArcGIS 3D Analyst, ArcGIS Spatial Analyst, ArcGIS Network Analyst

Limited Quantities

One (1) Annual Subscription to Esri Developer Network (EDN) Standard*
 One (1) Esri CityEngine Advanced Single Use License
 One (1) Esri CityEngine Advanced Concurrent Use License
 One (1) ArcGIS Online Subscription
 One (1) Portal for ArcGIS Subscription

OTHER BENEFITS

One (1) ArcGIS Online subscription with specified named users and credits as determined in the program description	Level 4
One (1) Portal for ArcGIS term subscription with specified named users as determined in the program description	Level 4
Number of Esri User Conference registrations provided annually	4
Number of Tier 1 Help Desk individuals authorized to call Esri	4
Maximum number of sets of backup media, if requested**	2
Virtual Campus Annual User License allowance	10,000
Five percent (5%) discount on all individual commercially available instructor-led training classes at Esri facilities purchased outside this Agreement (Discount does not apply to Small Enterprise Training Package.)	

* Maintenance is not provided for these items.
 **Additional sets of backup media may be purchased for a fee.

Attachment 1

Licensee may accept this Agreement by signing and returning the whole Agreement with a sales quotation, purchase order, or other document ("Ordering Document") that matches the Quotation and references this Agreement. **ADDITIONAL OR CONFLICTING TERMS IN LICENSEE'S ORDERING DOCUMENT WILL NOT APPLY, AND THE TERMS OF THIS AGREEMENT WILL GOVERN.** Unless otherwise mutually agreed to, this Agreement is effective as of the date of the last signature on the signature page ("Effective Date") or, if no date is provided with the signature, the date of Esri's receipt of Licensee's Ordering Document incorporating this Agreement by reference.

Term of Agreement: 3 years _____

This Agreement supersedes any previous agreements, proposals, presentations, understandings, and arrangements between the parties relating to the licensing of the Products. Except as provided in Article 4—Product Updates, no modifications can be made to this Agreement.

Accepted and Agreed:

(Licensee)

By: _____
Authorized Signature

Printed Name: _____

Title: _____

Date: _____

LICENSEE CONTACT INFORMATION

Contact: _____

Telephone: _____

Address: _____

Fax: _____

City, State, Postal Code: _____

E-mail: _____

Country: _____

Quotation Number (if applicable): _____

1.0—ADDITIONAL DEFINITIONS

In addition to the definitions provided in the License Agreement, the following definitions apply to this Agreement:

"Deploy", "Deployed" and "Deployment" mean to redistribute and install the Products and related Authorization Codes within Licensee's organization(s).

"Fee" means the fee set forth in the Quotation.

"Incident" means a failure of the Software or Online Services to operate according to the Documentation where such failure substantially impacts operational or functional performance.

"License Agreement" means (i) the applicable license agreement incorporated by this reference that is found at <http://www.esri.com/legal/software-license>; composed of the General License Terms and Conditions (E204) and Exhibit 1, Scope of Use (E300); and available in the installation process requiring acceptance by electronic acknowledgment or (ii) a signed license agreement between the parties that supersedes such electronically acknowledged license agreement.

"Maintenance" means Tier 2 Support, Product updates, and Product patches provided to Licensee during the term of this Agreement.

"Product(s)" means the products identified in Table A—List of Products and any updates to the list Esri provides in writing.

"Quotation" means the offer letter and quotation provided separately to Licensee.

"Technical Support" means the technical assistance for attempting resolution of a reported Incident through error correction, patches, hot fixes, workarounds, replacement deliveries, or any other type of Product corrections or modifications.

"Tier 1 Help Desk" means Licensee's point of contact(s) to provide all Tier 1 Support within Licensee's organization(s).

"Tier 1 Support" means the Technical Support provided by the Tier 1 Help Desk.

"Tier 2 Support" means the Technical Support provided to the Tier 1 Help Desk when an Incident cannot be resolved through Tier 1 Support. Licensee will receive Tier 2 Support from Esri.

2.0—ADDITIONAL GRANT OF LICENSE

2.1 Grant of License. Subject to the terms and conditions of this Agreement, Esri grants to Licensee a personal, nonexclusive, nontransferable license solely to use, copy, and Deploy quantities of the Products listed in Table A—List of Products for the term provided on the first page (i) for the applicable Fee and (ii) in accordance with the License Agreement.

2.2 Consultant Access. Esri grants Licensee the right to permit Licensee's consultants or contractors to use the Products exclusively for Licensee's benefit. Licensee will be solely responsible for compliance by consultants and contractors with this Agreement and will ensure that the consultant or contractor discontinues use of Products upon completion of work for Licensee. Access to or use of Products by consultants or contractors not exclusively for Licensee's benefit is prohibited. Licensee may not permit its consultants or contractors to install Software or Data on consultant, contractor, or third-party computers or remove Software or Data from Customer locations, except for the purpose of hosting the Software or Data on Contractor Servers for the benefit of Licensee.

3.0—TERM, TERMINATION, AND EXPIRATION

3.1 Term. The term of this Agreement and all licenses hereunder will commence on the Effective Date and continue for the duration identified on the signature page, unless this Agreement is terminated earlier as provided herein. Licensee is only authorized to use Products during the term of this Agreement. For an Agreement with a limited term, Esri does not grant Licensee an indefinite or perpetual license to Products.

3.2 No Use upon Agreement Expiration or Termination. All Product licenses and all Maintenance, Esri Virtual Campus access, and Esri User Conference registrations terminate on expiration or termination of this Agreement.

3.3 Termination for a Material Breach. Either party may terminate this Agreement for a material breach by the other party. The breaching party will be given a period of thirty (30) days from the date of written notice to cure any material breach.

3.4 Termination for Lack of Funds. For an Agreement with government or government-owned entities, either party may terminate this Agreement before any subsequent year if Licensee is unable to secure

funding through the legislative or governing body's approval process.

4.0—PRODUCT UPDATES

4.1 Future Updates. Esri reserves the right to update the list of Products in Table A—List of Products by providing written notice to Licensee. Licensee may continue to use all Products that have been Deployed, but support and upgrades for deleted items may not be available. As new Products are incorporated into the standard program, they will be offered to Licensee via written notice for incorporation into the Products schedule at no additional charge. Licensee's use of new or updated Products requires Licensee to adhere to applicable additional or revised terms and conditions of the License Agreement.

4.2 Product Life Cycle. During the term of this Agreement, some Products may be retired or may no longer be available to Deploy in the identified quantities. Maintenance will be subject to the individual Product Life Cycle Support Status and Product Life Cycle Support Policy, which can be found at <http://support.esri.com/en/content/productlifecycles>. Updates for Products in the mature and retired phases may not be available. Licensee may continue to use Products already Deployed for the term of this Agreement, but Licensee will not be able to Deploy retired Products.

5.0—MAINTENANCE

The Fee includes standard maintenance benefits specified in the most current applicable Esri Standard Maintenance Program document (found at <http://www.esri.com/legal>). At Esri's sole discretion, Esri may make patches, hot fixes, or updates available for download. No Software other than the defined Products will receive Maintenance. Licensee may acquire maintenance for other Software outside this Agreement.

a. Tier 1 Support

1. Licensee will provide Tier 1 Support through the Tier 1 Help Desk to all Licensee's authorized users.
2. The Tier 1 Help Desk will be fully trained in the Products.
3. At a minimum, Tier 1 Support will include those activities that assist the user in resolving how-to and operational questions as well as questions on installation and troubleshooting procedures.

4. The Tier 1 Help Desk will be the initial points of contact for all questions and reporting of an Incident. The Tier 1 Help Desk will obtain a full description of each reported Incident and the system configuration from the user. This may include obtaining any customizations, code samples, or data involved in the Incident. The Tier 1 Help Desk may also use any other information and databases that may be developed to satisfactorily resolve the Incident.
5. If the Tier 1 Help Desk cannot resolve the Incident, an authorized Tier 1 Help Desk individual may contact Tier 2 Support. The Tier 1 Help Desk will provide support in such a way as to minimize repeat calls and make solutions to problems available to Licensee.
6. Tier 1 Help Desk individuals are the only individuals authorized to contact Tier 2 Support. Licensee may change the Tier 1 Help Desk individuals by written notice to Esri.

b. Tier 2 Support

1. Tier 2 Support will log the calls received from Tier 1 Help Desk.
2. Tier 2 Support will review all information collected by and received from the Tier 1 Help Desk including preliminary documented troubleshooting provided by the Tier 1 Help Desk when Tier 2 Support is required.
3. Tier 2 Support may request that Tier 1 Help Desk individuals provide verification of information, additional information, or answers to additional questions to supplement any preliminary information gathering or troubleshooting performed by Tier 1 Help Desk.
4. Tier 2 Support will attempt to resolve the Incident submitted by Tier 1 Help Desk.
5. When the Incident is resolved, Tier 2 Support will communicate the information to Tier 1 Help Desk, and Tier 1 Help Desk will disseminate the resolution to the user(s).

6.0—ENDORSEMENT AND PUBLICITY

This Agreement will not be construed or interpreted as an exclusive dealings agreement or Licensee's endorsement of Products. Either party may publicize the existence of this Agreement.

7.0—ADMINISTRATIVE REQUIREMENTS

7.1 OEM Licenses. Under Esri's OEM or Solution OEM programs, OEM partners are authorized to embed or bundle portions of Esri products and services with their application or service. OEM partners' business model, licensing terms and conditions, and pricing are independent of this Agreement. Licensee will not seek any discount from the OEM partner or Esri based on the availability of Products under this Agreement. Licensee will not decouple Esri products or services from the OEM partners' application or service.

7.2 Annual Report of Deployments. At each anniversary date and ninety (90) calendar days prior to the expiration date of this Agreement, Licensee will provide Esri with a written report detailing all Deployments. Upon request, Licensee will provide records sufficient to verify the accuracy of the annual report.

8.0—ORDERING, ADMINISTRATIVE PROCEDURES, DELIVERY, AND DEPLOYMENT

8.1 Orders, Delivery, and Deployment

- a. Licensee will issue an Ordering Document upon execution of this Agreement and annually thereafter in accordance with the Quotation. Payment will be due and payable within thirty (30) calendar days of the anniversary date of the Effective Date, with the initial payment due within thirty (30) calendar days of execution of this Agreement. Esri's federal ID number is 95-2775-732.
- b. Upon receipt of the initial Ordering Document from Licensee, Esri will authorize download of the Products to Licensee for Deployment. If requested, Esri will ship backup media to the ship-to address identified on the Ordering Document, FOB Destination, with shipping charges prepaid. For those entities that avoid sales tax by downloading deliverables, request for delivery or receipt of tangible media may cause the Fee to be subject to taxes. Licensee acknowledges that should such taxes become due, Esri has a right to invoice and Licensee will pay any such sales or use tax associated with its receipt of tangible media.
- c. Esri will provide Authorization Codes to activate the nondestructive copy protection program that enables the Products to operate.

8.2 Order Requirements

- a. All orders pertaining to this Agreement will be processed through Licensee's centralized point of contact.
- b. The following information will be included in each Ordering Document:
 - (1) Licensee name; Esri customer number, if known; and bill-to and ship-to addresses
 - (2) Order number
 - (3) Applicable annual payment due

9.0—MERGERS, ACQUISITIONS, OR DIVESTITURES

If Licensee is a commercial entity, Licensee will notify Esri in writing in the event of (i) a consolidation, merger, or reorganization of Licensee with or into another corporation or entity; (ii) Licensee's acquisition of another entity; or (iii) a transfer or sale of all or part of Licensee's organization (subsections i, ii, and iii, collectively referred to as "Ownership Change"). There will be no decrease in Fee as a result of any Ownership Change.

- 9.1 If an Ownership Change increases the cumulative program count beyond the maximum level for this Agreement, Esri reserves the right to increase the Fee or terminate this Agreement and the parties will negotiate a new agreement.
- 9.2 If an Ownership Change results in transfer or sale of a portion of Licensee's organization, that portion of Licensee's organization will uninstall, remove, and destroy or transfer the Products to Licensee.
- 9.3 This Agreement may not be assigned to a successor entity as a result of an Ownership Change unless approved by Esri in writing in advance. If the assignment to the new entity is not approved, Licensee will require any successor entity to uninstall, remove, and destroy the Products, and this Agreement will terminate upon such Ownership Change.

February 3, 2016

Mike Kirby
Manager of Information Systems
City of Royal Oak
211 S. Williams Street
Royal Oak, MI 48067

Dear Mike,

RE: GIS HealthCheck Quote & Qualifications

Thank you for your interest in the **GIS HealthCheck**. Enclosed is the sales and technical information you have requested. I hope you find this information helpful.

If I can provide further assistance, please contact me at the number or email below. I look forward to working with you.

Sincerely,



Tyler Prah
State & Local Account Manager
Geographic Information Services, Inc.
2100 Riverchase Center, Suite 105 | Birmingham, AL 35244
p: 205.941.0442 ext.487 | m: 612.275.6752 | e: tyler.prah@gisinc.com

I. GIS HealthCheck

A medical health check includes diagnostics (tests), a lifestyle assessment, and prescriptions or recommendations for improvement. The GIS HealthCheck has similar components: a technical diagnostic of the GIS, an assessment of the business utilization of the GIS, and finally a prescription, or suggestions for the future. The GIS HealthCheck is performed by GISinc staff and requires support from the Client's GIS Department and key departmental stakeholders (GIS user community).

Our interview questions will focus on GIS data, technology, and utilization within your organization. Without getting into specifics on the list of questions, it will be important to have the following information available during our visit (either through existing documentation or appropriate personnel available):

- GIS data sources, quality, formatting, and users
- Hardware and software inventories and specifications
- Enterprise application holdings
- IT framework
- Organizational structure and governance
- GIS goals and funding
- GIS processes and products

A majority of our time onsite will be spent with you and the GIS staff, but we'd also like to spend some time with end users and other department heads that you see as key GIS stakeholders. ***Please schedule some meeting time with these individuals during our time onsite.***

We request you provide the following information, which will be used in our technical diagnostics:

- GIS Data export
- Metadata export
- Data Dictionary

Please have these exports ready for us to take with us at the end of the first visit.

II. HealthCheck Project Experience

Established in 1991, GISinc has 25 years of experience providing comprehensive location technology services. We specialize in GIS analysis, design, development, implementation, data conversion, and related innovative solutions for local, state, federal, and commercial clients across the country. Over the last 5 years, we have worked on dozens of GIS HealthCheck roadmaps and strategic plans. Projects have ranged from large-scale enterprise GIS architectures and platform designs to a small needs analysis with the end users in mind. We help our clients with technologies that meet the needs of today, while positioning them for growth and evolution in the future. This means the right architecture, database, and application solutions that are non-proprietary, internet based, and easily integrated with other technologies.

Below are a few examples of our GIS HealthCheck clients.

City of Adrian, MI	Josephine County, OR
City of Alexander, AL	Lacrosse County, WI
City of Altamonte Springs, FL	Livingston County, MI
City of Atlanta, Dept of Watershed Management	City of Marietta, GA
Aqua Water Supply Corporation	City of McAllen, TX
City of Austin, TX	City of McDonough, GA
Bannock County, ID	Miccosukee Tribe of Indians of Florida
Bibb County, GA	Mifflin County, PA
Calaveras County, CA	City of Neenah, WI
Cherokee County, GA	City of New Orleans, LA
City of College Park, GA	Newton County, GA
Crow Wing County, MN	Outagamie County, WI
Curry County, OR	Sheboygan County, WI
City of Daytona Beach, FL	Shelby County, TN
Dekalb County, GA.	Shelby Township, MI
City of Eau Claire, WI	City of Sioux Falls, SD
Emmet County, MI	City of Southfield, MI
City of Farmers Branch, TX	City of Spokane Valley, WA
City of Flint, MI	City of St. Charles, IL
City of Fort Worth, TX	City of Sterling Heights, MI
City of Gainesville, FL	Trempealeau County, WI
Gwinnett County, GA	City of Tuscaloosa, AL
Harris County Flood Control District	Village of Key Biscayne, FL
Highlands County, FL	Walworth County, WI
City of Hoover, AL	Wyandotte Municipal Services
Jackson County, OR	

A few of our project descriptions are attached on the following pages.

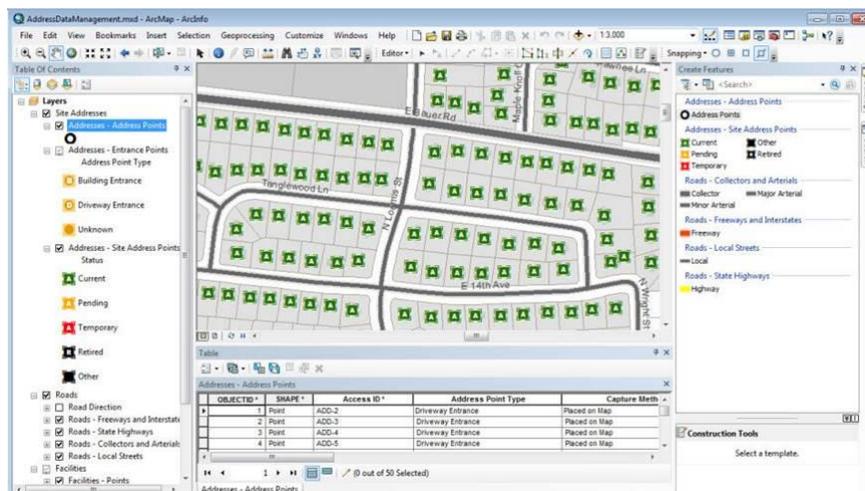
City of San Mateo, CA

When the City of San Mateo, California chose to migrate to Esri's GIS software from Intergraph, a primary objective was to establish alignment with the ArcGIS for Local Government solutions to aid succession planning. Their goal was to establish a widely used data schema which would aid in the recruiting of quality future staff. In the past, the City struggled with organizing their spatial data from a variety of locations and formats. Improving the addressing and fire planning processes and supporting an ongoing permitting system implementation provided the initial motivations.

The first phase of the project was to implement Esri's Address Data Management template. GISinc performed the necessary planning and created the extract, transform, load (ETL) process to migrate the City's current data into the ArcGIS for Local Government data model. Through a remote knowledge transfer, we loaded the City's SDE database and taught their staff how to use Esri's editing tools in a versioned editing environment. A similar process was used for the Pre-Incident Planning of emergency services. Though the next planned step was to implement the Planning and Notification application, the City chose instead to perform a full adoption of the ArcGIS for Local Government model upon which to build its EnerGov permitting system. In this final project phase, we assisted the migration of over 30 priority layers into the LGIM database, including extending the model for layers that were not a good match. To support a single data repository, more than 120 layers were eventually migrated into the central database.

The ease of use of the Addressing and the Pre-Incident editing templates encouraged the City's users to more broadly adopt the ArcGIS for Local Government data model. This has allowed them to establish a single, central data repository built upon a widely used standard to support their permitting system. They also anticipate new users will require less time to learn the data model than the previous ad hoc structure.

The staff hired with previous ArcGIS for Local Government experience will improve the future transition, a key element for their succession planning. The City plans to resume implementation of the ArcGIS for Local Government planning applications in a future project phase.



The Address Data Management tools implemented for San Mateo were free as part of Esri's ArcGIS for Local Government initiative

Gwinnett County, GA: GIS Strategic Plan and Services

GISinc was selected as a GIS services provider by Gwinnett County, GA as part of their broad based Land Information Systems (LIS) Services annual contract with (4) one year options to renew. The purpose of the contract is to provide GIS services such as data development, application development, application customization and other GIS services required to further develop the County's existing GIS and LMIS, including a 5-Year Enterprise GIS Comprehensive Plan. We have highlighted the projects and services provided to Gwinnett County as part of this contract below.

5-Year Enterprise GIS Strategic Plan

Gwinnett County GIS Department sought to update their enterprise GIS Strategic Plan. Through onsite visitation, GISinc provided a technical diagnostic of the current GIS system and an assessment of the business utilization. The recommendations included implementation strategies for industry best practices, identified new business utilization opportunities for location information, and facilitated an integration path with existing business systems.

Department of Water Resources (DWR) – Web Viewer

DWR implemented GISi's Flex framework for its internal web viewer. This web application enabled DWR to reduce their desktop footprint by over 100 licenses and offer a more intuitive solution to its current read-only users. Today the web viewer is a critical component that supports operations and streamline's workflows. GISinc started the project with a requirements gathering session onsite at DWR. We then setup and configured the ArcGIS for Server environment in both development and production at DWR. Map and web services were created to provide the foundation for secure web and mobile applications accessing infrastructure data and related as-built and inspection documents. Additional services allowed integration with DWR's Lucity work order management system. The web viewer has enabled DWR to streamline access to data via the web and supports both web and mobile users.



