

# AGENDA

**REGULAR MEETING OF THE COUNCIL (CONDUCTED AS A COMMITTEE-OF-THE-WHOLE) TO BE HELD IN THE COUNCIL CONFERENCE ROOM, 26000 EVERGREEN ROAD, SOUTHFIELD, MICHIGAN, ON MONDAY, JULY 7, 2008, AT 7:00 P.M., EASTERN DAYLIGHT SAVINGS TIME, PURSUANT TO SECTION 4.3 OF THE CITY CHARTER.**

## **COMMUNICATIONS:**

1. Request for Recognition – Mark Hechler
2. Request for Recognition – Kathryn Williams

## **FOLLOWING ITEMS WILL BE DISCUSSED:**

1. Proposed Tool and Die Renaissance Recovery Zone – 22108 W. Eight Mile Road
2. Southeastern Oakland County Water Authority Overview
3. Proposed Reorganization of the Youth Assistance Commission

and other items Council deems necessary

Nancy L. M. Banks  
City Clerk



June 24 2008  
To members of the Southfield  
City Council

my name is Mark Decker  
I live at 25460 Franklin Pointe Drive,  
in the Stonebrooke Condo Subdivision.  
my phone number 248-355-0848

I would like to appear before you  
on July 7th to discuss my property tax

Thank You  
Mark Decker

cc: Jim Schamer  
Jack Benas

JUN 24 2008

**RECEIVED**

JUN 24 2008

City Clerk  
City of Southfield



RECEIVED

JUL 02 2008

City Clerk  
City of Southfield

July 2, 2008

I would like to speak to  
the council on July 2, 2008  
about the lack of a return  
phone call from a supervisor  
of anyone regarding a call  
made now 2 weeks ago.

Thank - you

Kathryn Williams  
248-540-7564

cc: Jim Scharet



July 7, 2008

Honorable Mayor and Council  
Municipal Building  
Southfield, Michigan

**RE: Proposed Tool and Die Renaissance Recovery Zone  
Bradley Thompson Tool Company  
22108 W. Eight Mile Road**

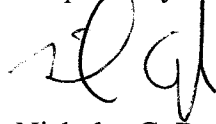
Dear Sirs and Mesdames:

Bradley Thompson Tool Company has submitted a request for the City to designate their company a Tool and Die Renaissance Recovery Zone to enable them to participate in the Tool and Die Recovery Zone program as provided under the Michigan Renaissance Zone Act, Public Act 376 of 1996, as amended. The purpose of this specialized program is to foster growth and improvement of the small tool and die business sector through (1) financial assistance at both the State and local levels in the form of tax exemption for up to a period of 15 years, and (2) mandated collaboration with a group of designated Tool and Die Recovery Zone program participants to develop tool and die industry standards and processes, and to develop sales, marketing, and purchasing efforts that will enhance opportunity, efficiency and growth of the members of the collaborative group.

Attached hereto is information addressing the Tool and Die Renaissance Recovery Zone, program requirements, taxes that companies located in a recovery zone pay and do not pay under the Act, and the tax implications for the city.

In addition to myself, representatives from the Michigan Economic Development Corporation and Bradley Thompson Tool Company will be present to answer any questions that you may have.

Respectfully submitted,



Nicholas G. Banda  
Director of Planning and Economic Development

NGB:MDS



**Bradley Thompson Tool**  
**22108 W. 8 Mile Road**  
**Southfield, MI 48033**  
**(248) 352-1466**

June 6, 2008

Mr. Nicholas Banda  
Director of Planning & Economic Development  
26000 Evergreen Road  
Southfield, MI 48076

REF: Tool and Die Renaissance Recovery Zone

Dear Nik,

The nature of this letter is to ask the City of Southfield to consider Bradley Thompson Tool Company for the Tool and Die Renaissance Recovery Zone that the Michigan Economic Development Corporation offers to qualifying businesses.

Bradley Thompson tool has been in operation since 1954. It started as a small machine shop with manual machines located in a horse stable. It has since grown by several additions and many machines. We have always been a family minded company. Present Owner Arthur Watson III has worked for Bradley Thompson Tool since the age of 18 back in 1988. His father before him worked for the company since 1967. Co-Owner Jeff Sutter has two sons that work full time along with a daughter that works part time through school. It is because of this that in 2006, when faced with the choice of letting the shop close its doors or purchase a company that was mightily struggling, we took a chance and purchased the business.

We have endured some of our most trying years since the events that took place on September 11. Sales plummeted from nearly \$4.5 Million per year to \$2.3 Million today. Once having a full time night shift, we now run only two employees through the night hours. Our day shift has gone from nearly thirty to only eleven in the shop. The office employed seven and now remains at four.

In order to compete with the rise in foreign competition, we have been forced to reduce our hourly rate by 14%. Our margins are minimal and thus, have no room for error in quoting. In addition to the foreign competition is the rising cost to conduct business. Health care, fuel, and metal prices have been at all time highs.

The purpose of this "Recovery Zone" is to establish a method for struggling small businesses, like our self, to achieve a roadmap to recovery. The state allows for a company to be exempt from the majority of its state and local taxes, except debt millage. In return, the small business must join a collaborative of other small Michigan Tool and Die Shops (in specific North American Industrial Class codes), to apply to the MEDC for this new tax exemption status. The collaborative is required to work "collaboratively" to realize efficiencies (ie. joint marketing ventures, streamlined quality measures, increased buying power for health care and raw materials, joint sales efforts), but also benefits by exposure to new customers and industries. An annual audit by the MEDC verifies a companies' participation and measures the group's progress and success.

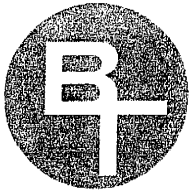
Completion of the lengthy application takes several months. It is because of this that we are looking for a timely indication and approval of a resolution authorizing Bradley Thompson to apply to the MEDC for Recovery Zone status.

We believe our participation in this program is critical to the long term success of Bradley Thompson Tool in Southfield. Your time and effort is extremely appreciated and thank you for your serious consideration of our request.

With appreciation,

Handwritten signatures of Jeff Sutter and Art Watson III. The signature on the left is "Jeff Sutter" and the signature on the right is "Art Watson III".

Jeff Sutter and Art Watson III



# Bradley-Thompson Tool Company

22108 W. Eight Mile Road - Southfield, Michigan 48034

Tel: 248-352-1466 Fax: 248-352-7907

[www.bradleythompsonstool.com](http://www.bradleythompsonstool.com)

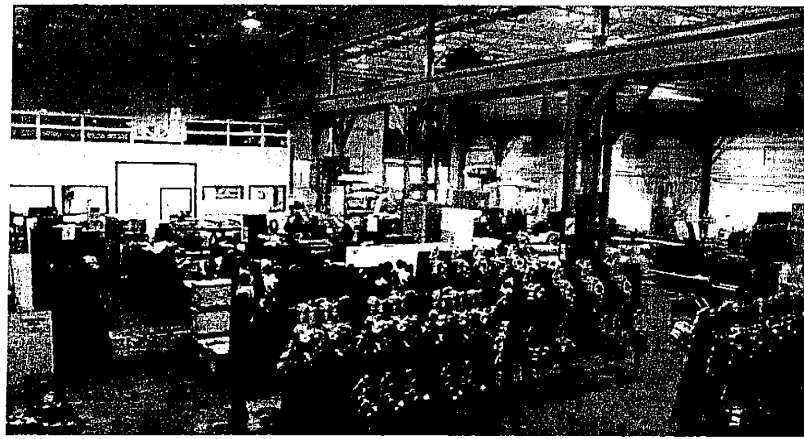
Since 1954

electronic (email) drawing & model submissions to: [b2thompson@aol.com](mailto:b2thompson@aol.com)

