

STATE OF MICHIGAN
DEPARTMENT OF TREASURYRICK SNYDER
GOVERNORNICK A. KHOURI
STATE TREASURER

DATE: July 23, 2015

TO: Financial Review Commission members

FROM: Ronald L. Rose, Executive Director
Steven C. Watson, Senior Analyst
Financial Review Commission

SUBJECT: City of Detroit Proposed FY 2016 Budget Amendments

The City has proposed three FY 2016 budget amendments for consideration at the July 27, 2015 Financial Review Commission (FRC) meeting. All three amendments are budget-neutral as all proposed changes in revenues and appropriations offset one another. Pursuant to Section 7(c) of the Michigan Financial Review Commission Act (Public Act 181 of 2014), the FRC must approve all City budget amendments before they can take effect. Furthermore, the State Treasurer is also required to separately approve the City's FY 2016 budget amendments pursuant to Section 21(2) of the Local Financial Stability and Choice Act (Public Act 436 of 2012) because the FY 2016 budget is the second year of the former Emergency Manager's adopted two-year budget. The State Treasurer's review may be done concurrently with the FRC's. Additional detail on the three proposed amendments can be found below and in the attached documentation.

Amendment No. 2016-1 to Implement the Office of the Chief Financial Officer (OCFO)

One of the major cornerstones of the City's restructuring is the establishment of the OCFO, which centralizes financial management functions previously performed by various City departments under the City's Chief Financial Officer. To that end, the former Emergency Manager approved EM Order No. 41 on September 25, 2014 directing the CFO to establish this centralized organizational structure and authorizing him to transfer finance positions and associated funding from the various departments to the OCFO.

Now, the OCFO has proposed formally amending the City's FY 2016 budget to reflect the outcome of this restructuring pursuant to the EM order. The amendment is budget-neutral as all changes in appropriations and revenues offset one another. The amendment reduces various departments' General Fund appropriations by \$7 million and increases appropriations for the OCFO by \$11 million. The difference is supported by \$4 million in additional OCFO revenue collected from enterprise fund and grant-supported agencies representing their allocated share of OCFO costs.

Amendment No. 2016-2 to Align the City Budget with the Board of Water Commissioners' Approved Budget for the Detroit Water and Sewerage Department (DWSD)

The City's adopted budget included placeholder revenues and appropriations for the Water and Sewer Departments. The Board of Water Commissioners (BOWC) is ultimately responsible for adopting the DWSD budget in conjunction with the rate-setting process. Prior to the creation of the FRC, the DWSD would adopt its separate budget and provide the required amendments to the City's Finance Department for input into the City's financial system. However, any budget changes compared to the FY 2016 budget approved by the FRC on April 20, 2015 must also be approved by the FRC, including revisions for DWSD.

The intent of DWSD's proposed amendment is to simply align the City budget with the DWSD budget adopted by the BOWC in March 2015. It is budget-neutral as all changes in appropriations and revenues offset one another. The amendment reflects lower revenues and appropriations by a net amount of \$146 million, primarily to reflect lower debt-financed sewerage system capital expenditures compared to the previous placeholder amounts.

Amendment No. 2016-3 to Transfer Appropriations for Citizens Radio Patrol from the Police Department to City Council

When the City adopted its FY 2016 budget in March 2015, the City Council also passed a resolution requesting the restoration of funding and administrative responsibility for Citizens Radio Patrol to the City Council from the Police Department. The program supports the cost of volunteers who patrol their neighborhoods and report any suspicious activity to a patrol base operator, who in turn, contacts the Police Department. The City reimburses participants for mileage and other expenses. The program was previously funded under City Council in FY 2015 at the same level. This proposed amendment is budget-neutral as it moves \$270,000 in Police Department appropriations to the City Council.

Attachments



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 1100
DETROIT, MICHIGAN 48226
PHONE: 313-628-2535
FAX: 313-224-2135
WWW.DETROITMI.GOV

TO: Financial Review Commission

DATE: July 22, 2015

RE: FY 2015 – 2016 Budget Amendment to Implement the Office of the Chief Financial Officer

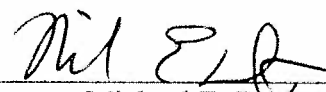
The former Emergency Manager (“EM”) determined that it was appropriate, in light of PA 181 and to ensure the financial well-being of the government of the City and to assist in rectifying its financial emergency, that a centralized financial management organization be established under the direction of the Chief Financial Officer (“CFO”).

EM Order No. 41 directs the CFO to establish this centralized financial management organizational structure, to be called the Office of the Chief Financial Officer (“Office of the CFO”). The Office of the CFO will create an operational environment of financial accountability, provide integrated financial management focused on ensuring financial management integrity, and promote the long-term financial recovery of the City and the health, safety and welfare of the public.

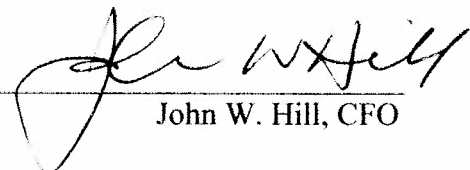
Section 6 of EM Order No. 41 states the CFO may transfer finance, budget, and grant related positions and their full funding into the Office of the CFO from any department, division, and agency. The budget amendment attached hereto is budget neutral and only transfers the funding of finance, budget, and grant related positions to the Office of the CFO. This budget amendment shall be effective upon approval of the Financial Review Commission.

