



# PRE-MEETING AGENDA

**ADRIAN CITY COMMISSION  
AGENDA  
PRE-MEETING STUDY SESSION  
MAY 2, 2011  
5:30 P.M.**

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The City Commission will meet for a pre-meeting study session on Monday, May 2, 2011 at 5:30 p.m. in the City Chambers Building, 159 E. Maumee St., to discuss the following:

- I. Presentation from Gerald Ford (University of Michigan) Students regarding Student Town
- I I. Closed Session to Discuss Real Estate Acquisition and Labor Negotiations
- I I I. Other Items as Time Permits



# COMMISSION AGENDA

**AGENDA  
ADRIAN CITY COMMISSION  
MAY 2, 2011  
7:00 P.M.**

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- II. ROLL CALL
- III. APPROVAL OF MINUTES OF THE APRIL 18, 2011 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- IV. PRESENTATION OF ACCOUNTS
- V. PUBLIC COMMENTS
- VI. COMMUNICATIONS
  - 1. **C-1. Finance Department.** FY2010-11 Third Quarter Financial Forecast
  - 2. **C-2. Finance Department.** Michigan Employees Retirement System (MERS) Annual Actuarial Valuation Report (Will be distributed on Monday.)
  - 3. **C-3. Engineering Department.** Communication from City Engineer to consider an increase in refuse collection & disposal fee user charges to compensate for vendor contract fuel surcharge. Increase is estimated to cost an additional \$4.00/per year for the typical single-family resident.
- VII. REGULAR AGENDA
  - A. ORDINANCES
    - 1. **Ord. 11-001. Community Development.** Introduction of an Ordinance to amend the Code of the City of Adrian by amending Article II – Definitions and Article IV – General Provisions of the Zoning Development Regulations to establish guidelines for medical marihuana “caregivers” and facilities.
    - 2. **Ord. 11-002. Community Development.** Introduction of an Ordinance to create Section 46-500 of Chapter 46 of the Adrian City Code entitled, “Medical Marihuana Caregiver Facilities” to establish the licensing criteria for such facilities.

B. SPECIAL ORDER

1. **SO-1. Finance Department.** Public Hearing to hear and consider comments to adoption of the FY2011-12 Budget and General Appropriations Act.

C. RESOLUTIONS

1. **R11-051. Finance Department.** Resolution to adopt the FY2011-12 Budget and General Appropriations Act.
2. **R11-052. Finance Department.** Resolution to approve amendments to the FY2010-11 Budget in accordance with the Uniform Budgeting and Accounting Act.
3. **R11-053. Finance Department.** Resolution urging the Michigan Legislature and Governor to re-evaluate and modify the current property tax-enabling legislation in order to provide for long-term financial stability of local units of government and that copies of this resolution be distributed as noted in the resolution.
4. **R11-054. Public Works Department.** Resolution authorizing the City Administrator to execute an agreement with the Lenawee County Road Commission for collaboration on the reconstruction of Beecher Street. Both the City and the Road Commission will work together to select contractors and cooperate to identify cost saving measures beneficial to both parties.
5. **R11-055. Public Works Department.** Resolution to approve a contract with MDOT for reconstruction of Beecher St. and authorizing the Mayor and City Clerk to execute said contract. The City of Adrian and the County Road Commission are collaborating on this project.

V I I I. PUBLIC COMMENTS

I X. COMMISSION COMMENTS



# MINUTES

**MINUTES  
ADRIAN CITY COMMISSION  
APRIL 18, 2011  
7:00 P.M.**

Official proceedings of the April 18, 2011 regular meeting of the City Commission, Adrian, Michigan.

The regular meeting was opened with a moment of silence and the Pledge of Allegiance to the Flag.

PRESENT: Mayor McDowell, Commissioners DuMars, Warren, Osborne, Carrico, Clegg and Steele

Mayor McDowell in the Chair.

Commissioner DuMars moved to approve the minutes of the April 4, 2011 regular meeting of the Adrian City Commission, seconded by Commissioner Clegg , motion carried by a unanimous vote.

**PRESENTATION OF ACCOUNTS**

Utility Department Receiving Fund Voucher #3433 through #3438	\$130,887.16
General Fund Vouchers #20374 through #20398	\$234,702.49
Clearing Account Vouchers amounting to	<u>\$730,195.38</u>
TOTAL EXPENDITURES	<u>\$1,095,785.03</u>

On motion by Commissioner DuMars, seconded by Commissioner Carrico, motion carried by a unanimous vote.

**PUBLIC COMMENTS**

1. Bill Ehnis, 1137 Michigan Ave., asked the Commission to not make a decision tonight regarding the Adrian College access drive and to gather more information. Also presented a petition asking for more time to seek additional information.
2. Dale Stoltz, 1205 University, said he is against the public access drive. Said we need to re-evaluate and have a study done by the City.
3. Charlotte Kindinger, 240 S. Scott, asked if any homes would be lost if a round-a-bout were put in for the public access. Also asked how many acres are included in the two farm leases.
4. Darryl Dunbar, 1135 Berkshire, objected to the special assessment on the vacant lot he bought; said he is being charged for when he didn't own the property.

## COMMUNICATIONS

1. **C-1. Finance Department.** FY2009-10 Popular Annual Financial Report

## CONSENT AGENDA

## RESOLUTIONS

### RESOLUTION CR11-009

**RE: POLICE DEPT. – Traffic Control Order 04-5 - Make Permanent on Various Streets in the Downtown Business District**

WHEREAS, the City Administrator has approved certain temporary control orders, and after review has now made recommendation that they be made permanent, therefore so be it,

RESOLVED, that the permanent traffic control orders, adopted October 6, 1958, be amended to include or change the following:

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LOCATION: Downtown Parking

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TYPE OF WORK:

**RESCIND** "2 HR PARKING 8AM-6PM MON-FRI" on the following downtown City Streets:

1. **Main Street** between Church and Maumee Streets, both sides of the street facing south six signs (three signs on each side of the Street) evenly spaced the entire length of the block.
2. **Main Street** between Toledo and Maumee Streets, both sides of the street facing south, six signs (three signs on each side of the Street) evenly spaced the entire length of the block.
3. **Main Street** between Front and Toledo Streets, both sides of the street facing south, six signs (three signs on each side of the Street) evenly spaced the entire length of the block.
4. **Toledo Street** between Broad and Main Streets, both sides of the street where parking is permitted, one sign for each area on each side of the street
5. **Toledo Street** between Main and Winter Streets, both sides of the street where parking is permitted, on sign for each area on each side of the street.
6. **Maumee Street** between Broad and Main Streets, both sides of the street, six signs (three on each side of the Street) evenly spaced the entire block.
7. **Maumee Street** between Winter and Main Streets, both sides of the street, six signs (three on each side of the Street) evenly spaced the entire block.
8. **Winter Street** between Maple and Front, both sides of the street, four signs (two signs on each side) evenly spaced in the block.
9. **Winter Street** between Maumee and Pearl Streets, on the west side only, two signs evenly spaced designating the beginning and ending of 2-hour parking.

10. **Winter Street** between Pearl and Church Streets, on the west side only, two signs evenly spaced designating the beginning and ending of 2-hour parking.
11. **Pearl Street** between Winter and College Streets, on the south side only, two signs evenly spaced designating the beginning and ending of 2-hour parking.
12. **Maiden Lane** – post four 2-hour parking signs. From the point the sidewalk stops on Main Street, 35 feet west on the south side of Maiden Lane, Post “No Parking Anytime.”

**RESOLUTION CR11-010**

**RE: FIRE DEPARTMENT – Award Bid for Uniforms for the Firefighters**

WHEREAS, sealed bids were received on March 29, 2011 for the annual purchase of Fire Department uniforms; and

WHEREAS, said bids have been tabulated and recommendations made by the Fire Chief and the City Administrator; and

WHEREAS, said bids have been considered by the Adrian City Commission.

NOW, THEREFORE, BE IT RESOLVED that the bid for Fire Department uniforms be awarded to Superior Uniform of Toledo, OH, and Stitch Wizard of Tecumseh, MI for the items and prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bids dated March 29, 2011.

**RESOLUTION CR11-011**

**RE: PARKS & RECREATION – Lawn Fertilization and Weed Control Contract**

WHEREAS, sealed bids were received Thursday, April 7, 2011 for lawn care services at various locations throughout the City of Adrian; and

WHEREAS, six (6) vendors responded and five (5) met the specifications (TruGreen did not meet the specifications for fertilizer); the bid tabulation is attached; and

WHEREAS, the Parks & Recreation Director and City Administrator recommend the bid be awarded to Beaubien Landscape Development and Property Maintenance, Adrian, MI for the per acre prices listed below for the period 2011 and 2012:

<u>Service</u>	<u>2011</u>	<u>2012</u>
Crabgrass Control	\$65.00	\$70.00
Fertilization	\$70.00	\$75.00
Broadleaf Control	\$65.00	\$70.00
Spring Grub Control	\$75.00	\$80.00
Summer Grub Control	\$90.00	\$95.00

WHEREAS, the average application price per acre was used to determine the lowest bid; Beaubien’s per acre price is \$73.00, which is \$22.00 lower than the next lowest bid from WeedMan, Holland, OH; and

WHEREAS, the Finance Director estimates the annual cost to be \$6,400 and indicates that sufficient funds are available for this purpose, \$5,400 from the Fee Estate and \$1,000 from Parks General, which will cover the Fee Parks, the in-town baseball fields and broadleaf and grub control for Oakwood Cemetery.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby selects the recommended bid and authorizes engagement of Beaubien Landscape Development and Property Maintenance, Adrian, MI for the per acre prices listed above for the period 2011 and 2012 for lawn care services at various locations throughout the City of Adrian.

**RESOLUTION CR11-012**

**RE: DEPARTMENT OF PUBLIC WORKS – TRAFFIC SIGNAL UPGRADE CONTRACT**

WHEREAS, on behalf of the Department of Public Works, the City of Adrian Purchasing Office has solicited and received bids on Thursday, April 7 traffic signal upgrades on Beecher St. at Winter, Division, Center and Treat and Maple St. & Broad St.; and

WHEREAS, in response to a Request-for-Proposal, a total of four (4) bids were received, detailed as follows:

BIDDER	AMOUNT	
Rauhorn Electric Inc Macomb, MI	\$ 8,875.00	Begin: 10 days Complete: 25 days
Masson's Electric Adrian, MI	\$ 9,725.00	Begin: 30 days Complete: 30 days
JR Howell Airport Lighting Luther MI	\$ 9,800.00	Begin: 110 days Complete: 120 days
Severance Electric Kalamazoo, MI	\$ 13,677.85	Begin: 30 days Complete: 60 days

WHEREAS the City Engineer and City Administrator recommend acceptance of the low bid, Rauhorn Electric, Inc, Macomb, MI for \$8,875.00 traffic signal upgrades on Beecher St. at Winter, Division, Center and Treat and Maple St. & Broad St; and

WHEREAS the Finance Director has verified compliance with the Local Preference Policy and indicates that sufficient funds are available for this purpose in the Major Street Fund (202-474.00-801.108) Contract Services – Signal Maintenance Account.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the low bid and engagement of Rauhorn Electric, Inc, Macomb, MI in the City's Standard Professional Services Contract to provide traffic signal upgrades on Beecher St. at Winter, Division, Center and Treat and Maple St. & Broad St. at a cost not to exceed \$8,875.00.

## RESOLUTION CR11-013

### RE: DEPARTMENT OF FINANCE – FY2011-12 BUDGET AND GENERAL APPROPRIATIONS ACT – NOTICE OF PUBLIC HEARING

WHEREAS, the Adrian City Charter, as well as Michigan Public Act 5 of 1982, requires that a Public Hearing be held prior to the adoption of the proposed Budget and General Appropriations Act and that a notice of such hearing be published in a newspaper of general circulation at least one (1) week in advance of said hearing; and

WHEREAS, the Adrian City Charter provides that a budget be adopted no later than the second week of May for the ensuing fiscal year, accompanied by action authorizing a millage rate to fund said budget.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission shall meet in the Commission Chambers, 159 E. Maumee Street, on Monday, May 2, 2011 at 7:00 p.m. for the purpose of hearing comments regarding the adoption of the proposed FY2011-12 Budget and General Appropriations Act.

BE IT, FURTHER, RESOLVED that the City Clerk is hereby directed to publish a Public Notice of said hearing, in accordance with the provisions of the City Charter, as well as state and federal statutes.

BE IT, FURTHER, RESOLVED that Notice of Public Hearing shall include the date, time and place of said hearing, a summary of the entire budget, the citizens' right to present oral and written comments, and statements of where and when the proposed budget may be examined.

On motion by Commissioner Clegg, seconded by Commissioner DuMars, Consent Resolutions CR11-009 through CR11-013 were adopted by a unanimous vote.

## REGULAR AGENDA

### ORDINANCE

1. **Ord. 11-001. Community Development.** Introduction of an Ordinance to amend the Code of the City of Adrian by amending Article II – Definitions and Article IV – General Provisions of the Zoning Development Regulations to establish guidelines for medical marihuana “caregivers” and facilities. **PULLED from Agenda and will be introduced at the May 2, 2011 Commission meeting.**

### SPECIAL ORDER

1. **SO-1. Finance Department.** Public Hearing to hear and consider comments to a Special Assessment Roll for delinquent invoices, including a 10% penalty for late payment.

The following people addressed the Commission regarding their Special Assessments:

1. Darryl Dunbar, 1135 Berkshire (See previous Public Comments)
  2. Kathryn Navarro, 142 E. Maumee St., protest the \$706.00 bill for two parking lots behind their address. (This item was pulled from the agenda)
  3. Gary Knadler, 264 Renfrew, protested a water bill against his rental property.
  4. Kathryn Navarro (on behalf of 623 Ormsby St.) complained that the City transferred the water into the name of someone that didn't even live there and the bill was never paid.
  5. Nick Creger, 1003 Chestnut, protested bill (\$403.00) for snow removal at this address.
  6. Bill Brown, Masonic Building, LLC, protested bills for snow removal for 5 lots in Scott Ridge subdivision.
  7. Dave Aldrich, 750 S. Winter, protested his stormwater utility bill.
  8. Mike Moore, 145 Chandler St., protested 4 bills he received for this property when he only bought the property in December.
2. **SO-2. Finance Department.** Public Hearing to hear and consider comments to a Special Assessment Roll for delinquent water and sewer charges, including a 10% penalty for late payment. – No further comments.