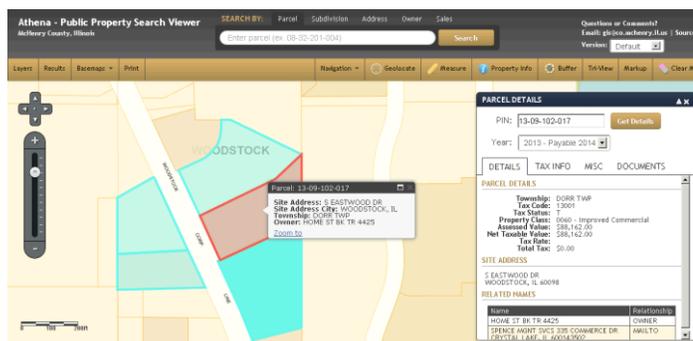
Address Data Management

Gwinnett County contracted GISi's services to establish an updated addressing system to support their business processes. After an onsite needs assessment and process review of their workflows, we converted these parcel-based addressing to address points through an ETL process into Esri's Local Government Information Model. After configuring the Address Data Management template, we provided onsite knowledge transfer on use of the construction tools. The County now has a more comprehensive addressing database with efficient maintenance tools. Multiple departments including Planning, Assessment, and 911 are able to reference a single authoritative addressing source.

McHenry County, IL: Annual GIS Services Contract

GISinc provides the McHenry County GIS Department with consulting services to maximize their significant investment in Esri technology. While GISinc's core staff augmentation responsibilities have been in the direction of development, we have also been involved in administration and automation of backend services or processes, application development and deployment, technical support for IT related issues or configuration, and **high level strategic planning**.

Though GISinc has performed onsite services for the County, primary staff augmentation is facilitated remotely in the form of development, scripting and administration. Key among the tasking for GISinc was to provide development services for a Crime Mapping application for the County. Over the span of a six month period, the GIS Department took a



complicated idea from conceptualization to a crime mapping program that allows the McHenry County Sheriff's Office (MCSO) to fight crime more intelligently. Under direction of the County, GISinc facilitated development for the MCSO Crime Mapping Program, which includes a public access site where the general public can review crime trends in County jurisdiction and send tips to CrimeStoppers anonymously.

The website that was developed provides the public a powerful new tool in their efforts to help law enforcement. The MCSO Crime Mapping Program also includes an internal crime map that is very user friendly and is now used to create monthly crime trend reports in minutes (saving the MCSO Intelligence Unit about 30 man hours each month). It is also used to create daily and weekly crime reports that each shift commander can use to allocate their resources more efficiently to provide the citizens of McHenry County with even higher quality public safety. The McHenry County Emergency Telephone System Board also worked on this collaboration by providing data for the MCSO Crime Mapping Program.

GISinc has also supported development against existing applications (Athena, Planning Viewer, Construction Viewer, etc.) to address legacy defects and extend functionality. Recently, GISinc effort has been applied toward re-writing the County's property information viewer (Athena) in HTML5 and using the JavaScript API. The County's existing release of Athena leverages the Esri Web ADF, a dated technology that constrained the potential upgrade of the Esri software infrastructure. At the same time, the County also wanted to make Athena more broadly accessible to users across multiple platforms and devices (PC, tablet & phone), which drove the final decision for the language and technology that underlie the re-write. At the request of County staff, the Athena re-write resulted in a user interface that effectively mirrored the existing application, with only minor tweaks to freshen the UI, to mitigate the impact of transitioning on end users. GISinc guided the process, starting with UI wireframes through to the responsive design (adapting interface to variable and restricted screen real estates).

III. Deliverables

GISinc will perform **two days** of on-site interviews at your office focusing on your GIS's technical and utilization capabilities. After collecting all of the HealthCheck information, we will draft a report summarizing our findings and prescribing recommendations for the future of your organization's GIS. GISinc will schedule a virtual (WebEx / Conference call) meeting to present the GIS HealthCheck. We will deliver a digital copy in PowerPoint format and two printed and bound hardcopies.

IV. Pricing

GISinc proposes a price of **\$7,000** for the GIS HealthCheck. This price includes travel expenses.

You may indicate your acceptance of this proposal with a signature below by authorized personnel from the City of Royal Oak, MI.

City of Royal Oak, MI

Signature: _____

Name: _____

Title: _____

Date: _____

Quotation Terms and Conditions

This confidential quotation is valid for sixty (60) days unless otherwise stated and does not include shipping or tax unless otherwise stated. This quotation information is proprietary and may not be copied or released other than for the express purpose of system and service selection and purchase. This information may not be given to outside parties or used for any other purpose without written consent from Geographic Information Services, Inc. (GISinc).

February 23, 2016

Mike Kirby
Manager of Information Systems
City of Royal Oak
211 S. Williams Street
Royal Oak, MI 48067

Dear Mike,

RE: GIS Support Block Quote

Thank you for your interest in our GIS Support Block. Included in the following pages are GISinc's Support Block details and prices.

GIS Support Blocks will provide a vehicle for accessing GIS support on-demand to City of Royal Oak. I hope you find this information helpful. If I can provide further assistance, please do not hesitate to contact me.

Thank you again for your interest. We look forward to working with you.

Sincerely,



Tyler Prah
State & Local Account Manager
Geographic Information Services, Inc.
2100 Riverchase Center, Suite 105 | Birmingham, AL 35244
p: 205.941.0442 ext.487 | m: 612.275.6752 | e: tyler.prah@gisinc.com

I. GIS Support Block

GIS Support Blocks provide a vehicle for accessing GIS support on-demand. Once a GIS Support Block is put in place, GISinc will provide professional services to assist City of Royal Oak with GIS support. All services provided as part of the GIS Support Blocks will be conducted by the most effective and cost-efficient method, including: virtually through remote network access, telephone conference calls, Internet (WebEx) demonstrations, or on-site consultants.

How do GIS Support Blocks work?

Once the GIS Support Block vehicle is in place, GISinc will provide City of Royal Oak with a single point of contact. GISinc will identify the support tasks and establish a communication plan for coordinating the activities of the task as well as status reporting. We will match the support task with the correct GISinc resource.

If a support task becomes large, GISinc may require using a management team. This function includes people, processes, and technology that are designed to make sure that City of Royal Oak receives outstanding value. Milestones and completion dates will be established for the Planning and Analysis, Client review, Design, Client review, Development, Testing, and Installation/Implementation phases of a large task or project. There are many tasks and risks that have the potential to derail a project. To manage this effort, larger tasks or projects that we execute are assigned a Project Coordinator or Technical Architect from GISinc.

II. Pricing

Prepaid blocks of hours can be purchased at the prices listed in Table 1 and volume discounts are included at each block level. Support block hours expire after 12 months from the date of signature. GISinc will invoice City of Royal Oak upon receiving the signed form.

You may indicate your acceptance of the above proposal with a signature from authorized personnel at City of Royal Oak. Any expenses or travel incurred by GISinc while performing GIS Support Block services to City of Royal Oak will be billed at actual costs separate from this contract.

City of Royal Oak

Support Block Amount: \$ _____

Signature: _____

Name: _____

Title: _____

Date: _____

Table 1	
Price	Block of Hours
\$5,000	30
\$10,000	60
\$15,000	95
\$20,000	135
\$25,000	175
\$30,000	215
\$50,000	370
\$60,000	455
\$75,000	585
\$100,000	800

Quotation Terms and Conditions

This confidential quotation is valid for thirty (30) days unless otherwise stated and does not include shipping or tax unless otherwise stated. This quotation information is proprietary and may not be copied or released other than for the express purpose of system and service selection and purchase. This information may not be given to outside parties or used for any other purpose without written consent from Geographic Information Services, Inc. (GISinc).

Approval of Website Redesign Contract

March 11, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Bids were received and opened at 11:00 a.m. local time on December 15, 2015, for the city of Royal Oak website redesign. Responses to the Requests for Proposals are attached (Attachment 1).

The website committee recommends the city contract with CivicPlus. The committee thoroughly reviewed all proposals and interviewed three vendors. The CivicPlus system is built specifically to service government agencies of all sizes with over two thousand city, state and local government clients. Their content management system is extremely intuitive and easy to use. Of the proposals reviewed by the committee, CivicPlus provides the most functionality “out of the box” and have also agreed to include their HR applicant tracking and onboarding modules as well as a custom mobile “app” for the city at no additional cost. The cost of the contract is \$35,969 per year for the first three years and \$15,995 for the fourth year (Attachment 2). This includes the redesign, implementation, hosting and annual support/maintenance. At the end of the fourth year, the city is eligible to receive a basic website redesign at no additional cost.

The proposal includes hosting of the new website in CivicPlus’s primary datacenter. They guarantee 99.7% uptime with a service credit in the event they do not meet the SLA. CivicPlus has a secondary datacenter used for disaster recovery purposes which is also guaranteed with both a four hour recovery time objective and recovery point objective. The lowest cost proposal was not selected as their references were not satisfactory.

The following resolution is recommended for approval:

Be It Resolved, the purchase order and contract with CivicPlus of Manhattan Kansas, for website redesign and hosting, be executed in the amount of \$123,902.00 for a four year agreement as noted in the contract.

Respectfully submitted,

Mike Kirby, Manager of Information and Communication Technology
Julie Rudd, Director of Finance

Approved,



Donald E. Johnson
City Manager

2 Attachments



Information Technology
211 S Williams Street
Royal Oak, MI 48067

RFP RESPONSES

Vendor	Initial Cost	Annual Costs
Civic Plus	\$ 77,441.00	\$ 15,223.00
Gravity Works	\$ 114,600.00	\$ 2,400.00
Media Genisys	\$ 77,500.00	Not provided
Revize	\$ 48,700.00	\$ 7,900.00



Contact Information

Organization

URL

Street Address

Address 2

City

State

Postal
Code

CivicPlus provides telephone support for all trained clients from 7am –7pm Central Time, Monday-Friday (excluding holidays). Emergency Support is provided on a 24/7/365 basis for representatives named by the Client. Client is responsible for ensuring CivicPlus has current updates.

Emergency Contact & Mobile Phone

Emergency Contact & Mobile Phone

Emergency Contact & Mobile Phone

Billing Contact

E-Mail

Phone

Ext.

Fax

Billing Address

Address 2

City

ST

Postal
Code

Tax ID #

Sales Tax
Exempt #

Billing Terms

Account
Rep

Info Required on Invoice (PO or Job #)

Contract Contact

Email

Phone

Ext.

Fax

Project Contact

Email

Phone

Ext.

Fax



CivicPlus Advantage Contract Terms and Conditions

CivicPlus Advantage Invoicing & Payment Terms

The following agreement terms apply to the CivicPlus Advantage Plan – whereby the initial project development fees and recurring fees are paid equally over a three (3) year period. See Exhibit A for complete details and fee options.

1. Billing for the CivicPlus Advantage Plan begins upon contract signing.
2. The CivicPlus Advantage Plan provides a fixed fee for an Agreement term of 36 months from the first date of billing. At 36 months, Client has the following options:
 - a. Contract for 12 months of standard Annual Services with CivicPlus. Base rate of \$15,233 is subject to a technology investment and benefit fee of 5 percent (%) of the total Annual Services costs beginning the fourth year of consecutive service.
 - i. After forty-eight (48) months of continuous service, Client is entitled to a no-cost redesign, details noted in Exhibit B. Redesigns that include additional features not available on the original website may be subject to additional charges. Additional features include, but are not limited to, additional modules and integration of third-party software.
 - b. Terminate services with CivicPlus by providing written notice as noted in Term 6.
3. Payment is due 30 days from date of invoice. Unless otherwise limited by law, a finance charge of 2.9 percent (%) per month or \$5.00, whichever is greater, will be added to past due accounts. Payments received will be applied first to finance charges, then to the oldest outstanding invoice(s).
4. Client allows CivicPlus to display a “Government Websites by CivicPlus” insignia, and web link at the bottom of their web pages. Client understands that the pricing and any related discount structure provided under this agreement assumes such perpetual permission.
5. If a client change in timeline causes CivicPlus to incur additional expenses (i.e. airline change fees), Client agrees to reimburse CivicPlus for those fees. Not to exceed \$1,000 per CivicPlus resource per trip.

Agreement Renewal

6. Either party may terminate this Agreement at the end of the contract term by providing the other party with 60 days written notice, prior to the contract renewal date. The Contract Renewal Date is thirty-six (36) months after the original contract was signed by the Client. Renewal Options are listed in Term 2 of this Agreement.
7. In the event of early termination of the Agreement by the Client within the first twelve (12) months of the Agreement, full payment of the remainder of the total First Year fees are due within 15 days of termination.
8. In the event of early termination of the Agreement by the Client after twelve (12) months, but before the expiration of the Agreement, Annual Services fees for year(s) two (2) and three (3) will be prorated and Client will be charged only for the time it remains as a Client of CivicPlus. Full payment of the remainder of the total First Year fees and prorated fees are due within 15 days of termination.
9. This contract may be extended to any municipality in the State of Michigan to purchase at contract prices in accordance with the terms stated herein.

Ownership & Content Responsibility

10. Upon full and complete payment of submitted invoices for the Project Development and launch of the website, Client will own the Customer Content (defined as website graphic designs, the page content, all module content, all importable/exportable data, and all archived information).
11. Upon completion of the development of the site, Client will assume full responsibility for website content maintenance and content administration. Client, not CivicPlus, shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use of all Customer Content.
12. Client agrees that CivicPlus shall not migrate, convert, or port content or information that could reasonably be construed to be time-sensitive, such as calendar or blog content.



Intellectual Property

13. Intellectual Property of the CivicPlus Government Content Management System (GCMS®) will remain the property of CivicPlus.
14. Client shall not (i) license, sublicense, sell, resell, transfer, assign, distribute or otherwise commercially exploit or make available to any third party the GCMS® software in any way; (ii) modify or make derivative works based upon the GCMS® software; (iii) create Internet "links" to the GCMS® software or "frame" or "mirror" any GCMS® administrative access on any other server or wireless or Internet-based device; or (iv) reverse engineer or access the GCMS® software in order to (a) build a competitive product or service, (b) build a product using similar ideas, features, functions or graphics of the GCMS® software, or (c) copy any ideas, features, functions or graphics of the GCMS® software. The CivicPlus name, the CivicPlus logo, and the product and module names associated with the GCMS® software are trademarks of CivicPlus, and no right or license is granted to use them.

Indemnification

15. Client and CivicPlus shall defend, indemnify and hold the other Party harmless, its partners, employees, and agents from and against any and all lawsuits, claims, demands, penalties, losses, fines, liabilities, damages, and expenses including attorney's fees of any kind, without limitation, in connection with the operations of and installation of software contemplated by this Agreement, or otherwise arising out of or in any way connected with the CivicPlus provision of service and performance under this Agreement. This section shall not apply to the extent that any loss or damage is caused by the gross negligence or willful misconduct on the part of either party.

Functionality

16. CivicReady provides the ability for Client to generate high-speed notifications to private listed databases through an Internet-hosted software application. Client's database(s) shall be limited to containing contact data located within the geographic boundaries of Royal Oak, MI. Licensee may only place calls via the system to telephone numbers assigned within the 48 contiguous United States of America.

Liabilities

17. CivicPlus will not be liable for any act, omission of act, negligence or defect in the quality of service of any underlying carrier or other service provider whose facilities or services are used in furnishing any portion of the service received by the Client.
18. CivicPlus will not be liable for any failure of performance that is caused by or the result of any act or omission by Client or any entity employed/contracted on the Client's behalf.
19. Client agrees that it is solely responsible for any solicitation, collection, storage, or other use of end-users' Personal Data on the website. Client further agrees that CivicPlus has no responsibility for the use or storage of end-users' Personal Data in connection with the website or the consequences of the solicitation, collection, storage, or other use by Client or by any third party of Personal Data.
20. CivicPlus will not be liable for any act, omission of act, negligence or defect in the quality of service of any underlying carrier or other service provider whose facilities or services are used in furnishing any portion of the service received by the Client. CivicPlus will not be liable for any failure of performance that is caused by or the result of any act or omission by Client or any entity other than CivicPlus that furnishes services, facilities or equipment used in connection with CivicPlus services or facilities.
21. Except as expressly provided in this subscription, CivicPlus makes no expressed or implied representations or warranties, including any warranties regarding merchantability or fitness for a particular cause.
22. Client acknowledges and agrees that Service is run by software that is designed to be active 24 hours per day, 365 days per year, software in general is not error-free and the existence of any errors in Client's software used in conjunction with Service shall not constitute a breach of this subscription. In the event that Client discovers a material error and notifies CivicReady, and such error has not been caused by incorrect use, abuse or corruption of the Service or the Service's software, or by use of the Service with other software or equipment with which it is incompatible by Client or a third party accessing the Service through Client's passwords. Client is responsible for maintaining access to the Internet in order to use Service. CivicReady in no way warrants Client's access to the Internet via Client's Internet Service Provider(s). Under certain rare instances not all technologies are compatible without manual intervention by both parties. Client agrees that its staff will cooperate with CivicReady's staff to make necessary modifications to allow Service to perform and the individual signing on behalf of Client is an authorized officer, employee, member, director or agent for Client and has full authority to cause Client to enter into and be

Attachment 2



Service & License Agreement for **Royal Oak, MI**

bound by the terms of this subscription and this subscription fully complies with all laws, ordinances, rules, regulations, and governing documents by which Client may be bound.

23. Client recognizes that once email and text messages have been released from CivicReady's software, the ultimate delivery of the messages depends on the message recipient's local network. As a result CivicReady cannot guarantee the delivery of email and text messages to a recipient.

Appropriate Use of Service

24. Customer shall comply with all applicable local, state, and federal laws, treaties, regulations, and conventions in connection with its use of the Service.
25. Client agrees to use Service in ways that conform to all applicable laws and regulations. Client agrees not to make any attempt to gain unauthorized access to any of CivicReady's systems or networks. Client agrees that CivicReady shall not be responsible or liable for the content of messages created by Client, or by those who access Service, or otherwise delivered by Service on behalf of Client.
26. Client shall be responsible for compliance with all applicable laws regarding outbound telemarketing including State and Local telemarketing laws and requirements. Client will be solely responsible and liable for any such violations

Acceptance

We, the undersigned, agreeing to the conditions specified in this document, understand and authorize the provision of services outlined in this Agreement.

Client

Date

CivicPlus

Date

Sign and E-mail the entire contract with exhibits to:

Contracts@CivicPlus.com

We will e-mail a counter-signed copy of the contract back to you so we can begin your project.

CivicPlus does not require a physical copy of the contract, however, if you would like a physical copy of the contract, mail one (1) copy of the contract with original signature to:

CivicPlus Contract Manager
302 S. 4th Street, Suite 500
Manhattan, KS 66502

Upon receipt of signed original, we will counter-sign and return the copy for your files.

Attachment 2



Service & License Agreement for **Royal Oak, MI**

Exhibit A - CivicPlus Project Deliverables

All Quotes are in US Dollars and Valid for 30 Days from February 16, 2016.