Specializing in Manufacturing and Machining precision components for Aerospace & Nuclear Power Industry

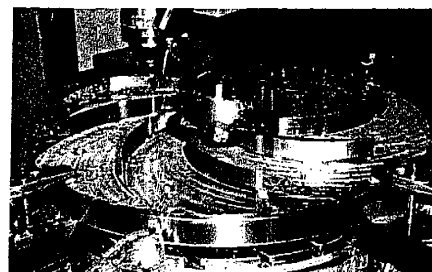
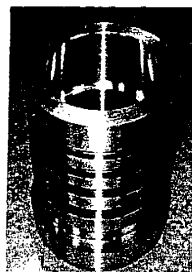
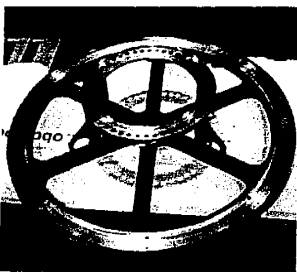
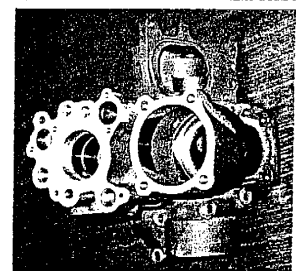
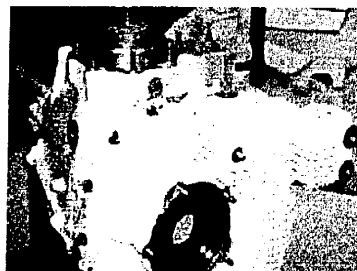
Customer History & References:

GE Aerospace and Power, Williams International, Bell Helicopter, Goodrich Landing Systems, Rolls-Royce Aircraft Systems, Triumph Gear Systems, Lord Aerospace and more...



18,000 sq ft of Climate Controlled Machine Shop - 2 high bays w/ overhead 5 ton cranes  
Over 50 years of Military and Aerospace machining / manufacturing experience  
ISO 9001 & AS9100 Certified

Quality Assurance with a 400 sq ft Inspection room  
employing complete isolation from the foundation  
to it's own climate controlled environment



### Customer Services & Provisions:

Precision Machining Practices (.0002"/.005mm)  
Specialists in Exotic Materials (SS,Ti,Inconel,Mg,Al)  
Machining, Fixturing, Gauging, Assembly Services  
First Article Inspections  
Government & Customer Source Inspections  
Single Source Responsibility  
NDT Coatings and Special Manufacturing Processes  
Customer Specific Requests and Requirements

### Customer Contact Information:

|                       |                |              |  |
|-----------------------|----------------|--------------|--|
| Eng / Mfg Estimating: | Art Watson Jr. | 248-352-1466 | <a href="mailto:b2thompson@aol.com">b2thompson@aol.com</a>             |
| Business Mgmt:        | Jeff Sutter    | 810-333-6161 | <a href="mailto:jeff.sutter@comcast.net">jeff.sutter@comcast.net</a>   |
| Quality Assurance:    | David Shanks   | 248-352-1466 | <a href="mailto:b2quality@aol.com">b2quality@aol.com</a>               |
| Sales Inquiries:      | Brian R Burke  | 248-404-8618 | <a href="mailto:brianburke2000@yahoo.com">brianburke2000@yahoo.com</a> |
| Sales Inquiries:      | Ron Gauthier   | 734-552-1466 | <a href="mailto:roncauth@yahoo.com">roncauth@yahoo.com</a>             |

Contact us at Bradley Thompson Tool Company

We will do all we can to exceed your expectations

# Bradley-Thompson Tool Company - Equipment List

## Boring Mills:

- 1 DeVlieg CNC 3H72 3" bar 48" x 72" Capacity with AB CNC Control & 40" x 40" Air Index Table
- 1 DeVlieg 3H72 3" bar 48" x 72" Capacity with DRO unit & 24" x 24" Index Table
- 1 DeVlieg CNC 3K48 3" bar 48" x 48" Capacity with AB CNC Control & 24" x 24" Air Index Table

## CNC Machining Centers:

- 1 Monarch VMC 175 - 4 Axis Contouring Machine, 74"X x 40"Y x 45"Z, 40 tools
- 1 Monarch VMC 150 - 4 Axis Contouring Machine, 50"X x 30"Y x 45"Z, 40 tools
- 1 Monarch HMC 100 - 3 Axis w/ 360degree Index Table, 50 tools
- 1 Haas VF-3 VMC - 4 Axis Contouring Machine, 20"X x 40"Y x 25"Z, 20 tools

## CNC Turning Centers:

- 1 Daewoo Puma 230 - 20" swing x 30" bc
- 1 Daewoo Puma 300 - 27" swing x 36" bc
- 1 Excello Numatrol Lathe - 48" swing x 55" bc
- 1 Fryer ET30 - 30" swing x 80" bc
- 1 Monarch Predator - 14" swing x 30" bc with VDI turret , C-axis and Live Tooling

## Jig Boring Machines:

- 1 Fosmatic - dial input 22" x 44" travel, with milling feeds.
- 1 Fosmatic - dial input 22" x 44" travel, with readouts.

## Manual Lathes:

- 1 LeBlond lathe - 19" swing x 54" bc
- 1 LeBlond lathe - 24" swing x 72" bc

## Manual Mills:

- 5 Bridgeport knee-mills, 42" tables with digital readouts
- 1 Cincinnati 13" x 36" vertical milling machine

## Grinders:

- 1 Brown & Sharpe #3 OD Universal 14" x 36"
- 1 Parker Majestic #2 OD Universal 12" x 24"
- 1 Heald #72A ID 15" stroke
- 3 6x18 surface grinders (Gardner, Parker Majestic, Landis)
- 1 Superior Model AM Hone

## Drilling Machines:

- 2 Fosdick Sensitive Drill Presses
- 3 Bench-top Drill Presses

## Inspection Department:

- Isolated, Climate Controlled, Inspection Room - 400 sq ft*
- 1 Starrett CMM Measuring - 52"X x 40"Y x 24"Z
- 1 Mitutoyo 24" Digital Optical Comparator
- 1 Brown & Sharpe - 10' x 4' Black Granite Inspection Table
- 1 Profilometer - Surface Analyzer
- Intra mikes and Dial Bore Gages

## CAD/CAM Systems:

- 1 Teksoft - 3D CAD/CAM system complete with various data translators (DXF, IGES, DWG, etc.)
- 2 AutoCad 2004 seats complete with various data translators (DXF, IGES, DWG, etc.)