APPROVED

7/22/15
Date


Michael E. Duggan, Mayor

July 22, 2015
Date


John W. Hill, CFO

Cc: Honorable Detroit City Council
Alexis Wiley, Chief of Staff, City of Detroit
David P. Massaron, Deputy Chief of Staff & Counsel to the Mayor, City of Detroit
Janice M. Winfrey, City Clerk, City of Detroit
Tanya Stoudemire, Deputy CFO- Budget Director, City of Detroit
Ronald L. Rose, Executive Director, Financial Review Commission

Att: FY 2015 – 2016 Budget Amendment to Implement the Office of the Chief Financial Officer

City of Detroit

FY 2015 - 2016 Budget Amendment to Implement the Office of Chief Financial Officer

		<u>Appropriation</u>	<u>Revenue</u>
Increase Appropriation No.	00058 Administration	72,741	
Increase Appropriation No.	00060 Assessments Division	622,026	
Increase Appropriation No.	00061 Purchasing Division	772,105	
Increase Appropriation No.	00063 Treasury Division	5,164,332	
Increase Appropriation No.	00245 Accounts Division - Administration	6,479,111	
Decrease Appropriation No.	00247 Accounts - City Income Tax Operation	(3,744,246)	
Decrease Appropriation No.	00832 Departmental Accounting Operations	(634,537)	
Decrease Appropriation No.	13820 Treasury-Restructuring Projects	(200,000)	
Decrease Appropriation No.	13979 Finance Restructuring Projects	(8,981,878)	
Increase Appropriation No.	00226 Budget Department Operations	477,861	
Increase Appropriation No.	14058 Financial Planning and Analysis	1,206,870	
Increase Appropriation No.	14057 Agency CFO	7,671,301	
Increase Appropriation No.	13909 Office of Grant Management	2,436,738	
Decrease Appropriation No.	00105 Administration (HR)	(245,163)	
Decrease Appropriation No.	00106 Personnel Selection (HR)	(75,391)	
Decrease Appropriation No.	00108 Labor Relations (HR)	(314,852)	
Decrease Appropriation No.	00833 Employee Services (HR)	(1,146,873)	
Decrease Appropriation No.	13976 Human Resources Restructuring Projects	(352,650)	
Decrease Appropriation No.	13974 Municipal Parking Restructuring Projects	(76,751)	
Decrease Appropriation No.	11825 Administration (GSD)	(239,141)	
Decrease Appropriation No.	11831 Inventory (GSD)	(61,553)	
Decrease Appropriation No.	13990 General Services Department Restructuring Project	(72,597)	
Decrease Appropriation No.	00123 Administration (PLD)	(192,410)	
Decrease Appropriation No.	11159 Blight Violation Adjudication (DAH)	(55,354)	
Decrease Appropriation No.	00064 Executive Management and Support (Fire)	(437,336)	
Decrease Appropriation No.	00065 Ordinance Enforcement (Fire)	(66,398)	
Decrease Appropriation No.	13983 Fire Restructuring Projects	(67,296)	
Decrease Appropriation No.	00527 Administration and Operations (Law)	(203,379)	
Decrease Appropriation No.	00028 Administration (DPW)	(115,104)	
Decrease Appropriation No.	13174 Strategic Planning & Grants (Rec)	(48,927)	
Decrease Appropriation No.	00024 Central Data Processing (ITS)	(74,059)	
Decrease Appropriation No.	13713 Budget Bureau (Police)	(3,450,628)	
Increase Appropriation No.	00058 Administration, Revenue Account 449155 IPO - Personal Services	-	4,046,562
TOTAL		\$ 4,046,562	\$ 4,046,562



DETROIT
CITY CLERK
2014 SEP 25 P 7 03

**EMERGENCY MANAGER
CITY OF DETROIT**

ORDER No. 41

**ORDER ESTABLISHING
CENTRALIZED FINANCIAL MANAGEMENT ORGANIZATIONAL STRUCTURE**

BY THE AUTHORITY VESTED IN THE EMERGENCY MANAGER
FOR THE CITY OF DETROIT
PURSUANT TO MICHIGAN'S PUBLIC ACT 436 OF 2012,
KEVYN D. ORR, THE EMERGENCY MANAGER,
ISSUES THE FOLLOWING ORDER:

Whereas, on March 28, 2013, Michigan Public Act 436 of 2012 ("PA 436") became effective and Kevyn D. Orr became the Emergency Manager (the "EM") for the City of Detroit (the "City") with all the powers and duties provided under PA 436; and

Pursuant to Section 9(2) of PA 436, the EM "shall act for and in the place and stead of" the Detroit Mayor (the "Mayor") and the Detroit City Council (the "City Council"); and

Section 9(2) of PA 436 also grants the EM "broad powers in receivership to rectify the financial emergency and assure the fiscal accountability of the [City] and the [City's] capacity to provide or cause to be provided necessary governmental services essential to the public health, safety and welfare;" and

Section 9(2) of PA 436 prohibits, during the pendency of receivership, the Mayor and City Council from exercising "any of the powers of those offices except as may be specifically authorized by the [EM] or as otherwise provided by [PA 436] and are subject to any conditions required by the [EM];" and

Pursuant to Section 10(1) of PA 436, the EM may "issue to the appropriate local elected and appointed officials and employees, agents, and contractors of the local government the orders the emergency manager considers necessary to accomplish the purposes of this act;" and

Pursuant to Section 12(1)(b) of PA 436, “notwithstanding any charter provision to the contrary,” the EM may “[a]mend, revise, approve, or disapprove the budget of the local government and limit the total amount appropriated or expended;” and

Section 12(1)(g) of PA 436 authorizes the EM, “notwithstanding any charter provision to the contrary,” to “[m]ake, approve, or disapprove any appropriation, contract, expenditure, loan, the creation of any new position, or the filling of any vacancy in a position by any appointing authority;” and

Section 12(1)(i) of PA 436 authorizes the EM, “notwithstanding any charter provision to the contrary,” and “[n]otwithstanding any minimum staffing level requirement established by charter or contract, [to] establish and implement staffing levels for the local government;” and

Section 12(1)(n) of PA 436 authorizes the EM, “notwithstanding any charter provision to the contrary,” to “consolidate or eliminate departments; of the local government or transfer functions from one department to another and appoint, supervise, and, at his or her discretion, remove administrators, including heads of departments other than elected officials;” and

Section 12(1)(ff) of PA 436 authorizes the EM, “notwithstanding any charter provision to the contrary,” to “[r]emove, replace, appoint, or confirm the appointments to any office, board, commission, authority, or other entity which is within or is a components unit of the local government;” and

Michigan Public Act 181 of 2014 ("PA 181"), which amended Michigan's Home Rule City Act, Michigan Public Act 279 of 1909 (the "Home Rule City Act"), requires the appointment of a Chief Financial Officer of any city with a population of over 600,000 (a "Qualifying City"), "notwithstanding a charter provision or ordinance to the contrary;" and

In particular, PA 181 added Section 4s to the Home Rule City Act, which, among other things, establishes the qualifications and responsibilities of the Chief Financial Officer position for a Qualifying City and grants the authority of the Chief Financial Officer to “supervise all financial and budget activities of the city.”