Project Development and Deployment	
<i>Initial GCMS® upgrades, maintenance, support and hosting – no additional cost</i>	\$122,630
<i>Server Storage not to exceed 50 GB</i>	
Project Enhancements	
CivicSend	
CivicHR Applicant Tracking & CivicHR Onboarding	
CivicReady	Included
CivicMedia with Live Streaming Video (10GB of server storage included)	
CivicMobile	
5 Days Onsite Business Process Consulting	
Discount	(-\$45,189)
Total Fees Year 1	\$77,441

Annual Services (Continuing GCMS® System Enhancements , Maintenance, Support and Hosting)	\$15,233
<i>Billed 12 months from contract signing; subject to annual 5% increase year 3 and beyond</i>	

At the request of Client, CivicPlus agrees to redistribute their standardized pricing as follows:

	1 st Year	2 nd Year	3 rd Year
CivicPlus Advantage Annual Investment Payments	\$35,969	\$35,969	\$35,969
Client may terminate contract at the end of 36 months or select from options available in Term 2 of the Terms & Conditions			

--Remainder of this page left intentionally blank--

Attachment 2



Service & License Agreement for **Royal Oak, MI**

Exhibit A.1 Project Development Scope of Work

<p>Kick-Off</p> <p><u>Deliverable:</u> Project Timeline, training jump start information, online forms, kick-off meeting</p>	
<p>CivicPlus will:</p> <ul style="list-style-type: none"> • assign a project manager to this project • conduct a Project Kick-off to review awarded contract • establish communication plan for the duration of the project effort • work with Client to identify all key internal and external project stakeholders • develop project timeline • provide access to CivicPlus University (online training manuals, videos and other resources) for the Client staff 	<p>Client will:</p> <ul style="list-style-type: none"> • complete the following prior to Phase 1: Website Optimization Form, Content Form, and DNS Worksheet • review and approve of project timeline within 5 business days • attend a kick-off meeting with key stakeholders or decision makers • if modifications are required after the review of the initial project timeline, Client has 10 business days to address the modifications and come to a consensus • approve the project timeline (limited to two reviews) prior to proceeding with the project • update the current primary live website content and delete any pages from the website that are no longer wanted or needed
<p>Phase 1: Website Optimization</p> <p><u>Deliverable:</u> Website Optimization Meeting</p>	
<p>CivicPlus will:</p> <ul style="list-style-type: none"> • communicate status to Client, key stakeholders and personnel via emails or phone calls as needed • review the goals and expectations submitted on the forms Client completed to ensure Client needs are clearly understood • gather preliminary design data for use 	<p>Client will provide:</p> <ul style="list-style-type: none"> • statistics from the current website from the past 12 months (optional) • pictures to be used in the overall design of the new website • a list of all divisions and/or departments within the organization • a list of third-party and in-house developed applications presently being utilized on the current website • a site map or outline of the current website's navigational structure if possible • a list of any content on the current primary website that must remain as is (verbatim) because of legal requirements
<p>Phase 2: Website Layout</p> <p><u>Deliverable:</u> Website grayscale layout and mood board color pallet presentation</p>	
<p>CivicPlus will:</p> <ul style="list-style-type: none"> • present one custom layout in grayscale form and one mood board color palette based on the goals determined in the previous phase. The presented layout will show the placement of the navigation, graphic button and feature areas. The mood board will reflect the color and imagery that will represent the tone of the design • begin development of the website design upon layout and mood board approval 	<p>Client will:</p> <ul style="list-style-type: none"> • approve one layout and the mood board • review marketing packet material and guidelines • Website Layout billing milestone complete

Attachment 2



Service & License Agreement for Royal Oak, MI

<p>Phase 3: Website Reveal</p> <p><u>Deliverable:</u> Website design and production website.</p>	
<p>CivicPlus will:</p> <ul style="list-style-type: none"> • present a fully functional website on a production URL • migrate 500 content pages from www.romi.gov to the production URL • conduct a quality review of the website to ensure the functionality and usability standards are met • work with Client to adjust design and content changes • work with Client to prepare for training • migrate current plus the past three years Agendas & Minutes in Microsoft Word.DOC or Adobe PDF format 	<p>Client will:</p> <ul style="list-style-type: none"> • evaluate the website design and content and provide CivicPlus with feedback • collaborate with CivicPlus on proposed changes • revise the design according to the approved timeline • if revised design changes are requested after the design approval timeline date, the project's Go Live date will be adjusted out (training and billing milestones will remain as per approved timeline) • provide CivicPlus will all the necessary DNS items identified for the website
<p>Phase 4: 5 Days Onsite Training for up to 35 Employees</p> <p><u>Deliverable:</u> Train System Administrator(s) on GCMS® Administration, permissions, setting up groups and users, module administration. Basic User training on pages, module entries, applying modules to pages. Applied use and usability consulting to result in effective communication through your website.</p>	
<p>CivicPlus will:</p> <ul style="list-style-type: none"> • provided training to Client before the website goes live • train up to 35 Client staff members based on internal daily tasks and workflow • train staff members on how to use the GCMS®, update content pages and modules 	<p>Client will:</p> <ul style="list-style-type: none"> • provide a location for training in Client with internet access • provide computers for staff to be trained on • Phase 4: Training billing milestone complete
<p>Phase 5: Go Live</p> <p><u>Deliverable:</u> Custom website launched to the public.</p>	
<p>CivicPlus will:</p> <ul style="list-style-type: none"> • address system issues and bugs that Client finds • redirect the domain name to the newly developed website as per approved timeline 	<p>Client will:</p> <ul style="list-style-type: none"> • test and update the final site as per approved timeline • notify CivicPlus on any system issues or bugs found in the website
<p>Project Enhancements</p> <p>CivicSend CivicHR Applicant Tracking & CivicHR Onboarding CivicReady CivicMedia with Live Streaming Video (10GB of server storage included) CivicMobile 5 Days Onsite Business Process Consulting</p>	

Attachment 2



Service & License Agreement for **Royal Oak, MI**

Project Development and Deployment Includes the Following:

Modules	Functionality
<ul style="list-style-type: none">• Agenda Center• Alerts Center & Emergency Alert Notification• Archive Center• Bid Postings• Blog• Business/Resource Directory• Calendar• Citizen Request Tracker™ (5 users)• Community Connection• Community Voice™• Document Center• ePayment Center (NOTE: Requires additional fee as a third-party service)• Facilities & Reservations• Frequently Asked Questions• Forms Center• Job Postings• My Dashboard• News Flash• Notify Me® email and 500 SMS subscribers• Photo Gallery• Quick Links• Real Estate Locator• Spotlight• Staff Directory	<ul style="list-style-type: none">• Action Items Queue• Audit Trail / History Log• Automated PDF Converter• Automatic Content Archiving• Dynamic Breadcrumbs• Dynamic Sitemap• Expiring Items Library• Graphic Link Administration• Links Redirect• Menu Management• Mouse-over Menu Structure• Online Editor for Editing and Page Creation (WYSIWYG)• Online Web Statistics• Printer Friendly/Email Page• RSS• Site Layout Options• Site Search & Entry Log• Slideshow• Social Media Integration (Facebook, Twitter, Instagram)• User & Group Administration Rights• Web Page Upload Utility• Website Administrative Log

Attachment 2



Service & License Agreement for **Royal Oak, MI**

Exhibit B – Redesign Details

CivicPlus Project Development Services & Scope of Services for CP Basic Redesign

- New design for all items originally contracted for (main site, department headers and subsites)
- Redevelop banner
- Redevelop navigation method (may choose top drop-down or other options)
- Design setup - wireframe
- Redevelop graphic elements of website (Newsflash, FAQs, Calendar, etc.)
- Project Management
- Testing
- Review
- Content Migration – Includes retouching of all existing published pages to ensure proper formatting, and application of new site styles. Note: Content will **not** be rewritten, reformatted or pages broken up (shortened or re-sectioned)
- Site styles and page layouts will be touched so all pages match the new design and migrate cleanly
- Spelling and broken links will be checked and reported if unable to correct

Attachment 2



Service & License Agreement for **Royal Oak, MI**

Exhibit C - Premium Included Hosting

Data Center	<ul style="list-style-type: none">• Highly Reliable Data Center• Managed Network Infrastructure• On-Site Power Backup & Generators• Multiple telecom/network providers• Fully redundant Network• Highly Secure Facility• 24/7/365 System Monitoring
Hosting	<ul style="list-style-type: none">• Automated GCMS® Software Updates• Server Management & Monitoring• Multi-tiered Software Architecture• Server software updates & security patches• Database server updates & security patches• Antivirus management & updates• Server-class hardware from nationally recognized provider• Redundant firewall solutions• High performance SAN with N+2 reliability
Bandwidth	<ul style="list-style-type: none">• Multiple network providers in place• Unlimited bandwidth usage for normal business operations (does not apply in the event of a cyber attack)• 22 Gb/s burst bandwidth
Disaster Recovery	<ul style="list-style-type: none">• Emergency After-hours support, live agent (24/7)• On-line status monitor at data center• Event notification emails• Guaranteed recovery TIME objective (RTO) of 8 hours• Guaranteed recovery POINT objective (RPO) of 24 hours• Pre-emptive monitoring for disaster situations• Multiple data centers• Geographically diverse data centers
DDoS Mitigation	<ul style="list-style-type: none">• Defined DDoS Attack Process<ul style="list-style-type: none">• Identify attack source• Identify type of attack• Monitor attack for threshold engagement

Attachment 2



Service & License Agreement for **Royal Oak, MI**

Exhibit D - Support and Maintenance

Support Services

CivicPlus' on-site support team is available from 7:00 am to 7:00 pm CT to assist clients with any questions, concerns or suggestions regarding the functionality and usage of CivicPlus' GCMS® and associated applications. The support team is available during these hours via CivicPlus' toll-free support number and e-mail. Support personnel will respond to calls as they arrive (under normal circumstances, if all lines are busy, messages will be returned within two hours; action will be taken on e-mails within four hours), and if Client's customer support liaison is unable to assist, the service escalation process will begin.

Emergency support is available 24-hours-a-day for designated, named Client points-of-contact, with members of both CivicPlus' project management and support teams available for urgent requests. Emergency support is provided free-of-charge for true emergencies (ie: website is down, applications are malfunctioning, etc.), though Client may incur support charges for non-emergency requests during off hours (ie: basic functionality / usage requests regarding system operation and management). The current discounted rate is \$175/hour.

CivicPlus maintains a customer support website that is accessible 24-hours-a-day with an approved client username and password.

Service Escalation Processes

In the event that CivicPlus' support team is unable to assist Client with a request, question or concern, the issue is reported to the appropriate CivicPlus department.

Client requests for additional provided services are forwarded to CivicPlus' Client Care personnel.

Client concerns/questions regarding GCMS® or associated application errors are reported to CivicPlus' technical team through CivicPlus' issue tracking and management system to be addressed in a priority order to be determined by CivicPlus' technical team.

All other requests that do not meet these criteria will be forwarded to appropriate personnel within CivicPlus' organization at the discretion of the customer support liaison.

Included Services:	
Support	Maintenance of CivicPlus GCMS®
7 a.m. – 7 p.m. (CST) Monday – Friday (excluding holidays)	Install Service Patches for OS
24/7 Emergency Support	System Enhancements
Dedicated Support Personnel	Fixes
Usability Improvements	Improvements
Integration of System Enhancements	Integration
Proactive Support for Updates & Fixes	Testing
Online Training Manuals	Development
Monthly Newsletters	Usage License
Routine Follow-up Check-ins	
CivicPlus Connection	

Exhibit E - CivicPlus Service Level Agreement

CivicPlus will use commercially reasonable efforts to make the GCMS® available with a Monthly Uptime Percentage (defined below) of at least 99.7%, in each case during any monthly billing cycle (the “Service Commitment”). In the event CivicPlus does not meet the Service Commitment, you will be eligible to receive a Service Credit as described below.

Definitions

- “Monthly Uptime Percentage” is calculated by subtracting from 100% the percentage of minutes during the month in which the GCMS, was “Unavailable.” Monthly Uptime Percentage measurements exclude downtime resulting directly or indirectly from any Exclusion (defined below).
- “Unavailable” and “Unavailability” mean:
 - The HTML of the home page of the site is not delivered in 10 seconds or less 3 times in a row when tested from inside our network and returns a status of 200.
 - The Main page of the site returns a status other than 200 or 302 3 times in a row.
- A “Service Credit” is a dollar credit, calculated as set forth below, that we may credit back to an eligible account.

Service Commitments and Service Credits

Service Credits are calculated as a percentage of the total charges paid by you (excluding one-time payments such as upfront payments) for the month accordance with the schedule below.

Monthly Uptime Percentage

Less than 99.7%

Service Credit Percentage

1% of one month’s fee

We will apply any Service Credits only against future payments otherwise due from you. Service Credits will not entitle you to any refund or other payment from CivicPlus. A Service Credit will be applicable and issued only if the credit amount for the applicable monthly billing cycle is greater than one dollar (\$1 USD). Service Credits may not be transferred or applied to any other account. Unless otherwise provided in the Client Agreement, your sole and exclusive remedy for any unavailability, non-performance, or other failure by us to provide the service is the receipt of a Service Credit (if eligible) in accordance with the terms of this SLA.

Credit Request and Payment Procedures

To receive a Service Credit, you must submit a claim by opening a case with Support. To be eligible, the credit request must be received by us by the end of the second billing cycle after which the incident occurred and must include:

1. the words “SLA Credit Request” in the subject line;
2. the dates and times of each Unavailability incident that you are claiming;
3. the affected Site domains; and
4. Any documentation that corroborate your claimed outage.

If the Monthly Uptime Percentage of such request is confirmed by us and is less than the Service Commitment, then we will issue the Service Credit to you within one billing cycle following the month in which your request is confirmed by us. Your failure to provide the request and other information as required above will disqualify you from receiving a Service Credit.

SLA Exclusions

The Service Commitment does not apply to any unavailability, suspension or termination of GCMS®, or any other GCMS® performance issues: (i) that result from a suspension; (ii) caused by factors outside of our reasonable control, including any force majeure event or Internet access or related problems beyond the demarcation point of CivicPlus; (iii) that result from any actions or inactions of you or any third party; (iv) that result from your equipment, software or other technology and/or third party equipment, software or other technology (other than third party equipment within our direct control); (v) that result from any maintenance as provided for pursuant to the Client Agreement; or (vi) arising from our suspension and termination of your right to use the GCMS® in accordance with the Client Agreement (collectively, the “SLA Exclusions”). If availability is impacted by factors other than those used in our Monthly Uptime Percentage calculation, then we may issue a Service Credit considering such factors at our discretion.

Attachment 2



Disaster Recovery Feature Service Commitment

CivicPlus will use commercially reasonable efforts to make insure that in the event of a disaster that make the Primary data center unavailable (defined below) Client site will be brought back online at a secondary data center (the "Service Commitment"). In the event CivicPlus does not meet the Service Commitment, you will be eligible to receive a Service Credit as described below.

Definitions

- "Datacenter availability" is determined by inability to provide or restore functions necessary to support the Service. Examples of necessary functions include but are not limited Cooling, Electrical, Sufficient Internet Access, Physical space, and Physical access.
- A "Service Credit" is a dollar credit, calculated as set forth below, that we may credit back to an eligible account.
- Recovery Time Objective (RTO) is the most anticipated time it will take to bring the service back online in the event of a data center event.
- Recovery Point Objective (RPO) the amount of data lost that is considered acceptable.

Service Commitments and Service Credits

Service Credits are calculated as a percentage of the total charges paid by you (excluding one-time payments such as upfront payments) for the month accordance with the schedule below.

Recovery Time Objective

8 Hours

Service Credit Percentage

10% of one month's fee

Recovery Point Objective

24 Hours

Service Credit Percentage

10% of one month's fee

Discussion of North Lafayette Paving Options Pavement Widths and Special Assessment

March 14, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

The public hearing of assessment for the special assessment paving of N. Lafayette Avenue from W. Derby Avenue to the north lot line of lot 189 was held on February 8, 2016. Based on comments from the public, the city commission directed engineering to prepare several options for paving of N. Lafayette Avenue with different pavement widths as outlined in the [meeting minutes from February 8, 2016](#) to address concerns of regarding tree removals based on road width.

In addition to the city's standard special assessment street paving width policy, staff has prepared two other options based on standard road construction widths for consideration by the city commission as illustrated in attachment 1. Note that these widths are usually employed on roads paving where right-of-way is less than 30 feet. Depending on the option, one to four trees will need to be removed for construction of the roadway. All the trees slated for removal have been identified as sugar or silver maple trees. These tree types are undesirable due to their shallow root systems and generally weaker structure. Maple trees of this size (>24-inch diameter) are often found to be hollow and structurally unsound. It is also likely that the root systems of these trees will be negatively affected due to the construction even under option C. The city would plant two new trees in the right-of-way for every tree removed as part of the project.

Options B and C have 50-foot wide paved areas at the end of the street in order to allow for service and emergency vehicles to turn around. Turn-around areas are recommended for dead-end streets greater than 150 feet in length however the city would not normally install this type of turn around on a 27-foot wide design. It should be noted that Royal Oak's fire code calls for installation of a 90-foot diameter cul-de-sac, and MDOT recommends installation of a 100-foot diameter cul-de-sac at the end of dead-end streets, however large cul-de-sacs are not achievable with the existing 50-foot right-of-way width.

Engineering recommends the standard 27-foot wide layout shown in option A. City special assessment policy dictates that this is the city's standard roadway width, and will allow for parking on both sides of the street.

Option:	Pavement Width	Trees to be removed	On-street parking requirements	Estimated cost per property
A (standard)	<u>27 feet</u> (two 8-foot parking bays w/ one 10-foot min. wide travel lane)	4	Parking on both sides	\$4,852
B	25 feet (one 8-foot parking bay w/ one 16-foot wide travel lane)	4	Parking on one side only	\$5,271 <i>\$4,587 without turnaround</i>
C	21 feet (two 10-foot wide min. travel lanes)	1 (or more based on root removals)	No on-street parking	\$4,859

If the commission is in agreement with engineering's recommendation to follow our current policies and standards, no action is required. However resolutions for option B and C are provided below.

Be it resolved, the city commission hereby selects Option B (25-foot wide pavement) as presented in Attachment 1 for special assessment paving of N. Lafayette Avenue and directs staff to design the special assessment paving project with this layout.

Or

Be it resolved, the city commission hereby selects Option C (21-foot wide pavement) as presented in Attachment 1 for special assessment paving of N. Lafayette Avenue and directs staff to design the special assessment paving project with this layout.

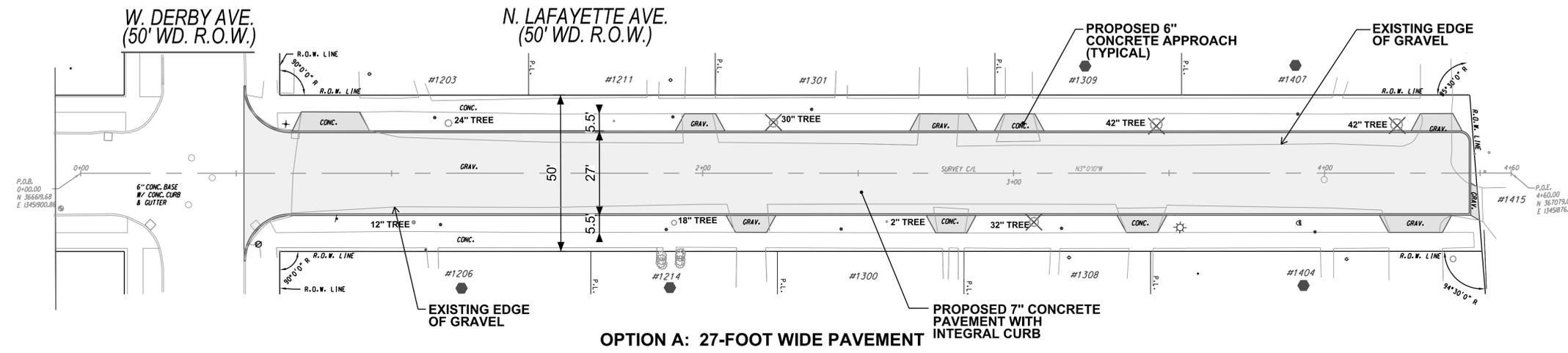
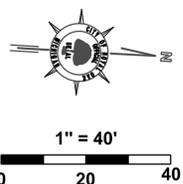
Respectfully submitted,
Matthew J. Callahan, P.E.
City Engineer

Approved,



Donald E. Johnson
City Manager

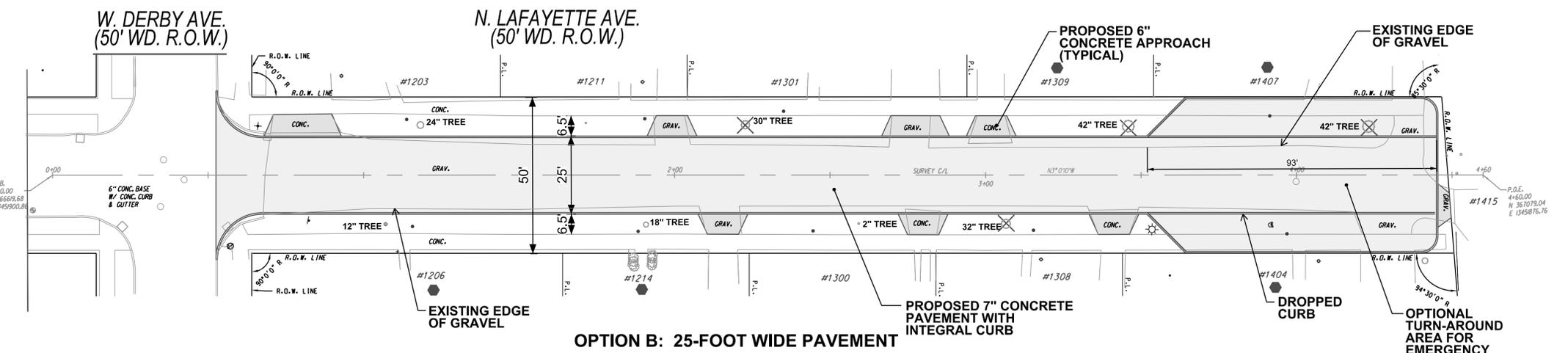
1 Attachment



OPTION A: 27-FOOT WIDE PAVEMENT

- NOTES:**
- CITY STANDARD WIDTH
 - STREET PARKING ALLOWED
 - 4 MAPLE TREES REMOVED
 - ESTIMATED ASSESSMENT: \$4,852 PER PROPERTY

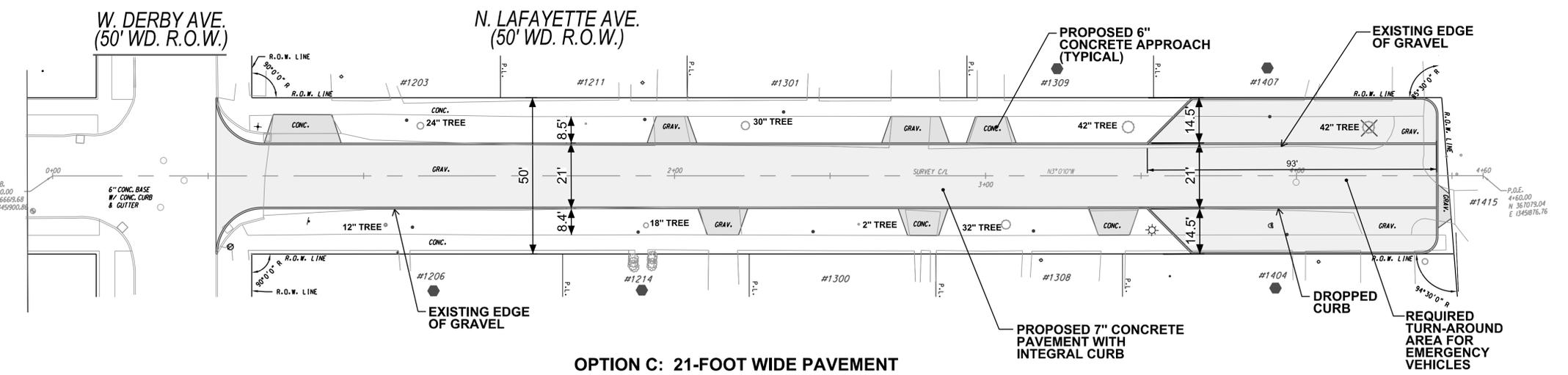
● = SIGNED IN FAVOR OF SPECIAL ASSESSMENT



OPTION B: 25-FOOT WIDE PAVEMENT

- NOTES:**
- PARKING ALLOWED ON ONE SIDE ONLY
 - 4 MAPLE TREES REMOVED
 - ESTIMATED ASSESSMENT: \$5,271 PER PROPERTY (WITH TURN-AROUND)
 - ESTIMATED ASSESSMENT: \$4,587 PER PROPERTY (WITHOUT TURN-AROUND)

● = SIGNED IN FAVOR OF SPECIAL ASSESSMENT



OPTION C: 21-FOOT WIDE PAVEMENT

- NOTES:**
- NO STREET PARKING ALLOWED
 - 1 MAPLE TREE REMOVED
 - ESTIMATED ASSESSMENT: \$4,859 PER PROPERTY

● = SIGNED IN FAVOR OF SPECIAL ASSESSMENT

REVISIONS	DATE
SHEET NO.	TOTAL SHEETS
1	1

Approval of New Parking Structure Design

March 8, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

The Royal Oak Downtown Development Authority's fiscal year 2015/2016 development fund budget includes funding for professional services to design a new parking structure on the existing surface parking lot located on W. Second St. between S. Center St. and S. Washington Ave. In addition, streetscape modifications will be designed for the adjacent public rights-of-way.