## Bradley Thompson Tool Co. - Highlights:

- Over 50 years of Aerospace Experience
- 25 Employees
- 8 Employees w/ over 10yrs with BTT
- 18,000 sq ft machine shop
- Completely Climate Controlled shop
- 2 Hi-bays with Overhead 5 ton cranes
- 2 Shift Operation
- ISO 9001 Certified
- AS9100 Certified
- Continuous Machine/Inspection Calibration
- Computer Networked Shop with multiple Shop floor work-stations

## Miscellaneous Equipment:

- 1 30" Pratt Whitney Rotary Table
- 1 15" Dapra Tile Rotary Table
- 1 12" Haas CNC Rotary Table
- 1 8" Haas CNC Rotary Table
- 1 Wells Semi-Auto cutoff saw
- 1 DoAll Contour saw
- 1 75 Ton Dake Hydraulic Press
- 1 Powermatic Sander
- 1 Vibratory Deburr Unit
- 1 Hyster # 6000 forklift

# Tool & Die Recovery Zones

## Michigan Renaissance Zone Program

The Michigan Renaissance Zone Act, P.A. 376 of 1996 (MCL 125.2688) was amended to allow the Michigan Strategic Fund (MSF) Board to designate up to 25 tool and die renaissance recovery zones ("Recovery Zone").

To qualify for a Recovery Zone designation and receive the benefits under this section of the Renaissance Zone Program, businesses must:

- Obtain an authorizing resolution of support from the local governmental unit where the respective company's parcel of property is located that consents to the creation of a Recovery Zone within their boundaries. The resolution must include the number of years that the city, township, or village is willing to forego taxes;
- Lease or own the parcel of property that is to be included in the proposed Recovery Zone;
- Use the property primarily for tool and die business operations: 75% or more of the gross revenue generated from tool and die operations that take place on the business property at the time of designation;
- Have fewer than 75 full-time employees;
- Be classified as one of the following North American Industrial Classification System (NAICS) codes:
  - 333511 Industrial Mold Manufacturing
  - 333512 Machine Tool (Metal Cutting Types) Manufacturing
  - 333513 Machine Tool (Metal Forming Types) Manufacturing
  - 333514 Special Die and Tool, Die Set, Jig, and Fixture Manufacturing
  - 333515 Cutting Tool and Machine Tool Accessory Manufacturing
  - 332997 Industrial Pattern Manufacturing
- Participate in a written collaborative agreement with other tool and die businesses;
- Have a collaborative agreement that demonstrates synergistic opportunities among the companies and must include, but is not limited to, all of the following elements:
  1. Sales and marketing efforts
  2. Development of standardized processes
  3. Development of tooling standards
  4. Standardized project management methods
  5. Improved ability for specialized or small niche shops to develop expertise and compete successfully on larger programs.

The agreement must demonstrate that it will provide its participants enhanced economic effectiveness with respect to each of the elements included in the collaborative agreement.

(MORE)

## TOOL & DIE RECOVERY ZONES MICHIGAN RENAISSANCE ZONE PROGRAM CONTINUED

There are two ways to make application for a Recovery Zone:

1) A company can join with other companies to submit an application for a new Recovery Zone. There must be a minimum of 4 companies participating in a collaborative agreement. The maximum number of companies participating in a collaborative is 20. The deadline date to submit applications for the next round will be Monday, September 15, 2008.

2) A collaborative that is an existing Tool & Die Recovery Zone can submit an application on behalf of a company and request the company be allowed to join their Tool & Die Recovery Zone. All collaborative agreement participants must sign a statement consenting to the participation of the new company in the collaborative and Recovery Zone. The group must also explain the reasons why they are allowing a company to join and how the company will add value to the collaborative. Note: The company still must meet all the requirements in the law. In addition, the company would have a limited duration time. If it joins a Rnd 1 collaborative that began in 2005, it could not go beyond 2019; if it joins a Rnd 2 collaborative that began in 2006, it could not go beyond 2020; if it joins a Rnd 3 collaborative that began in 2007, it could not go beyond 2021; and if it joins a Rnd 4 collaborative that began in 2008, it could not go beyond 2022. The local governmental unit where the parcel of property is located can elect to award less than the full number of years available with a minimum requirement of 5 years due to the 3 year phase-out in 25% increments. There is no deadline date for a company being allowed to join an existing collaborative.

Applications will be accepted on an ongoing basis. Recovery Zone designation becomes effective the year after designation. A list of Recovery Zones and contacts are on the MEDC web site.

Taxes that companies located in a recovery zone do not pay: Michigan Business Tax (MBT), state education tax, personal and real property taxes, and local income tax where applicable. Taxes still due are those mandated by the federal government, local bond obligations, school sinking fund or special assessments. Companies are not exempt from paying Michigan sales tax. Companies must be current with all state and local taxes in order to be eligible for benefits under the program.

The State of Michigan reimburses intermediate school districts, local school districts, community college districts and public libraries where taxes are abated. The State of Michigan does not replace the tax revenue lost to the local unit of government or other taxing jurisdictions except those listed in the preceding sentence.

Companies must still file annual Michigan Business Tax returns and city income tax returns if applicable. Companies must still file an annual Personal Property Statement. Failure to submit these tax forms will result in delinquency and a business can be denied benefits of the program for failing to file the proper annual tax forms.

Taxes can be abated up to 15 years. In all cases, the tax relief will be phased out in 25% increments over the last three years of the zone designation.

For answers to questions regarding NAICS codes, visit:  
<http://www.census.gov/epcd/www/drnaics.htm>

For more information, call the Michigan Economic Development Corporation Customer Assistance at 517.373.9808.

## MICHIGAN RENAISSANCE ZONE ACT (EXCERPT)

Act 376 of 1996

### 125.2688d Tool and die renaissance recovery zones; definitions.

Sec. 8d. (1) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 25 tool and die renaissance recovery zones within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a recovery zone within their boundaries. A recovery zone shall have a duration of renaissance zone status for a period of not less than 5 years and not more than 15 years as determined by the board of the Michigan strategic fund. If the Michigan strategic fund determines that the duration of renaissance zone status for a recovery zone is less than 15 years, then the Michigan strategic fund, with the consent of the city, village, or township or combination of cities, villages, or townships in which the qualified tool and die business is located, may extend the duration of renaissance zone status for the recovery zone for 1 or more periods that when combined do not exceed 15 years. Not less than 1 of the recovery zones shall consist of 1 or more qualified tool and die businesses that have a North American industrial classification system (NAICS) of 332997.

(2) The board of the Michigan strategic fund may designate a recovery zone within this state if the recovery zone consists of not less than 4 and not more than 20 qualified tool and die businesses at the time of designation. If the board of the Michigan strategic fund designated 1 or more recovery zones that contain less than 20 qualified tool and die businesses before December 19, 2005, the board of the Michigan strategic fund may add additional qualified tool and die businesses to that recovery zone subject to the limitations contained in this subsection. A recovery zone shall consist of only qualified tool and die business property. The board of the Michigan strategic fund may combine existing recovery zones that are comprised solely of tool and die businesses that are parties to the same qualified collaborative agreement. Where 2 or more recovery zones have been combined, the board of the Michigan strategic fund may continue to designate additional recovery zones, provided that no more than 25 tool and die recovery zones exist at 1 time.

(3) The board of the Michigan strategic fund may revoke the designation of all or a portion of a recovery zone with respect to 1 or more qualified tool and die businesses if those qualified tool and die businesses fail or cease to participate in or comply with a qualified collaborative agreement. A qualified tool and die business may enter into another qualified collaborative agreement once it is designated part of a recovery zone.

(4) One or more qualified tool and die businesses subject to a qualified collaborative agreement may merge into another group of qualified tool and die businesses subject to a different qualified collaborative agreement upon application and approval by the Michigan strategic fund.

(5) A qualified tool and die business in a recovery zone may have a different period of renaissance zone status than other qualified tool and die businesses in the same recovery zone.

(6) The board of the Michigan strategic fund may modify an existing recovery zone to add 1 or more qualified tool and die businesses with the consent of all other qualified tool and die businesses that are participating in the recovery zone.