The City is a Qualifying City subject to PA 181;

On July 18, 2013, consistent with the authorization of the Governor of the State of Michigan provided under 18(1) of PA 436, the City filed a petition for relief pursuant to chapter 9 of title 11 of the United States Code, 11 U.S.C. § 101 *et. seq.* (as it may be amended, the “Bankruptcy Code”) in the United States Bankruptcy Court for the Eastern District of Michigan (the “Bankruptcy Court”) with the case caption of “*In re City of Detroit, Michigan*, Case No. 1353846” (the “Bankruptcy Case”); and

On September 16, 2014, the City filed a Seventh Amended Plan for the Adjustment of Debts of the City of Detroit (Docket No. 6908) (as it may be further amended, modified, corrected or supplemented, and including all exhibits thereto and any order confirming such plan, the “Plan of Adjustment”), and the City is pursuing the Bankruptcy Court’s confirmation of the Plan of Adjustment pursuant to the Bankruptcy Code; and

The EM, in consultation with the Mayor, has determined that it is appropriate, in light of PA 181 and to ensure the financial well-being of the operations of the government of the City and to assist in rectifying its financial emergency, that a centralized financial management organization, under the direction of the Chief Financial Officer, be established. In consultation with the Mayor, the EM also has determined that a centralized financial management organization will create an operational environment of financial accountability; provide integrated financial management focused on ensuring financial management integrity; and promote the long-term financial recovery of the City and the health, safety and welfare of the public.

It is hereby ordered that:

1. All actions taken by the City's Chief Financial Officer ("CFO") under this Order shall be taken under the supervision of, and with the approval of, the Mayor, or with respect to matters relating to the Bankruptcy Case or the Plan of Adjustment, under the supervision of, and with the approval of, the EM while he is in office.
2. The CFO shall have direct and indirect oversight of all finance, budget, and grant related functions. The CFO shall have all of the authority and responsibilities of the Finance Director under Sections 6-301 and 6-302 of the City Charter and Budget Director under Section 6-101, as well as the additional duties and responsibilities outlined in this Order.
3. The CFO is directed to establish a centralized financial management organizational structure, to be called the Office of the Chief Financial Officer ("Office of the CFO"). The Office of the CFO will provide management oversight, control, and direction to the existing Budget Department, Finance Department and all their subordinate components, and all finance, budget, and grant related components of other City departments, divisions, and agencies. The Office of the CFO shall oversee, control, direct, and coordinate the City's activities relating to budgets, financial plans, financial management, grants management, financial reporting, financial analysis, and compliance with the budget and financial plan of the City.
4. The Office of the CFO will be comprised of the following organizational components which shall be considered to be "Divisions" of the Office of the CFO:
 - a. Office of the Assessor (Assessments Division);
 - b. Office of the Treasury (Treasury Division);
 - c. Office of the Controller (Accounts Division);
 - d. Office of Contracting and Procurement (Purchasing Division);
 - e. Office of Grants Management (Grants Management Department);
 - f. Office of Budget (Budget Department); and
 - g. Office of Financial Planning & Analysis.

The Office of the Treasury will be headed by the Treasurer under Section 6-305 of the City Charter. The Office of the Controller will be headed by the Chief Accounting Officer under Section 6-303 of the City Charter. The Office of Contracting and Procurement will be headed by the Purchasing Director under Section 6-306 of the City Charter. The Office of Budget will be headed by the Budget Director under Section 6-101 of the City Charter. The Office of Grants Management, the Office of Financial Planning & Analysis and the Office of the Assessor will each be headed by appointees who will serve at the pleasure of the CFO. The CFO may determine the title of the head of each Division.

The CFO also may create a position of Chief of Staff, who shall be appointed by, and serve at the pleasure of, the CFO and shall be responsible for the day-to-day management of the Office of the CFO

5. The CFO, as necessary, shall have the authority to create additional subordinate organizational components and modify existing organizational subordinate components within the Office of the CFO and to select appropriate staff.
6. All finance, budget, and grants management related positions in each of the City's departments, divisions and agencies shall report to the CFO. Each department, division and agency will include in their annual budgets the full funding of all finance, budget, and grant related positions performing financial and/or budget management functions. The CFO may transfer finance, budget, and grant related position and their full funding into the Office of the CFO from any department, division, and agency. The CFO will seek input from each department, division and agency in the selection of the finance, budget, and grant related positions that will be housed in a department, division and agency and will seek input from such entities in the management of those positions.
7. The CFO may transfer all positions performing the following functions to the Office of the Controller within the Office of the CFO:
 - a. Payroll and payroll administration related functions;
 - b. Benefits administration related functions;
 - c. Unemployment insurance administration related functions; and
 - d. Workers' compensation administration related functions.
8. The CFO shall have the authority to modify the organization components or titles/job descriptions set forth in this Order.
9. All positions and the associated funding for positions performing payroll and payroll administration related functions of the Police Department are hereby transferred to the Office of the CFO, Office of the Controller.

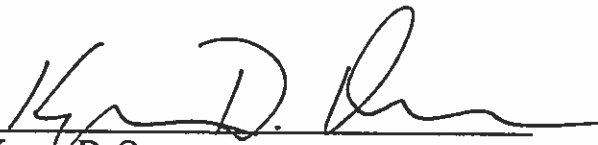
10. Notwithstanding any City or human resources rule, regulation, policy, agreement, ordinance, or practice to the contrary, including but not limited to the City's Civil Service Rules, the CFO shall have the authority to do the following in consultation with the Human Resource Department:
 - a. Determine the placement of all finance, budget, and grants related positions, including the selection and removal of incumbents, within the Office of the CFO and other City departments, division and agencies;
 - b. Create or modify job titles, roles, responsibilities and positions in support of the City's finance and budgeting functions, within the Office of the CFO and other City departments, divisions and agencies; and
 - c. Make recruitment, hiring, retention, promotion, demotion, reassignment and any other related personnel decisions affecting the City's finance and budgeting functions.

In all events, the CFO shall comply with the terms of applicable collective bargaining agreements and provide required notices to impacted employees and labor unions, if applicable.