At its August 17, 2015 meeting, the city commission approved a resolution concurring with the goal of a new parking structure and authorizing the release of a request for proposals for professional design services. The joint parking committee has served as an oversight committee for this design project. It is comprised of the DDA's infrastructure committee members, Mayor Ellison, and commissioners Mahrle and Douglas.

The bid opening was held on September 25, 2015. On October 1, 2015, the joint parking committee met to review the bid responses and recommended the selection of Rich & Associates, Inc. of Southfield, Michigan. At its October 21, 2015 meeting, the DDA approved entering into contract with Rich & Associates.

Since October 2015, staff has been working with Rich & Associates and their consulting civil engineers and environmental consultants regarding streetscape standards, the site's environmental conditions, and additional relevant background materials.

On January 20, 2016 the joint parking committee met with staff and members from Rich & Associates to review and discuss the different schematic designs for the new parking structure. The schematic designs focused on variations to the following options: site access, floor plans, relationship to the existing parking structure, elevation style and materials, capacity, operational elements, functionality, etc. Based on the collective direction, Rich & Associates continued to work with staff on further refinements. The design development plans were present at the DDA's February 24, 2016 meeting.

Rich & Associates has started working on final contract documents, outline specifications, and provide cost estimates. Staff will continue to work with Rich & Associates and prepare for the relocation of the existing cellular equipment at the northeast corner of the existing parking structure. This phase is scheduled to be completed by May 27, 2016.

The existing contract with Rich & Associates is limited to design with the final product being construction drawings. Due to the scale and complexity of the project, staff is not capable of solely administering the implementation of the project. Rich & Associates has expressed their willingness to assist the city with bidding and construction supervision for an additional fee.

The revised design development plans are attached for the commission's review (Attachment 1). Should the city commission concur with the design, the following resolution is recommended:

Whereas, the Royal Oak Downtown Development Authority, members of the joint parking committee, and city staff have been working with Rich & Associates, Inc. to design a new parking structure.

Be it resolved, the city commission hereby approves the revised design development plan.

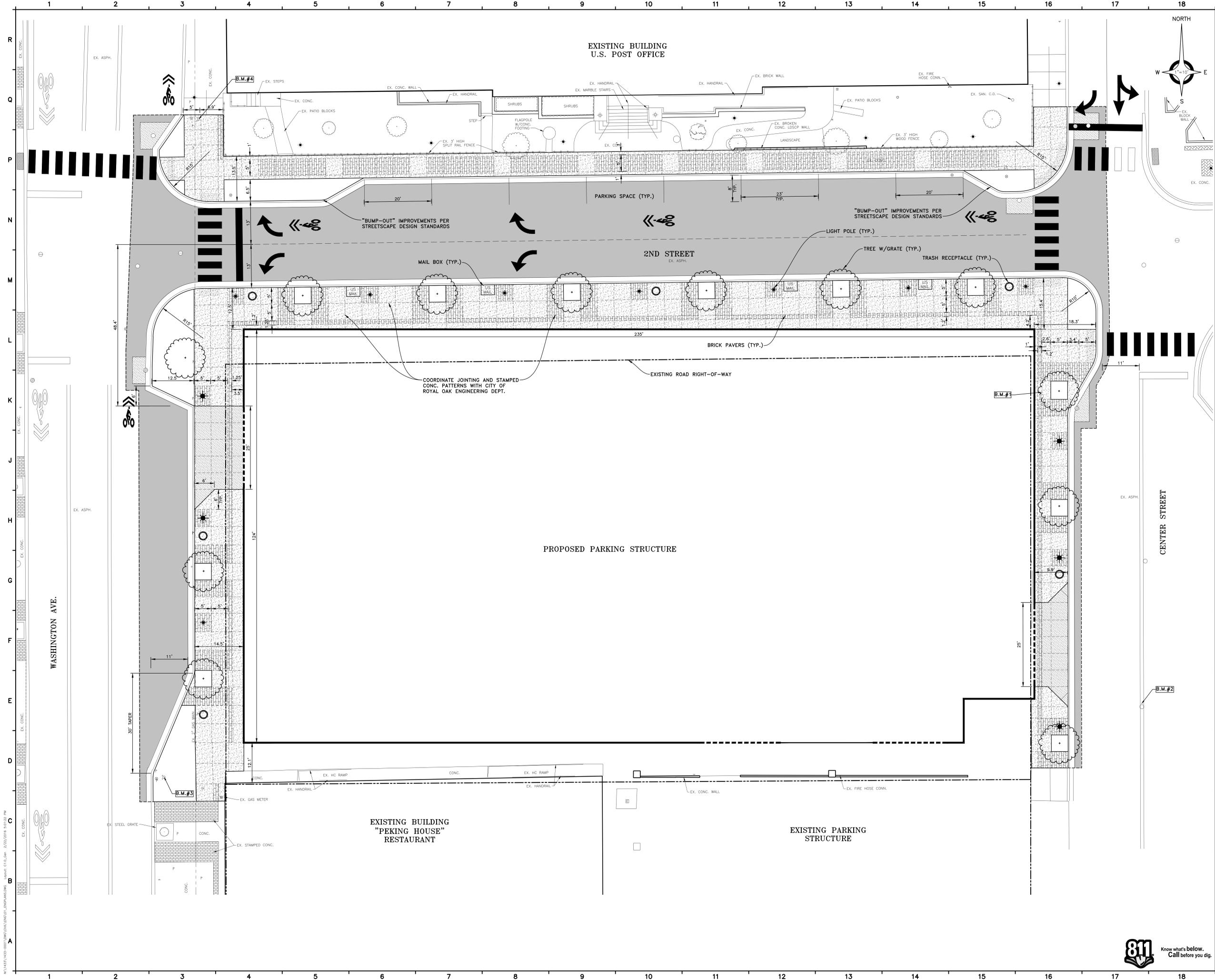
Respectfully submitted,
Timothy E. Thwing
Director of Community Development

Approved,



Donald E. Johnson
City Manager

1 Attachment



2nd STREET PARKING STRUCTURE FOR THE CITY OF ROYAL OAK ROYAL OAK, MI

**Parking Consultants
Architects - Engineers
Planners**
26877 Northwestern Hwy., Suite 208
Southfield, Michigan 48033
Tel: 248.353.5080
Fax: 248.353.3830

**RICH
& ASSOCIATES**
Lutz, Florida
Tel: 813.549.9860
www.RichAssoc.com

**Civil Engineers
Surveyors
Architects**

**ANDERSON,
ECKSTEIN AND
WESTRICK, INC.**
Engineering
Strong
Communities

51301 Schoenherr Road
Shelby Township
Michigan 48315
Phone 586.726.1294
Fax 586.726.8786
www.aewinc.com

AEW Job No. 1433-0001
UTILITY INFORMATION, AS SHOWN, INDICATES APPROXIMATE LOCATIONS AND TYPES OF EXISTING FACILITIES ONLY, AS DISCLOSED BY RECORDS PROVIDED TO THIS FIRM FROM THE VARIOUS UTILITY COMPANIES. NO GUARANTEE IS GIVEN OR IMPLIED AS TO THE COMPLETENESS OR ACCURACY THEREOF.
PRIOR TO CONSTRUCTION, ALL LOCATIONS AND DEPTHS OF EXISTING OVERHEAD AND UNDERGROUND UTILITIES (IN CONFLICT WITH THE CONSTRUCTION OF THESE PROPOSED IMPROVEMENTS) SHALL BE VERIFIED IN THE FIELD. DURING THE CONSTRUCTION, THE CONTRACTOR SHALL PROTECT AND SUPPORT ALL UTILITIES THAT ARE ENCOUNTERED. (ALL COSTS FOR UTILITY LOCATION, VERIFICATION, SUPPORT AND PROTECTION SHALL BE INCLUDED IN THE PROPOSED PAY ITEM CONFLICTING WITH THAT UTILITY).
DURING CONSTRUCTION, THE CONTRACTOR SHALL USE EXTREME CAUTION WHEN OPERATING NEAR ANY AND ALL OVERHEAD AND / OR BURIED UTILITIES.
CALL MISS DIG (811)

Date	ISSUED FOR:	By

Sheet Title:
GENERAL PLAN

Drawn By	KJP	 Detail Number Detail Sheet
Checked By	JS	
File Name	01_ENGPLANS.DWG	
Plot Date	2/22/2016	

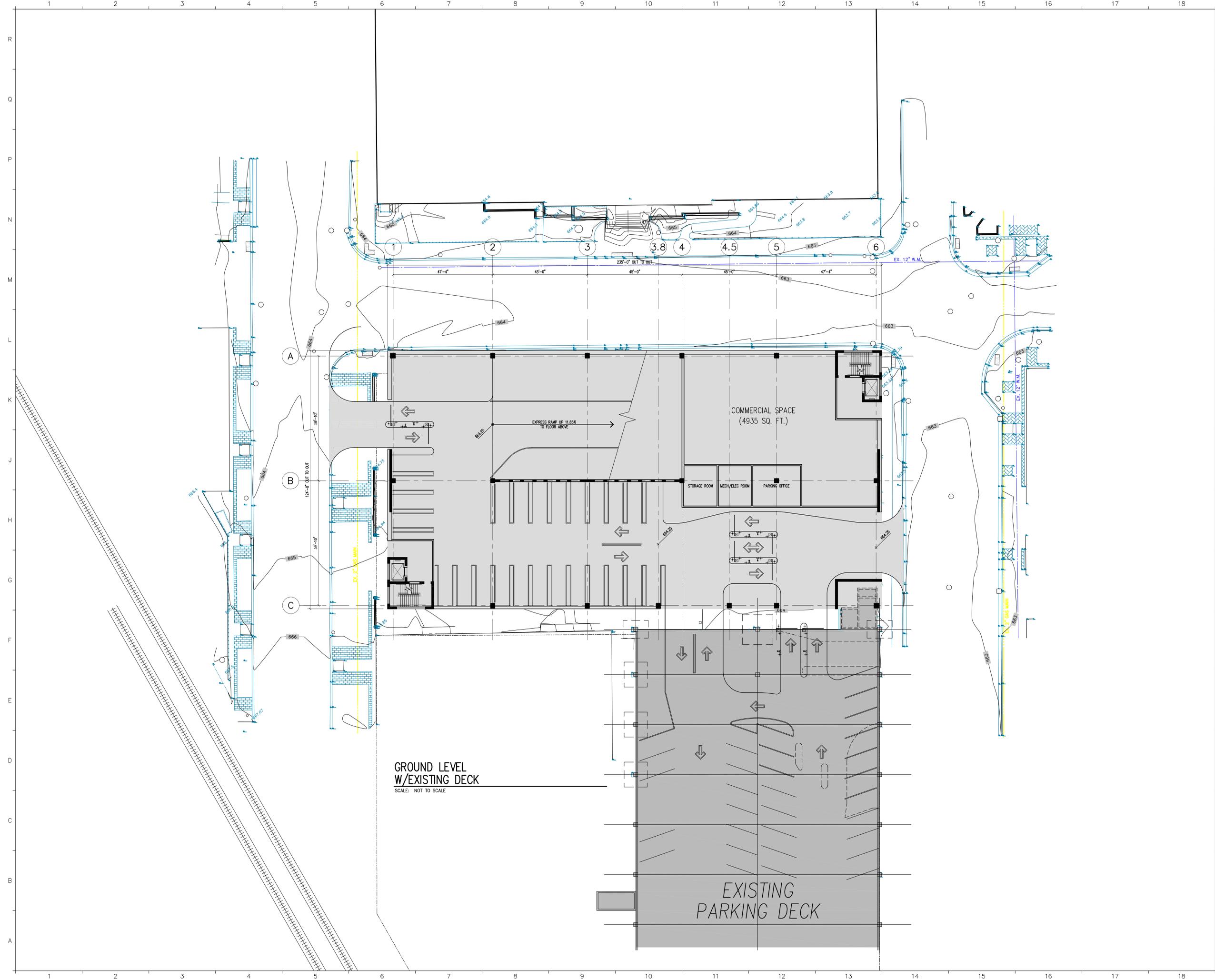
All matter contained herein, including drawings, written matter, notes or concepts are the creation of Rich and Associates, Inc. for the specific project and shall remain the property of Rich and Associates, Inc. No disclosure thereof in any form whatsoever shall be made to any person, firm, corporation, agency or organization, including those made without the written consent of Rich and Associates, Inc. except as required for the physical completion of the specific project.

File No	.	
Date	.	
Scale	1" = 10'	
Last Rev.	.	

Sheet Number:
C1.0



W:\1433\1433-0001\DWG\GENERAL\ENGPLANS.DWG 2/22/2016 5:02:03 PM



2nd STREET
PARKING
STRUCTURE
FOR THE
CITY
OF
ROYAL OAK
ROYAL OAK, MI

**Parking Consultants
Architects - Engineers
Planners**
26877 Northwestern Hwy., Suite 208
Southfield, Michigan 48033
Tel: 248.353.5080
Fax: 248.353.5830
Lutz, Florida
Tel: 813.949.9860
www.RichAssoc.com

**RICH
& ASSOCIATES**

Date	ISSUED FOR:	By

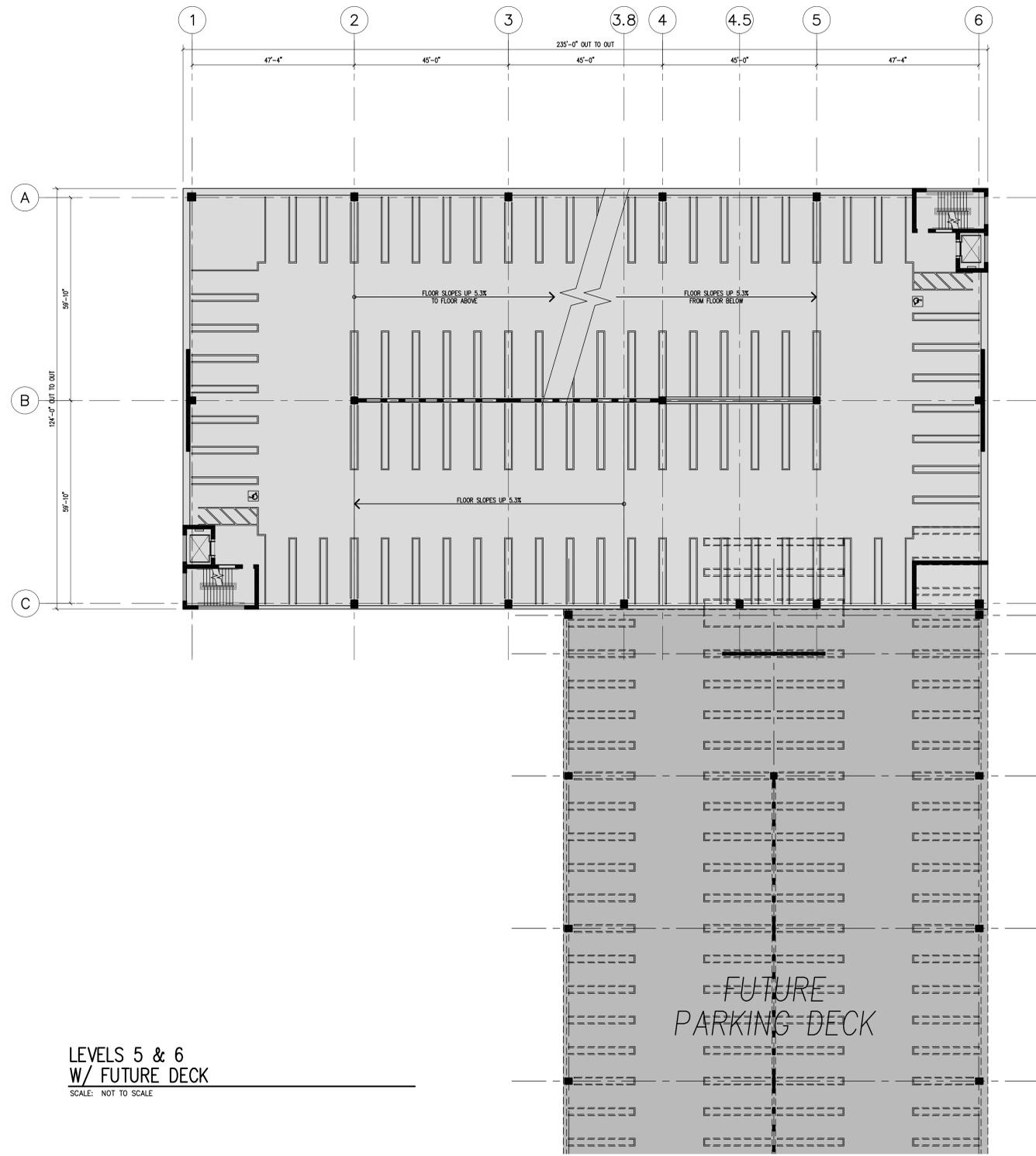
Sheet Title:
ALTERNATE 2
GROUND LEVEL
W/EXISTING DECK

Drawn By	RWK	
Checked By		
File Name		
Plot Date		

All matter contained herein, including drawings, written matter, ideas or concepts, are the creation of Rich and Associates, Inc. for the specific project and shall remain the property of Rich and Associates, Inc. No disclosure thereof in any form whatsoever shall be made to any person, firm, corporation, agency or organization, including items made without the written consent of Rich and Associates, Inc. except as required for the physical completion of the specific project.

File No	1614	
Date	1/15/16	
Scale	AS NOTED	
Last Rev.		