## **RESOLUTIONS**

### **RESOLUTION R11-033**

**RE: FINANCE DEPARTMENT – Approve Special Assessment Roll for Delinquent Invoices**

WHEREAS, Sections 70-12, 74-169, 10-94 and 10-98 of the Adrian City Code provides that any expense or cost incurred by the City upon or in respect to any single lot, delinquent storm water utility, rental property registration and/or inspection fees and parking assessments requires that the City Treasurer prepare a Special Assessment Roll for any such charges which have not been paid; and

WHEREAS, notice has been given and a hearing held for the purpose of reviewing the said Roll and hearing and considering any objections thereto.

NOW, THEREFORE, BE IT RESOLVED that the said Special Assessment Roll for the attached delinquencies be, and the same is hereby confirmed.

On motion by Commissioner DuMars, seconded by Commissioner Clegg, this resolution to approve all delinquent invoices, with the exception of 142 E. Maumee St., was adopted by a unanimous vote.

**RESOLUTION R11-034**

**RE: FINANCE DEPARTMENT – Approve Special Assessment Roll for Delinquent Water and Sewer Charges**

WHEREAS, Section 94-247 of the Adrian City Code specifies that charges for water and sanitary sewer service, under the provisions of Public Act No. 94 of 1933 (MCL 141.101 et seq) are made a lien on the premises to which furnished; and

WHEREAS, notice has been given and a hearing held for the purpose of reviewing the said Roll and hearing and considering any objections thereto.

NOW, THEREFORE, BE IT RESOLVED that the said Special Assessment Roll for the attached delinquent water and sewer charges be, and the same, is hereby confirmed.

On motion by Commissioner Steele, seconded by Commissioner Warren, this resolution was adopted by a unanimous vote.

**R11- 035**

April 18, 2011

**OPTION 1**

**RE: ENGINEERING DEPT. – Approval of Adrian College’s Request for Construction of a New Access Street**

**RESOLUTION**

WHEREAS,, Adrian College has requested the Adrian City Commission to support the construction of a new city street to be constructed from an existing stoplight on US-223 to a location at the corner of Charles Street and Michigan Avenue; and

WHEREAS,, the Adrian City Commission has heard public comments regarding the request and has reviewed a presentation of a traffic study conducted on behalf of Adrian College by URS.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Adrian City Commission does hereby support the construction of said new city street; and

FURTHER RESOLVES, that the City Engineer is directed to draft and send correspondence to the Michigan Department of Transportation to request authority for the city to proceed with said construction project.

**OPTION II**

**R11-035**

April 18, 2011

**RE: ENGINEERING DEPT. – Denial of Adrian College’s Request for Construction of a New Access Street**

**RESOLUTION**

WHEREAS,, Adrian College has requested the Adrian City Commission to support the construction of a new city street to be constructed from an existing stoplight on US-223 to a location at the corner of Charles Street and Michigan Avenue; and

WHEREAS,, the Adrian City Commission has heard public comments regarding the request and has reviewed a presentation of a traffic study conducted on behalf of Adrian College by URS.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the City Commission does not support the construction of the new city street.

**OPTION III**

**R11-035**

April 18, 2011

**RE: ENGINEERING DEPT. – Approval of Adrian College’s Request for Construction of a New Access Drive Subject to Development Agreement Conditions**

**RESOLUTION**

WHEREAS,, Adrian College (hereinafter referred to as "College") has requested the Adrian City Commission to support the construction of a new city street to be constructed from an existing stoplight on US-223 to a location at the corner of Charles Street and Michigan Avenue; and

WHEREAS, the Adrian City Commission has heard public comments regarding the request and has reviewed a presentation of a traffic study conducted on behalf of Adrian College by URS.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Adrian City Commission does hereby support the construction of said new city street; and be it

FURTHER RESOLVED, that the City Engineer is directed to draft and send correspondence to the Michigan Department of Transportation to request authority for the city to proceed with said construction project; and be it

FURTHER, RESOLVED that this resolution is subject to Adrian College entering into a development agreement with the city with the following provisions:

1. In the event the status of any city street is changed by the State of Michigan due to the construction of said street, Adrian College will annually pay to the city a sum equal to the reduction in revenue that

would have been realized by the city had the street status not been changed.

2. Prior to the approval of bids for the construction by the city, the college shall transmit funds to the city equal to the bid to be approved, plus a contingency amount of ten (10%) percent.
3. The college will agree to pay all costs for all required studies and construction of said new street and shall reimburse the city for all expenses and any time expended by the City Engineering Department to assist in the creation, design and overseeing construction of the project.
4. In the event any property currently on the tax rolls of the city is acquired by the College for this project and is, thus, removed from the city tax rolls, the College will annually reimburse the city for the city's share of the loss of tax revenue that would have been paid to the city had the properties not been acquired by the College for this purpose.

On motion by Commissioner Carrico to TABLE this resolution for sixty (60) days to allow time for further review, seconded by Commissioner Warren, this resolution was adopted by a 4-3-0 vote.

AYES: Mayor McDowell and Commissioners Osborne, Warren and Carrico

NAYS: Commissioners Steele, Clegg & DuMars

ABSTAINED: None

*After the motion was made, much discussion took place among the Commission. The question was raised as to what additional information could be attained in 60 days (traffic studies, traffic counts). The suggestion was made to work with the College and the objecting parties and perhaps find an alternative solution. The concern was raised as to how the College would feel about the costs incurred if the Commission gave the go-ahead and then had to stop the project at a later date. Others felt that it will be a very long, drawn-out process to get final approval at the State and Federal levels, so the sooner the College can proceed, the better.*

#### **RESOLUTION R11-036**

**RE: ADMINISTRATION – Farm Lease Agreement – Former Marvin Farm**

WHEREAS, the City of Adrian is the owner of approximately 157 acres of land adjacent to Beecher Road in the City of Adrian; and

WHEREAS, a portion of the real estate is tillable; and

WHEREAS, the City Administrator has negotiated a proposed Lease Agreement with the previous farmer of said property, which terms have been

reviewed by the City Commission and found to be in the best interest of the City to ratify.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Mayor is hereby authorized to enter into a Farm Lease Agreement with James Marvin to rent approximately 157 acres of tillable ground on the aforementioned parcel of real estate for One Hundred (\$100.00) Dollars per acre for a period ending December 30, 2011, and subject to other terms acceptable to the City Administrator.

On motion by Commissioner Steele, seconded by Commissioner Osborne, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R11-037**

**RE: ADMINISTRATION – Farm Lease Agreement – Former Witt Farm**

WHEREAS, the City of Adrian is the owner of approximately sixty-two (62) acres of land adjacent to M-52, formerly known as the Witt Farm; and

WHEREAS, a portion of the real estate is tillable; and

WHEREAS, the City Administrator has negotiated a proposed Lease Agreement with the previous farmer of said land, which terms have been reviewed by the City Commission and found to be in the best interest of the City to approve.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Mayor is hereby authorized to enter into a Farm Lease Agreement with Fred Feight to rent approximately sixty-two (62) acres of tillable ground on the aforementioned parcel of real estate for One Hundred (\$100.00) Dollars per acre for a period ending December 31, 2011, and subject to other terms acceptable to the City Administrator.

On motion by Commissioner Osborne, seconded by Commissioner Steele, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R11-038**

**RE: CITY COMMISSION – Approve Public Access at Lake Adrian & Determine Departmental Responsibility for Maintenance of Access Site**

WHEREAS,, Lake Adrian has been closed to public access for fishing and boating for a number of years; and

WHEREAS,, the City Commission has reviewed this matter to determine if the current operation schedule should be altered.

NOW, THEREFORE, IT IS RESOLVED, that Lake Adrian will be made open for public access and that the Director of Utilities is directed to open an area at the Adrian Water Plant for lake access and to allow for access to Lake Adrian for the purpose of fishing and that the (Utilities Department) or (Parks & Recreation Department) will be responsible for continued maintenance of the area and costs associated with same.

Commissioner Osborne moved to DENY public access to Lake Adrian, seconded by Commissioner DuMars, this resolution was DENIED by a 3-4-0 vote.

AYES: Commissioners Steele, DuMars and Osborne

NAYS: Mayor McDowell and Commissioners Clegg, Carrico and Warren

ABSTAINED: None

On motion by Commissioner Clegg to approve public access to Lake Adrian for a trial period ending September 21, 2011, seconded by Commissioner Warren , this resolution was adopted by a 4-3-0 vote.

AYES: Mayor McDowell and Commissioners Clegg, Carrico and Warren

NAYS: Commissioners Steele, DuMars and Osborne

ABSTAINED: None

#### **RESOLUTION R11-039**

**RE: CITY ENGINEER – Federal Highway Administration Grant Agreement with the Michigan Department of Transportation (MDOT) for Reconstruction of Bent Oak from Riverside Avenue to City Limits**

WHEREAS,, the Adrian City Commission, by Resolution #R11-009 dated February 7, 2011, adopted the Recommended FY2011-17 City of Adrian Capital Improvement Program (CIP) and FY2011-12 Capital Budget Recommendation, including the reconstruction of Bent Oak from Riverside Avenue to the city limits; and

WHEREAS,, the Adrian City Commission, by Resolution #R10-097 dated August 2, 2010, authorized the engagement of Associated Engineers, Adrian, MI, at a cost of \$17,750 to perform design/survey engineering services in preparation for the reconstruction of Bent Oak from Riverside Avenue to the city limits; and

WHEREAS,, the Michigan Department of Transportation (MDOT) has submitted a proposed contract to perform the subject reconstruction project at an estimated cost of \$542,200, including a \$357,000 Federal Highway Administration (FHWA) grant to partially fund the project; and

WHEREAS,, the subject contract [Control Section STUL 46417, Job Number 109053, Project STP 1146 (015), Federal Item No. HH 7209, CFDA No. 20.205, and Contract No. 11-5146] includes a pre-bid estimate of \$542,200 for Total Project Cost, including Federal Funding of \$357,000, leaving a balance of local match amounting to \$185,200 (34%), together with design engineering fees of \$17,750 equal a total local obligation of \$202,950; and

WHEREAS,, the engineering work has been completed and the remaining local matching requirement (\$185,200) is provided for in the City Administrator's FY2011-12 Budget Recommendation, including \$93,000 for paving in the Major Street Fund (202) and \$92,200 for curb and gutter work in the Storm Water Utility Fund (598); and

WHEREAS,, MDOT has requested a certified resolution of the City Commission authorizing the Mayor and City Clerk to sign the subject contract; and

WHEREAS,, the City Engineer and City Administrator recommend approval of this resolution authorizing the Mayor and City Clerk to sign the Federal Highway Administration (FHWA) Contract Agreement with the Michigan Department of Transportation (MDOT) for reconstruction of Bent Oak from Riverside Avenue to the city limits.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the Mayor and City Clerk to sign the Federal Highway Administration (FHWA) Contract Agreement with the Michigan Department of Transportation (MDOT) for reconstruction of Bent Oak from Riverside Avenue to the city limits.

BE IT, FURTHER, RESOLVED that a certified copy of this resolution be provided to the Michigan Department of Transportation (MDOT).

On motion by Commissioner Steele, seconded by Commissioner DuMars, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R11-040**

**RE: COMMUNITY DEVELOPMENT – Encourage Legislature to Retain the Brownfield and Historic Tax Credit Programs**

WHEREAS, Governor Snyder proposes to eliminate the Brownfield and Historic Tax Credit Programs as they have existed, and

WHEREAS, these have been highly effective economic development tools with a significant return on the public investment, have resulted in contaminated, blighted, and/or obsolete buildings being demolished or rehabilitated, have resulted in increased employment, have resulted in significant infusions of private investment, have resulted in additional revenues to local units and to the state, have accomplished their objective of reusing existing buildings and preserving green spaces and are fair to all potential project locations and units of government; and

WHEREAS, the City of Adrian has utilized the Brownfield Program to raze the obsolete and structurally dangerous silos on Logan Street, where the new City/County Transportation Building was constructed; and

WHEREAS, the City/County Transportation Building could not have been completed on that site absent the Brownfield Program; and

WHEREAS, the City of Adrian has utilized the Brownfield Program to raze the obsolete Spielman's True Value Hardware store on North Main, allowing the construction of The North Towne Commons, a project with 6 new storefronts and, to date, five (5) new City of Adrian businesses, including the expansion of an existing pharmacy to a second location, a new restaurant, a credit union, an insurance agency, and a chiropractic office; and

WHEREAS, the City of Adrian has utilized the Brownfield Program to raze an obsolete industrial building and remediate a contaminated industrial site on Beecher Street, paving the way for future construction; and

WHEREAS, the City of Adrian, in conjunction with a private development firm, and together with the Student Town Initiative, Adrian College, Jackson Community College, the Lenawee Intermediate School District, and Siena Heights University, are engaged and planning to construct a multi-story, mixed use rehabilitation project anchored by a unique restaurant in downtown Adrian, designed to involve the award-winning LISD Culinary Arts Program, together with the outstanding business, marketing, and accounting departments at Adrian College and Siena Heights University, and the Jackson Community College Culinary Arts Program; and

WHEREAS, the reuse of any of the existing downtown Adrian buildings identified as suitable for this project are historical buildings, largely abandoned, and in need of extensive rehabilitation; and

WHEREAS, such rehabilitation would be too costly to induce any private investment absent Historic and Brownfield Tax Credits; and

WHEREAS, this project is a continuation of the City of Adrian's efforts to revitalize its core downtown district and create the Sense of Place so critical to future growth; and

WHEREAS, the City of Adrian and local merchants have already invested millions of dollars in this revitalization effort.

NOW, THEREFORE, BE IT RESOLVED that the Commission of the City of Adrian encourages the Michigan Legislature, with the strongest possible voice, to retain the Brownfield and Historic Tax Credit Programs because they are an outstanding economic development tool, they are fair to all, they allow all communities in the State of Michigan an opportunity to re-imagine their most challenging buildings and properties, they allow us to revitalize our neighborhoods and downtowns, they attract further investment in our communities, they increase our property values, they facilitate the salvage of our treasured historic landmarks, and most importantly, they leverage the preservation of our heritage and exceptional American way of life for generations to come.

On motion by Commissioner DuMars, seconded by Commissioner Warren, this resolution was adopted by a unanimous vote.