11. The Human Resources Director shall file any employment position or new classification that is created on or after the date of this Order with the City Clerk and the Council on the 15th day of each month (or if such date is not a business day, the next succeeding business day), commencing on November 17, 2014. Such report shall include the compensation range of that employment position. Any new position that is created and filled shall be within available appropriations.
12. The CFO shall have the authority to write-off accounts receivable without City Council approval if such accounts receivable: (a) are older than the statute of limitations; (b) have been absolved by a legal proceeding such as the confirmed Plan of Adjustment; or (c) are older than one year, *provided that*, with respect to subparagraph (c), the CFO obtains the written approval of the Mayor.
13. Notwithstanding any City or human resources rule, regulation, policy, agreement, ordinance or practice to the contrary, including, but not limited to, the City's Civil Service Rules, in consultation with the Human Resource Department, the CFO shall create a new classification and compensation system for the positions under the authority of the CFO. The CFO shall have the authority to create compensation and salary schedules and to change said schedules based on future needs and compensation surveys to ensure competitive salaries for City finance and related positions. In all events, the CFO shall comply with the terms of applicable collective bargaining agreements and provide required notices to impacted employees and labor unions, if applicable.
14. Nothing in this order shall affect the employees, staff or appropriations related to the City Council.
15. Nothing in this order shall be interpreted as contrary to applicable law.

16. If any component of this Order is declared illegal, unenforceable, or ineffective by a court of competent jurisdiction, such component shall be deemed severable so that all other components contained in this Order shall remain valid and effective.
17. This Order shall be distributed to the Mayor, members of the City Council and all City Department Directors and Group Executives.
18. For transparency, the Executive Branch departments of the City described herein shall prepare a monthly report describing actions taken pursuant to this order on 15th day of each month (or if such date is not a business day, the next succeeding business day), commencing November 17, 2014. This report shall be filed with the City Clerk and City Council and posted on the City's website.

Dated: September 25th, 2014

By: 
Kevyn D. Orr
Emergency Manager
City of Detroit

cc: State of Michigan, Department of the Treasury
Mayor Michael Duggan
Members of the Detroit City Council
City Department Directors and Group Executives

City of Detroit Water & Sewerage Department
Comparison of FY16 Budgets
7/22/2015

	FRC Approved Budget as submitted by City Budget team (FY16 from FY15-17 Triennial Budget published by City)		BOWC Approved Budget		Difference Between FRC and BOWC Approved Budgets	
	FTEs*	Budget	FTEs	Budget	FTEs	Budget
Water Revenues						
1		\$ 411,249,844		\$ 402,093,889		\$ (9,155,955)
2		152,145		94,700		(57,445)
3		2,340,117		1,035,700		(1,304,417)
4		647,657		404,500		(243,157)
5		378,440		170,500		(207,940)
6		155,830,197		-		(155,830,197)
7		\$ 570,598,400		\$ 403,799,289		(166,799,111)
Water Expenditures						
8	128	\$ 14,010,164	105	\$ 22,801,250	(23)	8,791,086
9	108	4,824,070	98	4,152,832	(10)	(671,238)
10	401	33,593,142	293	35,851,009	(108)	2,257,867
11	182	57,392,040	151	57,702,082	(23)	310,042
13	91	27,231,825	68	29,999,065	(31)	2,767,240
14	205	13,382,446	187	11,475,318	(18)	(1,907,128)
15	-	678,013	14	783,732	14	105,719
16	1,115	\$ 151,111,700	916	\$ 162,765,289	(199)	11,653,589
17		\$ 192,038,200		\$ 193,362,800		1,324,600
18		215,891,341		20,566,100		(195,325,241)
19		-		1,981,200		1,981,200
20		-		22,500,000		22,500,000
21		718,219		-		(718,219)
22		10,838,940		2,623,900		(8,215,040)
23		419,486,700		241,034,000		(178,452,700)
24		\$ 570,598,400		\$ 403,799,289		(166,799,111)
Capital Funds**						
25		\$ -		\$ 203,587,500		203,587,500
26		-		203,587,500		203,587,500
Sewer Revenues						
27		\$ 1,181,335		\$ -		(1,181,335)
28		540,544,004		527,302,247		(13,241,757)
29		141,004		135,900		(5,104)
30		1,130,074		1,387,300		257,226
31		207,359		365,400		158,041
32		208,124		244,700		36,576
33		175,000,000		See 'Capital Fund' section		(175,000,000)
34		\$ 718,411,900		\$ 529,435,547		(188,976,353)
Sewer Expenditures						
35	2	\$ 14,237,224	-	\$ 33,030,424	(2)	18,793,200
36	-	7,247,418	-	6,229,241	-	(1,018,177)
37	-	18,997,240	-	19,314,387	-	317,147
38	546	135,477,369	442	116,690,401	(104)	(18,786,968)
40	-	23,932,476	-	28,897,005	-	4,964,529
41	-	11,710,414	-	10,726,750	-	(983,664)
42	11	1,057,359	-	1,805,438	(11)	748,079
43	559	\$ 212,659,500	442	\$ 216,693,647	(117)	4,034,147
44		\$ 251,850,200		\$ 253,468,400		1,618,200
45		79,895,550		25,958,300		(53,937,250)
46		-		2,610,800		2,610,800
47		-		27,500,000		27,500,000
48		5,445,321		3,204,400		(2,240,921)
49		168,561,329		-		(168,561,329)
50		505,752,400		312,741,900		(193,010,500)
51		\$ 718,411,900		\$ 529,435,547		(188,976,353)
Capital Funds**						
52		\$ -		\$ 6,000,000		6,000,000
53		-		6,000,000		6,000,000
54	1,674	\$ 363,771,200	1,358	\$ 379,458,936	(316)	15,687,736
55		\$ 925,239,100		\$ 553,775,900		\$ (371,463,200)
56		1,289,010,300		933,234,836		(355,775,464)
57						
58		-		209,587,500		209,587,500

* Noted that the Triennial Budget published by the City has discrepancies between the high-level summary and detailed amounts of FTEs. The total from the detailed listing is shown here for comparison. The high-level summaries stated 1,161 FTEs for Water and 683 FTEs for Sewer.

**The capital funds are identified in a separate section of the BOWC approved budget. Capital funds were included in non-O&M expenditures budget in the FRC approved budget.