Sheet Number:
A-1



2nd STREET
PARKING
STRUCTURE
FOR THE
CITY
OF
ROYAL OAK
ROYAL OAK, MI

**Parking Consultants
Architects - Engineers
Planners**
26877 Northwestern Hwy., Suite 208
Southfield, Michigan 48033
Tel: 248.353.5080
Fax: 248.353.5830
Lutz, Florida
Tel: 813.949.9860
RICH & ASSOCIATES www.RichAssoc.com

Date	ISSUED FOR:	By

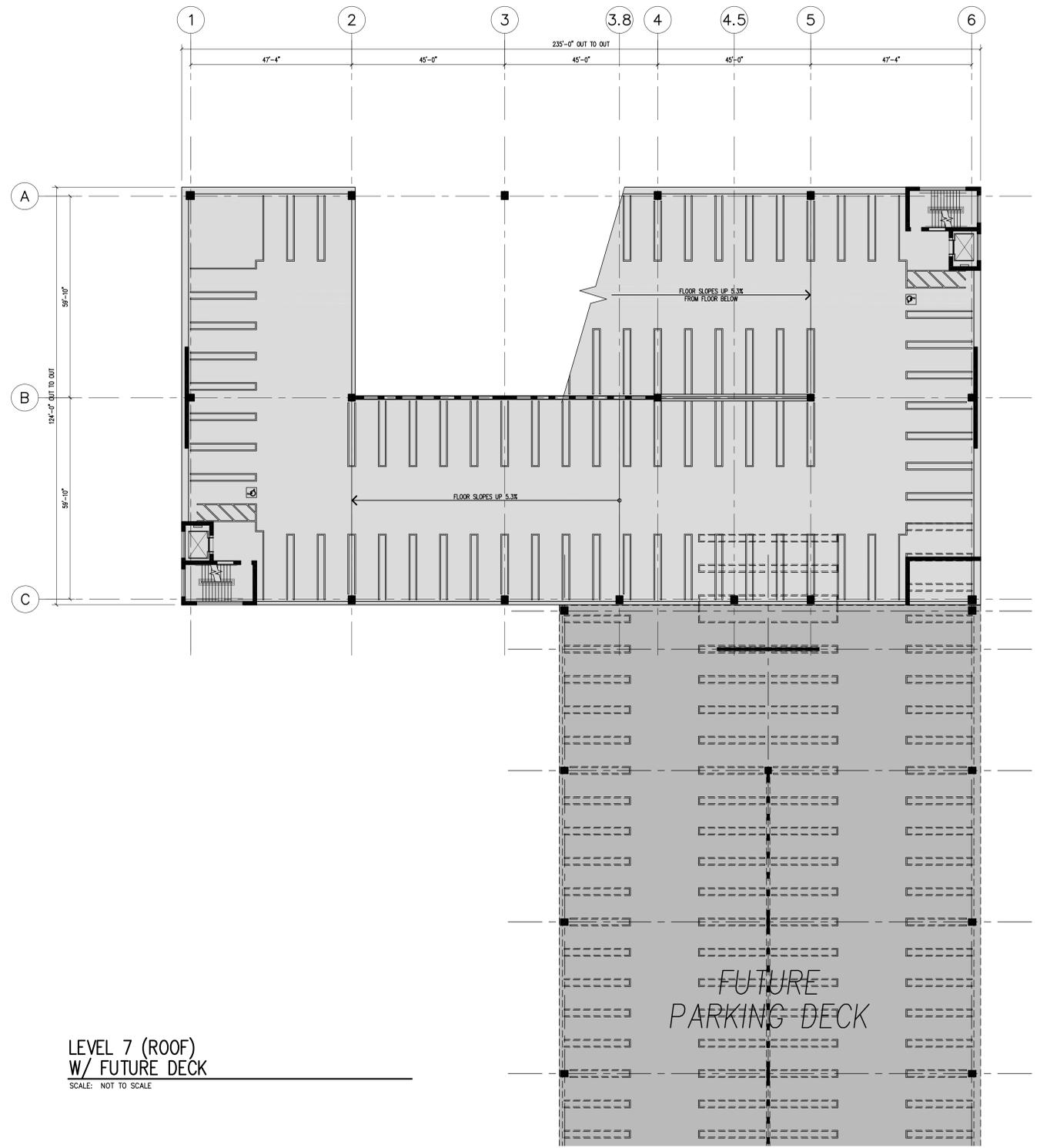
Sheet Title:
ALTERNATE 2
LEVELS 5 & 6
W/FUTURE DECK

Drawn By	RWK	
Checked By		
File Name		
Plot Date		

All matter contained herein, including drawings, written matter, ideas or concepts, are the creation of Rich and Associates, Inc. for the specific project and shall remain the property of Rich and Associates, Inc. No disclosure thereof in any form whatsoever shall be made to any person, firm, corporation, agency or organization, including news media without the written consent of Rich and Associates, Inc. except as required for the physical completion of the specific project.

File No	1614	
Date	1/15/16	
Scale	AS NOTED	
Last Rev.		

Sheet Number:
A-5



**LEVEL 7 (ROOF)
W/ FUTURE DECK**
SCALE: NOT TO SCALE

2nd STREET
PARKING
STRUCTURE
FOR THE
CITY
OF
ROYAL OAK
ROYAL OAK, MI

**Parking Consultants
Architects - Engineers
Planners**
26877 Northwestern Hwy., Suite 208
Southfield, Michigan 48033
Tel: 248.353.5080
Fax: 248.353.5830
Lutz, Florida
Tel: 813.949.9860
www.RichAssoc.com

**RICH
& ASSOCIATES**

Date	ISSUED FOR:	By

Sheet Title:
**ALTERNATE 2
LEVEL 7 (ROOF)
W/FUTURE DECK**

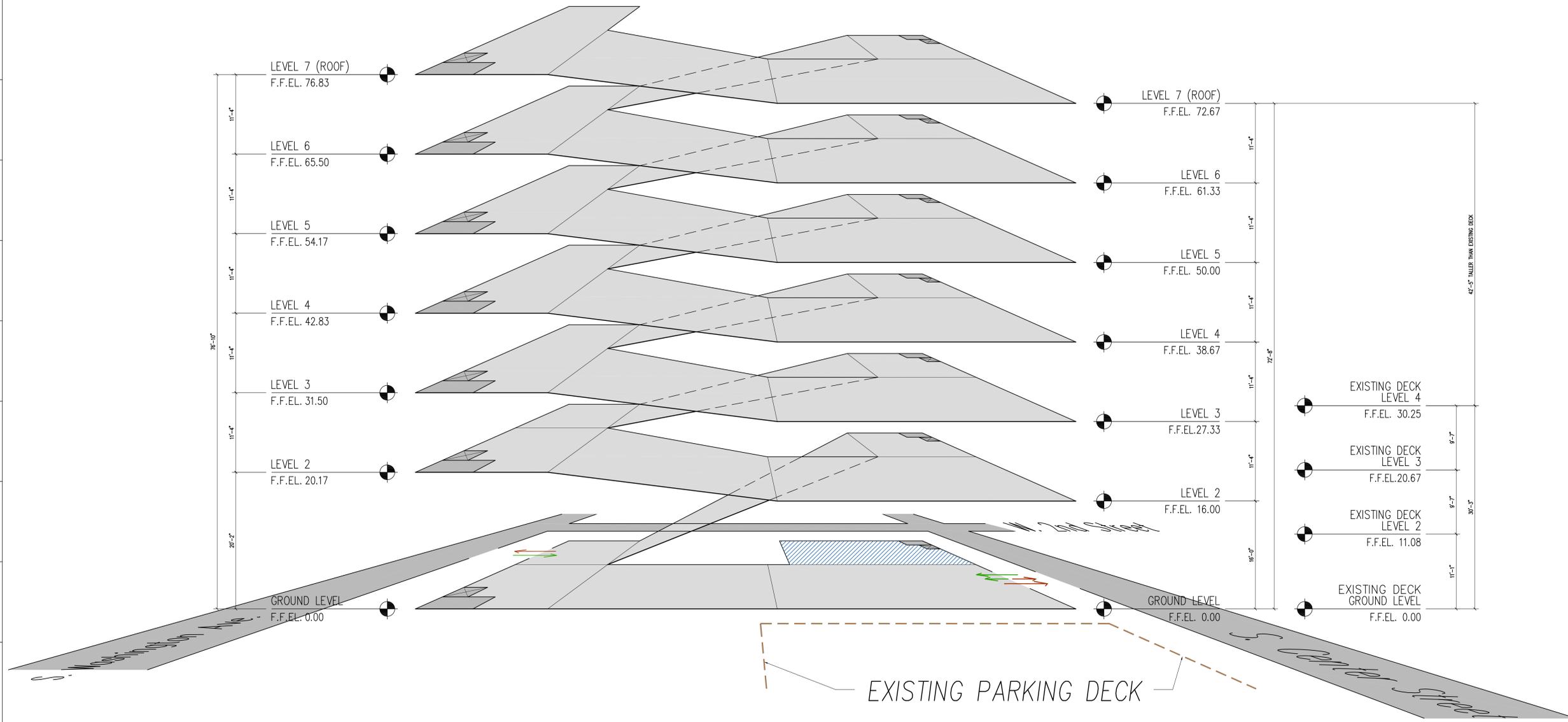
Drawn By	RWK	
Checked By		
File Name		
Plot Date		

All matter contained herein, including drawings, written matter, ideas or concepts, are the creation of Rich and Associates, Inc. for the specific project and shall remain the property of Rich and Associates, Inc. No disclosure thereof in any form whatsoever shall be made to any person, firm, corporation, agency or organization, including news media without the written consent of Rich and Associates, Inc. except as required for the physical completion of the specific project.

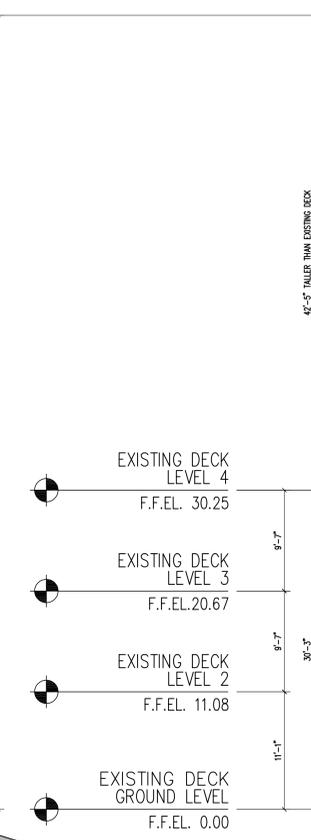
File No	1614	
Date	1/15/16	
Scale	AS NOTED	
Last Rev.		

Sheet Number:
A-6

CAR COUNT SUMMARY			
LEVELS	STANDARD	HANDICAP	TOTAL/LEVEL
GROUND	25	-	25
LEVEL 2	70	2	72
LEVEL 3	85	2	87
LEVEL 4	85	2	87
LEVEL 5	86	2	88
LEVEL 6	86	2	88
LEVEL 7 (ROOF)	71	2	73
TOTALS	508	12	520



ISOMETRIC
SCALE: NOT TO SCALE



2nd STREET
PARKING
STRUCTURE
FOR THE
CITY
OF
ROYAL OAK
ROYAL OAK, MI

**Parking Consultants
Architects - Engineers
Planners**
26877 Northwestern Hwy., Suite 208
Southfield, Michigan 48033
Tel: 248.353.5080
Fax: 248.353.5830
Lutz, Florida
Tel: 813.949.9860
www.RichAssoc.com

**RICH
& ASSOCIATES**

Date	ISSUED FOR:	By

Sheet Title:
ALTERNATE 2
ISOMETRIC
& CAR COUNT
SUMMARY CHART

Drawn By	RWK	
Checked By		
File Name		
Plot Date		

All matter contained herein, including drawings, written matter, ideas or concepts, are the creation of Rich and Associates, Inc. for the specific project and shall remain the property of Rich and Associates, Inc. No disclosure thereof in any form whatsoever shall be made to any person, firm, corporation, agency or organization, including news made without the written consent of Rich and Associates, Inc. except as required for the physical completion of the specific project.

File No	1614	
Date	1/15/16	
Scale	AS NOTED	
Last Rev.		

Sheet Number:
A-7



© 2nd Street Parking Structure
view looking southeast
Royal Oak, Michigan



EXISTING PARKING



© 2nd Street Parking Structure
view looking southwest (future expansion)
Royal Oak, Michigan

**Approval for Smart Park Construction Documentation and
Construction Administration Services**

March 17, 2016 Revised

The Honorable Mayor Ellison and
Members of the City Commission:

On June 16, 2015, Royal Oak successfully completed its crowdfunding initiative to transform the worn-out Center Street pedestrian plaza into a state-of-the-art 'smart park' that will incorporate many elements, including Wi-Fi, charging stations, solar panels, touch-screen kiosks, and sustainable landscaping.

The design studio livingLAB was instrumental in assisting the city with both crafting the initial conceptual plan that led to the city's crowdfund and creation of the park's development plans, which were approved by the Planning Commission on March 15, 2016. It seeks to continue to work with the City of Royal Oak on the next phase of this project, creation of construction documents and construction management of the Royal Oak 'smart park'.

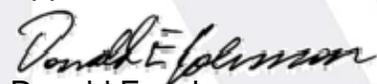
livingLAB's proposal includes fees already built into this project for electrical engineering, lighting design, and shipping container sub-consultants (Attachment 1). City staff has reviewed the proposal in its entirety and determined that it is within the industry standards for such services.

Given its intimate involvement with this project from its inception and the city's desire to have the construction of this park completed this summer, we request and recommend the following motion be adopted:

Be it resolved, the city commission hereby approves livingLAB's professional services agreement as detailed in its March 16, 2016 proposal and approves the issuance of a purchase order in an amount not to exceed \$39,300.

Respectfully submitted,
Todd E. Fenton
Economic Development Manager

Approved,



Donald E. Johnson
City Manager

1 Attachment

March 16, 2016

Mr. Todd Fenton, Economic Development Manager
City of Royal Oak
211 S. Williams Street
Royal Oak, MI 48067

Re: Proposal to Provide Construction Documentation and Construction Administration Services for Center Street Park

Mr. Fenton,

As a follow-up to the recently completed Design Development/Permit Review Plan Set for the Center Street Park, livingLAB is pleased to present a scope of work and fee for completion of the project through construction. Beginning with "Task 2" the scope of work described below is a continuation of the original Center Street Smart Park proposal dated 8/12/15, and offers a more detailed scope of work for the tasks originally outlined in the "additional services" section.

To assist in the completion of the tasks below, livingLAB proposes to engage specific sub-consultants where specialty design and expertise are required (electrical engineering, lighting design, shipping container architecture and design). Per the City of Royal Oak's request, the City of Royal Oak Engineering Department will serve as the civil engineer of record for this project, and will be responsible for all civil engineering related items described in the tasks below. livingLAB will manage all "outside" sub-consultants and be the contact between the City departments and the sub-consultant team as needed through the course of the project. Proposed sub-consultants are listed below:

ELECTRICAL ENGINEERING:
Peter Basso Associates, Inc.

LIGHTING DESIGN:
Illuminart

SHIPPING CONTAINER ARCHITECTURE:
Steven C. Flum, Inc.

Attachment 1

SCOPE OF WORK

TASK 2: PROJECT MANAGEMENT, CONSTRUCTION DOCUMENTS AND SPECIFICATIONS

PROJECT MANAGEMENT

livingLAB will serve as the Project Manager to see this project through to complete implementation. livingLAB will lead the project team and anticipates a number of tasks needed to do so including:

- Three (3) meetings are included for review at the 30/60/100 phases (one meeting each phase).
- Two (2) floating meetings for additional coordination or presentation purposes.
- Coordination between sub-contractors and City
- Ensure commitments to funders and large donators are realized
- Keep schedules up to date
- Coordinate submittals, printing, distribution and permit submittals
- Coordinate all documentation from the team through construction completion
- Handle close-out paperwork coordination

CONSTRUCTION PLANS AND BID SPECIFICATIONS

livingLAB and sub-consultants, with input from the City Engineering Department, will prepare full construction plans and specifications in a format suitable for use in bidding out the construction project. The team will develop 30% / 60% / 100% complete submittal packages for review by the City with the final package of documents including the following:

Landscape Architecture and Site Design Scope of Services (*livingLAB*)

- Develop DD level park design/site layout plans into final CD level plans suitable for review with the City and for bidding after 100% submittal. This includes all drafting related to input provided by the City Engineer on elements listed under the Civil Engineering heading below.
- Final materials and site furnishings selection
- Final Landscape Plan and details
- Final bio-cell, seat wall, and curbing plans and details
- Prepare technical and material specifications to be included in contract documents. The City will provide the City's standard specifications for use including (but not limited to) underground utilities, concrete and asphalt pavement work. (note: material and technical specifications are intended to be attached to the City of Royal Oak's standard "front end" specifications (Divisions 00 and 01) for bidding).
- Coordinate with all material/equipment/furnishing manufacturers and provide all site amenity cut sheets, specifications, and manufacturer's requirements for installation
- Preliminary Grading Plan
- Construction Details related to Landscape Architecture and Site Design features
- Paving Plan review
- General Notes & Specifications

Civil Engineering (*City of Royal Oak Engineering Department*)

City Engineering staff will serve as The Engineer of Record and will review, red line, provide information, and ultimately approve the elements listed below. The engineer DOES NOT need to physically draft the plans – but input and review/approval will be needed. Input, review and approval will be needed on:

- Erosion Control Plan
- Final Grading Plan, including verification of ADA compliance
- Paving Plan
- Utility Layout Plan, including (but not limited to):

Attachment 1

- Storm Water
- Domestic Water - A recent suggestion via Erb Foundation is the installation of a water bottle filling station. This will require review of water tap design.
- Review and approval of technical and material specifications as needed for civil engineering related items and plans, including:
 - erosion and sedimentation control
 - earthwork
 - demolition, clearing, and removals
 - aggregates
 - utility structures and related connections
 - grading
 - pavement
- Standard City of Royal Oak “front end” contract language and specifications for construction (Divisions 00 and 01)
- Review and approval of reinforced concrete features (seat walls, curbing, footings, and foundations)
- Review and approval of storm water management system, domestic water (if required), and sanitary sewer service (if required)
- Calculations for storm water management (if required)
- Coordination with design team prior to 30/60/100 phases
- Attendance at all review meetings

Electrical Engineering Scope of Services (*Peter Basso Associates*)

- Engineering services for:
- Electrical system design
- Attendance at up to (2) project meetings with the City. Additional meetings will be charged at an hourly rate.
- Field work to observe the layout and operation of existing systems, and field conditions for demolition and new installation.
- Development of bidding documents to include plans and specifications (on plan) as one bid package.

Lighting Design Scope of Services (*Illuminart*)

- Review and establish project parameters
- Visit site to review existing conditions
- Conduct design work shop
- Workshop follow-up deliverables
- Provide lighting concepts narrative
- Present lighting design concepts
- Provide project management and coordination
- Refine lighting design concepts
- Develop initial lighting plans
- Develop initial lighting specifications
- Generate lighting calculations
- Attend ongoing design team working meetings – (1) meeting anticipated
- Review of lighting plans with design team
- Review lighting specifications with design team
- Review/comment on lighting controls from design team
- Attend meetings – (1) meeting anticipated

Attachment 1

Shipping Container Architecture Scope of Services (*Steven C. Flum, Inc.*)

- Foundations and section details
- Floor plans and roof plans
- Elevations and sections
- Container steel reinforcing and details
- Electrical power and lighting details

TASK 2 DELIVERABLES:

- (1) Full-sized (24x36) paper copies of the construction plans at each review phase (30/60/100)
- (6) Reduced (11x17) paper copies of the construction plans at each review phase (30/60/100)
- Construction plan set in digital PDF format at each review phase and for bidding.
- Technical and Material specifications in digital PDF format

TASK 3: BID EVALUATION AND CONTRACTOR SELECTION

BID EVALUATION AND CONTRACTOR SELECTION

livingLAB will assist the City in developing the request for proposals, attend a pre-bid meeting for the construction project, assist in preparing addenda incorporating questions and providing clarifications as needed (all consultants), review and evaluate received construction bids and provide a recommendation to the City on the selection of a contractor or contractors. Additionally, our team will review and make recommendations on any alternates presented by the bidders. This proposal acknowledges that the entire project will be bid at one time and that the City shall administer the bid. Should additional phasing be required a written change notice will be issued.

TASK 4: CONSTRUCTION OBSERVATION AND CONSTRUCTION ADMINISTRATION

CONSTRUCTION OBSERVATION AND ADMINISTRATION

This proposal *does not* include full-time construction inspection by our team. The City of Royal Oak will provide regular construction inspection services, particularly associated with pavement, sidewalk, underground utilities, storm and water services. livingLAB shall provide a total of 10 site visits to provide inspection of all site layout elements, features, amenities, landscaping, and material elements. livingLAB will:

- Attend a pre-construction meeting
- Review and approve shop drawings (all consultants)
- Attend weekly progress meetings, and oversee field construction on a weekly basis (or at critical stages) to assure construction to plans and specifications. Meetings will be pre-determined in coordination with contractor.
- Review site layout and dimensions per plans
- Review landscape material quality and installation per plans
- Report observed construction methods and progress to City through written field reports
- Review contractor payment applications
- Process pay applications and submit to City for payment
- Review and recommend claims
- Prepare change orders for submittal to City (all consultants)
- Attend a preliminary and final punch list walk through
- Preparation of final punch list (all consultants)
- Review and recommend on final payment

Our fees associated with construction observation and administration anticipates the contractor will progress in a timely manner.