(7) The board of the Michigan strategic fund may modify an existing recovery zone to add additional property under the same terms and conditions as the existing recovery zone if all of the following are met:

(a) The additional real property is contiguous to existing qualified tool and die business property and will become qualified tool and die business property once it is brought into operation as determined by the board of the Michigan strategic fund.

(b) The city, village, or township in which the qualified tool and die business is located consents to the modification.

(8) As used in this section:

(a) "Qualified collaborative agreement" means an agreement that demonstrates synergistic opportunities, including, but not limited to, all of the following:

(i) Sales and marketing efforts.

(ii) Development of standardized processes.

(iii) Development of tooling standards.

(iv) Standardized project management methods.

(v) Improved ability for specialized or small niche shops to develop expertise and compete successfully on larger programs.

(b) "Qualified tool and die business" means a business entity that meets all of the following:

(i) Has a North American industrial classification system (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515; or has a North American industrial classification system (NAICS) of 337215 and operates a facility within an existing renaissance zone, which facility is adjacent to real property not located in a

renaissance zone and is located within 1/4 mile of a Michigan technical education center.

(ii) Has entered into a qualified collaboration agreement as approved by the Michigan strategic fund consisting of not fewer than 4 or more than 20 other business entities at the time of designation that have a North American industrial classification system (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515.

(iii) Has fewer than 75 full-time employees.

(c) "Qualified tool and die business property" means 1 or more of the following:

(i) Property owned by 1 or more qualified tool and die businesses and used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that own the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation.

(ii) Property leased by 1 or more qualified tool and die business for which the qualified tool and die business is liable for ad valorem property taxes and which is used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that lease the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation. The qualified tool and die business shall furnish proof of its ad valorem property tax liability to the department of treasury.

**History:** Add. 2003, Act 266, Imd. Eff. Jan. 5, 2004;—Am. 2004, Act 202, Imd. Eff. July 13, 2004;—Am. 2005, Act 276, Imd. Eff. Dec. 19, 2005;—Am. 2006, Act 93, Imd. Eff. Apr. 4, 2006;—Am. 2008, Act 117, Imd. Eff. Apr. 29, 2008.

**Compiler's note:** For transfer of Michigan strategic fund from department of management and budget to department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

## **2008 Tool and Die Group**

### **Accurate Injection Molds, Inc.**

22264 Starks Drive  
Clinton Twp., MI 48036  
Office: 586-954-2553  
Contact: Michelle Derby  
[mderby@aimplastics.com](mailto:mderby@aimplastics.com)  
Employees: 19

### **American Gear and Engineering**

38200 Abruzzi Drive  
Westland, MI 48185  
Office No: 734-595-6400  
Contact: Jeffrey Emerson,  
President  
Michele Scott  
[Michele@americangear.net](mailto:Michele@americangear.net) and  
[jeff@americangear.net](mailto:jeff@americangear.net)  
Employees: 48

### **Bradley-Thompson Tool**

22108 West Eight Mile  
Southfield, MI 48033  
Office number: 248-352-1466  
Contact: Craig Sutter  
[csutter@bradleythompsonstool.com](mailto:csutter@bradleythompsonstool.com)  
Employees: 19

### **Cambron Engineering, Inc.**

3800 Wilder Road  
Bay City, MI 48706-2146  
Office No: 989-684-5890  
Contact: Stephen D. Sheppard,  
President  
[ssheppard@cambronengineering.com](mailto:ssheppard@cambronengineering.com)  
Employees: 44

### **Deppe Mold and Tooling, Inc.**

2814 Franklin SW  
Grandville, MI 49418  
Office: 616-530-1331  
Contact: Jeff Deppe, President  
[ideppe@deppemold.com](mailto:ideppe@deppemold.com)  
Employees: 13

### **Die Stampco Inc.**

1301 N. Lincoln Street  
Bay City, MI 48708  
Office No: 989-893-7790  
Contact: Clyde A. Hart (Andy)  
President  
[andy@diestampco.com](mailto:andy@diestampco.com)  
Employees: 9

### **Hill Machinery Co.**

4585 Danvers Drive, S.E.  
Grand Rapids, MI 49512  
Office No: 616-940-2800  
Contact: Jeff Senn/Shane O'Neill  
[jsenn@hillmachineryco.com](mailto:jsenn@hillmachineryco.com)  
Employees: 52

### **Hi-Tech Tool Industries, Inc.**

6701 Center Drive  
Sterling Heights, MI 48312  
Office: (586) 826-8346  
Contact: Joe Keppler  
[joekeppler@htitool.com](mailto:joekeppler@htitool.com)  
Employees: 48

### **Ideal Tool, Inc.**

406 Sixth Street  
Bay City, MI 48707-0008  
Office: (989) 893-8336  
Contact: Jack Covieo, President  
[iti@idealtoolinc.com](mailto:iti@idealtoolinc.com)  
Employees: 12

### **Linwood Tool Company Inc.**

229 S. Huron Road, POB 69  
Linwood, MI 48634-0069  
Office: 989-697-4403  
Contact: Sherry Ralph  
[sralph@linwoodtool.com](mailto:sralph@linwoodtool.com)  
Employees: 15

## **2008 Tool and Die Group (cont.)**

### **Maes Tool & Die Co.**

1074 Toro Drive  
Jackson, MI 49201-8946  
Office No: 517-750-3131  
Contact: Joe Maes, President  
[joemaes@tds.net](mailto:joemaes@tds.net)  
Employees: 14

### **Miller Broach, Inc.**

14510 Bryce Road  
Capac, MI 48014  
Office: (810) 395-8810  
Contact: Liane Brazis  
[lianeb@millerbroach.com](mailto:lianeb@millerbroach.com)  
Employees: 35

### **Modern Machine Company**

1111 South Water Street  
Bay City, MI 48708  
Office: 989-895-8563  
Contact: Dean Emede, President  
[dean@modernmachine.biz](mailto:dean@modernmachine.biz)  
Employees: 24

### **MPD Welding Inc.**

4200 S. Lapeer Road  
Orion, MI 48359  
Office: 248-340-0330  
Contact: Thomas H. Schippert  
[tschippert@mpdweldinginc.com](mailto:tschippert@mpdweldinginc.com)  
Employees: 35

### **Shouse Tool Company**

290 N. Alloy Drive  
Fenton, MI 48430  
Office: 810-629-0391  
Contact: Michael Shouse, VP  
Operations  
[Mike.shouse@shousetool.com](mailto:Mike.shouse@shousetool.com)  
Employees: 18