Detroit Water and Sewerage Department

735 Randolph Street
Detroit, Michigan 48226
(313) 224-4704 Office
www.dwsd.legistar.com

Legislation Details (With Text)

File #: 15-1008 **Version:** 1 **Name:**

Type: Department Budget **Status:** Approved

In control: Board of Water Commissioners

On agenda: 3/11/2015 **Final action:** 3/11/2015

Title: The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department approves the proposed FY 2015-16 Operating Budget for the City of Detroit Water and Sewerage Department, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Indexes: Board of Water Commissioners

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
3/11/2015	1	Board of Water Commissioners	approved	Pass

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department **approves the proposed FY 2015-16 Operating Budget for the City of Detroit Water and Sewerage Department**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda date of March 11, 2015
Item No. 15-1008
FY 2015-16 Operating Budget

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department **approves the proposed FY 2015-16 Operating Budget for the City of Detroit Water and Sewerage Department**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

**RESOLUTION OF THE DETROIT CITY COUNCIL
REQUESTING RESTORATION OF ADMINISTRATIVE
RESPONSIBILITY FOR CITIZENS RADIO PATROL TO CITY COUNCIL**

WHEREAS, The Detroit City Council has held hearings and deliberations on the Executive Budget for FY 2015-16 as prepared and approved by Emergency Manager Kevyn Orr (EM) and submitted by the Honorable Mayor Mike Duggan; and

WHEREAS, Public safety and community policing are high priorities of City Council and the Duggan Administration. Our officers depend on and use the Citizens Radio Patrol (CRP) as the eyes and ears of the community to support police efforts; and

WHEREAS, During the FY 2014-2015 budget deliberations, City Council assumed the responsibility for administration of payment to program participants to alleviate an ongoing problem of delayed payment to volunteers; and

WHEREAS, Under City Council's guidance during the past year, the participation of the community has increased to include more young community members and has increased the use of technology and social media to enhance operations in the field; and

WHEREAS, City Council recognizes that the CRP program is budgeted in the Police Department in the upcoming fiscal year in Appropriation 10082/Operations in the amount of \$270,000.00; however, City Council recommends that this activity be restored to Council's budget to ensure continued prompt payment to participants in this valuable program. To the Council's knowledge, the Duggan Administration has not objected to this restoration. **NOW THEREFORE BE IT**

RESOLVED, That the Detroit City Council urges the Financial Review Commission to restore the \$270,000.00 appropriation to fund the Citizens Radio Patrol, presently designated as Appropriation 10082/Operations in the Detroit Police Department's budget, to City Council's budget, Appropriation 13843/CB Patrol. **BE IT FURTHER**

RESOLVED, That the City Clerk is directed to provide a copy of this resolution to the Governor and Treasurer of the State of Michigan, the Chief Financial Officer, the Finance Director, the Budget Director, the Financial Review Commission and all agencies, departments and divisions of the City of Detroit.

March 11, 2015

CITY OF DETROIT CONTRACT SUBMISSION TO FINANCIAL REVIEW COMMISSION

THE FOLLOWING CONTRACTS ARE BEING SENT TO THE FRC FOR REVIEW AND APPROVAL PURSUANT TO
SECTION 6, SUBSECTION 6 OF THE MICHIGAN FINANCIAL REVIEW COMMISSION ACT
For July 27, 2015 Meeting

Updated Listing: Prepared By: Boysie Jackson, Chief Procurement Officer - 7/22/2015

City Council and Water Board Approvals Through July 22, 2015

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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CONTRACTS GREATER THAN \$750K

1	AUDITOR GENERAL	2761395	Contract Renewal Amount: \$3,264,000.00 Contract Period: 9/1/2015 through 6/30/2016 Source: 100% City Funding Purpose: To Continue CAFR and Single Audit Reports for 2015 Fiscal Year Contractor: KPMG LLC Location: 150 W. Jefferson, Suite 1200, Detroit, MI 48226	Exercising Renewal Option	Exercising Renewal Option	7/21/2015	7/27/2015	This is the last Renewal for this Contract. Services are being Rebid
2	FIRE	2909649	Contract Amount: \$2,100,000 (New Contract) Contract Period: Upon FRC Approval Date through July 19, 2017 Source: 50% City Funding, 50% Quality of Life Funding (QOL) Purpose: To Provide Self Contained Breathing Apparatus (SCBA) Equipment Contractor: Apollo Fire Equipment Co. Location: 12584 Lakeshore Dr., Romeo, MI 48065	Yes	Yes	6/23/2015	7/27/2015	
3	NON-DEPARTMENTAL /OFFICE OF THE CHIEF OPERATING OFFICER	2909385	Contract Amount: \$800,000 (New Contract) Contract Period: Upon FRC Approval through September 30, 2015 Source: 100% City Funding Purpose: To Provide A Financial Analysis For The City of Detroit and The Great Lakes Water Authority. Contractor: Ernst & Young U.S. LLP Location: 777 Woodward Ave., 9th Floor, Detroit, MI 48226	DWSD-R GLWA Source Selection	DWSD-R GLWA Source Selection	6/23/2015	7/27/2015	To Provide a Financial Analysis For The City of Detroit and The Great Lakes Water Authority. For the separation of the City of Detroit Water and Sewerage Department to a Wholesale Water and Sewerage Business.
4	PUBLIC WORKS	2886923	Contract Amount: \$1,392,991.90 (Contract increase - Funds Only) Contract Period: Upon FRC Approval through 12/31/2016 Source: 100% Street Funding Purpose: To Provide Bituminous Surface Removal, Curb, Sidewalk and American With Disability Act (Ada) Ramp Construction and Related Work at Various Locations Citywide for the Department of Public Works Contractor: Giorgi Concrete, LLC Location: 20450 Sherwood, Detroit, MI 48234	Yes	Yes	7/14/2015	7/27/2015	This Amendment #1 is for an Increase in Funds Only. Original contract amount is \$5,453,707.47
5	PUBLIC WORKS	2902817	Contract Amount: \$997,835 (New Contract) Contract Period: Upon FRC Approval through 12/31/2017 Source: 100% City/Metro Funding Purpose: To Provide Repair of Tree-Root Damaged Sidewalks & Driveways - Eastside. Contractor: Giorgi Concrete, LLC Location: 20450 Sherwood, Detroit, MI 48234	Yes	Yes	6/23/2015	7/27/2015	
6	PUBLIC WORKS	2903219	Contract Amount: \$999,685 (New Contract) Contract Period: Upon FRC Approval through 12/31/2017 Source: 100% City/Metro Funding Purpose: To Provide Repair of Tree-Root Damaged Sidewalks & Driveways - Westside. Contractor: Giorgi Concrete, LLC Location: 20450 Sherwood, Detroit, MI 48234	Yes	Yes	6/23/2015	7/27/2015	
7	PUBLIC WORKS	2902915	Contract Amount: \$1,492,008 (New Contract) Contract Period: One Time Purchase Source: 100% Street Funding Purpose: To Provide Eight (8) 14 Cubic Yard Live Bottom Dump Trucks Contractor: Wolverine Freightliner Eastside Inc. Location: 107 S. Groesbeck, Mt. Clemens, MI 48043	Yes	Yes	6/16/2015	7/27/2015	