#### **RESOLUTION R11-041**

**RE: DEPARTMENT OF PUBLIC WORKS – ASPHALT PAVING PROGRAM FOR 2011**

WHEREAS, on behalf of the Department of Public Works, the City of Adrian Purchasing Office has solicited and received bids on Thursday, April 7 for the 2011 construction season for (Part A) Logan Street between Division and Center, Winter from Hunt to North End, and Hunt from Main to Trestle Park, and (Part B) paving of Oregon Road – Maple to Westwood, Hawthorne Road – Oregon to Trenton and Westwood Road – Maple to Maple, and (Part C) paving of five (5) alleys; and

WHEREAS, in response to a Request-for-Proposal, a total of seven (7) bids were received, detailed as follows:

<b><u>Vendor</u></b>	<b><u>Part A</u></b>	<b><u>Part B</u></b>	<b><u>Part C</u></b>	<b><u>Total</u></b>
American Asphalt Paving Lansing, MI	\$67,227.00	\$139,782.00	\$34,040.00	\$241,049.00
Gerken Paving Napoleon, OH	\$73,966.10	\$150,850.30	\$35,538.40	\$260,354.80
Quality Asphalt Homer, MI	\$73,202.00	\$153,366.90	\$37,340.00	\$263,908.90
Barrett Paving Ypsilanti, MI	\$79,035.50	\$149,074.60	\$41,272.00	\$269,382.10
Slusarski Excavating Adrian, MI 49221	\$76,123.50	\$167,115.50	\$37,140.00	\$280,379.00
Michigan Paving Jackson, MI	\$77,292.00	\$163,916.00	\$48,920.00	\$290,128.00
Crestline Toledo, OH	\$99,202.50	\$199,900.00	\$46,900.00	\$346,002.50

WHEREAS, the City Engineer and City Administrator recommend acceptance of the low bid, American Asphalt Paving, Lansing, MI for Parts A, B and C (\$241,049.00); and

WHEREAS, the Finance Director has verified compliance with the Local Preference Policy and indicates that sufficient funds are available for this purpose in the Major Street Fund (202) and Local Street Fund (203), derived from the Road Improvement Millage Renewal, detailed as follows:

Part A: Major Street Fund (202-451.08-801.000)	\$ 38,759.00
Local Street Fund (203-451.12-801.000)	28,468.00
Part B: Local Street Fund (203-451.10-801.000)	139,782.00
Part C: Local Street Fund (203-451.80-801.000)	<u>34,040.00</u>
Total	<u>\$241,049.00</u>

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the low bid and engagement of American Asphalt, Lansing, MI in the City's Standard Professional Services Contract to provide asphalt paving for the aforementioned streets and alleys, at a cost estimated at \$241,049.00.

On motion by Commissioner Warren, seconded by Commissioner DuMars, this resolution was adopted by a unanimous vote.

**RESOLUTION R11-042**

**RE: DEPARTMENT OF PUBLIC WORKS – Construction Contract for Curbs and Gutters**

WHEREAS, on behalf of the Department of Public Works, the City of Adrian Purchasing Office has solicited and received bids on Thursday, April 7 for the 2011 construction season for curb & gutter work on Logan Street between Division and Center, Winter from Hunt to North End, and Hunt from Main to Trestle Park, as well as ADA ramps on Maple & Westwood and Maple & Oregon; and

WHEREAS, in response to a Request-for-Proposal, a total of six (6) bids were received, detailed as follows:

	Eastlund Concrete Holt MI	Goretski Construction Milford, MI	Smith Paving Norwalk OH	Doan Construction Ypsilanti MI	Audia Concrete Milford, MI	Davenport Bros Belleville, MI
MDOT C-4 curb 3550 LF	\$52,540.00	\$ 44,375.00	\$52,895.00	\$ 52,540.00	\$98,867.50	\$ 6,500.00
MDOT E-1 Curb 110 LF	\$ 1,958.00	\$ 2,750.00	\$ 2,271.50	\$ 2,117.50	\$ 3,231.80	\$ 3,300.00
Curb Remove & Dispose 240 LF	\$ 2,280.00	\$ 6,000.00	\$ 1,068.00	\$ 1,200.00	\$ 4,200.00	\$ 2,400.00
4-inch concrete 1350 SF	\$ 5,535.00	\$ 5,670.00	\$ 6,615.00	\$ 8,302.50	\$ 4,428.00	\$ 5,737.50
6-inch concrete 6850 SF	\$32,195.00	\$ 32,126.50	\$38,360.00	\$ 42,127.50	\$25,002.50	\$ 7,675.00
Cast-in- Place Warning Plates 14 each	\$ 280.00	\$ 5,600.00	\$ 4,200.00	\$ 1,750.00	\$ 3,990.00	\$ 3,500.00
<b>TOTAL</b>	<b>\$94,788.00</b>	<b>\$ 96,521.50</b>	<b>\$105,409.50</b>	<b>\$108,037.50</b>	<b>\$139,719.80</b>	<b>\$133,112.50</b>

WHEREAS, the City Engineer and City Administrator recommend acceptance of the low bid, Eastlund Concrete of Holt, MI in the amount of \$94,788.00 for curb & gutter work on Logan Street between Division and Center, Winter from Hunt to North End, and Hunt from Main to Trestle Park, as well as ADA ramps on Maple & Westwood and Maple & Oregon; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the Major Street Fund (202) and Local Street Fund (203), derived from the Road Improvement Millage Renewal, detailed as follows:

Major Street Fund (202-451.08-801.000) - \$	46,766.00
Local Street Fund (203-451.80-801.000) -	<u>48,022.00</u>
Total	<u>\$ 94,788.00</u>

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the low bid and engagement of Eastlund Concrete of Holt, MI in the City's Standard Professional Services Contract for curb & gutter work on Logan Street between Division and Center, Winter from Hunt to North End, and Hunt from Main to Trestle Park, as well as ADA ramps on Maple & Westwood and Maple & Oregon, at a cost estimated at \$94,788.00.

On motion by Commissioner DuMars, seconded by Commissioner Steele, this resolution was adopted by a unanimous vote.

**RESOLUTION R11-043**

**RE: DEPARTMENT OF PUBLIC WORKS – Pavement Marking Contract Agreement**

WHEREAS, on behalf of the Department of Public Works, the City of Adrian Purchasing Office has solicited and received bids on Thursday, April 7 for the 2011 construction season for execution of the citywide pavement marking program; and

WHEREAS, in response to a Request-for-Proposal, a total of three (3) bids were received, detailed as follows:

ITEM	P.K. Contracting Troy, MI	Mich Pavement Marking Wyoming, MI	Mich Pavement Marking Wyoming, MI
<b>BASE CONTRACT:</b>			
Double Yellow, Paint 17376 LF	\$3,425.20	\$ 1,563.84	
Skip/Solid Yellow, Paint 3852 LF	\$ 481.50	\$ 308.16	
Skip Yellow, 12.5 ft per line, Paint 7057 LF	\$ 705.70	\$ 635.13	
Two-Way Left Turn Lane, Paint 2021 LF	\$ 505.25	\$ 161.68	
Solid White, Paint 19036 LF	\$ 1,903.60	\$ 1,142.16	
RR X symbol w/3 stop bars	\$ 9,900.00	\$8,000.00	\$ 1,200.00
Cold Plastic, 20 each Left Arrows, Cold Plastic 30 each	\$ 2,850.00	\$ 3,750.00	\$ 600.00
Right Arrows, Cold Plastic 10 each	\$ 950.00	\$ 1,250.00	\$ 200.00

"Other" Arrows, Cold Plastic 11 each	\$ 1,815.00	\$ 1,375.00	\$ 220.00
"ONLY" Marking, Cold Plastic 35 each	\$ 3,675.00	\$ 4,375.00	\$ 700.00
"SCHOOL" Marking, Cold Plastic, 20 each	\$ 3,300.00	\$ 3,500.00	\$ 800.00
<b>BASE TOTAL</b>	<b>\$ 29,561.25</b>	<b>\$ 20,310.97</b>	<b>\$ 3,720.00</b>
		<b>Cold Plastic</b>	<b>Waterborne</b>
		<b>\$16,500.00</b>	<b>Alternate</b>
<b>ALTERNATES:</b>			
Double Yellow, Paint 13673 LF	\$ 11,485.32	\$ 13,673.00	
Skip/Solid Yellow, Paint 2592 LF	\$ 1,373.76	\$ 2,592.00	
Skip Yellow, 12.5 ft per line, Paint, 17082 LF	\$ 7,174.44	\$ 17,082.00	
Two-Way Left Turn Lane, Yellow Paint, 4839 LF	\$ 5,080.95	\$ 4,839.00	
Solid White, Paint 1713 LF	\$ 719.46	\$ 1,713.00	
<b>TOTAL ADD'L WORK PRODUCT</b>	<b>\$ 25,833.93</b>	<b>\$ 39,899.00</b>	
	Sherwin-Williams or equal	Sherwin-Williams	

WHEREAS, the City Engineer and City Administrator recommend the acceptance of the low bid of PK Contracting, of Troy, MI. for the base bid of \$29,561.25 and the additional work \$25,833.93 and engagement in the City's Standard Professional Services Contract for execution of the citywide pavement marking program, at a total cost estimated at \$55,395.18, and that the FY2010-11 Budget be amended, accordingly; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the Major Street Fund Undesignated Fund Balance account (202-000.00-390.000).

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the low bid of PK Contracting of Troy, MI. for the base bid of \$29,561.25 plus \$25,833.93 for the additional work and engagement in the City's Standard Professional Services Contract for execution of the citywide pavement marking program, at a total cost estimated at \$55,395.18.

BE IT, FURTHER, RESOLVED that \$55,396 be appropriated from the Major Street Fund Undesignated Fund Balance account (202-000.00-390.000) and that the FY2010-11 Budget be amended as follows:

**Major Street Fund (202)**

Revenue:		<u>Amount</u>
(202-000.00-697.000)	Prior Years' Revenue	\$55,396

Expenditures: (202-474.00-801.000)	Routine Maintenance –	<u>55,396</u>
	Contract Services	
	Total	<u>\$ -0-</u>

On motion by Commissioner Carrico, seconded by Commissioner Steele, this resolution was adopted by a unanimous vote.

**RESOLUTION R11-044**

**RE: DEPARTMENT OF PARKS & RECREATION – Authorization to Perform Electrical Repairs at Island Park**

WHEREAS, last fall, Island Park experienced significant electrical outages that stopped electrical service to about half of the street lights throughout the park, the back restroom, the concession/storage building, the grinder pump which is needed to operate both restrooms, the lights in the Poplar shelter, and the service for the pitching machine; and

WHEREAS, after a series of attempts to troubleshoot the problem and diagnostics performed by Consumers Energy, it was determined that a short-term fix involves the replacement of two pole-mounted aging transformers with a single new pole-mounted transformer and related equipment at an estimated cost of \$5,945; and

WHEREAS, alternative sources were investigated to acquire the aforementioned equipment, with the firm of Kent Power, Grand Rapids, MI being able to provide such within the required timeframe (May 6, in order to minimize impact on scheduled recreation activities) at a cost of \$5,660; and

WHEREAS, the Parks & Recreation Director recommends selection of Kent Power, Grand Rapids, MI for the purpose of performing the necessary electrical repairs at Island Park at a cost not to exceed \$5,660; and

WHEREAS, the Finance Director indicates that there are sufficient funds for this purpose in the Parks & Recreation Capital Improvement account (101-691.00-975.000).

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission by this resolution hereby authorizes the engagement of Kent Power, Grand Rapids, MI for the purpose of performing the necessary electrical repairs at Island Park at a cost not to exceed \$5,660.

On motion by Commissioner DuMars, seconded by Commissioner Warren, this resolution was adopted by a unanimous vote.

**RESOLUTION R11-045**

**RE: CITY ENGINEER – Storm Water Utility Fund – Beecher Street Storm Sewer Lining Project**

WHEREAS, the City of Adrian received a grant to complete a partial reconstruction of Beecher Street from Treat to the eastern city limits; this project will

be in conjunction with the Lenawee County Road Commission as they received a similar grant to complete their section of road from the city limits to Parr Hwy; and

WHEREAS, in preparation for this project, the entire storm sewer along this section of road has been inspected; the sections under the Norfolk and Southern Railroad are in poor shape and the reconstruction of this sewer would be logistically and cost prohibitive within the railroad right-of-way (ROW); and

WHEREAS, Insituform is currently a subcontractor of Gleason Construction, who is performing the sewer work in Riverside Park; Insituform is responsible for lining 600 feet of 12" sewer in this project; and

WHEREAS, the lining process will restore deteriorated areas of the sewer main by using a cured-in-place (CIPP) treatment process; the CIPP system is a seamless pipe within a pipe that maintains structural stability, with a 100-year design life; and

WHEREAS, a proposal has been solicited and received from Insituform in the amount of \$25,428.00 to provide 12" and 18" storm water sewer lining under the railroad crossing at Beecher Street; and

WHEREAS, \$5,200 mobilization costs would be saved by engaging Insituform while they are deployed on the River Interceptor Project; and

WHEREAS, the Finance Director indicates that there are sufficient funds available for this purpose in the Storm Water Utility Fund – Contract Services - Drain Repair Account (598-445.00-801.096); and

WHEREAS, due to the economies that can be achieved, the Utilities Director and City Administrator recommend waiving the competitive bid process and approval of this resolution for authorization to engage Insituform Technologies USA, Inc. Howell, MI in the City's Standard Professional Services Contract for purposes of providing 12" and 18" storm water sewer lining under the railroad crossing at Beecher Street at a cost not to exceed \$25,428.00.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the engagement of Insituform Technologies USA, Inc. Howell, MI in the City's Standard Professional Services Contract for purposes of providing 12" and 18" storm water sewer lining under the railroad crossing at Beecher Street at a cost not to exceed \$25,428.00.

BE IT, FURTHER, RESOLVED that, in the best interests of the City, the competitive bid process be waived, in accordance with the City's Purchasing Policy as specified in Chapter 12 of the City Charter and Section 2-304 of the Codified City Ordinances.

On motion by Commissioner Steele, seconded by Commissioner DuMars, this resolution was adopted by a unanimous vote.

## **RESOLUTION R11-046**

**RE: ATTORNEY'S OFFICE - A RESOLUTION TO EXTEND A TEMPORARY MORATORIUM UPON THE ISSUANCE OF PERMITS, LICENSES AND ZONING APPROVALS FOR THE SALE OR DISPENSATION OF MEDICAL MARIHUANA**

WHEREAS, the sale or dispensation of medical marihuana was not envisioned when the current Zoning Ordinance was adopted or was most recently amended and is not regulated in any way; and

WHEREAS, allowing the sale or dispensation of medical marihuana prior to the amendment of the Zoning Ordinance would be contrary to the City of Adrian's Code of Ordinances and the 2006 City of Adrian Comprehensive Plan; and

WHEREAS, the City of Adrian desires to ascertain the best and safest path to compliance with the Michigan Medical Marihuana Act, PA 2008, initiated law, MCL 333.2622 et. seq., in order to protect the public health, safety and welfare; and

WHEREAS, the Planning Commission has submitted to the City Commission its proposed amendment to the Zoning Ordinance pertaining to medical marihuana; and

WHEREAS, an ordinance has been drafted for licensing medical marihuana caregiving facilities; and

WHEREAS, adoption of both ordinances cannot take place before May 2<sup>nd</sup>, 2011; and

WHEREAS, the current moratorium will expire before the ordinances can be adopted.