Bradley-Thompson Tool Company Tool & Die Renaissance Zone

| Real Property            | 22108<br>8 Mile | 22106<br>8 Mile | TV             |      | Property Taxes<br>without Ren Zone | Property Taxes<br>with Ren Zone | Remarks                            |
|--------------------------|-----------------|-----------------|----------------|------|------------------------------------|---------------------------------|------------------------------------|
|                          |                 |                 | Both           | Both |                                    |                                 |                                    |
| Sidwell #                | 33-476-035      | 33-476-036      |                |      |                                    |                                 |                                    |
| 2008 TV                  | 271,850         | 116,660         | 388,510        |      | \$20,191                           | \$0                             |                                    |
| <b>2007 TV</b>           | <b>271,750</b>  | <b>117,480</b>  | <b>389,230</b> |      | <b>\$21,143</b>                    |                                 |                                    |
| <b>Personal Property</b> |                 |                 |                |      |                                    |                                 |                                    |
| Sidwell #                | 25-244-000      | -               |                |      |                                    |                                 |                                    |
| 2008 TV                  | 310,500         | -               | 310,500        |      | \$8,948 <sup>A, B</sup>            | \$0                             | lease buyout 2007 increased TV     |
| <b>2007 TV</b>           | <b>270,000</b>  | -               | <b>270,000</b> |      | <b>\$14,666</b>                    |                                 |                                    |
| <b>Both</b>              |                 | 2,008           |                |      | <b>\$29,139</b>                    | <b>\$0</b>                      | <b>tax reduction with Ren Zone</b> |
|                          |                 | 2,007           |                |      | <b>\$35,809</b>                    |                                 |                                    |

| Taxing Jurisdiction                    | 2007 Mills     | % of Total Mills Levied | 2008 Mills Real Property | 2008 Mills Personal Property | % of Total Mills levied after exemption | Ren Zone annual cost by Jurisdiction |
|--|----------------|-------------------------|--------------------------|------------------------------|---|--------------------------------------|
| Sfld Schools Operating                 | 18.9896        | 35.31%                  | 16.9243                  | 0.0000 <sup>A</sup>          | 0.00%                                   | \$0                                  |
| Sfld Schools Debt                      | 2.2600         | 4.20%                   | 2.0000                   | 2.0000                       | 6.94%                                   | \$2,022                              |
| State Education                        | 6.0000         | 11.16%                  | 6.0000                   | 0.0000 <sup>B</sup>          | 0.00%                                   | \$0                                  |
| <b>Sfld City Operating<sup>D</sup></b> | <b>16.1528</b> | <b>30.03%</b>           | <b>16.1584</b>           | <b>16.1584</b>               | <b>56.07%</b>                           | <b>\$16,339</b>                      |
| County General                         | 4.6461         | 8.64%                   | 4.6461                   | 4.6461                       | 16.12%                                  | \$4,698                              |
| ISD                                    | 3.3690         | 6.26%                   | 3.3690                   | 3.3690                       | 11.69%                                  | \$3,407                              |
| Oakland Comm College                   | 1.5844         | 2.95%                   | 1.5844                   | 1.5844                       | 5.50%                                   | \$1,602                              |
| Drains at Large                        | 0.1900         | 0.35%                   | 0.1844                   | 0.1844                       | 0.64%                                   | \$186                                |
| SMART                                  | 0.5900         | 1.10%                   | 0.5900                   | 0.5900                       | 2.05%                                   | \$597                                |
| Sub-total                              | 53.7819        | 100.00%                 | 51.4566                  | 28.5323                      |   |                                      |
| <b>Administrative Fee</b>              | <b>0.5378</b>  |                         | <b>0.5146</b>            | <b>0.2853</b>                | <b>0.99%</b>                            | <b>\$289</b>                         |
| Total Mills                            | 54.3197        |                         | 51.9712                  | 28.8176                      | 100.00%                                 | \$29,139                             |

A. 16.9243 SPS operating mills exempted (up to 18 mills) in 2008+ by Public Act 37 of 2007 for industrial personal property only.  
 B. 6.000 SET mills exempted by PA 38 of 2007 for industrial personal property.  
 C. Total assessed value of property = \$1,398,000.  
 D. Total annual cost to City = \$16,628 (including adm fee).  
 Participants do not pay Michigan Business Tax, State Education Tax, property taxes and local income taxes.  
 State reimburses ISDs, SPS, OCC, and public libraries, but not City or other jurisdictions.



July 7, 2008

Honorable Mayor and Council  
Municipal Building  
Southfield, Michigan

**Re: SOCWA Overview**

Dear Sirs and Mesdames:

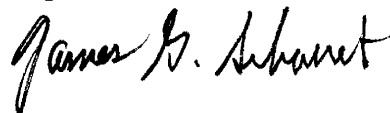
As members of the Southeastern Oakland County Water Authority (SOCWA) which receives its water supply from the Detroit Water and Sewer Department (DWSD), Southfield's homeowners and businesses enjoy a water supply that was recently judged one of the top five in taste and quality in the United States and Canada by the American Water Works Association. In order to continue to provide a high quality and dependable water supply to all parties within our boundaries at all times, the Mayor and City Council have requested that more frequent and comprehensive information be provided to assist in policy decisions regarding budgets, capital projects, and long-term financing strategies.

City staff and Administration are committed to meeting this enhanced communication objective. Accordingly, Mr. Jeffrey A. McKeen, P.E., General Manager of SOCWA will present an overview at tonight's Committee-of-the-Whole meeting that will cover:

- What is SOCWA and who are the eleven communities that participate?
- What is our level of participation in the decision making process?
- How is this relationship defined? What are the contract provisions that are under consideration of amendment and why?
- What are the major benefits to the City of Southfield involved in a continuing long-term agreement with SOCWA/DWSD?
- What process/due diligence did SOCWA undertake that will benefit the City of Southfield in this ongoing/amended contract?

In addition to these basic considerations, Mr. McKeen will address any further questions or concerns that may arise from Council discussion. This presentation was previewed by the City's Legal, Public Works, and Administrative staff on June 27, 2008 and the Council Finance Committee on June 30, 2008 for purposes of enhanced public information with regard to these important matters. Should Council reach consensus of support for the contract amendments being recommended by SOCWA, appropriate formal action will be scheduled for the next regular meeting of City Council on July 21<sup>st</sup>.

Respectfully submitted,



James G. Scharret  
City Administrator

## **SOUTHFIELD/SOCWA SECOND AMENDMENT**

- Current contract between Southfield and SOCWA expires July 1, 2015
- SOCWA is recommending approval of a second contract amendment that extends the existing Southfield/SOCWA contract to June 30, 2038
- This amendment allows SOCWA to enter into a new water contract with DWSD, which is incorporated by reference to the contract between Southfield and SOCWA
- SOCWA and the Oakland County Drain Commissioner have thoroughly evaluated alternatives to DWSD water supply and we have determined that DWSD is the best alternative for the term of this amendment

## **BENEFITS OF MEMBERSHIP IN SOCWA**

- **Lower water rates**
  - SOCWA eliminates peak usage charges
- **Improved security and reliability**
  - SOCWA has multiple sources of supply
  - System can be completely fed from several sources
  - Storage and pumps provide limited backup to DWSD supply
  - 24 hour/365 day oversight of system performance
  - Field monitoring of water system
  - Water quality monitoring and regulatory compliance
  - Regional water emergency coordination
- **Eliminates need for watering restrictions**
- **Increased ability to influence DWSD**
  - SOCWA is DWSD's second largest water customer
  - Staff is very actively involved in DWSD customer partnership process
- **Source of additional technical expertise on water issue**

## **SOCWA/DWSD WATER CONTRACT PROCESS**

- Model Contract was developed over a three year period by a joint customer/DWSD team
- Feedback collected from customers through a series of workshops, meetings and presentations with a wide variety of audiences
- Advocacy for SOCWA communities by SOCWA attorney
- Final draft Model Contract completed in February 2008
- Final contracts developed through individual customer negotiations on flow and pressure parameter

## **SOCWA/DWSD WATER CONTRACT SUMMARY**

- Peaking factors negotiated between SOCWA and DWSD
  - Year-to-year rate fluctuation should be reduced
- Use of SOCWA's water storage system is clearly defined
  - Will allow SOCWA to reduce peak flow rates
- DWSD commits to pressure ranges
- Contract clearly defines procedure to address flow/pressure issues
- All customers will have the same contract parameters
- Customer Partnership is a contractual obligation
- Facility ownership clearly defined
- Longer payment period