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
8	RECREATION	2907110	Contract Amount: \$7,500,000 (New Contract) Contract Period: Upon FRC Approval through 1/15/2018 Source: 100% City Funding Purpose: To Assist the Detroit Recreation Department with Capital Projects, including Improvements and Renovations to the Kemeny Recreation Center. Contractor: Detroit Building Authority Location: 1301 Third Street, Ste. 328, Detroit, MI 48226	Inter-Governmental Agreement	Inter-Governmental Agreement	6/16/2015	7/27/2015	
9	TRANSPORTATION	2897326	Contract Amount: \$988,704.29 (Contract Extension) Contract Period: 4/1/2015 through 9/30/2015 Source: 100% City Funding Purpose: To Provide Paratransit Services for Elderly, Disabled and Low Income City of Detroit Residents. Contractor: Checker Cab Company Location: 2128 Trumbull, Detroit, MI 48216	Yes	Yes	7/7/2015	7/27/2015	Original contract period is 8/1/2014 through 3/31/2015. To Provide services until New Contract for Paratransit is awarded in September.
10	TRANSPORTATION	2908280	Contract Amount: \$6,500,000 (New Contract) Contract Period: 7/1/2015 through 6/30/2016 Source: 100% City Funding Purpose: To Provide A Funding Agreement For Pass Through of Funds For The Operations of the Detroit Transportation Corporation who support the Detroit People Mover. Contractor: Detroit Transportation Corporation Location: 535 Griswold, Suite 400, Detroit, MI 48226	Funding Agreement	Funding Agreement	6/30/2015	7/27/2015	

CONTRACTS GREATER THAN 2 YEARS

11	LAW	2900833	Contract Amount: \$370,909.44 (New Contract) Contract Period: Upon FRC Approval through 7/9/2018 Source: 100% City Funding Purpose: To Provide the City of Detroit with a License to Access and use the WestlawPRO Legal Research System, Products and Data Sources for Local Government entities including, but not limited to, WestlawNext Internet-based Services Contractor: West Publishing Corporation Location: 610 Opperman Drive, St. Paul, MN 55164	No	Yes	7/14/2015	7/27/2015	
12	TRANSPORTATION	2898333	Contract Amount: \$734,992.50 (New Contract) Contract Period: Upon FRC Approval through 6/30/2018 Source: 100% City Funding Purpose: To Provide Particulate Filters for All DDOT Transit Coaches. Contractor: DPF Cleaning Specialist Location: 5325 Outer Dr., Windsor, ON Canada, N9A 6J3	Yes	Yes	6/30/2015	7/27/2015	

WITH 1 ENTITY, WITHIN 1 YEAR, GREATER THAN \$750K

13	GENERAL SERVICES	2865165	Contract Amount: \$378,000 Contract Period: Upon FRC Approval through 6/30/2016 (time extension only) Source: 100% City Funding Purpose: To Provide Repair Service, Parts & Vehicle Body and Related Work. Contractor: Jorgenson Ford Location: 8333 Michigan Ave., Detroit, MI 48210	Yes	Yes	6/30/2015	7/27/2015	Original contract period is 7/1/2012 through 6/30/2015. Contract 2900015, \$1,650,000.00. City Council Approval 11/25/14 - To Provide 55 Ford Fusions for Police Contract 2901100, \$846,500.00. City Council Approval 9/23/14 - To Service Repair for Police Vehicles
14	GENERAL SERVICES	2898442	Contract Amount: \$731,544 Contract Period: Upon FRC Approval through 11/30/2015 (time extension only) Source: 100% City Funding Purpose: To Provide Building/Office Renovations to 8th and 9th Floors at Coleman A. Young Municipal Center. Contractor: W3 Construction Company Location: 7601 Second Avenue, Detroit, MI 48202	Yes	Yes	6/16/2015	7/27/2015	Original contract date is 9/27/2014 through 6/30/2015
15	RECREATION	2891172	Contract Amount: \$116,709 (contract increase and time extension) Contract Period: Upon FRC Approval through 11/30/2015 Source: 62% City Funding and 38% General Obligation Bonds (GOB) Funding Purpose: To Provide Improvements and Repairs at Hart Plaza for Special Event Season Contractor: W3 Construction Company Location: 7601 Second Avenue, Detroit, MI 48202	Yes	Yes	6/16/2015	7/27/2015	Original Amount is \$303,709.00 and original contract date is 4/1/2014 through 6/30/15

Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
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DEPARTMENT OF WATER AND SEWERAGE CONTRACTS