NOW THEREFORE, BE IT RESOLVED, that the moratorium that is currently in place shall be extended for an additional 60 days to allow the city commission to fully consider both the amendments to the zoning ordinance and the adoption of a licensing ordinance.

On motion of Commissioner DuMars, supported by Commissioner Warren, the above resolution was adopted by a unanimous vote.

## **RESOLUTION R11-047**

**RE: DEPARTMENT OF PARKS & RECREATION – Revised Design Engineering Contract for Construction of Non-Motorized Pedestrian Bridge Extending Kiwanis Trail into Riverside Park**

WHEREAS, the Adrian City Commission, by Resolution #R09-085 dated May 4, 2009, authorized the submission of a Congestion Mitigation Air Quality (CMAQ) grant application to fund non-motorized/pedestrian bridge construction extending Kiwanis Trail into Riverside Park; and

WHEREAS, the Adrian City Commission, by Resolution #R10-064 dated May 17, 2010, accepted the aforementioned grant award through the Michigan Department of Transportation (MDOT), including selection and engagement of ROWE

Professional Services Co., Flint, MI, in the City's Standard Professional Services Contract to provide design engineering services for this project at a cost not to exceed \$15,117; and

WHEREAS, due to unforeseen requirements imposed by the Michigan Department of Natural Resources and Environment (MDNRE), the Parks & Recreation Director is recommending approval of an additional \$7,000 to be paid to ROWE Professional Services for work performed, including:

- Design of boardwalk versus paved approach and re-design of north approach based on revised sanitary sewer alignment. This work includes new survey alignment, adjusting the north trail approach to coordinate with sewer project removals;
- Additional design for paved parking area, including section and pavement and marking details, etc;
- Additional coordination with easement, letting, etc; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose from Undistributed Fee Estate Net Income and recommends that the FY2010-11 Budget be amended accordingly.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the recommended \$7,000 revision to the design engineering services contract with ROWE Professional Services Co., Flint, MI for services related to construction of the Non-Motorized/Pedestrian Bridge Extending Kiwanis Trail into Riverside Park.

BE IT, FURTHER, RESOLVED that \$7,000 be appropriated from Undistributed Fee Estate Net Income and that the FY2010-11 Budget be amended as follows:

**Fee Estate Fund (205)**

Revenue:		
(205-000.00-697.000)	Prior Years' Revenue	\$7,000
Expenditures:		
(205-699.00-801.000)	Contract Services	<u>7,000</u>
	Total	<u>\$0</u>

On motion by Commissioner Steele, seconded by Commissioner DuMars, this resolution was adopted by a 6-1-0 vote.

AYES: Mayor McDowell and Commissioners Warren, Steele, Carrico, Clegg and DuMars

NAYS: Commissioner Osborne

ABSTAINED: None

## **RESOLUTION R11-048**

**RE: DEPARTMENT OF PARKS & RECREATION – Professional Services  
Recommendation – Construction Engineering and Related Services for  
the Kiwanis Trail Non-Motorized Bridge Project**

WHEREAS, the Adrian City Commission, by Resolution #R09-085 dated May 4, 2009, authorized the submission of a Congestion Mitigation Air Quality (CMAQ) grant application (\$398,120) to fund non-motorized/pedestrian bridge construction extending Kiwanis Trail into Riverside Park; and

WHEREAS, the Adrian City Commission, by Resolution #R10-064 dated May 17, 2010, accepted the aforementioned grant award through the Michigan Department of Transportation (MDOT), including selection and engagement of ROWE Professional Services Co., Flint, MI, in the City's Standard Professional Services Contract to provide design engineering services for this project; and

WHEREAS, construction bids for the Kiwanis Trail bridge project have been received by MDOT; the project has been awarded to L J Construction and the tentative start date is May 2, 2011; and

WHEREAS, for the construction phase of the project, we need a firm to provide construction engineering and related services, so we asked ROWE to give us a proposal since they are familiar with the project from providing the design engineering. They are also pre-qualified through MDOT to perform this type of service and they are certified to use the Field Manager Program, which is required by MDOT to manage construction progress and process pay requests; and

WHEREAS, estimated fees for construction engineering/management are based on approximately 400 hours for an amount up to \$38,000, including the following scope of services:

- Participate in pre-construction meeting with general contractor  
Complete office technician duties, including input of Field Manager data to process pay requests and change orders (City staff will collect and document data for Field Manager)
- Shop drawing review
- Concrete testing
- Construction staking
- Observation of pile driving operations
- Bi-weekly progress meeting, based on a 90-day construction period
- Preparation of record drawings based on information provided by the city and/or contractor; and

WHEREAS, the Finance Director indicates that the \$38,000 fee is 80% grant eligible (\$30,400), with funding for the 20% local match (\$7,600) being available from Undistributed Fee Estate Net Income and recommends that the FY2010-11 Budget be amended accordingly.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the recommended engagement of ROWE Professional Services Co., Flint, MI for construction engineering/management services related to construction of the non-motorized/pedestrian bridge extending Kiwanis Trail into

Riverside Park at an estimated cost of \$38,000 (80% grant funded and 20% local match).

BE IT, FURTHER, RESOLVED that \$7,600 be appropriated for the local match obligation from Undistributed Fee Estate Net Income and that the FY2010-11 Budget be amended as follows:

**Fee Estate Fund (205)**

Revenue:		
(205-000.00-697.000)	Prior Years' Revenue	\$7,600
Expenditures:		
(205-699.00-801.000)	Contract Services	<u>7,600</u>
	Total	<u>\$ -0-</u>

On motion by Commissioner DuMars, seconded by Commissioner Steele, this resolution was adopted by a 6-1-0 vote.

AYES: Mayor McDowell & Commissioners Warren, Steele, Carrico, Clegg & DuMars

NAYS: Commissioner Osborne

ABSTAINED: None

**RESOLUTION R11-049**

**RE: DEPARTMENT OF PARKS & RECREATION – Authorization to Use Swigert Estate Funds to Partially Defray Cost of Piotter Center Renovation to Accommodate Day Break Adult Services Program**

WHEREAS, the non-profit Day Break Adult Services organization is relocating to the Piotter Center, partially using space previously occupied by the Boys & Girls Club; and

WHEREAS, the Lenawee County Department on Aging has selected the low bidder and engaged Kreighoff-Lenawee, Adrian, MI, at a cost of \$101,838 to perform necessary renovations at the Piotter Center to accommodate Day Break; and

WHEREAS, to ensure the negotiated Piotter Center annual rental income from Day Break amounting to \$26,400 (\$10,200 more than rent paid by the Boys & Girls Club), the City Parks & Recreation Director recommends that \$25,000 of Swigert Estate funds be appropriated (\$12,500 for FY2010-11 and \$12,500 for FY2011-12) to partially fund the aforementioned renovations, with the \$76,838 balance provided by the Lenawee County Department on Aging; and

WHEREAS, the Finance Director indicates that sufficient funds are available from the Thelma Swigert Endowment for the Senior Citizens Trust; and

WHEREAS, the Parks & Recreation Director and City Administrator recommend approval of this resolution authorizing the appropriation of \$25,000 of Swigert Estate funds (\$12,500 for FY2010-11 and \$12,500 for FY2011-12) to

partially fund the aforementioned renovations, with the \$76,838 balance provided by the Lenawee County Department on Aging.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the appropriation of \$25,000 of Swigert Estate funds (\$12,500 for FY2010-11 and \$12,500 for FY2011-12) to partially fund the Piotter Center renovations to accommodate the Day Break Adult Services Program, with the \$76,838 balance provided by the Lenawee County Department on Aging.

BE IT, FURTHER, RESOLVED that \$25,000 be appropriated from the Thelma Swigert Endowment for the Senior Citizens Trust and that the FY2010-11 Budget and FY2011-12 Budget be amended as follows:

<b>General Fund (101)</b>			
<b>Revenue:</b>		<b><u>FY2010-11</u></b>	<b><u>FY2011-12</u></b>
(101-691.00-675.000)	Private Donations	\$12,500	\$12,500
<b>Expenditures:</b>			
(101-691.00-801.000)	Contract Services	<u>12,500</u>	<u>12,500</u>
	Total	<u>\$ -0-</u>	<u>\$ -0-</u>

On motion by Commissioner DuMars, seconded by Commissioner Warren, this resolution was adopted by a 6-1-0 vote.

AYES: Mayor McDowell and Commissioners Warren, Steele, Carrico, Clegg and DuMars

NAYS: Commissioner Osborne

ABSTAINED: None

### **RESOLUTION R11-050**

#### **DEPARTMENT OF INFORMATION TECHNOLOGY – Utility Audit Proposal**

WHEREAS, to ensure that the City of Adrian is not overpaying for telecommunications or energy needs as a result of billing errors or over-priced and/or under-used services, the Information Technology Director solicited a proposal from Utility Reduction Specialists, Inc., Clemmons, NC to perform a Telecom, Cellular & Energy Audit; and

WHEREAS, the Scope of Services, which are paid for on a contingency basis, are as follows:

Specific to conducting a **telecommunications audit**, URS agrees to analyze telephone bills and records. This will include seeking refunds and credits as well as create a cost savings plan.

URS utilizes proprietary and tested techniques to achieve maximum cost reductions. In the area of telecommunications our services include the following:

- Audit of equipment and maintenance charges

- Line inventory and verification of all charges
- Voice Traffic studies
- Toll call analysis and unauthorized calls
- Analysis of local service vendor alternatives
- Analysis of cellular vendors and services
- Internet and data line review
- Yellow page analysis and Cellular phone bill analysis

In the area of **energy and utility audits**, our services include the following:

- Our focus here will be to ensure the Client is spending less for what they use – not using less.
- We will secure one copy of every power bill received by the Client and as possible register online with vendors to receive a 12 month billing history of usage.
- Our individual bill reviews will include such things as:
  - Rate analysis
  - Taxes and other regular fees
  - Demand contracts
  - Extra facility charges
  - Meter multiplier errors
- Reporting will be on an exception basis on those bills where either errors are found or future savings opportunities have been noted; and

WHEREAS, the Finance Director indicates that there is no up-front cost but, rather, the firm charges a contingency fee of 45% of the refund or credit and payable after the City has received the credit, as well as 45% of the cost identified reductions as realized by the City over a 24-month period; and

WHEREAS, the Information Technology Director and City Administrator recommend engagement of Utility Reduction Specialists, Inc., Clemmons, NC to perform a Telecom, Cellular & Energy Audit for the City of Adrian.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes engagement of Utility Reduction Specialists, Inc., Clemmons, NC to perform a Telecom, Cellular & Energy Audit for the City of Adrian on a contingency fee basis.

On motion by Commissioner Carrico, seconded by Commissioner DuMars, this resolution was adopted by a unanimous vote.

#### **MISCELLANEOUS**

1. D.A.R.T. Passenger Ridership Report
2. Departmental Report
3. Fire Department Report (Feb. & March)
4. Adrian Senior Center Quarterly Usage Report
5. Planning Commission Minutes (April 5, 2011)
6. Zoning Board of Appeals Minutes (April 5, 2011)

## **PUBLIC COMMENTS**

1. Jeffrey Helme, 826 Michigan Ave., said he is concerned about the trouble that Adrian College students cause and feels that the College needs to address this.
2. Don Lofton, Adrian Taxi Service, said one of his drivers was ticketed for parking in the traffic lane on Main Street and blocking traffic; asked what they should do when picking up bar patrons if there are no empty parking spaces.
3. Nick Creger, 1003 Chestnut St., asked what he could do regarding his bill for snow removal.
4. Duane Doyle and his daughter thanked the Commission for allowing fishing at Lake Adrian.
5. Rick Strawcutter suggested adopting a "1-minute, no objection" rule for those that wish to make a comment at anytime other than public comments.

## **COMMISSION COMMENTS**

1. Commissioner Osborne made a request to discuss three things at future meetings:
  - The Income Tax Study
  - Orphaned & unused properties – disposing & selling of
  - Discuss the properties that are coming back into the City next year from Adrian Township
2. Mayor McDowell announced he would not run again for Mayor and thanked the Commission and citizens for their support.

The next regular meeting of the Adrian City Commission will be held on Monday, May 2, 2011 at 7:00 p.m. in the Chambers Building, 159 E. Maumee St., Adrian, MI 49221.

Gary E. McDowell  
Mayor

Pat Baker  
Clerk



# CHECK REGISTER

May 2, 2011

I have examined the attached vouchers and recommend approval of them for payment.

  
\_\_\_\_\_  
Dane C. Nelson  
City Administrator

DCN:bjw

RESOLVED, that disbursements be and they are hereby authorized for warrants directed to be drawn on the City Treasurer for the following:

Utility Department Vouchers	
Vouchers #3439 through #3451 .....	\$115,609.63
General Fund	
Vouchers #20399 through #20435 .....	\$411,000.18
Clearing Account Vouchers	
amounting to .....	<u>\$148,579.34</u>
TOTAL EXPENDITURES .....	<u>\$675,189.15</u>

On motion by Commissioner \_\_\_\_\_, seconded by  
Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_  
by a \_\_\_\_\_ vote.