## **SOCWA/DWSD WATER CONTRACT SUMMARY**

- Joint DWSD/Customer planning is a contractual obligation
- Relationship between DWSD and its customers has significantly improved
- Current contract expires August 14, 2011
- New contract expires June 30, 2038 with automatic extensions unless SOCWA or DWSD objects

## **SOCWA/DWSD WATER CONTRACT STATUS**

- SOCWA/DWSD contract approved by SOCWA Board on April 9
- DWSD contracts have been approved by 13 customer communities
- Negotiations are in progress with approximately 30 additional customers
- Board of Water Commissioners has approved 11 customer contracts, 9 of which have been approved by the Detroit City Council



July 7, 2008

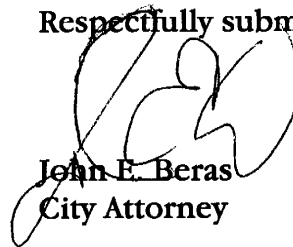
Honorable Mayor and Council  
Municipal Building  
Southfield, Michigan 48076

*RE: Proposed Reorganization of the Youth Assistance Commission*

Dear Sirs and Mesdames:

City Administrator, Jim Scharret, and I would like to present recommendations to you with regard to a proposed reorganization of the Youth Assistance Commission at your Committee-of-the-Whole Meeting scheduled for Monday, July 7, 2008. These recommendations were recently reviewed and endorsed by the Council Boards and Commissions Committee.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John E. Beras", is written over the typed name and title.

John E. Beras  
City Attorney

JEB:br



## Banks, Nancy

---

**From:** jacobsreport@jacobsreport.com  
**Sent:** Monday, June 30, 2008 12:35 PM  
**To:** jacobsreport@jacobsreport.com  
**Subject:** THE JACOBS CAPITOL REPORT June 30, 2008

THE JACOBS CAPITOL REPORT

Gilda Z. Jacobs  
Michigan Senate  
Democratic Caucus Chair  
Fourteenth District

For Immediate Release  
Contact: Matt Levin  
June 30, 2008  
(248) 943-6965

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2007-08 BUDGETS MOSTLY A 'GO'

School Aid, General Government, Transportation Still On Table A disagreement between Governor Jennifer Granholm and legislative leaders regarding her proposal to build smaller high schools in high dropout areas seems to be one of the few major issues keeping the School Aid budget from being completed with the rest of the 2008-09 boilerplates.

Last week, the Legislature was able to pass the bulk of the budgets in a marathon session that stretched from early morning on Friday to past midnight on Saturday.

After a short break, legislators will return to the Capitol in mid-July to complete action on the K-12 and general government budgets. The Department of Transportation budget may take longer to be resolved.

Highlights from the passed budgets are as follows:

**COMMUNITY HEALTH (SB 1094):** The budget for 2008-09 will total \$12.533 billion, the largest non-school aid budget. The general portion totals \$3.095 billion. The budget is nearly \$490 million larger than the current year's appropriation, and larger than what Ms. Granholm had proposed.

**CORRECTIONS (SB 1095):** The budget for 2008-09 will total out \$39 million less than the current year's appropriation to end at a gross amount of \$2.04 billion. The general fund portion in the bill is \$1.975 billion.

The budget cuts \$4 million in prisoner health care costs and expects \$2.7 million in savings from health maintenance organizations. Another \$14.1 million in savings should be realized in creating regional operations for prison warehouses and stores.

**AGRICULTURE (HB 5807):** The budget for the Department of Agriculture totals \$107.8 million (\$32.5 million in general funds). That represents a \$1.5 million reduction compared to current year spending and a \$1.3 million increase in general fund spending.

**HISTORY, ARTS & LIBRARIES (HB 5804):** The budget for the Department of History, Arts and Libraries totals \$52.9 million, a \$3.39 million increase from current year. General fund is \$39.79 million, \$533,900 more than current year.

**HUMAN SERVICES (HB 5814):** The budget for the Department of Human Services totals \$4.6 billion (\$1.3 billion in general funds).

**JUDICIARY (HB 5810):** The budget for the judiciary totals \$262.9 million

(\$159.3 million in general funds). That is \$1.3 million above general fund spending than the current fiscal year and \$3.1 million, or 1.2 percent, above gross spending for the judiciary.

The budget for the judiciary includes \$550,000 for pilot mental health courts, which is less than the \$1.1 million the governor had recommended or the \$700,000 approved by the House.

LABOR, ECONOMIC GROWTH (HB 5809): The budget for the Department of Labor and Economic Growth totals \$1.4 billion, a \$75.9 million increase from current year. The general fund portion is \$73.6 million, a \$27.6 million increase.

The bill includes \$15 million general fund for the No Worker Left Behind program, a cut from the \$40 million approved by the House, but the Senate had approved only federal funding for the program. The budget also approved a \$3.5 million GF increase for the Nursing Corps program, again less than the House but more than the Senate had approved.

MILITARY AND VETERANS AFFAIRS (HB 5812): The budget, passed 107-0 in the House, for the Department of Military and Veterans Affairs totals \$183.8 million (\$40.3 million in general funds). That represents a \$50 million, or 37.6 percent, increase compared to current year spending, but that's all due to more federal dollars going to the department.

STATE POLICE (HB 5811): The appropriation for the Department of State Police totals \$530.2 million (\$284.9 million in general funds).

The budget is \$40 million, or 7 percent, below current year spending, while the general fund portion totals \$8.3 million, or 3 percent, more than the current fiscal year.

HIGHER ED: The state's 15 public universities will share \$14.5 million in new funding under the budget approved by the House 92-15 and by the Senate 37-0. The budget (SB 1099) provides \$1.769 billion (\$1.646 billion general fund).

COMMUNITY COLLEGES: The budget provided the schools \$299.36 million, all general fund, overall a 2.1 percent increase from current year. Most of that was distributed to the 28 colleges via a formula that provided increases ranging from 1.6 percent (only for Gogebic Community College) to 2.6 percent (only for Washtenaw Community College).

CAPITAL OUTLAY: The budget (SB 511) provides \$275.2 million in state funds for construction projects mostly at colleges and universities around the state, but conference committee members all lamented that there was not more available.

The state funds allow for projects totaling \$463.8 million. The lion's share, \$254.6 million total and \$143.1 million state funds, are for six university projects. Twelve community college projects share in \$77.08 million, with the remaining \$55 million covering projects for state agencies.

The budget is less than half the \$566.4 million state share Ms. Granholm had recommended, which would have provided \$1.17 billion total construction.

D.E.Q. (SB 1097): A new Macomb County water monitoring project and reverse beverage vending machines to limit refunds to Michigan-sold containers gained in the \$364 million Department of Environmental Quality budget.

EDUCATION (SB 1096): The budget for the department totals \$95.1 million (\$7.5 million in general funds), which represents a \$476,000, or 5.7 percent, increase in GF spending compared to the current fiscal year. The overall budget is \$4.8 million below current year spending.

D.N.R. (SB 1106): The budget totals \$289.977 million (\$10.6 million in general funds), which represents a \$13 million GF cut, or 55.3 percent. Overall spending is \$1.9 million above current year funding.