Attachment 1

TASK 4 DELIVERABLES:

- Written bid recommendation to the City
- Shop drawings reviews/approvals
- Field observation reports (per visit to site)
- Final Project Close-out document
- Monthly pay applications and summaries

TASK 4 MEETINGS:

- One (1) pre-bid meeting
- One (1) pre-construction meeting
- Weekly progress meeting – (8) Maximum
- Construction observation site visits (10) Maximum
- One (1) preliminary punch list meeting
- One (1) final punch list meeting

PROFESSIONAL FEES

Below is the fee breakdown for the above referenced work:

Task 2 – Project Management, Construction Documents and Specifications:

livingLAB	\$16,400.00
PBA	\$4,000.00
Illuminart	\$4,000.00
SCF, Inc.	\$2,500.00

Task 3 - Bid Evaluation and Contractor Selection:

livingLAB	\$1,200.00
-----------	------------

Task 4 - Construction Observation and Construction Administration:

livingLAB	\$8,400.00
PBA	\$1,000.00
Illuminart	\$1,000.00

Total Fee: \$38,500.00 plus at-cost reimbursables (i.e. printing) of \$800.

Not-To-Exceed Fee: \$39,300.00

SCHEDULE

Assuming authorization to begin is received by April 1st, we propose the following schedule:

30% CDs April 22, 2016

60% CDs May 13, 2016

100% CDs June 10, 2016

Bid Project June 24th (this date could be delayed if City wants to wait to construct until after Arts, Beats and Eats)

Begin Construction July/August/September (depending on City preference)

Attachment 1

ADDITIONAL SERVICES:

Any additionally requested work outside of the scope described in Tasks 2-4 will be charged at a flat hourly rate per each consultant's hourly rate fee. No work outside of what is identified in this proposal will be completed without prior requested and/or written approval from the City of Royal Oak.

SERVICES NOT INCLUDED: (all consultants)

The following services are not included in our fee proposal:

1. Work in excess of scope described in Tasks 2-4.
2. Trips for review, coordination, and/or construction meetings in excess of the scope described in Tasks 2-4
3. Advertising for bid or posting of bid documents
4. Mechanical/Plumbing systems design beyond service for water bottle filling station
5. Topographic and other survey services not specifically stated above
6. Construction inspection beyond that described in Task 4.
7. Preparation of traffic impact statements or the collection of traffic data
8. Structural design of pavement and foundations
9. Environmental site assessments
10. Geotechnical and hydrology studies, soil borings, and pavement cores
11. Construction staking (construction contractor will be responsible)
12. Material testing
13. Low voltage systems design:
 - Structured cabling systems for communications technologies (voice/data).
 - Security systems access control.
 - Security system video surveillance and/or intrusion detection.
 - Audio visual.
14. Cost estimating beyond 30% Construction Documentation.
15. Completion of energy and life cycle cost analysis.
16. Submittal documentation for LEED certification.
17. Providing services in connection with evaluating substitutions proposed by the Contractor and making subsequent revisions to drawings, specification and other documentation resulting there from.
18. Providing services made necessary by the default of the Contractor, by major defects or deficiencies in the Work of the Contractor, or by failure of performance of either the Owner or Contractor under the Contract for Construction.
19. Any additional grant agency requirements
20. Preparation of As-built, or Record Drawings.
21. Attendance at meetings to secure approval of agencies other than for code compliance and those already listed in the Scope of Work.

CLIENT RESPONSIBILITIES:

It is understood that the City of Royal Oak will provide the following information and/or assistance to livingLAB and their sub-consultants throughout the duration of the project:

1. Communication and coordination regarding the project will be with Todd Fenton, Matt Callahan and/or other Engineering Department staff throughout the duration of the project.
2. Regular on-site Construction Inspection particularly associated with pavement, sidewalk, underground utilities, storm and water services Provide livingLAB with front end specification documents (divisions 00 and 01)
3. Operational personnel during investigative site visits (electrical)
4. Confirmation of project schedule and timeline
5. Vendor and product information/specifications for electronic kiosk and wi-fi hardware and service

Attachment 1

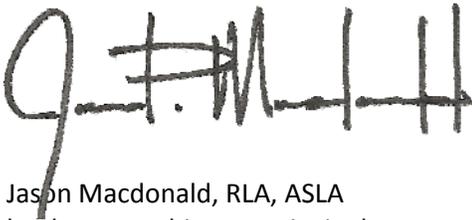
royal oak
3.16.2016
page 7

6. Coordinate with DTE to facilitate the switch from overhead electrical service to underground (under railroad tracks) electrical service from the west, removal of the existing pole and light within the park, and coordinate the reinstallation of electrical service to the existing businesses fronting 4th Street (adjacent to the park).
7. Facilitate coordination between City's electrical department and electrical engineer sub-consultant, and/or provide information regarding existing electrical systems and loading near the park.
8. All necessary permits associated with the projects that aren't the responsibility of the potential contractor(s).
9. Fees for all permits required.

If you should have any questions, please do not hesitate to contact me at jason@livinglabdetroit.com or 313.974.7602.

Respectfully submitted,

livingLAB, llc

A handwritten signature in black ink, appearing to read "Jason Macdonald". The signature is stylized with a large initial "J" and "M".

Jason Macdonald, RLA, ASLA
landscape architect + principal

Initial Review of Properties for Potential Exemption from 2016 Sidewalk Improvement Program

March 15, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

In May of 2011, the commission directed the engineering department to undertake a new city wide sidewalk improvement program over six years starting in the spring of 2012 as directed in CL-141-11. Key elements of the sidewalk improvement program are the maintenance of existing sidewalks and the installation of new sidewalks where they currently do not exist. The program promotes a “walkable community” environment that will facilitate safe pedestrian walkways separated from roadway traffic. Providing and maintaining continuous sidewalks that link neighborhoods, schools, and community facilities is a primary goal of the city’s master plan as well as Royal Oak’s Non-Motorized Transportation Plan. The program is also expected to reduce the number of sidewalk trip and fall claims made against the city.

The 2016 sidewalk improvement program target area is bounded 13 Mile Road, Greenfield Road, 14 Mile Road, Coolidge Highway, Meijer Drive, Crooks Road, 14 Mile Road, Delemere Boulevard, Canadian National Railroad.

In the 2016 target area, numerous locations exist that do not have public sidewalk along sections of the right-of-way frontage adjacent to various properties, also shown on Attachment 1. During the previous sidewalk program, some of these areas were exempted from installing public sidewalks, and others have installed sidewalks as part of redevelopment. Since that time the city’s master plan has been revised to include “Complete Streets” for non-motorized accommodation policy language that emphasizes the city’s commitment to providing and maintaining a complete sidewalk network.

Engineering is requesting that the commission review and determine if the specific locations or properties listed on Table 1 and shown by location with photographs in Attachment 1, should install sidewalks under the 2016 Sidewalk Improvement Program. Alternately, the commission may resolve to exempt properties or areas that will not be required to install the public sidewalk at this time. The attached packet of exhibits outlines each property location, and includes photographs as well as the staff recommendation based on the feasibility and intent of the improvement at each location.

All affected property owners will be notified of the proposed review and recommendation. Staff also recommends scheduling a site visit via bus with the commission in the next three weeks. If the city commission is in agreement, the following resolution is recommended for approval:

Be it resolved, the commission hereby sets April 25, 2016 to review and determine sidewalk exemptions for properties where no sidewalk currently exists in the Royal Oak 2016 Sidewalk Improvement Program target area

Respectfully submitted,
Matthew J. Callahan, P.E.
City Engineer

Approved,


Donald E. Johnson
City Manager

1 Attachment

MAP OF

2016 SIDEWALK IMPROVEMENT AREA NONE EXISTING SIDEWALKS

CAP-1608

LEGEND

-  SCHOOL
-  MUNICIPAL BLDG.
-  PUBLIC LIBRARY
-  POLICE STATION
-  FIRE STATION

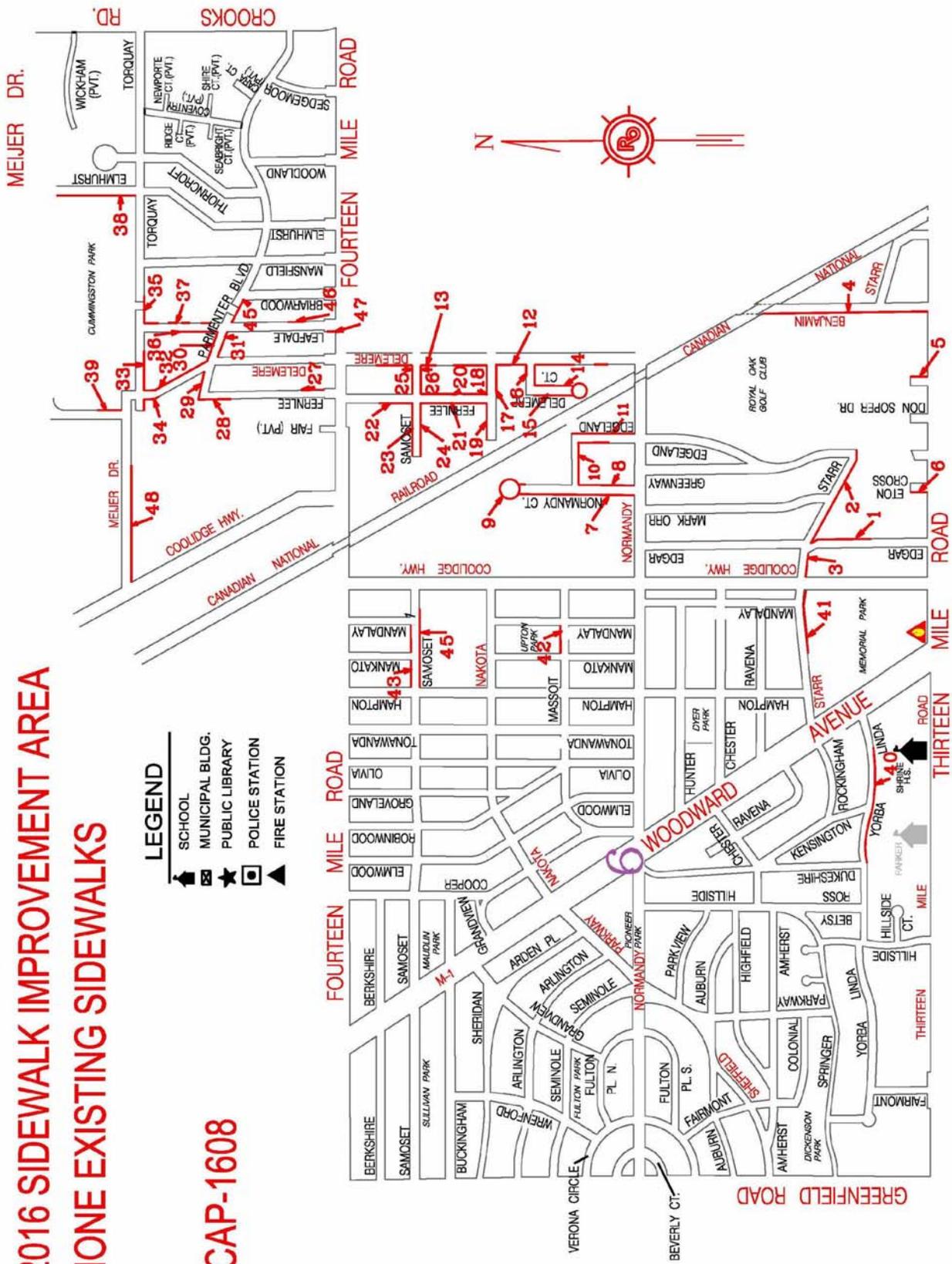


Table 1
2016 Sidewalk Improvement Program
Engineering recommendations for new sidewalk installation

1. Sidewalk installation is **recommended** along the east side of **Edgar Ave.** from end of existing sidewalk (Location 1):
Addresses: Royal Oak Golf Center and 3500 Edgar.
Sidewalk installation is recommended at this location for the following reasons:
 - There is adequate right-of-way – sufficient space;
 - There are no obstructions preventing installation;
 - The area has a relatively flat grade – no significant regrading required
 - The sidewalk completes an essential route;
 - The sidewalk connects Starr Road sidewalks to the existing sidewalks at the dorr of the Royal Oak Golf Center;
 - The sidewalk provides better pedestrian access to city facilities, schools and local businesses;

2. Sidewalk installation is **not recommended** along the south side of **Starr Rd.** from Edgar Ave to Greenway Ave (3500 Edgar) (Location 2)
Sidewalk installation is not recommended at this location for the following reasons:
 - There is adequate right-of-way – sufficient space;
 - There are some obstructions preventing installation, mainly scrub trees;
 - The area has a relatively steep grade – and would require a retaining wall to be constructed to maintain adjacent grades;
 - An alternative route exists opposite;
 - The city would have to pay for the sidewalk along with the retaining wall costs.

3. Sidewalk installation is **recommended** along the south side of **Starr Rd.** from Coolidge Hwy. to Edgar Ave (Location 3):
Addresses: Royal Oak Golf Club at 3101 Starr Road
Sidewalk installation is recommended at this property for the following reasons:
 - There is adequate right-of-way – sufficient space;
 - There are no obstructions preventing installation;
 - The area has a relatively flat grade – no significant regrading required
 - The sidewalk completes an essential route;
 - The sidewalk provides better pedestrian access to city facilities, schools and local businesses;

4. Sidewalk installation is **recommended** along the west side of **Benjamin Ave.** between the CN RR and 13 Mile Rd (Location 4):
Addresses: Royal Oak Golf Club and Fairways Condominiums
Sidewalk installation is recommended at this property for the following reasons:
 - There is adequate right-of-way – sufficient space;
 - There are few obstructions preventing installation;
 - The area has a relatively flat grade – no significant regrading required
 - The sidewalk completes an essential route;
 - The sidewalk connects 13 Mile Road sidewalks to the existing sidewalks just south of the RR;

- The sidewalk provides better pedestrian access to city facilities, schools and local businesses.
5. Sidewalk installation is **not recommended** along the east side Bembridge Ave. between 13 Mile Rd and dead end. (Location 5):
Addresses: Royal Oak Golf Club Park
Sidewalk installation is recommended at these properties for the following reasons:
 - There is adequate right-of-way – sufficient space;
 - The area has a relatively flat grade – no significant regrading required;
 - This dead end street has no homes or properties to access;
 - An alternative route exists opposite;
 - The sidewalk does not complete an essential route.
 6. Sidewalk installation is **not recommended** along the west side of Eton Cross Rd. between 13 Mile Rd and dead end of Eton Cross Rd. (Location 6):
Addresses: Royal Oak Golf Club
Sidewalk installation is recommended at these properties for the following reasons:
 - There is adequate right-of-way – sufficient space;
 - The area has a relatively flat grade – no significant regrading required
 - This dead end street has no homes or properties to access;
 - An alternative route exists opposite;
 - The sidewalk does not complete an essential route.
 7. Sidewalk installation is **recommended** along the west side of Normandy Ct. between Normandy Rd and Normandy Ct cul-de-sac (Location 7):
Addresses: 3070 Normandy, 4237, 4303, 4319, 4343 Normandy Ct.
Sidewalk installation is recommended at these properties for the following reasons:
 - There is adequate right-of-way – sufficient space;
 - The area has a relatively flat grade – no significant regrading required
 - The sidewalk completes an essential route;
 - The sidewalk provides pedestrian access to city facilities, schools and local businesses.
 8. Sidewalk installation is **recommended** along the east side of Normandy Ct. between Normandy Rd and Edgeland Ave. (Location 8):
Addresses: 4208, 4224, 4250 Normandy Ct.
Sidewalk installation is recommended at these properties for the following reasons:
 - There is adequate right-of-way – sufficient space;
 - The area has a relatively flat grade – no significant regrading required
 - The sidewalk completes an essential route;
 - The sidewalk provides pedestrian access to city facilities, schools and local businesses.
 9. Sidewalk installation is **not recommended** along the north side of Normandy Ct. cul-de-sac (Location 9):
Addresses: 4359, 4354 Normandy Ct.
Sidewalk installation is recommended at these properties for the following reasons:
 - There is adequate right-of-way – sufficient space;

- There are some relatively few obstructions preventing installation (some trees), sidewalk would be located south of the existing pine tree for part of the installation;
- The sidewalk does not complete an essential route.

10. Sidewalk installation is **recommended** along the west and south side of Edgeland Ave. between Normandy Ct and 4223 Edgeland Ave. (Location 10):

Addresses: 4250 Normandy Ct.

Sidewalk installation is recommended at these properties for the following reasons:

- There is adequate right-of-way – sufficient space;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route;
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses;
- 40% of this block already has sidewalks.

11. Sidewalk installation is **recommended** along the east side of Edgeland Ave. between Normandy Rd and 4306 Normandy Ct. (Location 11):

Addresses: 4220, 4238, 4260 Edgeland

Sidewalk installation is recommended at these properties for the following reasons:

- There is adequate right-of-way – sufficient space;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route;
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses.
- 30% of this block already has sidewalks

12. Sidewalk installation is **recommended** along the west side of Delemere Blvd. between Normandy Rd and Nakota Rd. (Location 12):

Addresses: 4233, 4249, 4325, 4335, 4339, 4353 Delemere Blvd

Sidewalk installation is recommended at these properties for the following reasons:

- There is adequate right-of-way – sufficient space;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route;
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 20% of this block already has sidewalks

13. Sidewalk installation is **recommended** along the west side of Delemere Blvd. between Nakota Rd. and 14 Mile Road (Location 13):

Addresses: 4233, 4249, 4325, 4335, 4339, 4353 Delemere Blvd

Sidewalk installation is recommended at these properties for the following reasons:

- There is adequate right-of-way – sufficient space;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route;
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 50% of this block already has sidewalks

14. Sidewalk installation is **recommended** along the south and east side of Delemere Ct. between Delemere Blvd and cul-de-sac (Location 14):

Addresses: 4233, 4248, 4300, 4320 Delemere Ct

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

15. Sidewalk installation is **recommended** along the west side of Delemere Ct. between Delemere Blvd and cul-de-sac (Location 15):

Addresses: 4303, 4307, 4315, 4321 Delemere Ct.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 10% of this block already has sidewalks

16. Sidewalk installation is **recommended** along the north side of Delemere Ct. between Delemere Blvd and 4341 Delemere Ct (Location 16):

Addresses: 4335 Delemere Blvd.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 50% of this block already has sidewalks

17. Sidewalk installation is **recommended** along the south side of Nakota Rd. between Delemere Blvd and 2675 Nakota Rd. (Location 17):

Addresses: 4353 Delemere Blvd.,

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some relatively few obstructions preventing installation;
- An alternative route exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.

- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses;
- 75% of this block already has sidewalks

18. Sidewalk installation is **recommended** along the north side of **Nakota Rd.** between Delemere Blvd and Fernlee Ave. (Location 18):

Addresses: 4303 Fernlee Blvd., 2807 Samoset

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- An alternative route exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

19. Sidewalk installation is **recommended** along the north side of **Nakota Rd.** between Fernlee Ave. and Nakota Rd dead end. (Location 19):

Addresses: 4400 Fernlee Blvd., 4411 Delemere Blvd.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- An alternative route exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses;
- 30% of this block already has sidewalks

20. Sidewalk installation is **recommended** along the east side of **Fernlee Rd.** between Samoset Rd. and Nakota Rd. (Location 20):

Addresses: 4400, 4420, 4426, 4520, 4526, 4234 Fernlee Blvd.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses;
- 10% of this block already has sidewalks

21. Sidewalk installation is **recommended** along the west side of **Fernlee Rd.** between Samoset Rd. and Nakota Rd. (Location 21):

Addresses: 4405, 4409, 4413, 4425, 4507, 4535 Fernlee Blvd.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- An alternative route exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

22. Sidewalk installation is **not recommended** along the west side of Fernlee Rd. between Samoset Rd. and 14 Mile Rd. (Location 22):

Addresses: 2727 W 14 Mile.

Sidewalk installation is not recommended at this property for the following reasons:

- There is inadequate right-of-way – insufficient space;
- There are obstructions preventing installation;
- An alternative route can exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk does not complete an essential route;

23. Sidewalk installation is **not recommended** along the north side of Samoset Rd. between Fernlee Rd. and dead end of Samoset Rd. (Location 23):

Addresses: 2727 W 14 Mile.