CONTRACTS GREATER THAN \$750,000.00

16	Water and Sewerage	2747618 (CS-1432A Chg Order# 3)	Contract Amount Not to Exceed: \$14,607,000.00 [\$1,357,000 Increase] Initial Contract Period: 12/12/07 - 12/12/16 [New Expiration: 12/12/18] Source: 100% Operating Budget (Capital Improvement) Purpose: Provide General Engineering Services Contractor: Tucker, Young, Jackson, Tull, Inc. (George Karmo, President & CEO) Location: 565 East Larned Suite 300, Detroit, MI 48226	Not Required; Existing contract amendment	Not Required; Existing contract amendment	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 7/22/15	99% of initial award expended to date which is insufficient to complete ongoing tasks incl. design & construction services to support Small Capital projects at Wastewater Treatment Plant (WWTP), Electric Cable Tunnel at Lake Huron WTP, Timber Booms at Belle Isle Intake Lagoon, PC-789 WWTP Pump Station 1 Rack & Grit Improvements, New Access Hatches at Conner Creek CSO Basin and scope modification to include periodic site inspections of Concrete Rehab at Lake Huron, Springwells and Waterworks Park WTPs as result of inadequate DWSD staffing due to attrition.
17	Water and Sewerage	2779623 (CS-1488 Chg Order# 2)	Contract Amount Not to Exceed: \$9,195,700.00 [\$1,000,000 Increase] Initial Contract Period: 4/8/14 - 4/8/18 [New Expiration: 4/8/21] Source: 100% Operating Budget (Capital Improvement) Purpose: Provide "As-Needed" Engineering Services for Design, Concrete Testing, Geotechnical Soil Borings, Other Testing & Related Services in Support of Four (4) Water Main Replacement Projects Contractor: Somat Engineering, Inc. (Gnanadesikan Ramanujam, President & CEO) Location: 660 Woodward Ave Suite 2430, Detroit, MI 48226	Not Required; Existing contract amendment	Not Required; Existing contract amendment	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 7/22/15	Initial scope of work included design services for four (4) water main replacement projects followed by inclusion of additional engineering testing and administration services in 2013, however, inadequate DWSD staffing due to attrition warrants leveraging external resource to provide construction inspection services and related field services.
18	Water and Sewerage	2815683 (CS-1484 Amend# 1)	Contract Amount Not to Exceed: \$1,790,042 [\$874,392.00 Increase] Initial Contract Period: 8/11/10 - 2/4/14 [New Expiration: 6/30/19] Source: 100% Operating Budget (Capital Improvement) Purpose: Provide Engineering Services for the Study, Design & Construction Phase Rehabilitation of Rectangular Primary Clarifiers, Drain Lines, Hot Water, and Scum Lines Contractor: Wade Trim Associates (Frank Tymowski, President & CEO) Location: 500 Griswold Suite 2500, Detroit, MI 48226	Not Required; Existing contract amendment	Not Required; Existing contract amendment (preferred option to modify design previously-completed by incumbent vs. re-bid that may introduce potential increase & variation for re-design)	N/A; below \$5/yr mil approval requirement for contracts relative to Construction	N/A BOWC Approval 6/24/15	Design Phase completed in 2012 with Construction Phase deferred due implementation of PC-757 Rehabilitation of Electrical/ Mechanical Buildings & Pipe Gallery coupled with City of Detroit bankruptcy; action required to reduce excessive downtime repair due to deterioration by rehabilitating 12 Primary Rectangular Clarifiers (supply 50% capacity) & Pipe Gallery to improve reliability of primary treatment system at Wastewater Plant (WWTP) & compliance with National Pollutant Discharge Elimination System (NPDES) regulation to maintain wet weather primary treatment capacity of 1700 MGD.
19	Water and Sewerage	2884339 (CS-1522 Chg Order# 1)	Contract Amount Not to Exceed: \$16,000,000.00 [\$1,500,000.00 Increase] Contract Period: 12/12/13 - 12/12/18 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Provide Data Resolution, Program & Rate Development, Customer Outreach and Technical Support for Green Infrastructure (GI) Program from 2013-2018 in Compliance with NPDES Requirement Contractor: Tetra Tech of Michigan (Stuart Brightman, President & CEO) Location: 65 Cadillac Square, Detroit, MI 48226	Not Required; Existing contract amendment	Not Required; Existing contract amendment	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 7/22/15	Initial scope of work relative to drainage charge credit system expanded in January 2015 to include account data resolution to support implementation of Drainage Charge System for revenue collection which does <u>not</u> qualify for credit toward \$15 mil investment requirement from 2013-18 to reduce storm water flow thus lower drainage costs in compliance with National Pollutant Discharge Elimination System (NPDES) permit issued by MI Dept of Environmental Quality (MEDQ); drainage charges account for approximately \$95-\$110 mil in DWSD's annual revenue.
20	Water and Sewerage	2884339 (SCP-SP-009)	Contract Amount Not to Exceed: \$791,000 Contract Period: 8/1/15 - 2/1/16 Source: 100% Operating Budget (Capital Improvement) Purpose: Provide New Equipment to Conduct Alum Sludge Discharge Pilot Testing at Sedimentation Basin No. 8 at Springwells Water Treatment Plant Contractor: Weiss Construction Company, LLC (Dan Weiss, President & CEO) Location: 400 Renaissance Center #2170, Detroit, MI 48243	Yes	Yes [Engineering Estimate=\$600,000]	N/A; below \$5 mil/yr approval requirement for contracts relative to Construction	N/A BOWC Approval 7/22/15	Three (3) bid submissions resulted from solicitation to one hundred ninety-six (196) suppliers; alum sludge removal from sedimentation basins can create high solid loads that overwhelm dewatering equipment and consequently, MEDQ added new requirement that mandates DWSD to correct its alum sludge discharge issue; new equipment (i.e., electric motor-operated mud valves, sludge sampling system, sludge analysis equipment, instrumentation & controls) will enable DWSD to conduct pilot testing to validate use of basin mud valves vs. continuous sludge removal equipment as cost effective option.