May 2, 2011

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
3439	City of Adriab: Payroll	Payroll for April 15	\$ 60,711.24
3440	City of Adrian: Stormwater	Transfer payment	
3441	Consumers Energy	Electric Bills	\$ 3,147.54
3442	Citizens Gas Fuel Co	Water O&M Heat	\$ 15.08
3443	City of Adrian: Utilities	Various Water Bills	\$ 215.05
3444	Nicole Daniels	Blue Cross Refund	\$ 32.50
3445	***Void***		
3446	Delores Taylor	Blue Cross Refund	\$ 21.00
3447	City of Adrian: Clearing Acct	April 18 CK Register	\$ 67,073.44
3448	Frontier	Water Phone Bills	\$ 86.03
3449	Consumers Energy	Various Electric Bills	\$ 44,768.80
3450	US Postmaster	Postage exp	\$ 1,435.45
3451	Citizens Gas Fuel Co	Various Heat Bills	\$ 5,176.94
		<b>Total</b>	<b>\$ 182,683.07</b>
		Less: CK #3447	<b>\$ 67,073.44</b>
		<b>TOTAL</b>	<b>\$ 115,609.63</b>

WW = \$ 80,503.62

WAT= \$ 102,179.45

2-May-11

GENERAL FUND  
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
20399	\$ 215,711.53	City of Adrian: Payroll	Payroll for Apr 15
20400	\$ 15,785.95	First Federal Bank	Soc Security for Apr 15
20401	\$ 15,257.05	Consumers Energy	Vraious Electric Bills
20402		City of Adrian: Utilities	Transfer State MI Funds
20403	\$ 30.00	Lenawee Co Reg of Deeds	Release of Jeopardy
20404	\$ 45.00	Tina Clark	Recreation Refund
20405	\$ 30.00	Angela Flores	Recreation Refund
20406	\$ 45.00	David Delacruz	Recreation Refund
20407	\$ 60.00	Scott Wood	Recreation Refund
20408	\$ 60.00	Kiki Frederick	Recreation Refund
20409	\$ 55.00	MaryAnn Dalgard	Recreation Refund
20410	\$ 205.00	Jessica Harrison	Recreation Refund
20411	\$ 75.00	Tammy Cantu	Recreation Refund
20412	\$ 331.11	City of Adrian: Water Dept	Mail Assessing Notices
20413	\$ 2,395.16	Citizens Gas Fuel Co	Various Heat Bills
20414	\$ 1,727.42	City of Adrian: Utilities	Various Water Bills
20415	\$ 25.00	Jonathan Gentner	Blue Cross Refund
20416	\$ 5.00	Richard Barker	Blue Cross Refund
20417	\$ 643,358.28	City of Adrian: Clearing Acct	April 18 CK Register
20418	\$ 122.42	Frontier	Police,Fire,Skate Pk phone
20419	\$ 3,741.80	Quick Service Transportation	Payroll W/E Apr 16
20420	\$ 100.00	April Stevens	Mayor Youth Council Award
20421	\$ 50.00	Holly Catenacci	Mayor Youth Council Award
20422	\$ 25.00	Will Burtless	Mayor Youth Council Award
20423	\$ 25.00	Emily Ghena	Mayor Youth Council Award
20424	\$ 50.00	Willow Gritzmaker	Mayor Youth Council Award
20425	\$ 100.00	Paige Halfmann	Mayor Youth Council Award
20426		City of Adrian: Wastewater	Transfer State MI Funds
20427	\$ 13,655.48	Consumers Energy	Various Electric Bills
20428	\$ 38,945.55	Lenawee Fuels Inc	MVP Gas & Diesel Fuel
20429	\$ 19.00	Rebeca Parsons	Recreation Refund
20430	\$ 66.00	Jodie Fenstemacher	Recreation Refund
20431	\$ 53.00	Maripat Perkins	Recreation Refund
20432	\$ 95,733.10	Blue Cross Blue Shield of MI	May Hospitalization Ins
20433	\$ 2,351.91	Citizens Gas Fuel Co	Various Heat Bills
20434	\$ 487.57	Frontier	Various Phone Bills
20435	\$ 3,631.13	Quick Service Transportation	Payroll W/E Apr 23
	\$ 1,054,358.46		
	\$ (643,358.28)	Less: CK# 20417	
	\$ 411,000.18		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ABB INC	1,515.01		
2. ACADEMY FOR MANUFACTURING CA	105.00		
3. ADRIAN COMMUNICATIONS	127.87		
4. ADRIAN FABRICARE CENTER INC.	670.00		
5. ADRIAN LOCKSMITH & CYCLERY	36.54		
6. ADRIAN MECHANICAL SERVICES C	1,840.85		
7. AIRGAS GREAT LAKES	153.11		
8. AMAZING BASKETS & COOKIES	45.00		
9. DEBI ANDREWS	73.44		
10. APPLE MAT RENTAL	274.80		
11. APPLIED INDUSTRIAL TECHNOLOG	74.69		
12. AQUATIC TECHNOLOGY INC	518.40		
13. ARCH WIRELESS	34.63		
14. ELIZABETH ARNOLD	49.95		
15. AUTO ZONE COMMERCIAL	39.99		
16. BADER & SONS CO	116.00		
17. BAKER & TAYLOR BOOKS	929.85		
18. TIM BARTENSLAGER	300.00		
19. BATTERY WHOLESALE	49.35		
20. BILL'S SERVICE, INC.	125.99		
21. BLACK SWAMP EQUIPMENT	573.14		
22. BLISSFIELD PARTS, INC.	275.76		
23. BOUND TREE MEDICAL, LLC	408.04		
24. BUCK & KNOBBY EQUIP CO INC	350.20		
25. BWI	705.71		
26. CDW-G COMPUTER SUPPLIES	58.50		
27. CHALLENGER TEAMWEAR	176.70		
28. CHAMBERS CONTROL COMPANY	7,280.00		
29. CLEAN CARE INC	4,429.00		
30. COAST TO COAST DELI	86.81		
31. COMCAST	93.69		
32. COMPUTER CARE COMPANY, INC.	229.85		
33. CONSUMERS ENERGY	1,560.00		
34. CONTINENTAL SERVICE	333.39		
35. DETROIT FREE PRESS	132.01		
36. DOAN COMPANIES	775.00		
37. ROGER DONALDSON AIA PLC	390.00		
38. EAST JORDAN IRON WORKS INC	10,134.46		
39. VINCENT EMRICK	24.89		
40. FASTENAL COMPANY	239.92		
41. FEDERAL EXPRESS	78.53		
42. FIRSTLAB	17.95		
43. GALE	297.24		
44. GEMINI GROUP LLC	3,726.00		
45. GERKEN MATERIALS INC.	4,688.13		
46. GOOGLE INC	25.00		
47. GRAINGER PARTS OPERATIONS	360.02		
48. HILLSDALE CO. PROSECUTORS OF	47.50		
49. HUBBARD'S AUTO CENTER INC	641.58		
50. I.T. RIGHT	135.00		
51. ICMA RETIREMENT CORPORATION	155.76		
52. JACKSON TRUCK SERVICE INC.	19.32		
53. JONES & HENRY ENGINEERS, LTD	3,060.09		
54. BRENT KUBALEK	192.00		
55. LANDSCAPE ARCHITECTS & PLANN	985.00		
56. LENAWEE COUNTY TREASURER	453.27		
57. DUSTIN LENT	1,768.00		
58. LEXIS-NEXIS MATTHEW BENDER	516.08		
59. MANPOWER OF LANSING MI INC.	1,053.00		
60. MASSON'S ELECTRIC, INC	90.00		
61. MC SPORTS	575.76		
62. GARY MCDOWELL	78.54		
63. MICHIGAN AMATEUR SOFTBALL	755.00		
64. MICHIGAN CAT CORP	329.83		
65. STATE OF MICHIGAN	1,793.01		
66. MICROMARKETING LLC	517.65		
67. MIDWEST TAPE	772.96		
68. MOORE PENDING, LLC	65.00		
69. N.A.D.A. APPRAISAL GUIDES	137.00		
70. NEXTEL COMMUNICATIONS	269.16		
71. NORTH EASTERN UNIFORMS & EQU	243.83		
72. OCE IMAGISTICS INC	161.89		
73. PLATINUM PLUS	5,933.91		
74. PREIN & NEWHOF ENGINEERS	272.00		
75. PRO-MED UNIFORM	377.00		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. PROMEDICA PHYSICIANS GROUP	1,170.00		
77. PURCHASE POWER	3,063.03		
78. PVS TECHNOLOGIES INC	4,624.83		
79. QUARTERMASTER	111.98		
80. QUICK SERVICE TRANSPORTATION	4,350.97		
81. RECORDED BOOKS LLC.	239.40		
82. REEVES INC.	665.00		
83. ROBERT'S FLOORS CO.	80.00		
84. ROWE PROFESSIONAL SERVICES C	7,000.00		
85. SAFEWAY MOVING & STORAGE	388.00		
86. CHARLES SCHMENK	80.00		
87. SCHOLASTIC INC	145.68		
88. SIGN LANGUAGE SIGNS, INC.	153.00		
89. SIRCHIE FINGER PRINT LABORAT	148.87		
90. SJS INVESTMENT CONSULTING IN	750.00		
91. CAROL SOUCHOCK	70.87		
92. SPRINT NEXTEL	30.00		
93. STAPLES CREDIT PLAN	1,185.49		
94. STEVENS DISPOSAL	39,122.54		
95. STITCH WIZARD EMBROIDERY INC	76.00		
96. T-MOBILE	29.99		
97. TOBY'S INSTRUMENT SHOP INC	237.00		
98. TOLEDO PHYSICAL EDUCATION SU	103.96		
99. TRACTOR SUPPLY COMPANY	161.93		
100. PAUL TRINKA	29.78		
101. UNIQUESCREEN MEDIA INC.	93.33		
102. UNITED PARCEL SERVICE	144.22		
103. UNUM LIFE INSURANCE COMPANY	2,196.35		
104. UPSTART	30.85		
105. USA BLUEBOOK	61.94		
106. ERIC VILLEGAS	375.00		
107. WARREN HOLDING CO LLC	1,370.00		
108. WATER ENVIRONMENT FED.	105.00		
109. WEPHOTO LLC	416.00		
110. WEST GROUP PAYMENT CENTER	396.96		
111. WESTERN LIME CORPORATION	9,858.45		
112. CURT WHITING	27.43		
113. WOODLANDS LIBRARY COOPERATIV	307.86		
114. WRIGHT TREE SERVICE, INC	3,227.64		
115. YAHOO! CUSTODIAN OF RECORDS	20.44		
**TOTAL ALL CLAIMS**	148,579.34		



# COMMUNICATIONS



**MEMO**

135 E. Maumee St . Adrian, Michigan 49221-2773

**DATE:** April 18, 2011

**TO:** Hon. Gary McDowell, Mayor  
City Commission  
Dane C. Nelson, City Administrator

**FROM:** Jeffrey C. Pardee, C.P.F.O.  
Finance Director 

**SUBJECT:** City of Adrian FY2010-11 Third Quarter Financial Forecast

Please find attached the Third-Quarter Financial Forecast for the City of Adrian for Fiscal Year 2010-11. As of March 31, 2011, actual General Fund revenue - \$9,463,052 - exceeded expenditures - \$8,193,739 by \$1,269,313. However, this favorable variance is due to the timing of the Summer tax collection, which will be drawn down during the balance of the fiscal year. Based on the 3rd Quarter Report, projected revenues for the entire fiscal year - \$12,667,100 - are expected to exceed forecasted expenditures - \$12,550,928 - by \$165,499.

Compared to the Amended Budget [\$12,785,060], projected revenues [\$12,667,100] are estimated to fall short by (\$117,960), due to the following:

<u>Account</u>	<u>Amount</u>	<u>Explanation</u>
Police Dept. Drug Forfeiture Funds	\$(28,000)	Fewer Request for Transfers
Firefighters' Assistance Grant	(22,500)	No Grant Award
Building Permits	(25,000)	Economic Conditions
Parks & Rec – Adult Sports	(20,000)	Reduced Activity
Prior Years' Revenue	(17,953)	Planned Use of Fund Balance
Other	<u>4,507</u>	
Total	<u>\$(117,960)</u>	

The reduction in revenue is more than offset by savings in departmental operating budgets - \$283,459, primarily attributable to the inclusion of the principal amount (\$200,000) in the budget, whereas the actual expenditures reflect interest payment only. Principal payments reflect as a reduction to outstanding long-term liabilities.

Other savings are anticipated in Human Resources Department – Legal Fees (\$10,000), City Hall Building Maintenance (\$5,000), City Chambers and Police Facility – Property Insurance (\$12,000), and Contingency (\$187,459). Theses savings are offset by a budget error in the Fire Department which excluded appropriations for Longevity, Holiday and Education Premium Pay (\$80,000), Motor Pool Charges to the Engineering Department (\$12,000), and Composting and Fuel Surcharge for Refuse Collection and Disposal (\$33,000). Budget amendments will be forthcoming.

In accordance with the Uniform Budgeting Act (Public Act 621 of 1978) for Local Units of Government, variances from budget are identified and explained in the Financial Forecast. As reflected in the Financial Forecast, expenditures through the third quarter are generally on track with the Amended Budget. A reconciliation of all budget amendments, including General Fund Contingency, is presented on Page 11 of the Financial Forecast.

In addition to the General Fund, all other Governmental (Special Revenue, Debt Service, and Capital Projects Funds) and Proprietary (Enterprise Funds, e.g., Water and Sewer Funds) have been included in the Financial Forecast. Generally, these funds are on track with the budget as amended, with the following exceptions:

- 1) Both the Major Street Fund (\$30,000) and Local Street Fund (\$21,000) are experienced excessive winter maintenance expenses associated with snow removal;
- 2) The Community Development Fund no longer contracts with Lenawee County to administer the CDBG Grant;
- 2) The financial forecast for the Auto Parking Fund reflects the revised financial plan adopted by the City Commission on October 4, 2010;
- 3) The Transportation Fund reflects the temporary operation of the fixed-route system, designed to transport student traffic downtown on Thursday and Friday nights.
- 4) The newly expanded Motor Vehicle Pool Fund is still evolving to reflect financial interaction with all user departments.

It should be noted that the amended FY2010-11 Financial Plan anticipates a draw down on Fund Equity in the following funds:

Major Street Fund	\$(157,389)	Local Match for Pedestrian Bridge Grant
Local Street Fund	(282,793)	Several Street & Sidewalk Construction Project
Fee Estate Fund	( 52,590)	Trestle Park Decking & Downtown Parking
Downtown Development Authority	( 5,711)	Façade Program
DDA-TIF Fund	( 3,400)	Façade Program
LDFA-GAIDC Fund	( 16,322)	Support Economic Development Activities
Vibrant Small Cities Grant	(26,945)	Blight Reduction
Capital Project Funds – Water	( 70,000)	Meter Replacement Program
Capital Project Funds – Sewer	(234,331)	Manhole Renovation Project and Riverside Park interceptor
Transportation Fund	( 1,396)	Fare Books Encumbrance Carry Forward
Sewer Fund	( 65,129)	Misc. Wastewater Treatment Plant Repairs
Water Fund	( 5,532)	Misc. Purification & Pump System Repairs
Storm Water Utility Fund	( 5,200)	Urban Tree Canopy Grant
Information Technology Fund	<u>(312,332)</u>	Planned draw down on Fund Balance
Total	<u>\$ (1,239,070)</u>	

All of the foregoing draw-downs on fund balance were either planned, with sufficient funding available, or a result of previously authorized appropriations which were encumbered or carried forward into the ensuing budget.

## Future Considerations:

The FY2011-12 Budget Recommendation, which balances General Fund Appropriations of \$9,332,805 with Estimated Revenue, reflects a year-to-year reduction of \$1.8 million, primarily due to decreased property taxes (\$412,814) related to lower taxable values, another tax reduction (\$441,167) due to change to direct charge method of financing Refuse Collection and Disposal, and elimination of Statutory Revenue Sharing (\$720,180). To balance the budget, twenty (20) positions were eliminated resulting in twelve (12) layoffs, and employee contributions to health care have been increased from 6% to 20%, equivalent to a 5% pay cut.