Sidewalk installation is not recommended at this property for the following reasons:

- There is inadequate right-of-way – insufficient space;
- There are obstructions preventing installation;
- An alternative route can exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk does not complete an essential route;

24. Sidewalk installation is **recommended** along the south side of Samoset Rd. between Fernlee Rd. and dead end of Samoset Rd. (Location 24):

Addresses: 4535 Fernlee Blvd, SOCWA

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 40% of this block already has sidewalks

25. Sidewalk installation is **recommended** along the north side of Samoset Rd. between Fernlee Rd. and Delemere Blvd. (Location 25):

Addresses: 4604 Fernlee Blvd, 4605 Delemere Blvd.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;

- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

26. Sidewalk installation is **recommended** along the south side of **Samoset Rd.** between Fernlee Rd. and 4335 Delemere Blvd. (Location 26):

Addresses: 4534 Fernlee Blvd.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some relatively few obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 50% of this block already has sidewalks

27. Sidewalk installation is **recommended** along the east side of **Fernlee Rd.** between 14 Mile Rd. and 4850 Fernlee Ave. (Location 27):

Addresses: 4815 Delemere Blvd.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some relatively few obstructions preventing installation;
- The area has a relatively flat grade – some regrading required
- The sidewalk completes an essential route;
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 75% of this block already has sidewalks

28. Sidewalk installation is **not recommended** along the west side of **Fernlee Rd.** south of Torquay Ave. (Location 28):

Addresses: 4949 Fernlee Ave.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation; trees and boulders
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route;
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 80% of this block already has sidewalks

29. Sidewalk installation is **recommended** along the north side of **Parmenter Blvd.** between Fernlee Ave. and Delemere Blvd. (Location 29):

Addresses: 5055 Delemere (Oakland technical Center)

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

30. Sidewalk installation is **recommended** along the north side of **Parmenter Blvd.** between Leafdale Blvd. and Delemere Blvd. (Location 30):

Addresses: 5050 Delemere, 5025 Leafdale

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- The area has a relatively flat grade – some regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

31. Sidewalk installation is **recommended** along the south side of **Parmenter Blvd.** between Leafdale Blvd. and Delemere Blvd. (Location 31):

Addresses: 4940 Delemere, 4929 Leafdale

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are few obstructions preventing installation; boulders
- The area has a relatively flat grade – regrading will be required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

32. Sidewalk installation is **recommended** along the east side of **Delemere Blvd.** between Parmenter Blvd and Torquay Ave. (Location 32):

Addresses: 5050 Delemere

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation (shrubs and landscaping);
- An alternative route exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

33. Sidewalk installation is **recommended** along the south side of **Torquay Ave.** between Delemere Blvd. and Leafdale Blvd. (Location 33):

Addresses: 5050 Delemere

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some relatively few obstructions preventing installation;

- An alternative route exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route;
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 40% of this block already has sidewalks

34. Sidewalk installation is **recommended** along the west side of Delemere Blvd. south of Torquay Ave. (Location 34):

Addresses: 5061 Delemere

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 80% of this block already has sidewalks

35. Sidewalk installation is **recommended** along the south side of Torquay Ave. between Leafdale Ave. and Briarwood Apartments (Location 35):

Addresses: 5050 Leafdale

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation (clearing and grubbing required);
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 75% of this block already has sidewalks.

36. Sidewalk installation is **recommended** along the west side of Leafdale Ave. between Torquay Ave. and Parmenter Blvd. (Location 36):

Addresses: 5025 Leafdale

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are relatively few obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 60% of this block already has sidewalks

37. Sidewalk installation is **recommended** along the east side of Leafdale Ave. between Torquay Ave. and Parmenter Blvd. (Location 37):

Addresses: 5022, 5038, 5060 Leafdale

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- An uncomplete alternative route exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 55% of this block already has sidewalks

38. Sidewalk installation is **not recommended** along the east side of Elmhurst Ave. between Torquay Ave. and Meijer Dr. (Location 38):

Addresses: Cummingston Park

Sidewalk installation is not recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation (shrubs and landscaping);
- An alternative route exists opposite;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk does not complete an essential route.

39. Meijer Drive

A. Sidewalk installation is **recommended** along the east side of Meijer Dr. (Location 39A):

Addresses: 5130, 5140, 5160 Meijer Dr.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

B. Sidewalk installation is **not recommended** along the north and west side of Meijer Dr. adjacent to the Meijer Store (Location 39B):

Addresses: 5150 Meijer Dr.

- There is adequate right-of-way – sufficient space;
- There are obstructions preventing installation
- The area has a relatively flat grade however regrading required;
- The sidewalk would complete an essential route however the sidewalk would dead end into the city of Troy at the east end, The City of Troy is open to the city installing sidewalks on Meijer east of Cummingston park provided that Troy is not responsible for the cost or maintenance;
- The sidewalk provides pedestrian access to city facilities, schools and local businesses.

C. Sidewalk installation is **not recommended** along the south side of Meijer Dr. adjacent to and east of Cummingston park (Location 39C):

Addresses: 5160 Meijer Dr. Cummingston Park, other properties in Royal Oak?

Sidewalk installation is not recommended at this location for the following reasons:

- There is adequate right-of-way – sufficient space;

- There are obstructions preventing installation including a low area that floods regularly at Cummingston Park;
- The area has a relatively flat grade however regrading required;
- Although the sidewalk would complete an essential route however the sidewalk would dead end into the city of Troy at the north end;
- The sidewalk provides pedestrian access to city facilities, schools and local businesses.

40. Sidewalk installation is **recommended** along the south side of Yorba Linda Blvd. between Woodward Ave and Dukeshire Hwy. (Location 40):

Addresses: 3500 W 13 Mile Rd. (Shrine High School)

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- The area has a relatively flat grade – no significant regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

41. Sidewalk installation is **recommended** along the south side of Starr Rd. between Woodward Ave and Coolidge Hwy. Memorial Park (Location 41):

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- The area has a relatively flat grade – some regrading required
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 40% of this block already has sidewalks

42. Sidewalk installation is **recommended** along the north side of Massoit Rd. between Mankato Ave and Mandalay Ave. at Upton Park (Location 42):

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- The area has a relatively flat grade;
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

43. Sidewalk installation is **recommended** along the north side of Samoset Rd. between Hampton Blvd. and Mandalay Ave. (Location 43):

Addresses: 4602 Hampton, 4602, 4603 Mankato, 4603 Mandalay.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- The area has a relatively flat grade;

- The sidewalk completes an essential route.
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

44. Sidewalk installation is **recommended** along the south side of **Samoset Rd.** between Hampton Blvd. and Mandalay Ave. adjacent to Upton School (Location 44):

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- An alternative route exists opposite;
- The area has a relatively flat grade;
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 10% of this block already has sidewalks

45. Sidewalk installation is **not recommended** along the south side of **Parmenter Blvd.** between Leafdale Blvd and Briarwood Ave. (Location 45):

Addresses: 4914 Leafdale, 4919 Briarwood.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation (trees, shrubs);
- The area has a relatively flat grade- grading required;
- The sidewalk completes an essential route.
- The sidewalk provides pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.

46. Sidewalk installation is **recommended** along the east side of **Leafdale Blvd.** between 14 mile Rd. and Parmenter Blvd. (Location 46):

Addresses: 4838 Leafdale

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- The area has a relatively flat grade;
- The sidewalk completes an essential route.
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 85% of this block already has sidewalks

47. Sidewalk installation is **recommended** along the west side of **Leafdale Blvd.** between 14 Mile Rd. and Parmenter (Location 47):

Addresses: 4823 Leafdale, 2500 W 14 Mile Rd.

Sidewalk installation is recommended at this property for the following reasons:

- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- The area has a relatively flat grade;

- The sidewalk completes an essential route.
- The sidewalk provides better pedestrian access to city facilities, schools and local businesses which have been changing from light industrial to other office and services uses.
- 75% of this block already has sidewalks

48. Sidewalk installation is **recommended** along the south side of **Meijer Dr.** (Location 48):

Addresses: 5055 Delemere, DTE Substation.

- Sidewalk installation is recommended at this location for the following reasons:
- There is adequate right-of-way – sufficient space;
- There are some obstructions preventing installation;
- The area has a relatively flat grade – some regrading may be necessary;
- The sidewalk would complete an essential route however the sidewalk would dead end into the city of Troy. Troy is open to installing a sidewalk so long as they are not responsible for costs and maintenance;
- The sidewalk provides pedestrian access to city facilities, schools and local businesses

Attachment 1

3500 Edgar Ave- Royal Oak Golf Center- Section 5



East Side of Edgar from end of existing sidewalk on south to Starr Rd = ~2,500 SF

Attachment 1

3500 Edgar Ave- Royal Oak Golf Center- Section 5



South Side of Star Rd from Edgar Ave to Greenway Ave = ~4,750 SF

Attachment 1

Starr Rd- Section 5



South Side of Star Rd from Edgar Ave to Coolidge Hwy = ~1,300 SF



West Side of Benjamin Ave between RR and 13 Mile Rd = ~6,750 SF



East Side of Don Soper Dr between 13 Mile Rd and Dead end = ~500 SF



West side of Eton Cross Rd between 13 Mile Rd and dead end = ~500 SF

Attachment 1

Normandy Ct- Section 5



West side of Normandy Ct between 13 Mile Rd and Normandy cul de sac = ~5,250 SF

Attachment 1

Normandy Ct East- Section 5



East side of Normandy Ct between 13 Mile Rd and Edgeland Ave = ~3,000 SF

Attachment 1

Normandy Ct cul de sac- Section 5



Cul De Sac of Normandy Ct = ~2,650 SF



South side of Edgeland between Normandy Ct and 4223 Edgeland = ~3,500 SF



East side of Edgeland between Normandy Rd and 4306 Normandy Ct = ~3,125SF

Attachment 1

Delemere Blvd- Section 5



West side of Delemere between Normandy Rd and Nakota Rd = ~3,000 SF

Addresses that need Sidewalk include: 4233, 4249, 4325, 4335, 4339, 4353 Delemere Blvd

Attachment 1

Delemere Blvd- Section 5



West side of Delemere between 14 Mile Rd and Nakota Rd = ~3,250SF

Addresses that need Sidewalk include: 4411, 4519, 4527, 4535, 4605, 4625 Delemere Blvd

Attachment 1

Delemere Ct - Section 5



South and East side of Delemere Ct between Delemere Blvd and cul de sac = ~3,500 SF

Attachment 1

Delemere Ct II- Section 5



West side of Delemere Ct between Delemere Blvd and cul de sac = ~1,800 SF

Attachment 1

Delemere Ct III- Section 5



North side of Delemere Ct between Delemere Blvd and 4341 Delemere Ct = ~750 SF



South side of Nakota Rd between Delemere Blvd and 2675 Nakota Rd = ~1,250 SF



North side of Nakota Rd between Delemere Blvd and Fernlee Ave = ~1,400 SF



North side of Nakota Rd between Nakota dead end and Fernlee Ave = ~1,400 SF



East side of Fernlee Rd between Nakota and Samoset Rd = ~2,400 SF



West side of Fernlee Rd between Nakota and Samoset Rd = ~3,125 SF



West side of Fernlee Rd between 14 Mile Rd and Samoset Rd = ~3,000 SF



North side of Samoset Rd between Fernlee Rd and dead end of Samoset = ~2,000 SF



Soth side of Samoset Rd between Fernlee Rd and dead end of Samoset = ~2,000 SF



North side of Samoset Rd between Fernlee Rd and Delemere Blvd = ~1,600 SF



South side of Samoset Rd between Fernlee Rd and 4535 Delemere Blvd = ~750 SF



East side of Fernlee Ave between 14 Mile Rd and 4850 Fernlee Ave = ~2,125SF

Attachment 1

Fernlee Ave V- Section 32



West side of Fernlee Ave south of Torquay Ave AKA 4949 Fernlee Ave = ~750 SF



North side of Parmenter Blvd between Fernlee Ave and Delemere Blvd = ~1,500 SF



North side of Parmenter Blvd between Delemere Blvd and Leafdale Blvd= ~1,400 SF

Attachment 1

Parmenter Blvd III- Section 32



South side of Parmenter Blvd between Delemere Blvd and Leafdale Blvd= ~1,400 SF



East side of Delemere Ave between Parmenter Blvd and Torquay Ave= ~3,750 SF

Attachment 1

Torquay Ave- Section 32



South side of Torquay between Delemere and Leafdale= ~1,400 SF



West Side of Delemere Ave south of Torquay = ~ 900 SF

Attachment 1

Torquay Ave II- Section 32



South side of Torquay between Leafdale ave and briarwood apartments= ~1,325 SF



West side of Leafdale ave between Torquay Ave and and parmenter Blvd= ~1,600 SF



East side of Leafdale ave between Torquay Ave and and Parmenter Blvd= ~1,750 SF

Attachment 1

Elmhurst Ave- Section 32



East side of Elmhurst Ave between Torquay Ave and Meijer Dr= ~3,750 SF

Attachment 1

Meijer Dr- Section 32



East Side of Meijer Dr between Delemere Ave and 5160 Meijer Dr = ~4,250 SF

Attachment 1

Yorba Linda Blvd- Section 6



South Side of Yorba Linda Blvd between Woodward and Dukeshire Hwy = ~ 4,750 SF

Attachment 1

Yorba Linda Blvd- Section 6



South Side of Starr Rd between Coolidge and Woodward AKA Memorial Park= ~ 3,375 SF



North Side of Massoit Rd between Mankato Ave and Mandalay Ave= ~ 1,500 SF



North Side of Samoset Rd between Hampton Blvd and Mandalay Ave= ~ 2,000 SF



South Side of Samoset Rd between Hampton Blvd and Mandalay Ave= ~ 2,000 SF



South side of Parmenter Blvd between Leafdale and Briarwood = ~ 1,300 SF



East side of Leafdale between 14 Mile and Parmenter Blvd. = ~ 375 SF



West Side of Leafdale between 14 Mile and city ally = ~ 500 SF

Attachment 1

Meijer Dr- Section 32



South Side of Meijer Dr between Hwy. and Delemere Ave. = ~6,750 SF

**Proposed Memorandum of Understanding:
Grand Sakwa Acquisitions**

March 16, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Grand Saka Acquisitions, a real estate development company, is interested in potentially developing the site that currently hosts the Center Street parking deck and the surface parking lot on Second Street across from the Post Office. The company's representatives have requested a memorandum of understanding (Attachment 1) allowing the company to perform its due diligence and start a conversation with the city with respect to the contents of a potential development agreement. The m would allow about 60 days (until a yet to be chosen meeting of the city commission) to advance the process. During that time the city agrees not to market the property to others. There are no other legal obligations required from either party either than to act in good faith.

Should the city commission desire to approve the memorandum of understanding, the following resolution has been prepared for your consideration:

Be it resolved, that the city of Royal Oak approves the attached memorandum of understanding with Grand Sakwa Acquisition Services LLC.

Respectfully submitted,



Mark O. Liss
Interim City Attorney

1 Attachment

Attachment 1

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made this ___ day of _____, 2016 by and between the City of Royal Oak, a Michigan Municipal Corporation, 211 South Williams Street, Royal Oak, Michigan 48068 (“the City”) and Grand Sakwa Acquisition Services LLC (the “Preferred Developer”).

RECITALS:

The City owns the property commonly referred to as the Center Street Parking Structure and adjoining surface parking lots located in the City of Royal Oak (the “Property”).

The Property is located in downtown Royal Oak within the Central Business District, CBD zoning district. More specifically, the Property is on the south side of 2nd Street, between Washington Street, Center Street and railroad tracks. The parcel numbers are _____ and the legal description of the Property is set forth in the accompanying Exhibit A.

The Preferred Developer is interested in exploring the possible development of a new parking structure and mixed-use property including residential, retail and other uses consistent with the City’s zoning ordinance on the Property (the “Project”).

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the City and the Preferred Developer agree as follows:

1. The City and the Preferred Developer will negotiate exclusively and in good faith in an effort to prepare a development agreement.
2. The Preferred Developer and the City agrees that both parties will in good faith review proposals for a development agreement, make decisions to approve or not approve the development agreement, in their sole and absolute discretion without liability of any nature whatsoever to each other. Unless otherwise indicated, any decision of the City and actions taken by the City shall be final and binding upon the Preferred Developer, its successors and assigns. The Preferred Developer hereby waives any and all rights to challenge, dispute or contest the evaluation by the City of any proposals pursuant to this MOU, the decision or lack of decision by the City in connection with this MOU and any and all actions taken by the City in connection with this MOU by any legal or equitable action, administrative hearing for proceeding, arbitration proceeding, alternative dispute resolution process or in any other manner. This waiver specifically includes a covenant not to sue and a waiver of any and all claims, demands, liabilities, damages, losses, costs and expenses of any nature whatsoever, known or unknown, fixed or contingent, arising directly or indirectly from or in any way relating to this MOU or related review process. This waiver is intended to waive conclusively and without recourse important legal rights that might otherwise be available to the Preferred Developer in regards to this MOU.

3. This agreement is binding until the _____ [DATE] regularly scheduled meeting of the city commission.

4. The preferred developer acknowledges that the city and its Downtown Development Authority are proceeding with the design and development of a parking structure potentially located on the surface parking lot bounded by S Washington Avenue, 2nd Street and Center Street.

WITNESSES:

CITY OF ROYAL OAK

James B. Ellison, Mayor

Melanie Halas, City Clerk

Grand Sakwa Acquisition Services LLC

By: _____

Gary Sakwa

EXHIBIT A

LEGAL DESCRIPTION

The subject property is located in the City of Royal Oak, County of Oakland, State of Michigan, and is more particularly described as:

**Recommendation to Retain Legal Services:
Kerr Russell Weber, PLC**

March 15, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

Considering the number and complexity of various proposed developments, the City Attorney's Office is recommending that the city retain the services attorney Brandy L. Mathie who is a member of the law firm Kerr Russell Weber, PLC. Ms. Mathie and her law firm are well familiar with the city, representing the Downtown Development Authority (DDA) in various projects and successfully protecting the authority's interests. Most importantly, the City Attorney's Office is looking for assistance in reviewing agreements soon to be submitted by the Surnow Company and the Boji Group.

As excerpted from her firm biography:

Brandy L. Mathie focuses her practice on real estate law. She is experienced in all aspects of real estate law, including real estate development and financing. Brandy has substantial experience in the areas of acquisitions, dispositions and leasing. She is particularly proficient in identifying trouble spots in real estate transactions and offering creative solutions.

Brandy assists in matters ranging from simple residential acquisitions to the acquisition and development of large commercial projects for sophisticated clients. Brandy drafts real estate purchase and sale agreements, leases, commercial financing documents, development agreements, declarations and use restrictions and easements. Brandy also assists a large, national client in connection with the purchase of assets in several regions of the United States.

Because Ms. Mathie and her law firm currently represents the DDA, a separate legal entity, and some of the projects may involve the authority, the city and the authority will have to waive the potential conflict in technically representing two clients. Should the city commission desire to retain the services of Ms. Mathie and Kerr Russell Weber, PLC, the following resolution is provided for your consideration:

Be it resolved, the city of Royal Oak retains the legal services of Kerr Russell Weber, PLC, and Brandie L. Mathie as principal counsel to represent the city in matters concerning real estate law, working under the direction of the City Attorney's Office, and

Be it further resolved, the city of Royal Oak waives any potential conflict where Kerr Russell Weber, PLC, and Brandie L. Mathie may also represent the Royal Oak Downtown Development Authority in the same legal issues, provided that the DDA also waives any potential conflict in representation of the city's interests.

Respectfully submitted,



Mark O. Liss
Interim City Attorney

**Draft of Purchase Agreement with
Robertson Brothers**

March 16, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

A copy of the draft agreement for the sale of ten acres of the former Normandy Oaks Golf Course is attached for your review (Attachment 1). Robertson Brothers have not yet finalized the draft and one or two issues are still under negotiation. The draft agreement allows for the sale of the entire project site, with the cash purchase of a first five acres and a mortgage on the remainder.

Negotiations are ongoing and some of the terms may change before the regular meeting of the City Commission schedule for March 21, 2016.

Respectfully submitted,



Mark O. Liss
Interim City Attorney

1 Attachment

Attachment 1

PURCHASE AGREEMENT

This Purchase Agreement (the "**Agreement**") is entered into as of the date the last party executes this Agreement (the "**Effective Date**") by and between THE CITY OF ROYAL OAK MICHIGAN, a Michigan municipal corporation ("**Seller**"), and ROBERTSON BROTHERS CO., a Michigan corporation, on behalf of an entity to be formed ("**Purchaser**"), (Seller and Purchaser collectively, the "**Parties**").

RECITALS:

Purchaser offers and agrees to purchase from Seller, and Seller agrees to sell to Purchaser, land situated in the City of Royal Oak, Oakland County, Michigan, more fully described in the attached Exhibit A (the "**Property**") upon the following terms and conditions:

1. **Purchase Price and Terms.** Purchaser will purchase the Property for the aggregate sum of Three Million Eight Hundred Fifty Thousand and 00/100 (\$3,850,000.00) Dollars (the ("**Purchase Price**"). The sale of the Property will be consummated as follows:

- A. **Cash at Closing.** One Million Nine Hundred Twenty Five Thousand and 00/100 (\$1,925,000.00) Dollars shall be paid in lawful funds of the United States of America at Closing, in cash, by certified or bank cashier's check or by bank wire transfer.
- B. **New Mortgage.** The balance of the Purchase Price shall be paid in full on or before eighteen (18) months after Closing. To secure the Purchaser's obligation to pay the balance of the Purchase Price to the Seller hereunder, Purchaser shall execute and deliver a promissory note, secured by a first mortgage upon the Second Phase Property (the "**New Mortgage**") upon terms and conditions satisfactory to both Seller and Purchaser.
- C. **Price Adjustments.** The Purchase Price was calculated by Purchaser based on an ability to construct 47 detached residential units and 78 townhouse residential units on the Property. If Purchaser is unable to obtain all necessary approvals to construct 47 detached residential units and 78 townhouse residential units on the Property, the Purchase Price shall be reduced \$47,000.00 for each detached residential unit less than 47 and \$21,038.00 for each townhouse residential unit less than 78. Provided, however, Seller shall have the right to terminate this Agreement if the Purchase Price is adjusted down by an aggregate of One Hundred Thousand (\$100,000.00) Dollars or more.