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
21	Water and Sewerage	2911106	<p>Contract Amount Not to Exceed: \$1,313,613.33 [\$656,806.67 Annually] Contract Period: 8/1/15 - 7/30/17 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Provide Grounds Services for 72 DWSD facilities across Southeast Michigan for Two (2) Years with Two (2) - One (1) Year Renewal Options Contractor: Premier Group Associates LC (Andrew Housey, President & COO) Location: 535 Griswold #1400, Detroit, MI 48226</p>	Yes	Yes	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 6/24/15	Three (3) bid submissions resulted from solicitation to three hundred forty-six (346) suppliers; ground services include landscaping, weeding, shrubbery & tree trimming, seeding, lawn & outside grounds area cleaning and associated duties; internal cost-benefit analysis of 16 FTEs allocated to DWSD operating budget for grounds keeping functions deemed as "non-essential" services in addition to lack of sufficient dedicated staff to adequately support grounds functions warranted outsourcing action resulting in projected annual savings of \$857,233 or 56.6%.
22	Water and Sewerage	2911145	<p>Contract Amount Not to Exceed: \$1,440,000.00 [\$720,000.00 Annually] Contract Period: 8/1/15 - 7/30/17 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Just-in-Time (JIT) Electrical Supplies and Equipment for Two (2) years with Two (2) - One (1) Year Renewal Options Contractor: McNaughton McKay Electric Co. (Donald Slominski Jr., Pres & CEO) Location: 1357 East Lincoln Avenue, Madison Heights, MI 48071</p>	Yes	Yes	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 6/24/15	Three (3) bid submissions resulted from solicitation to one hundred fifty-two (152) suppliers; previously awarded one (1) year contract to McNaughton-McKay for pilot initiative in 2014 that resulted in \$4,500 savings through Buy-Back Program for Unused & Obsolete Parts and \$4,000 annual rebate credited to DWSD with estimated transactional savings of \$10,050 annually based on estimated FY 2016 expenditures of \$740,000; elimination of solicitations for recurring purchases and associated lead times support optimization by allowing direct order from source to ensure timely procurement and delivery.
23	Water and Sewerage	2911300	<p>Contract Amount Not to Exceed: \$1,636,927.36 [\$818,463.63 Annually] Contract Period: 8/1/15 - 7/30/17 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Furnish Approximately 11,326 of Various Hydrant Parts to Repair Standard & Breakaway Fire Hydrants Contractor: East Jordan Iron Works Inc. dba EJ USA Inc. (Frederick Malpass, President) Location: 301 Spring Street PO Box 439, East Jordan, MI 49727</p>	No	Single Source	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC 6/24/15	Single source justification based on cost avoidance of distributor mark-up through procurement directly from East Jordan, manufacturer of the existing hydrants. FRC approval previously issued on 3/27/15 for SPO# 2876342 not to exceed \$1,366,855.04 (\$683,427.50 Annually) for replacement of approx. 30,000 Breakable Fire Hydrants & Catch Basins.
24	Water and Sewerage	CPO Pending (RFQ# 50141)	<p>Contract Amount Not to Exceed: \$5,554,146.00 [\$1,851,382.00 Annually] Contract Period: 8/1/15 - 7/30/18 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Provide Commercial Bill Print & Mail Services for DWSD's Customer Service Billing System for Three (3) years with Two (2) - One (1) Year Renewal Options Contractor: Utilitec Communications Inc. Subsidiary of Ancor, (Dave Bartkowiak, Exec Director of Operations) Location: 1911 Woodslee, Troy, MI 48083</p>	Yes	Yes	N/A; below \$2 mil/yr approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 7/22/15	Seven (7) bid submissions resulted from solicitation to one hundred thirty-six (136) suppliers; scope includes daily processing, archive & mail, reporting, customer support, disaster recovery, labor, equipment, materials, consumables, supplies and all other related duties; internal cost-benefit analysis of 3 FTEs allocated to DWSD operating budget for bill printing & mailing functions deemed as "non-essential" services warranted outsourcing action resulting in estimated annual savings of \$183,992.55 or 27.13%.

CONTRACTS GREATER THAN OR EQUAL TO 2 YEARS

25	Water and Sewerage	2815687 (CS-1499 Chg Order# 2)	<p>Contract Amount Not to Exceed: \$10,675,000.00 [\$675,000 Increase] Initial Contract Period: 6/2/10 - 6/2/15 [New Expiration: 6/2/18] Source: 100% Operating Budget (Capital Improvement) Purpose: Provide Construction Administration Services for DWS-891 (\$1.8 mil) Awarded to Lakeshore to Provide Pressure Regulating Valve Vault Improvements and DWS-896 (\$0.7 mil) Awarded to DES Electric for Replacement of Outdoor Switchgear at Joy Road Pumping Station Contractor: METCO Services, Inc. (Raj Vijayendran, President) Location: 1274 Library Street Suite 400, Detroit, MI 48226</p>	Not Required; Existing contract amendment	Not Required; Existing contract amendment	N/A; below \$2 mil approval requirement for contracts relative to Goods & Services	N/A BOWC Approval 7/22/15	99% of initial award expended to date which is insufficient to extend beyond initial scope of work to support periodic site inspections to monitor progress, quality and performance of contractors and initially intended to be performed by DWSD field engineers, however, inadequate staffing due to attrition warrants leveraging external resources to provide qualified staff to perform site inspections; FRC approval previously issued on 2/23/15 for CD-1633 Amend#1 (\$1.8 mil) awarded to METCO to update database for DWSD Sewer Collection System-Upper Rouge Watershed Geographical Information System (GIS).
26	Water and Sewerage	2911298	<p>Contract Amount Not to Exceed: \$104,270.40 Source: 100% Operating Budget (Operations & Maintenance) Purpose: Third Party Support for HP Proliant & IBM Power Components Contractor: SMS Systems Maintenance Services Location: 10420 Harris Oaks Blvd Suite C, Charlotte, NC 28269</p>	Yes	Yes	N/A; below \$2 mil approval requirement for contracts relative to Goods & Services	N/A; below \$250k approval requirement for contracts relative to Professional Services	

	Department	Contract Number	Description	Competitively Bid	Lowest Bid	City Council Approval Date	Office of the Chief Financial Officer Approval Date	Comments
27	Water and Sewerage	LA-87-002 Amend# 14	<p>Contract Amount Not to Exceed: \$47,250.00 Initial Contract Period: 7/23/68 - 12/31/07 [New Expiration: 12/31/27] Source: 100% Operating Budget (Operations & Maintenance) Purpose: Fighting Island Southwest Water Treatment Plan Intake - Water Lot 4142 with Province of Ontario (Lessor) Lessor: Province of Ontario Location: Intake from Detroit River west of Fighting Island in Ontario and connected to 14700 Moran Road, Allen Park, MI 48101</p>	Not Required; Existing contract extension	Not Required; Existing contract extension	N/A; below \$2 mil approval requirement for contracts relative to Goods & Services	N/A; below \$500k approval requirement for contracts relative to Land & Equipment	DWSD owns, operates and maintains three (3) raw water intakes of which DWSD entered into agreement with Province of Ontario in 1968 to lease a water lot between Fighting Island and the Township of Sandwich Ontario for the construction, maintenance & operation of water intake facilities supplying water to Down River and Southwest Detroit communities; lease has been renewed every ten (10) years and DWSD has been seeking lease renewal since 12/31/07 expiration in order to maintain a reliable and sustainable source of raw water supply.