Governor Snyder has replaced statutory Revenue Sharing with a scaled-down (\$300 million to \$200 million) Economic Vitality Incentive Program requiring local units to enhance accountability and transparency, engage in collaboration and/or consolidation efforts, and adopt employee compensation best practices in order to qualify for future disbursement of funds.

## Cash Management and Investments:

In today's uncertain credit market, there is a legitimate concern regarding the custodial risk associated with over-concentration of cash balances and investments in a few financial institutions. To mitigate the custodial risk, the City's funds are held by a diverse group of financial institutions. The following is a summary of the City's over \$7.9 million portfolio as of February 28, 2011 in each bank or investment pool:

<u>Institution</u>	<u>Amount</u>
Huntington Bank	\$ 2,918,243
First Federal Bank	2,507,140
United Bank & Trust	679,245
Key Bank	468,396
Multi-Bank Securities	661,986
MBIA-Class Pool	<u>692,381</u>
Total	<u>\$ 7,927,391</u>

Effective October 3, 2008, the Federal Deposit Insurance Corporation (FDIC) increased the insured balances in each financial institution from \$100,000 to \$250,000. In addition, each of the investments in Multi-Bank Securities is held by a separately insured banking institution. Finally, United Bank & Trust is allocating a portion of the City's investments to their Washtenaw operation, which will double the insured portion of that deposit. In other words, the total insured portion of the aforementioned amount is \$1,911,986, equivalent to 24% percent.

If you have any questions or need for further information, please contact my office.

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
 March 31, 2011

<u>FUND/DEPARTMENT</u>	<u>FY2010-11</u>	<u>FY2010-11</u>	<u>AMENDED</u>	<u>YEAR-TO-DATE</u>	<u>FORECAST</u>	<u>VARIANCE</u>		<u>EXPLANATION</u>
	<u>ADOPTED</u>	<u>AMENDED</u>	<u>over/(under)</u>			<u>ACTUAL</u>	<u>FORECAST TO BUDGET</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>ADOPTED</u>			<u>AMOUNT</u>		
<b>GENERAL FUND REVENUE (101):</b>								
<b>Revenues</b>								
<b>Dept 101.00: CITY COMMISSION</b>								
489.000 Misc. City Promotions	\$200	\$200	\$0	\$0	\$200	\$0		
<b>Total - Dept 101.00</b>	<b>\$200</b>	<b>\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200</b>	<b>\$0</b>		
<b>Dept 172.00: CITY ADMINISTRATION</b>								
532.000 ADMINISTRATION INCOME	\$0	\$0	\$0	\$40	\$40	\$40		Solid Waste Comm
672.000 OIL LEASE PROCEEDS	0	102,600	102,600	102,600	102,600	0	0.0%	
695.000 OTHER	0	0	0	40	80	80		
<b>Total - Dept 172.00</b>	<b>\$0</b>	<b>\$102,600</b>	<b>\$102,600</b>	<b>\$102,680</b>	<b>\$102,720</b>	<b>\$120</b>	<b>0.1%</b>	
<b>Dept 201.00: FINANCE DEPARTMENT</b>								
445.000 PENALTIES & INTEREST ON TAXES	\$60,000	\$60,000	\$0	\$30,217	\$60,000	\$0	0.0%	
480.000 DOG LICENSES	2,000	2,000	0	1,032	2,000	0	0.0%	
607.000 TAX COLLECTION FEES	220,000	220,000	0	194,679	220,000	0	0.0%	
664.000 INVESTMENT INCOME	150,000	100,000	(50,000)	55,514	100,000	0	0.0%	
665.000 CHANGE IN FAIR MARKET VALUE	0	0	0	(16,045)	(21,400)	(21,400)		
685.000 SALE OF EQUIPMENT	3,000	3,000	0	438	3,000	0	0.0%	
696.000 CASH OVER/SHORT	0	0	0	152	0	0		
<b>Total - Dept 201.00</b>	<b>\$435,000</b>	<b>\$385,000</b>	<b>(\$50,000)</b>	<b>\$265,987</b>	<b>\$363,600</b>	<b>(\$21,400)</b>	<b>-5.6%</b>	
<b>Dept 209.00: CITY ASSESSOR</b>								
444.000 PRINCIPLE RES. DENIAL PENALTY	\$1,000	\$2,000	\$1,000	\$2,991	\$3,000	\$1,000	50.0%	Enhanced Enforcement
488.000 CONTRACT SERVICES REVENUE	100	100	0	0	100	0	0.0%	
583.000 COBRA REIMBURSEMENT	1,505	1,505	0	1,365	1,505	0	0.0%	
<b>Total - Dept 209.00</b>	<b>\$2,605</b>	<b>\$3,605</b>	<b>\$1,000</b>	<b>\$4,356</b>	<b>\$4,605</b>	<b>\$1,000</b>	<b>27.7%</b>	
<b>Dept 210.00: CITY ATTORNEY</b>								
488.000 CONTRACT SERVICES	\$11,000	\$11,000	\$0	\$8,253	\$11,000	\$0	0.0%	
490.000 LEGAL SERVICES	500	500	0	0	500	0	0.0%	
<b>Total - Dept 210.00</b>	<b>\$11,500</b>	<b>\$11,500</b>	<b>\$0</b>	<b>\$8,253</b>	<b>\$11,500</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Dept 215.00: CITY CLERK</b>								
458.000 VENDORS-HAULERS & PEDDLERS	\$100	\$100	\$0	\$25	\$100	\$0	0.0%	
459.000 AMUSEMENTS	3,000	3,000	0	225	3,000	0	0.0%	
608.000 SCHOOL ELECTION FEES	9,000	9,000	0	0	9,000	0	0.0%	
695.000 OTHER	400	400	0	1,060	1,100	700	175.0%	
<b>Total - Dept 215.00</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$0</b>	<b>\$1,310</b>	<b>\$13,200</b>	<b>\$700</b>	<b>5.6%</b>	

CITY OF ADRIAN  
 FY2010-11 THIRD QUARTER FINANCIAL FORECAST  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>Dept 226.00: HUMAN RESOURCES</b>								
691.000 VENDING PROCEEDS-WELLNESS	\$100	\$100	\$0	\$27	\$100	\$0	0.0%	
693.000 WELLNESS PROCEEDS	200	200	0	231	200	0	0.0%	
<b>Total - Dept 226.00</b>	<b>\$300</b>	<b>\$300</b>	<b>\$0</b>	<b>\$258</b>	<b>\$300</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Dept 276.00: CEMETERY</b>								
625.000 ENGRAVING	\$1,000	\$1,000	\$0	\$275	\$1,000	\$0	0.0%	
628.000 FOUNDATIONS - CEMETERY	10,000	10,000	0	5,142	10,000	0	0.0%	
629.000 GRAVE OPENINGS	40,000	40,000	0	27,533	40,000	0	0.0%	
630.000 UPKEEP OF CEM LOTS (NOT PC)	8,000	8,000	0	6,536	8,000	0	0.0%	
642.000 PET CEMETERY	1,000	1,000	0	0	500	(500)	-50.0%	
643.000 CEMETERY LOTS	2,000	2,000	0	1,505	2,000	0	0.0%	
<b>Total - Dept 276.00</b>	<b>\$62,000</b>	<b>\$62,000</b>	<b>\$0</b>	<b>\$40,991</b>	<b>\$61,500</b>	<b>(\$500)</b>	<b>-0.8%</b>	
<b>Dept 301.00: POLICE DEPARTMENT</b>								
455.000 PARKING	\$500	\$500	\$0	\$502	\$500	\$0	0.0%	
456.000 TAXI	250	250	0	0	250	0	0.0%	
508.000 TRAFFIC GRANT	2,000	2,000	0	0	2,000	0	0.0%	
509.000 HOME LAND SECURITY GRANT	0	30,413	30,413	0	0	(30,413)	-100.0%	Paid directly by
513.000 BULLET PROOF VEST GRANT	500	500	0	0	500	0	0.0%	Lenawee County
514.000 SCHOOL POLICING OFFICER GRANT	0	0	0	32,667	32,667	32,667		Emergency Management
515.000 OHSP TRAFFIC GRANT	7,000	7,000	0	15	7,000	0	0.0%	
534.000 NARCOTIC ENFORCEMENT GRANT	4,000	72,000	68,000	95,641	72,000	0	0.0%	
540.000 POLICE JAG GRANT - COMPUTER EQUIP.	20,000	20,048	48	17,125	17,125	(2,923)	-14.6%	
543.000 POLICE TRAINING GRANT	7,000	7,000	0	3,206	7,000	0	0.0%	
576.000 LIQUOR LICENSES	13,000	13,000	0	13,337	13,500	500	3.8%	
624.000 LIVESCAN APPLICANT FINGERPRINTING	12,000	20,000	8,000	15,256	20,000	0	0.0%	
627.000 DUPLICATING & PHOTOSTATS	4,500	4,500	0	3,462	4,500	0	0.0%	
656.000 PARKING FINES	17,000	17,000	0	16,015	17,000	0	0.0%	
659.000 ORDINANCE FINES & COSTS	75,000	75,000	0	52,677	75,000	0	0.0%	
660.000 TOW & IMPOUND FEES	12,000	12,000	0	13,275	15,000	3,000	25.0%	
675.001 DONATIONS - POLICE RESERVES	0	0	0	5,342	5,342	5,342		
676.701 CONTRIB - TRUST FUND	31,643	33,858	2,215	2,215	5,858	(28,000)	-82.7%	
684.000 SAFETY CITY	2,000	2,000	0	746	2,000	0	0.0%	
685.000 SALE OF EQUIPMENT	5,000	5,000	0	0	5,000	0	0.0%	
689.000 MOTORCYCLE SPONSORSHIP	2,000	1,000	(1,000)	0	1,000	0	0.0%	Phase Out Program
694.000 SEX OFFENDER REGISTRATION	900	900	0	140	900	0	0.0%	
695.000 OTHER	3,000	3,000	0	137	3,000	0	0.0%	
<b>Total - Dept 301.00</b>	<b>\$219,293</b>	<b>\$326,969</b>	<b>\$107,676</b>	<b>\$271,758</b>	<b>\$307,142</b>	<b>(\$19,827)</b>	<b>-6.1%</b>	

CITY OF ADRIAN  
 FY2010-11 THIRD QUARTER FINANCIAL FORECAST  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>DEPT 336.00: FIRE DEPARTMENT</b>								
500.000	\$22,500	\$22,500	\$0	\$0	\$0	(\$22,500)	-100.0%	Did not receive grant
544.000	17,000	17,000	0	24,108	24,100	7,100	41.8%	
<b>Total - Dept 336.00</b>	<b>\$39,500</b>	<b>\$39,500</b>	<b>\$0</b>	<b>\$24,108</b>	<b>\$24,100</b>	<b>(\$15,400)</b>	<b>-39.0%</b>	
<b>Dept 371.00: INSPECTION DEPARTMENT</b>								
454.000	\$100	\$100	\$0	\$0	\$100	\$0	0.0%	
458.000	800	800	0	260	800	0	0.0%	
460.000	100	100	0	0	100	0	0.0%	
463.000	1,200	1,200	0	819	1,200	0	0.0%	
477.000	100,000	100,000	0	53,490	75,000	(25,000)	-25.0%	Economic conditions
478.000	30,000	30,000	0	20,811	30,000	0	0.0%	
479.000	24,000	24,000	0	18,188	24,000	0	0.0%	
482.000	10,000	10,000	0	7,195	10,000	0	0.0%	
483.000	100	100	0	(2,500)	100	0	0.0%	
485.000	4,000	4,000	0	2,200	3,000	(1,000)	-25.0%	
486.000	400	400	0	150	400	0	0.0%	
487.000	50,000	65,000	15,000	43,714	65,000	0	0.0%	
<b>Total - Dept 371.00</b>	<b>\$220,700</b>	<b>\$235,700</b>	<b>\$15,000</b>	<b>\$144,327</b>	<b>\$209,700</b>	<b>(\$26,000)</b>	<b>-11.0%</b>	
<b>Dept 441.00: DEPARTMENT OF PUBLIC WORKS</b>								
481.000	\$1,000	\$1,000	\$0	\$1,950	\$2,000	\$1,000	100.0%	
631.000	200	200	0	(157)	200	0	0.0%	
690.000	100	100	0	0	100	0	0.0%	
695.004	0	0	0	70	100	100		
<b>Total - Dept 441.00</b>	<b>\$1,300</b>	<b>\$1,300</b>	<b>\$0</b>	<b>\$1,863</b>	<b>\$2,400</b>	<b>\$1,100</b>	<b>84.6%</b>	
<b>Dept 449.00: ENGINEERING DEPARTMENT</b>								
483.000	\$0	\$1,000	\$1,000	\$0	\$1,000	\$0		
583.000	\$0	\$0	0	1,081	1,000	1,000		
671.000	30,000	30,000	0	20,323	30,000	0	0.0%	
671.588	4,000	4,000	0	3,042	4,000	0	0.0%	
<b>Total - Dept 449.00</b>	<b>\$34,000</b>	<b>\$35,000</b>	<b>\$1,000</b>	<b>\$24,446</b>	<b>\$36,000</b>	<b>\$1,000</b>	<b>2.9%</b>	
<b>Dept 528.00: REFUSE COLLECTION &amp; DISPOSAL</b>								
649.000	\$0	\$11,000	\$11,000	\$11,905	\$12,000	\$1,000		Subscriptions
<b>Total - Dept 528.00</b>	<b>\$0</b>	<b>\$11,000</b>	<b>\$11,000</b>	<b>\$11,905</b>	<b>\$12,000</b>	<b>\$1,000</b>		