2. **Good Faith Deposit.** Within five (5) days after the receipt by Purchaser of an accepted copy of this Agreement, Purchaser shall deposit One Hundred Thousand (\$100,000.00) Dollars (the "**Good Faith Deposit**"), to be held by First American Title Insurance Company ("**Title Company**") as a good faith deposit in accordance with the terms and provisions of this Agreement. The Title Company shall hold the Good Faith Deposit. Upon Closing, the Good Faith Deposit shall be applied to the Purchase Price,

otherwise the Good Faith Deposit shall be disbursed as contemplated by this Agreement.

3. **Possession**. Possession of the Property shall be delivered to Purchaser upon Closing, free of liens or interests other than the Permitted Exceptions, as defined below.

4. **Condition of Title**. At Closing, Seller shall convey and deliver to Purchaser insurable marketable record fee simple title to the Property, subject only to the following conditions (the "***Permitted Exceptions***"):

- A. **Taxes**. The lien of unpaid real property taxes that are not delinquent in payment at Closing; and
- B. **Restrictions of Record**. Permitted Title Exceptions (as defined below), zoning ordinance and items disclosed by the Survey as defined below.

5. **Due Diligence Investigation**. For 90 days after the Effective Date (the "***Due Diligence Period***") Purchaser shall have the following rights:

- A. **Access To Property**. Purchaser shall have the right to enter upon the Property, to inspect the Property to determine the acceptability of the Property. Purchaser shall obtain Seller's consent prior to performing any tests, except that Seller approves Purchaser conducting a Phase I environmental test and a land survey of the Property. If Seller permits any testing by Purchaser which is of an "intrusive" nature (i.e., which requires the penetration of any surface, the disturbing of any soils or materials, or the damage or removal of any element of the Property), Purchaser shall perform such testing through a contractor, reasonably acceptable to Seller, in a manner that is both reasonable under the circumstances and as limited as reasonably possible (taking into consideration the object of and need for that testing), and at Purchaser's sole risk as to damage to property and/or injury to any person, and shall be subject to Purchaser's obligations of indemnification set forth in this Agreement. Purchaser shall promptly and completely repair any damage caused to the Property as a result of or in the course of the conduct of any such on-site testing or inspection. Purchaser shall, prior to entry upon the Property, provide Seller with written evidence of the addition of Seller as an additional insured under Purchaser's liability insurance.
- B. **Obtain Reports**. Obtain those appraisals, reviews, inspections or reports from appraisers, inspectors, engineers, consultants, or other parties as Purchaser may deem necessary or advisable, including but not limited to the Title Commitment, Survey, and Environment Report (but no invasive testing without the Seller's prior written consent) described in this Agreement below.
- C. **Determination of Phase I and Phase II Property Descriptions and Plan Approval**. During the Due Diligence Period, Purchaser shall submit plans and specifications to the City of Royal Oak (the "***City***") for the development of the Property in two (2) phases (the "***Plans***"), which Plans shall be reviewed by all appropriate divisions of the City to determine

conformance with all laws and ordinances applicable to any developer of the Property and development of the Property. Nothing in this Agreement shall be deemed an obligation on the part of the City, as the Seller hereunder, to approve the Plans, which shall be reviewed, approved, rejected and/or modified all in accordance with the City's standard process for review, approval, rejection and/or modification of such Plans. The Plans shall include a legal description of the Phase I and Phase II development of the Property agreeable to the Purchaser and Seller. Purchaser shall provide the Seller with a form of mortgage securing the payment of the second installment of the Purchase Price on the Phase II Property. If the Purchaser and the Seller are unable to agree upon an acceptable legal description for the Phase II Property or the Plans are rejected by the City and Purchaser is unable or unwilling to revise the Plans to address the City's objections, except that Seller acknowledges that Purchaser's general plan for the Property is set forth in the sketch attached as Exhibit B. Purchaser shall have the right to terminate this Agreement within ten (10) days after the expiration of the Due Diligence Period.

6. **Closing.** This transaction shall be consummated (the "**Closing**") no later than 45 days following Purchaser's receipt of governmental approvals needed for Purchaser's intended use of the Property so that Purchaser is in a position to meet with the City for its first pre-construction conference. Provided, however, if the Purchaser is unable to obtain the governmental approvals needed for the Purchaser's intended use of the Property within one hundred and twenty (120) days after the Effective Date, either the Purchaser or the Seller shall be entitled to terminate this Agreement and, in the event of such termination and absent a default by the Purchaser hereunder, the Good Faith Deposit shall be returned to the Purchaser. The Closing shall take place at the office of First American Title Insurance Company, 100 Bloomfield Hills Parkway, Suite 195, Bloomfield Hills, Michigan 48304.

- A. Seller's Obligations at Closing. At Closing, Seller shall deliver to Purchaser: (i) a Warranty Deed accompanied by a Transfer Valuation Affidavit conveying the Property to Purchaser subject only to the Permitted Exceptions; (ii) a standard extended coverage questionnaire in form reasonably acceptable to Seller; (iii) a Non-Foreign Person Affidavit; and (iv) a Closing Statement. Seller shall also deliver to Purchaser evidence satisfactory to Purchaser and the Title Company of Seller's authority to enter into and consummate this transaction.
- B. Purchaser's Obligations at Closing. At Closing, Purchaser shall pay to Seller the amount of the Purchase Price to be paid as provided in this Agreement (after prorations and adjustments), execute and deliver the promissory note and Phase II Mortgage and shall execute and deliver such documents as may be customary or reasonably requested by Seller to reflect the Purchase (including the Closing Statement).

7. **Brokerage.** ~~Purchaser's broker for this transaction is Huntington Real Estate Group Ltd and Purchaser agrees to pay a commission to Huntington Real Estate Group Ltd of Twenty Thousand (\$20,000.00) Dollars to be paid at the time of Closing. Other than the fee due Huntington Real Estate Group Ltd, no brokers are involved in this~~

~~transaction and Seller shall indemnify and hold Purchaser harmless from and against any claims for brokerage in connection with this transaction by any person or party claiming by, through, or under Seller and, similarly, Purchaser shall indemnify and hold Seller harmless from and against any claims for brokerage in connection with this transaction by any person or party claiming by, through, or under Purchaser.~~

8. **Term of Offer**. This Agreement shall become effective and binding upon the parties only after it has been executed by each of the parties and a fully executed copy has been returned to Purchaser (the "**Effective Date**"). If this Agreement is not executed simultaneously by Seller and Purchaser, it shall be deemed to be an offer by Purchaser, which shall be deemed to have been rescinded by Purchaser if not executed by Seller and returned to Purchaser within 5 days of the date first written above, in which event it shall be deemed null and void and of no further force and effect.

9. **Definition of Property**. References to the "**Property**" in the Agreement shall be to the entire Property described in the attached Exhibit A, together with all and singular the rights, interests and appurtenances pertaining to the Property, including any right, title and interest of Seller in and to adjacent easements, streets, roads, alleys and rights-of-way, together with all air, subsurface and mineral rights and all division rights.

10. **Title Insurance**. Purchaser has obtained a commitment (accompanied by all documents of record) from First American Title Insurance Company ("**Title Company**") effective date of March 30, 2015 at 8:00 a.m. for an ALTA Form B owner's policy of title insurance in the amount of the Purchase Price, without standard exceptions (the "**Title Commitment**") from the Title Company.

11. **Survey**. Purchaser shall, at its expense, to obtain an updated survey or new survey (the "**Survey**"). The Survey shall be ordered and delivered promptly following the Effective Date. The legal description of the Property set forth in the Title Commitment shall conform exactly to the legal description in the Survey. The Purchaser will have twenty (20) days after receipt of the Survey to determine whether the Purchaser has any objections to the condition of title based upon a written opinion of the Purchaser attorney that title is not in the condition required under this Agreement. Upon service of a written notice to the Seller of such title defects, the Seller shall have twenty (20) days from such notice to (a) remedy the defect, (b) obtain a commitment for Title Insurance insuring the Purchaser's title against the defect, except that any insurance over such defect must be approved by the Purchaser, or (c) notify Purchaser that Seller is unable or unwilling to cure the defect identified by the Purchaser. If the Seller is unable or unwilling to remedy the defect or obtain such commitment for Title Insurance within the twenty (20) day period, the Purchaser may waive the title defects and close subject to the same, or may terminate this Agreement upon written notice to the Seller and the Good Faith Deposit shall be immediately refunded to the Purchaser. Title exceptions accepted by the Purchaser shall be the "Permitted Title Exceptions".

12. **Environmental Report**. Purchaser may, at its expense, obtain a Phase I Environmental Site Assessment (the "**Environmental Report**") to be issued by an environmental engineer of Purchaser's selection, and otherwise reasonably acceptable to Seller, conforming to current ASTM standards for investigations and reports of that nature.

13. Disposition of Good Faith Deposit. Upon Closing, the Good Faith Deposit shall be applied to the Purchase Price. In the event that Seller defaults under the Agreement, or in the event of non-fulfillment of any of the conditions precedent Closing which are not waived in writing by Purchaser, and if Purchaser requests in writing the return of the Good Faith Deposit, the Good Faith Deposit shall be promptly returned to Purchaser. Upon default by Seller under the Agreement, Purchaser shall be entitled to terminate the Agreement or to enforce its terms by action for specific performance. In the event that Purchaser fails or refuses to consummate the purchase of the Property at Closing, as required under the Agreement, Seller shall have the right to terminate this Agreement and retain the Good Faith Deposit as liquidated damages.

14. Seller's Representations and Warranties. Seller represents and warrants to, and covenants with, Purchaser the following as of the Effective Date, which representations, warranties, and covenants shall remain true as of the Closing Date, subject to changes arising in the ordinary course of business or permitted under this Agreement, provided that Purchaser shall be notified of the same, and shall survive the consummation of the Purchase, and upon each of which Purchaser does and shall continue to rely:

- A. Power and Authority. Seller is a duly organized and validly existing Michigan municipal corporation, and has the power and authority to enter into this Agreement.
- B. No Bankruptcy or Insolvency. Seller is not currently a party to any proceedings under any applicable bankruptcy, reorganization, insolvency or similar laws.
- C. Non-Foreign Person. Seller is not a "foreign person" as defined under Section 1445(f)(3) of the Internal Revenue Code or any regulations thereunder, which Seller shall recertify at Closing.

15. Purchaser's Representations and Warranties. Purchaser represents and warrants to, and covenants with Seller, the following as of the Effective Date, which representations, warranties, and covenants shall remain true as of the Closing Date and shall survive the consummation of the Purchase, and upon each of which Seller does and shall continue to rely:

- A. Power and Authority. Purchaser has the full right, power and authority to purchase the Property as provided in this Agreement and to carry out Purchaser's obligations under this Agreement.
- B. Financial. Purchaser has the financial wherewithal to perform its obligations under this Agreement relative to the payment of the Purchase Price to the Seller and development of Phase I and Phase II of the Property. The Purchaser will provide the Seller's legal counsel, Kerr, Russell and Weber, PLC 500 Woodward Avenue - Suite 2500, Detroit, MI 48226, or an accounting firm identified by Seller, with its financial statements and evidence of Purchaser's financial condition for the purchase of the Property and the development of the Property. The Seller agrees to keep the financial statements and related information confidential and will not disclose the information except as required by a court order

16. **Knowledge or Reliance.** For purposes of the Agreement: (i) The term "to [a person's] knowledge," means that to that person's knowledge, a representation or warranty is not incomplete or inaccurate, and that person has conducted a reasonable inquiry to assure the accuracy and completeness of the applicable statement; and (ii) The term "in reliance on," means that the person giving the representation or warranty has examined and relied upon the certificate, report, opinion or other referenced document; that the information contained in that document is sufficient to support accurately and in all material respects the substance of the applicable representation or warranty; that the person's reliance on that document is reasonable, prudent and consistent with the standard of care exercised by prudent business persons; and that although that person has no obligation to independently verify the information contained in that document, that person believes that information to be true and accurate in all material respects and has no knowledge of any facts or circumstances which would render reliance thereon unjustified without further inquiry.

17. **Prorations and Adjustments.** The Property is currently owned by the City and is, therefore, exempt from real and personal property tax and special assessment obligations. There shall be no prorations applicable to taxes on the Closing Statement. Purchaser shall be responsible for any and all real and personal property taxes relating to the Property arising after the Closing.

18. **Notices.** Any notice pursuant to this Agreement shall be given in writing by (a) personal delivery, (b) expedited over-night delivery service with proof of delivery, (c) United States registered or certified mail, return receipt requested, postage prepaid, or (d) facsimile transmission (provided that the receipt of such facsimile transmission is confirmed), sent to the intended addressee at the address set forth below, or to such other address or to the attention of such other person as the addressee shall have designated by written notice sent in accordance with this Section, and shall be deemed to have been given either at the time of personal delivery, or, in the case of expedited delivery service or mail, as of the date of the first attempted delivery at the address and in the manner provided in this Section, or, in the case of telegram or facsimile transmission, upon receipt. Unless changed in accordance with the preceding sentence, the address for notices given pursuant to this Agreement shall be as follows:

If to Seller: The City of Royal Oak
City Clerk
211 S. Williams Street
Royal Oak, Michigan 48068
Tel: (248) 246-3250
Fax: (248) 246-3002

With a copy to: City Manager
City of Royal Oak
211 S. Williams Street
Royal Oak, Michigan 48068
Tel: (248) 246-3200
Fax: (248) 246-3002

With a copy to: City Attorney
City of Royal Oak
211 S. Williams Street

Royal Oak, Michigan 48068
Tel: (248) 246-3240
Fax: (248) 246-3002

If Purchaser: **to** Robertson Brothers Co.
6905 Telegraph Road, Suite 200
Bloomfield Hills, Michigan 48301
Attention: James V. Clarke
Tel: (248) 282-1432
Fax: (248) 282-1433

With a copy to: C. Kim Shierk
Williams, Williams, Rattner & Plunkett, P.C.
380 N. Old Woodward Avenue, Suite 300
Birmingham, MI 48009
Tel: (248) 642-0333
Fax: (248) 642-0856

19. **Modifications.** This Agreement cannot be changed orally, and no executory agreement shall be effective to waive, change, modify or discharge it, in whole or in part, unless such executory agreement is in writing and is signed by the Parties against whom enforcement of any waiver, change, modification or discharge is sought.

20. **Assignment.** Neither the Purchaser nor the Seller shall sell, assign, or transfer their rights or interests under this Agreement without the prior written consent of the other. However, Purchaser may, without the consent of Seller, assign all or any part of its right, title and interest in and to this Agreement at any time and from time to time, to any trust(s), firm(s), partnership(s), person(s), or any other entity(ies) or corporation(s) controlled by, or under control of at least 40%, either collectively or individually, in by either Paul C. Robertson Jr., James V. Clarke or employees of Purchaser, and formed by Purchaser. Any such assignment shall be binding upon the heirs, executors, administrators and successors of Seller and Purchaser.

21. **Calculation of Time Periods.** Unless otherwise specified, in computing any period of time described in this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, nor legal holiday.

22. **Time of Essence.** Seller and Purchaser agree that time is of the essence of this Agreement.

23. **Successors and Assigns.** The terms and provisions of this Agreement are to apply to and bind the permitted successors and assigns of the Parties.

24. **No Third Party Beneficiaries.** The provisions of this Agreement are solely for the purposes of defining the interests of the parties, and no other person shall have any right, power, title, or interest by way of subrogation or otherwise, in and to the rights, powers, titles and provisions of this Agreement.

25. **Entire Agreement.** This Agreement, including the exhibits, contains the entire agreement between the Parties pertaining to the Purchase and fully supersedes all prior agreements and understandings between the Parties pertaining to the Purchase.

26. **Attorney Fees.** In the event of any controversy, claim or dispute between the Parties affecting or relating to the Purchase, the prevailing Party shall be entitled to recover from the non-prevailing Party all of its reasonable expenses, including reasonable attorney and accountants' fees.

27. **Counterparts.** This Agreement may be executed in several counterparts, and all such executed counterparts shall constitute the same agreement. It shall be necessary to account for only one such counterpart in proving this Agreement.

28. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remaining of this Agreement shall nonetheless remain in full force and effect.

29. **Applicable Law.** This Agreement shall, in all respects, be governed by, and construed in accordance with, the substantive federal laws of the United States and the laws of the State of Michigan.

30. **Captions.** The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent or for any purpose, to limit or define the text of any section or any subsection.

32. **Storm Water Flow.** Seller agrees to provide Purchaser with a storm water outlet on the adjacent park land and agrees to design the new park so that Purchaser's storm water detention requirements for the entire proposed development can be accommodated on Seller's remaining park land. Purchaser will pay for its storm water improvements and Seller agrees to provide the location to Purchaser during the Due Diligence Period.

[EXECUTION OCCURS ON FOLLOWING PAGE.]

The Parties have signed this Purchase Agreement to be effective as of the Effective Date.

SELLER:
City of Royal Oak, a Michigan municipal corporation

Dated:

By: _____

Name: James B. Ellison, Mayor

And by: _____

Melanie Halas, City Clerk

Dated: _____

PURCHASER:
Robertson Brothers, Co., a Michigan corporation,
on behalf of an entity to be formed

Dated:

By: _____

Name: James V. Clarke

Its: President

Dated: _____

ACCEPTANCE BY ESCROW AGENT

The undersigned Escrow Agent hereby accepts its appointment as Escrow Agent under the foregoing Agreement and acknowledges receipt of the Initial Earnest Money referred to therein, to be held as therein provided.

The undersigned Escrow Agent hereby accepts its appointment as Escrow Agent under the foregoing Agreement and acknowledges receipt of the Earnest Money referred to therein (the "**Deposit**"), to be held as provided in the Agreement. The liability of the undersigned as Escrow Agent is limited by the terms and conditions expressly set forth in the Agreement and in this Acceptance. We shall have no liability on account of or occasioned by any failure or negligence on the part of any bank, savings and loan association or other savings institution holding the Deposit, so long as that institution is insured by an agency of the United States government at the time when it receives the Deposit. In the event of the litigation affecting our duties as escrow agent relating to this Agreement and/or the Deposit, Seller and Purchaser shall jointly and severally reimburse us for all expenses incurred by us, including reasonable attorneys' fees, unless that litigation results from or is caused by our gross negligence, misfeasance or malfeasance. In the event of a dispute between Seller and Purchaser relating to the Deposit, we may commence an interpleader action in the Oakland County Circuit Court and in that event and upon surrender of the Deposit to the jurisdiction of the court, shall be relieved from any further liability or obligation with respect to the Deposit.

FIRST AMERICAN TITLE INSURANCE
COMPANY

By:

Name and Title :

Dated: _____, 2016

Address: _____

Telephone: _____

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT B

SKETCH OF DEVELOPMENT PLANS FOR THE PROPERTY

**Non-Action Item
Assignment of Fund Balance
State Construction Code Fund**

March 11, 2016

The Honorable Mayor Ellison and
Members of the City Commission:

The Governmental Accounting Standards Board (GASB) issue No. 54 was established for fund balance reporting and governmental fund type definitions purposes. This important standard has substantially altered the categories and terminology used to describe components of fund balance. The new categories and terminology reflects the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the fund balance can be spent.

Three considerations led to the replacement of the previous components of fund balance: the previous components were often applied inconsistently in practice; the previous terminology was not self-explanatory and often was misunderstood by financial statement users; and some questioned whether the focus on availability for appropriation continued to best serve the needs of the financial statement users.

Under GASB 54, financial statements for governmental funds report up to five components of fund balance: nonspendable, restricted, committed, assigned and unassigned.

“Assigned” fund balance under GASB 54 is defined as the portion of fund balance that reflects a government’s intended use of resources. Assigned fund balance allows for less formality and that authority to be delegated to some other body or official. By way of resolution on December 19, 2011, the City Commission authorized the Finance Director to have the authority to “assign” and “unassign” fund balance in the various city funds and the commission would receive notification of assignment / unassignment by way of a non-action commission letter.

Please be advised that I have recently assigned some of the fund balance in the state construction code fund based on a recent OPEB actuarial valuation (as of November 30, 2015). The unfunded accrued liability for this fund for both pension (\$1,136,256) and OPEB (\$2,522,073) totals \$3,658,329. In 2015, I assigned \$2.6 million of this fund’s unfunded accrued liability (UAL). More recently, I have assigned the balance of the UAL totaling \$1,058,329. With the assignment of the entire UAL, the state construction code fund’s unassigned fund balance is projected at \$2.3 million at the end of fiscal year 15-16, which is near the top end of this fund’s fund balance policy.

Respectfully submitted,
Julie Rudd
Director of Finance

Approved,



Donald E. Johnson
City Manager