LATE NIGHT SESSION INCLUDED ENERGY BILLS, PAYBACKS Bishop Kicks Three Senators Off Committees The Senate passed controversial energy regulation legislation late Friday night/early Saturday morning.

The main bill in the package passed just before midnight, by a tally of 21-14. Less than an hour earlier, it failed on a 13-13 when most Senate Democrats refused to vote.

SB 213, which would mandate a 7 percent renewal portfolio standard by 2015, passed by a thin margin as Democrats contended that the measure would actually result in less electricity created by renewable methods since the 7 percent standard includes energy conservation and therefore will only require that 4 percent of electricity is generated by renewable sources, less than the 5 percent standard now in place.

The Senate also offered taxpayers and incentive to buy greener appliances, passing a tax credit for new, higher efficiency models.

When all that work (as well as the work on the budgets) was finished, Senate Majority Leader Mike Bishop permanently bounced three senators from their committees in retaliation for last week's temporary mutiny (please see last week's Jacob's Report for details).

Sen. Bruce Patterson (R-Canton), who joined the Democrats in discharging bills during the uprising, was removed from the Senate Government Operations Committee and had his vice chairmanship stripped from the Senate Health Policy Committee.

Senate Minority Leader Mark Schauer (D-Battle Creek) was kicked off the Senate Government Operations Committee and Senate Campaign and Election Oversight Committee.

Sen. Gretchen Whitmer (D-East Lansing) was taken off the Senate Judiciary Committee, which will go from seven to six members.

Finally, Sen. Bishop created a new committee, the Senate Hunting, Fishing and Recreation Committee, naming Sen. Jim Barcia (D-Bay City) chair. Barcia is first Democrat to hold a Senate chairmanship post in at least seven years.

GRANHOLM: NEW AGREEMENT PUTS MICHIGAN AT FOREFRONT Fuel Production Facility Slated for U.P.'s Chippewa County Governor Jennifer M. Granholm and Mascoma Corporation CEO Bruce A. Jamerson announced that the Massachusetts-based company has entered into a series of key strategic relationships to further Mascoma's efforts to build its first commercial-scale cellulosic ethanol plant in Michigan's Upper Peninsula.

Agreements with the Michigan Economic Development Corporation (MEDC), JM Longyear, and alliances formed with Michigan State University (MSU) and Michigan Technological University (MTU) will help bring the plant to Chippewa County, south of Sault Ste. Marie, where clean-burning, fuel-grade ethanol will be produced from wood fiber. The agreements build on Mascoma's decision announced last July to locate in Michigan.

"Long before the current run-up in petroleum prices, we declared Michigan's intention to lead the nation in alternative energy production and help reduce our dependence on foreign oil," Granholm said. "Mascoma's next generation biomass-to-ethanol technologies are integral to wide-scale ethanol production, and this plant will put Michigan on the leading edge of technology that will create good-paying jobs for Michigan citizens."

Mascoma's single-step cellulose-to-ethanol method, called consolidated bioprocessing, or CBP, uses advanced technologies to make ethanol from non-food based renewable sources such as wood chips and other biomass. The clean-energy technology is critical to producing ethanol more quickly, efficiently and economically.

Mascoma chose Michigan for its first commercial-scale facility based on the vast sustainable forests and agricultural materials available and the expertise provided by JM Longyear. In addition, Mascoma will collaborate with MSU and MTU to develop and hone scientific processes that utilize Michigan feedstocks for cellulosic ethanol production.

"Working with the state of Michigan, two of its leading universities, and JM Longyear on this significant project brings us closer to commercial scale production of biofuels that can promote energy independence, reduce greenhouse gas emissions, and stimulate regional economic development,"

Jamerson said.

Since becoming governor, Granholm has been an advocate of growing an alternative energy and alternative fuel industry in Michigan. Under her leadership, the Michigan Economic Development Corporation (MEDC), led by President and CEO James C. Epolito, has worked with Mascoma to secure one of two locations in Chippewa County. Engineering work is underway to finalize the site that will be secured through a land swap under negotiation with the Michigan Department of Natural Resources. Yesterday, the Center of Energy Excellence (COEE) legislation was passed through the Michigan Legislature and with the governor's signature, Mascoma will be eligible for a \$15 million grant to become Michigan's first Center of Energy Excellence.

"There are great synergies in Michigan for Mascoma, not only in the ready supply of wood fiber across northern Michigan, but also great research institutions with a long-time focus on this science and our 21st Century Jobs Fund that is tuned to bringing job-creating alternative energy ventures to Michigan," Epolito said. "This new facility will mean more jobs in our agriculture, timber, and manufacturing industries while benefiting our environment and energy security as a nation," he said.

Mascoma and Marquette-based JM Longyear, a leading natural resource company, entered into a strategic relationship to combine Mascoma's technology with JM Longyear's significant project development experience, including its recent \$1.6 billion Minnesota Steel project and its deep natural resource experience.

"Mascoma's revolutionary technology combined with site integration and innovative supply chain strategies position Michigan to lead the nation in the advancement of new, clean energy production and job creation," said JM Longyear CEO Stephen Hicks.

Mascoma is collaborating with research partners globally to identify and patent additional biomass-to-ethanol technologies. MSU will provide expertise in areas primarily relating to pretreatment technology for cellulosic ethanol production and assistance with renewable energy crops that can be utilized by the biorefinery. MTU will contribute its knowledge of sustainable forestry management practices and access to its automotive engineering laboratories for analysis of the biofuels produced at the project site - part of its "wood to wheels" initiative.

Prior to the announcement of its first commercial-scale production facility in northern Michigan, Mascoma announced a pilot project in Rome, New York, which is now under construction and will be completed by the end of the year, and a 2MMGY pre-commercial scale facility to be run on switchgrass in Tennessee. Last month, Mascoma announced equity investments by General Motors and Marathon Oil Corporation (NYSE: MRO) as part of a \$61 million third round of funding.

"Sustainable transportation fuels will be part of the infrastructure much sooner than most people expect," said Beth Lowery, GM vice president of environment, energy and safety policy. "It is exciting to see these latest moves by Mascoma to make next-generation biofuels a reality."

"Collaborative, private-public partnerships such as this initiative on the part of the state of Michigan and Mascoma are integral to our ability to bring next-generation, environmentally friendly renewable fuels derived from non-food feedstocks out of the laboratory and into full-scale commercial production," said Cliff C. Cook, Marathon Petroleum Company senior vice president, supply, distribution and planning.

WIT, WISDOM, ETC . . .  
Quotables

"Get your facts first, then you can distort them as you please."  
-Mark Twain

"Great minds discuss ideas; average minds discuss events; small minds discuss people"  
-Eleanor Roosevelt

Quote of the Week: George Carlin

"Just because you got the monkey off your back doesn't mean the circus has left town."

The Jacobs Report is paid for the by the Committee to Elect Gilda Z. Jacobs.

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/> .

If you'd like to be removed from this distribution list, simply reply to [jacobsreport@aol.com](mailto:jacobsreport@aol.com) with "remove" in the subject header.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Campaign & Election Oversight Committee. She also serves on the Finance, Economic Development & Regulatory Reform, and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at [sengjacobs@senate.michigan.gov](mailto:sengjacobs@senate.michigan.gov) or toll-free at 1-888-937-4453.

This newsletter is produced in single-space form in order to save paper and transmission costs.