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
 March 31, 2011

<u>FUND/DEPARTMENT</u>	<u>FY2010-11</u>	<u>FY2010-11</u>	<u>AMENDED</u>	<u>YEAR-TO-DATE</u>	<u>FORECAST</u>	<u>VARIANCE</u>		<u>EXPLANATION</u>
	<u>ADOPTED</u>	<u>AMENDED</u>	<u>over/(under)</u>	<u>ACTUAL</u>		<u>FORECAST TO BUDGET</u>	<u>PERCENT</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>ADOPTED</u>			<u>AMOUNT</u>		
<b>Dept 691.00: RECREATION DEPARTMENT</b>								
651.053 USE/ADM FEES-REC-CONCESSIONS	\$26,000	\$26,000	\$0	\$16,059	\$26,000	\$0	0.0%	
651.054 USE/ADM FEES-REC-YOUTH SPORTS	10,000	10,000	0	11,509	10,000	0	0.0%	
651.055 USE/ADM FEES-REC-ADULT SPORTS	100,865	100,865	0	58,825	80,865	(20,000)	-19.8%	
651.056 USE/ADM FEES-REC-YOUTH PROGRAM	16,500	16,500	0	10,513	16,500	0	0.0%	
651.058 USE/ADM FEES-REC-SPECIAL EVENT	23,000	23,000	0	17,338	23,000	0	0.0%	
651.059 USE/ADM FEES-REC-PIOTTER CENTER	38,500	38,500	0	21,638	38,500	0	0.0%	
651.060 USE/ADM FEES-REC-SKATE PARK	5,500	5,500	0	1,577	5,500	0	0.0%	
651.061 USE/ADM FEES-REC-AQUATICS	89,779	89,779	0	36,153	89,779	0	0.0%	
651.062 USE/ADM FEES-REC-ADULT CLASSES	22,260	22,260	0	10,246	22,260	0	0.0%	
651.070 USE/ADM FEES-REC-AMUSE TCKS	3,100	5,100	2,000	4,788	5,100	0	0.0%	
651.072 USE/ADM FEES-REC-SHELTER USE	6,920	6,920	0	4,060	6,920	0	0.0%	
675.000 DONATIONS-PRIVATE	5,000	5,000	0	0	5,000	0	0.0%	
<b>Total - Dept 691.00</b>	<b>\$347,424</b>	<b>\$349,424</b>	<b>\$2,000</b>	<b>\$192,706</b>	<b>\$329,424</b>	<b>(\$20,000)</b>	<b>-5.7%</b>	
<b>Dept 691.01: ADRIAN AREA LITTLE LEAGUE</b>								
651.040 USE/ADM FEES-REC-TOURNAMENTS	\$200	\$200	\$0	\$400	\$500	\$300	150.0%	Increased Activity
651.041 USE/ADM FEES-REC-TBALL	4,500	4,500	0	2,080	4,500	0	0.0%	
651.042 USE/ADM FEES-REC-MACHINE PITCH	6,030	6,030	0	3,425	6,030	0	0.0%	
651.043 USE/ADM FEES-REC-MINORS	5,700	5,700	0	6,658	7,000	1,300	22.8%	
651.044 USE/ADM FEES-REC-MAJORS	3,900	3,900	0	3,910	3,900	0	0.0%	
651.045 USE/ADM FEES-REC-JUNIORS	4,980	4,980	0	680	4,980	0	0.0%	
675.000 DONATIONS - PRIVATE	6,150	6,150	0	2,050	6,150	0	0.0%	
<b>Total - Dept 691.01</b>	<b>\$31,460</b>	<b>\$31,460</b>	<b>\$0</b>	<b>\$19,203</b>	<b>\$33,060</b>	<b>\$1,600</b>	<b>5.1%</b>	
<b>Dept 697.00: PARKS &amp; FORESTRY DEPARTMENT</b>								
673.106 WEED MOWING	\$24,000	\$24,000	\$0	\$18,610	\$24,000	\$0		
<b>Total - Dept 697.00</b>	<b>\$24,000</b>	<b>\$24,000</b>	<b>\$0</b>	<b>\$18,610</b>	<b>\$24,000</b>	<b>\$0</b>	<b>0.0%</b>	

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
**March 31, 2011**

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>Dept 738.00: ADRIAN PUBLIC LIBRARY</b>								
567.000 LIBRARY STATE AID	\$8,000	\$8,000	\$0	\$4,391	\$6,000	(\$2,000)	-25.0%	
627.000 DUPLICATING & PHOTOSTATS	2,000	2,000	0	2,580	3,000	1,000	50.0%	
651.000 APPLICATION FEE	4,100	4,100	0	1,720	3,000	(1,100)	-26.8%	
655.000 SALES & CONCESSIONS	100	100	0	492	800	700	700.0%	
657.000 LIBRARY BOOK FINES	10,000	10,000	0	4,166	8,000	(2,000)	-20.0%	
658.000 PENAL FINES	110,000	99,000	(11,000)	98,702	99,000	0	0.0%	
671.000 RENTS	6,600	6,600	0	3,514	6,600	0	0.0%	
675.073 DONATIONS-PRIVATE-LIBRARIES	8,000	25,335	17,335	20,146	25,335	0	0.0%	
676.702 CONTRIB-ENDOWMENT TRUST FUND	10,000	10,000	0	0	10,000	0	0.0%	
<b>Total - Dept 738.00</b>	<b>\$158,800</b>	<b>\$165,135</b>	<b>\$6,335</b>	<b>\$135,711</b>	<b>\$161,735</b>	<b>(\$3,400)</b>	<b>-2.1%</b>	
<b>Dept 990.00: NON-DEPARTMENTAL</b>								
404.000 CURRENT REAL PROPERTY TAX	\$5,139,151	\$5,139,151	\$0	\$5,008,176	\$5,139,151	\$0	0.0%	
405.000 CURRENT PERS PROP TAX	873,627	908,627	35,000	901,575	908,627	0	0.0%	Revised Collection Policy
406.000 DELQ PERS PROP TAX	100	9,100	9,000	8,783	9,100	0	0.0%	Aggressive Collections
407.000 CURRENT REFUSE MILLAGE	441,167	441,167	0	433,690	441,167	0	0.0%	
425.000 PAYMENT IN LIEU OF TAXES	40,000	40,000	0	0	40,000	0	0.0%	
457.000 TRAILER	4,600	4,600	0	3,219	4,600	0	0.0%	
575.000 SALES & USE TAX	2,131,531	2,002,931	(128,600)	1,443,049	2,002,931	0	0.0%	Reduced State Revenue
644.000 PRINTED MATERIALS	100	100	0	0	100	0	0.0%	
661.000 CIVIL INFRACTIONS	1,000	1,000	0	300	1,000	0	0.0%	
671.000 RENTS	3,000	3,000	0	0	3,000	0	0.0%	
675.000 DONATIONS-PRIVATE	100	100	0	0	100	0	0.0%	
675.059 DONATIONS-PRIVATE-SENIOR CENTER	100	100	0	0	100	0	0.0%	
675.077 DONATIONS-PRIVATE-TV CABLE	190,000	190,000	0	167,632	190,000	0	0.0%	
675.080 DONATIONS-CITY WIDE CITY PRIDE	100	100	0	0	100	0	0.0%	
675.275 CONTRIBUTION-COMM DEVEL	3,000	3,000	0	2,250	3,000	0	0.0%	
675.276 CONTRIBUTION-ECON DEVEL	110,000	110,000	0	82,500	110,000	0	0.0%	
676.662 CONTRIB-DDA-MOTOR VEHICLE FUND	438,052	438,052	0	0	438,052	0	0.0%	
676.702 CONTRIB-ENDOWMENT TRUST FUND	100	100	0	27	100	0	0.0%	
676.711 CONTRIB-PERPETUAL CARE FUND	40,000	40,000	0	40,088	40,000	0	0.0%	
695.000 OTHER	160,000	173,790	13,790	103,291	173,790	0	0.0%	
697.000 PRIOR YEARS REVENUE	0	1,482,949	1,482,949	0	1,464,996	(17,953)	-1.2%	Planned Use of Fund
<b>Total - Dept 990.00</b>	<b>\$9,575,728</b>	<b>\$10,987,867</b>	<b>\$1,412,139</b>	<b>\$8,194,580</b>	<b>\$10,969,914</b>	<b>(\$17,953)</b>	<b>-0.2%</b>	Balance
<b>Total Revenues</b>	<b>\$11,176,310</b>	<b>\$12,785,060</b>	<b>\$1,608,750</b>	<b>\$9,463,052</b>	<b>\$12,667,100</b>	<b>(\$117,960)</b>	<b>-0.9%</b>	

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
 March 31, 2011

<u>FUND/DEPARTMENT</u>	<u>FY2010-11</u>	<u>FY2010-11</u>	<u>AMENDED</u>	<u>YEAR-TO-DATE</u>	<u>FORECAST</u>	<u>VARIANCE</u>		<u>EXPLANATION</u>
	<u>ADOPTED</u>	<u>AMENDED</u>	<u>over/(under)</u>			<u>ACTUAL</u>	<u>FORECAST TO BUDGET</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>ADOPTED</u>			<u>AMOUNT</u>		
<b>GENERAL FUND EXPENDITURES (101):</b>								
<b>101.00 CITY COMMISSION</b>								
SALARIES & FRINGE BENEFITS	\$32,365	\$32,365	\$0	\$23,648	\$32,365	\$0	0.0%	
OPERATING	79,578	85,855	6,277	59,573	85,855	0	0.0%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$111,943	\$118,220	\$6,277	\$83,221	\$118,220	\$0	0.0%	
<b>172.00 CITY ADMINISTRATOR</b>								
SALARIES & FRINGE BENEFITS	\$219,338	\$215,416	(\$3,922)	\$162,342	\$215,416	\$0	0.0%	
OPERATING	6,341	9,341	3,000	6,329	9,341	0	0.0%	
CAPITAL OUTLAY	<u>10,000</u>	<u>14,500</u>	<u>4,500</u>	<u>5,286</u>	<u>14,500</u>	<u>0</u>	0.0%	
TOTAL	\$235,679	\$239,257	\$3,578	\$173,957	\$239,257	\$0	0.0%	
<b>191.00 ELECTION DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$10,500	\$10,500	\$0	\$7,893	\$10,500	\$0	0.0%	
OPERATING	13,000	13,000	0	6,846	13,000	0	0.0%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$23,500	\$23,500	\$0	\$14,739	\$23,500	\$0	0.0%	
<b>201.00 FINANCE DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$447,122	\$443,761	(\$3,361)	\$338,997	\$443,761	\$0	0.0%	
OPERATING	(70,638)	(53,404)	17,234	(34,760)	(23,404)	(30,000)	56.2%	Labor Distribution
CAPITAL OUTLAY	<u>0</u>	<u>14,884</u>	<u>14,884</u>	<u>9,031</u>	<u>10,884</u>	<u>4,000</u>	26.9%	Convenience Copier
TOTAL	\$376,484	\$405,241	\$28,757	\$313,268	\$431,241	(\$26,000)	-6.4%	
<b>209.00 CITY ASSESSOR</b>								
SALARIES & FRINGE BENEFITS	\$68,688	\$68,268	(\$420)	\$46,466	\$68,268	\$0	0.0%	
OPERATING	65,225	98,975	33,750	49,718	78,975	20,000	20.2%	Consulting Fees
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$133,913	\$167,243	\$33,330	\$96,184	\$147,243	\$20,000	12.0%	
<b>210.00 CITY ATTORNEY</b>								
SALARIES & FRINGE BENEFITS	\$153,691	\$150,795	(\$2,896)	\$111,019	\$150,795	\$0	0.0%	
OPERATING	17,173	17,173	0	8,421	17,173	0	0.0%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$170,864	\$167,968	(\$2,896)	\$119,440	\$167,968	\$0	0.0%	

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>215.00 CITY CLERK</b>								
SALARIES & FRINGE BENEFITS	\$80,646	\$79,071	(\$1,575)	\$58,885	\$79,071	\$0	0.0%	
OPERATING	15,573	15,573	0	10,338	15,573	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$96,219	\$94,644	(\$1,575)	\$69,223	\$94,644	\$0	0.0%	
<b>226.00 HUMAN RESOURCES DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$94,676	\$93,725	(\$951)	\$67,490	\$93,725	\$0	0.0%	
OPERATING	82,268	91,768	9,500	39,810	81,768	10,000	10.9%	Legal Fees
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$176,944	\$185,493	\$8,549	\$107,300	\$175,493	\$10,000	5.4%	
<b>265.00 CITY HALL</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	93,500	93,500	0	59,927	88,500	5,000	5.3%	Building Maint.
CAPITAL OUTLAY	0	1,533	1,533	1,533	1,533	0		
TOTAL	\$93,500	\$95,033	\$1,533	\$61,460	\$90,033	\$5,000	5.3%	
<b>266.00 CITY CHAMBERS</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	27,000	27,000	0	5,643	20,000	7,000	25.9%	Property Insurance
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$27,000	\$27,000	\$0	\$5,643	\$20,000	\$7,000	25.9%	
<b>267.00 POLICE FACILITY</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	54,400	54,400	0	26,546	49,400	5,000	9.2%	Property Insurance
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$54,400	\$54,400	\$0	\$26,546	\$49,400	\$5,000	9.2%	
<b>276.00 CEMETERY</b>								
SALARIES & FRINGE BENEFITS	\$316,877	\$315,993	(\$884)	\$213,506	\$315,993	\$0	0.0%	
OPERATING	64,311	64,372	61	44,157	64,372	0	0.0%	
CAPITAL OUTLAY	11,200	41,665	30,465	45,120	41,665	0	0.0%	
TOTAL	\$392,388	\$422,030	\$29,642	\$302,783	\$422,030	\$0	0.0%	
<b>301.00 POLICE DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$2,558,048	\$2,562,548	\$4,500	\$1,979,443	\$2,562,548	\$0	0.0%	
OPERATING	313,180	318,615	5,435	309,068	318,615	0	0.0%	
CAPITAL OUTLAY	45,000	432,030	387,030	27,542	432,030	0	0.0%	
TOTAL	\$2,916,228	\$3,313,193	\$396,965	\$2,316,053	\$3,313,193	\$0	0.0%	
<b>336.00 FIRE DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$1,492,760	\$1,502,126	\$9,366	\$1,159,018	\$1,582,126	(\$80,000)	-5.3%	Longevity, Holiday and
OPERATING	200,759	213,807	13,048	133,870	213,807	0	0.0%	Education Premium Pay
CAPITAL OUTLAY	6,000	6,000	0	0	6,000	0	0.0%	Budget Correction
TOTAL	\$1,699,519	\$1,721,933	\$22,414	\$1,292,888	\$1,801,933	(\$80,000)	-4.6%	