####



L. BROOKS PATTERSON, OAKLAND COUNTY EXECUTIVE

C O U N T Y M I C H I G A N  
D E P A R T M E N T O F I N F O R M A T I O N T E C H N O L O G Y

Phillip R. Bertolini  
Deputy County Executive-CIO

Date: June 26, 2008  
To: City Manager  
From: Phil Bertolini  
Deputy County Executive, CIO  
Oakland County

Please distribute as appropriate within your community. If you have any questions, please contact us per the contact information provided in the attached letter.

**RECEIVED**

JUN 30 2008

City Administrator  
City of Southfield

**INFORMATION**



COUNTY MICHIGAN  
DEPARTMENT OF INFORMATION TECHNOLOGY

L. BROOKS PATTERSON, OAKLAND COUNTY EXECUTIVE

Phillip R. Bertolini  
Deputy County Executive-CIO

June 26, 2008

Dear Local Government Official:

In 2005, L. Brooks Patterson, Oakland County Executive, launched an exciting initiative called Wireless Oakland. Wireless Oakland has three key goals that will frame the future use of technology in Oakland County for years to come.

Since the inception of this initiative, the County's efforts have been focused on the first goal, which is the deployment of wireless internet service across the County. MichTel Communications LLC., the private sector partner selected by the County through a competitive bid process, has installed wireless internet service in seven Phase One areas. As these Phase One areas were deployed, MichTel Communications LLC. was also pursuing the funding necessary to build out remaining portions of the County.

This funding pursuit has been during one of the most difficult economic times Michigan has ever seen, and ultimately has led to several project delays. The continued international credit crisis and the uncertainty of the Michigan economy have driven investors to limit their risk and avoid cutting edge technology opportunities. Unfortunately, after more than twelve months of effort, funding has not been secured by MichTel Communications LLC. As a result, wireless internet service is no longer available in the seven Phase One areas. Service will be restored when additional funding has been secured by MichTel Communications, LLC.

The County does not intend to abandon this key goal of the Wireless Oakland initiative. Instead, the County will use the next six months to reexamine the current state of the wireless internet deployment and continue to seek private sector funding. Public tax dollars have not and will not be used to subsidize the network. Therefore, we must continue to work cooperatively with the private sector while they obtain the necessary funding. During this time, the County will work with the County's sixty-one local units of government to preserve the current Intergovernmental and License Agreements. These agreements provide an invaluable foundation that can be used to actively solicit additional private sector partners. Throughout the early phases of the project the private investor community acknowledged the fact that Wireless Oakland was the only project in the country that created a cohesive government partnership to open every doorway for the private sector.

The Phase One deployment has shown tremendous acceptance by consumers. To date, more than 21,000 users have taken advantage of the wireless service

and consumed more than *46 million minutes* of internet use in the eighteen square miles where service is available. These results far exceed the original business model projections. This groundswell of internet use proves that Oakland County citizens are ready to use the internet to change the way they work and play. We stand by the Wireless Oakland initiative and believe that the decision to embark on this effort is the right one for our citizens.

Thank you, and your constituents, for the consideration and patience as we evolve into the next generation of the Wireless Oakland initiative. Your continued support of this initiative is appreciated.

We will be sending periodic updates as they are available and if you have any questions, please feel free to contact me, at 248-858-0815 or bertolinip@oakgov.com.

Sincerely,



Phil Bertolini  
Deputy County Executive/CIO  
Oakland County Michigan

### thoughts?

It is a difficult question to answer because there are a lot of unknowns. First, with regards to the U.S. Savings Bonds, what interest are they paying? Is it a high rate of return or, have the bonds matured?

If no interest is being paid because the bonds have matured, I would begin a program to cash out.

On the other hand, if the savings bonds are paying a good rate of return, then I would not cash out.

U.S. Savings Bonds are an interesting investment because

### Rick Bloom

issue is tax bracket. In some situations, cashing out savings bonds could throw you into a higher tax bracket. I do not believe it is patriotic to pay more in taxes than you have to.

It is important to inventory your U.S. Savings Bonds so you know the maturity of the bonds and what interest rate they pay. This can help you in making the decision when to cash.

Deciding where to take income from is based on someone's individual situation. There are no hard and fast rules that apply to every-

6/29/08

however, it does qualify for long-term capital gains treatment.

Long-term capital gains are taxed at a much lower rate than ordinary income. As an example, the average person is in a 25-percent ordinary income tax rate, but only a 15-percent capital gains rate. In order to get the long-term capital gains rate, you're typically investing in equities as opposed to fixed-income investments such as bonds. Because of the favorable capital gains rate, I put equities into a trust and use that as a long-term growth portion of the portfolio. In many

in the IRA and U.S. Savings Bond are somewhat offset by the fact that the money is eventually taxed at someone's ordinary income tax rate, which is typically the highest tax rate.

Assuming that someone is over 59½ and begins to need income, under present tax laws, tapping tax-deferred accounts and letting the non-tax-deferred accounts reinvest and grow at capital gains rate is a strategy that may make sense.

It is important to remember that when you do begin taking income, you should have a strategy that allows for a risin

# County suspends Wireless Oakland

BY JOE BAUMAN  
ECCENTRIC STAFF WRITER

Oakland County has pulled the plug on its highly touted Wireless Oakland initiative.

County officials blamed a lack of private sector funding for the decision power to down its seven phase-one areas of service and suspend the entire project for six months. The service will be restored when additional funding has been secured by MichTel Communications, LLC, according to Deputy County Executive Phil Bertolini.

The ambitious plan called for blanketing the entire county in free Internet service.

"MichTel Communications, LLC, has worked very hard to secure funding that ultimately will make the wireless Internet service a reality," Bertolini said. "Unfortunately, this funding pursuit has occurred

during an international credit crisis and one of the most difficult economic times Michigan has ever seen. The uncertainty of the Michigan economy, coupled with more stringent banking practices, has caused investors to limit their risk and avoid cutting-edge technology opportunities."

Bertolini said the Phase One development of the seven pilot communities has proven to be extremely successful, proving the service is viable. About 46 million minutes of "free" Internet have been used in test communities including Troy, Birmingham and Royal Oak since March 2007.

If resurrected, Bertolini said the county's private sector partner will secure funding and own, operate and maintain the Wireless Oakland network. Public tax dollars will not be used to subsidize or fund the effort.

## DO YOU SUFFER FROM ASTHMA?

IF SO, WE ARE LOOKING FOR MEN AND WOMEN WHO HAVE BEEN DIAGNOSED WITH ASTHMA, AND IS CURRENTLY TAKING **TILADE, MEDROL OR XOLAIR**, TO PARTICIPATE IN A RESEARCH STUDY ON **TUESDAY JULY 15<sup>TH</sup>** BY APPOINTMENT. WE ARE LOOKING FOR INDIVIDUALS WHO HAVE COMPLETED GRADES 7-12 AND TRADE/TECHNICAL/SECRETARIAL SCHOOL **ONLY**.

YOU WILL BE PAID **\$125** FOR YOUR OPINIONS IF YOU QUALIFY AND PARTICIPATE IN THE RESEARCH.

THESE INTERVIEWS ARE FOR MARKET RESEARCH PURPOSES ONLY. YOUR OPINIONS WILL BE KEPT IN THE STRICTEST OF CONFIDENCE. THERE IS NO SALES INVOLVED.

PLEASE CALL SHIFRIN-HAYWORTH (LOCATED IN SOUTHFIELD) AT **1-248-223-0020 OR 1-800-559-5954** TO SEE IF YOU MATCH THE CRITERIA WE SEEK FOR THE STUDY.

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"Forget the twos, what about the terrible teens?"

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