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
**March 31, 2011**

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>371.00 INSPECTION DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$261,910	\$259,736	(\$2,174)	\$211,965	\$259,736	\$0	0.0%	
OPERATING	61,775	81,775	20,000	34,855	81,775	0	0.0%	Motor Pool Charges
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$323,685	\$341,511	\$17,826	\$246,820	\$341,511	\$0	0.0%	
<b>441.00 DEPARTMENT OF PUBLIC WORKS</b>								
SALARIES & FRINGE BENEFITS	\$592,709	\$604,202	\$11,493	\$234,728	\$604,202	\$0	0.0%	
OPERATING	(115,780)	(115,296)	484	(20,313)	(115,296)	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$476,929	\$488,906	\$11,977	\$214,415	\$488,906	\$0	0.0%	
<b>442.00 CENTRAL STORES SUPPLY</b>								
SALARIES & FRINGE BENEFITS	\$5,200	\$5,200	\$0	\$3,653	\$5,200	\$0	0.0%	
OPERATING	(5,200)	(5,200)	0	4,695	(5,200)	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$0	\$0	\$0	\$8,348	\$0	\$0		
<b>443.00 MOTOR VEHICLE POOL</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	0	0	0	200	0	0		New Internal Service
CAPITAL OUTLAY	0	0	0	0	0	0		Fund Established
TOTAL	\$0	\$0	\$0	\$200	\$0	\$0		
<b>449.00 ENGINEERING DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$215,048	\$214,894	(\$154)	\$155,789	\$214,894	\$0	0.0%	
OPERATING	(87,798)	(87,798)	0	(65,972)	(75,798)	(12,000)	13.7%	Motor Pool Charges
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$127,250	\$127,096	(\$154)	\$89,817	\$139,096	(\$12,000)	-9.4%	
<b>450.00 STREET LIGHTING</b>								
SALARIES & FRINGE BENEFITS	\$4,000	\$4,000	\$0	\$2,381	\$4,000	\$0	0.0%	
OPERATING	144,500	144,500	0	115,308	144,500	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$148,500	\$148,500	\$0	\$117,689	\$148,500	\$0	0.0%	
<b>528.00 REFUSE COLLECTION &amp; DISPOSAL</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$17	\$0	\$0		
OPERATING	601,500	441,500	(160,000)	404,873	474,500	(33,000)	-7.5%	Composting and
CAPITAL OUTLAY	0	0	0	0	0	0		Fuel Surcharge
TOTAL	\$601,500	\$441,500	(\$160,000)	\$404,890	\$474,500	(\$33,000)	-7.5%	
<b>550.00 FIXED EXPENSES</b>								
BOND INTEREST EXPENSE	\$449,492	\$449,492	\$0	\$120,717	\$249,492	\$200,000	44.5%	Budget includes principal
TOTAL	\$449,492	\$449,492	\$0	\$120,717	\$249,492	\$200,000	44.5%	payment; actual does not

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
 March 31, 2011

<u>FUND/DEPARTMENT</u>	<u>FY2010-11</u>	<u>FY2010-11</u>	<u>AMENDED</u>	<u>YEAR-TO-DATE</u>	<u>FORECAST</u>	<u>VARIANCE</u>		<u>EXPLANATION</u>
	<u>ADOPTED</u>	<u>AMENDED</u>	<u>over/(under)</u>	<u>ACTUAL</u>		<u>FORECAST TO BUDGET</u>		
	<u>BUDGET</u>	<u>BUDGET</u>	<u>ADOPTED</u>			<u>AMOUNT</u>	<u>PERCENT</u>	
<b>691.00 RECREATION DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$633,617	\$635,912	\$2,295	\$430,290	\$635,912	\$0	0.0%	
OPERATING	280,188	294,850	14,662	153,841	294,850	0	0.0%	
CAPITAL OUTLAY	18,500	34,226	15,726	9,149	34,226	0	0.0%	
TOTAL	\$932,305	\$964,988	\$32,683	\$593,280	\$964,988	\$0	0.0%	
<b>691.01 ADRIAN AREA LITTLE LEAGUE</b>								
SALARIES & FRINGE BENEFITS	\$6,680	\$6,680	\$0	\$2,919	\$6,680	\$0		
OPERATING	23,314	23,314	0	5,335	23,314	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$29,994	\$29,994	\$0	\$8,254	\$29,994	\$0	0.0%	
<b>696.00 PARKS &amp; FORESTRY GARAGE</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	16,000	16,590	590	10,034	16,590	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$16,000	\$16,590	\$590	\$10,034	\$16,590	\$0	0.0%	
<b>697.00 PARKS &amp; FORESTRY DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$314,604	\$314,411	(\$193)	\$200,676	\$314,411	\$0	0.0%	
OPERATING	166,004	166,458	454	81,095	166,458	0	0.0%	
CAPITAL OUTLAY	53,000	69,032	16,032	2,956	69,032	0	0.0%	
TOTAL	\$533,608	\$549,901	\$16,293	\$284,727	\$549,901	\$0	0.0%	
<b>698.00 PARKS &amp; FORESTRY - HERITAGE PARK</b>								
SALARIES & FRINGE BENEFITS	\$100,228	\$100,577	\$349	\$61,997	\$100,577	\$0	0.0%	
OPERATING	47,615	47,615	0	32,572	47,615	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$147,843	\$148,192	\$349	\$94,569	\$148,192	\$0	0.0%	
<b>700.00 ADRIAN FENCE PROPERTY</b>								
SALARIES & FRINGE BENEFITS	\$100	\$100	\$0	\$0	\$100	\$0	0.0%	
OPERATING	4,700	4,700	0	2,573	4,700	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$4,800	\$4,800	\$0	\$2,573	\$4,800	\$0	0.0%	

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>738.00 ADRIAN PUBLIC LIBRARY</b>								
SALARIES & FRINGE BENEFITS	\$436,486	\$434,378	(\$2,108)	\$327,738	\$434,378	\$0	0.0%	
OPERATING	293,224	308,596	15,372	268,714	308,596	0	0.0%	
CAPITAL OUTLAY	12,500	227,037	214,537	(17,315)	227,037	0	0.0%	
TOTAL	\$742,210	\$970,011	\$227,801	\$579,137	\$970,011	\$0	0.0%	
<b>801.00 PLANNING COMMISSION</b>								
OPERATING	\$12,000	\$12,000	\$0	\$7,448	\$12,000	\$0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$12,000	\$12,000	\$0	\$7,448	\$12,000	0	0.0%	
<b>836.00 OTHER PROJECTS</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	0	713,665	713,665	428,116	713,665	0	0.0%	
CAPITAL OUTLAY	0	49,300	49,300	0	49,300	0		
TOTAL	\$0	\$762,965	\$762,965	\$428,116	\$762,965	\$0	0.0%	
<b>965.00 TRANSFERS OUT</b>								
CONTRIBUTION - AUTO PARKING	\$6,000	\$6,000	\$0	\$0	\$6,000	\$0	0.0%	
CONTRIBUTION - DIAL-A-RIDE	100,000	100,000	0	0	100,000	0	0.0%	
CONTRIBUTION - MVP	0	0	0	0	0	0		
TOTAL	\$106,000	\$106,000	\$0	\$0	\$106,000	\$0	0.0%	
<b>990.00 NON-DEPARTMENTAL</b>								
CONTINGENCY	\$15,613	\$187,459	\$171,846	\$0	\$0	\$187,459	100.0%	
TOTAL	\$15,613	\$187,459	\$171,846	\$0	\$0	\$187,459	100.0%	
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$11,176,310</b>	<b>\$12,785,060</b>	<b>\$1,608,750</b>	<b>\$8,193,739</b>	<b>\$12,501,601</b>	<b>\$283,459</b>	<b>2.2%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,269,313</b>	<b>\$165,499</b>	<b>\$165,499</b>		

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
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<u>FUND/DEPARTMENT</u>	<u>FY2010-11 ADOPTED BUDGET</u>	<u>FY2010-11 AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL GENERAL FUND CONTINGENCY ACCOUNTS</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b><u>RECONCILIATION BETWEEN ADOPTED AND AMENDED BUDGET</u></b>								
ADOPTED BUDGET			\$11,176,310					
AMENDED BUDGET			\$12,785,060					
INCREASE/(DECREASE)			<u>\$1,608,750</u>					
Contingency - Beginning Balance					\$0			
Encumbrances & Carry Forwards			\$1,459,212					
Oil Lease Proceeds			102,600					
Police JAG Grant-Forensic Equip & Training			28,048					
Cemetery Kubota Acquisition			16,675					
Drug Forfeiture Funds for K-9 Vehicle Brakes			1,615					
Drug Forfeiture Funds for Remote Operation of K-9 Unit Doors			600					
Total			<u>\$1,608,750</u>					
Second Quarter Budget Amendments				\$172,459				
New Inspection Fee Schedule				15,000				
Contingency - Ending Balance				<u>\$187,459</u>				

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>MAJOR STREET FUND REVENUE (202):</b>								
546.000 GAS & WEIGHT TAX	\$900,000	\$800,000	(\$100,000)	\$625,370	\$800,000	\$0	0.0%	Reduced State
547.000 STATE TRUNKLINE MAINTENANCE	<u>60,000</u>	<u>60,000</u>	<u>0</u>	<u>15,777</u>	<u>60,000</u>	<u>0</u>	0.0%	Collections
INTERGOVERNMENTAL REVENUE	\$960,000	\$860,000	(\$100,000)	\$641,147	\$860,000	\$0	0.0%	
664.000 INVESTMENT INCOME	5,000	5,000	0	49	5,000	0	0.0%	
676.599 CONTRB.-CAPITAL PROJECT FUND	30,000	30,000	0	432	30,000	0	0.0%	
695.000 OTHER-BIOFUELS IND. GROUP	0	0	0	0	0	0		
697.000 PRIOR YEARS' REVENUE	0	157,389	157,389	0	0	(157,389)	-100.0%	Planned Use of Fund
<b>TOTAL MAJOR STREET FUND REVENUE</b>	<b>\$995,000</b>	<b>\$1,052,389</b>	<b>\$57,389</b>	<b>\$641,628</b>	<b>\$895,000</b>	<b>(\$157,389)</b>	<b>-15.0%</b>	<b>Balance</b>
<b>MAJOR STREET FUND EXPENDITURES (202):</b>								
<b>STREET CONSTRUCTION</b>								
SALARIES & FRINGES	\$0	\$0	\$0	\$19,068	\$0	\$0		
OPERATING	<u>285,172</u>	<u>253,576</u>	<u>(31,596)</u>	<u>86,357</u>	<u>253,576</u>	<u>0</u>	0.0%	
SUBTOTAL	\$285,172	\$253,576	(\$31,596)	\$105,425	\$253,576	\$0	0.0%	
<b>ROUTINE ROAD MAINTENANCE</b>								
SALARIES & FRINGES	\$51,800	\$51,800	\$0	\$40,620	\$51,800	\$0	0.0%	
OPERATING	<u>177,250</u>	<u>177,250</u>	<u>0</u>	<u>96,710</u>	<u>137,250</u>	<u>40,000</u>	22.6%	
CAPITAL EQUIPMENT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
SUBTOTAL	\$229,050	\$229,050	\$0	\$137,330	\$189,050	\$40,000	17.5%	
<b>ROUTINE BRIDGE MAINTENANCE</b>								
SALARIES & FRINGES	\$1,000	\$1,000	\$0	\$0	\$1,000	\$0	0.0%	
OPERATING	<u>17,500</u>	<u>17,500</u>	<u>0</u>	<u>0</u>	<u>9,000</u>	<u>8,500</u>	48.6%	
SUBTOTAL	\$18,500	\$18,500	\$0	\$0	\$10,000	\$8,500	45.9%	
<b>TRAFFIC SERVICE MAINTENANCE</b>								
SALARIES & FRINGES	\$56,400	\$56,400	\$0	\$14,074	\$30,400	\$26,000	46.1%	
OPERATING	<u>89,600</u>	<u>89,600</u>	<u>0</u>	<u>29,470</u>	<u>49,600</u>	<u>40,000</u>	44.6%	
CAPITAL EQUIPMENT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
SUBTOTAL	\$146,000	\$146,000	\$0	\$43,544	\$80,000	\$66,000	45.2%	

**CITY OF ADRIAN**  
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<u>FUND/DEPARTMENT</u>	<u>FY2010-11 ADOPTED BUDGET</u>	<u>FY2010-11 AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>WINTER MAINTENANCE</b>								
SALARIES & FRINGES	\$17,000	\$17,000	\$0	\$19,374	\$17,000	\$0	0.0%	
OPERATING	59,000	59,000	0	79,992	89,000	(30,000)	-50.8%	
SUBTOTAL	\$76,000	\$76,000	\$0	\$99,366	\$106,000	(\$30,000)	-39.5%	
<b>NON-MOTORIZED TRANSPORTATION</b>								
SALARIES & FRINGES	\$17,300	\$17,300	\$0	\$4,336	\$17,300	\$0	0.0%	Sidewalks
OPERATING	25,500	40,500	15,000	3,368	40,500	0	0.0%	
CAPITAL IMPROVEMENTS	0	0	0	0	0	0		
SUBTOTAL	\$42,800	\$57,800	\$15,000	\$7,704	\$57,800	\$0	0.0%	
<b>STATE TRUNKLINE MAINTENANCE (US223)</b>								
SALARIES & FRINGES	\$1,400	\$1,400	\$0	\$1,679	\$1,400	\$0	0.0%	
OPERATING	12,500	12,500	0	8,812	12,500	0	0.0%	
SUBTOTAL	\$13,900	\$13,900	\$0	\$10,491	\$13,900	\$0	0.0%	
<b>STATE TRUNKLINE MAINTENANCE (M-52)</b>								
SALARIES & FRINGES	\$6,900	\$6,900	\$0	\$4,196	\$6,900	\$0	0.0%	
OPERATING	25,278	25,278	0	18,629	25,278	0	0.0%	
SUBTOTAL	\$32,178	\$32,178	\$0	\$22,825	\$32,178	\$0	0.0%	
<b>STATE TRUNKLINE MAINTENANCE (M-34)</b>								
SALARIES & FRINGES	\$1,200	\$1,200	\$0	\$1,320	\$1,200	\$0	0.0%	
OPERATING	8,700	8,700	0	6,548	8,700	0	0.0%	
SUBTOTAL	9,900	9,900	\$0	7,868	9,900	0	0.0%	
<b>ADMIN &amp; RECORD KEEPING</b>								
CONTRIBUTION - LOCAL STREET FUND	32,288	32,288	0	27,591	32,288	\$0	0.0%	
<b>990.00 NON-DEPARTMENTAL</b>								
GRANT MATCH-KIWANIS TRAIL	\$0	\$73,985	\$73,985	\$11,188	\$73,985	\$0	0.0%	
CONTINGENCY	9,212	9,212	0	0	0	9,212	100.0%	
TOTAL	\$9,212	\$83,197	\$73,985	\$11,188	\$73,985	\$9,212	11.1%	
<b>TOTAL MAJOR STREET FUND EXP. (202)</b>	<b>\$995,000</b>	<b>\$1,052,389</b>	<b>\$57,389</b>	<b>\$473,332</b>	<b>\$958,677</b>	<b>\$93,712</b>	<b>8.9%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$168,296</b>	<b>(\$63,677)</b>	<b>(\$63,677)</b>		

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>LOCAL STREET FUND REVENUE (203):</b>								
546.000 GAS & WEIGHT TAX	\$300,000	\$260,000	(\$40,000)	\$200,490	\$260,000	\$0	0.0%	Reduced State
577.000 METRO ACT	60,000	60,000	0	500	60,000	0	0.0%	Collections
641.000 SIDEWALK	0	0	0	13,378	13,500	13,500		Special Assessment
664.000 INVESTMENT EARNINGS	1,000	1,000	0	0	1,000	0	0.0%	
676.202 CONTRIBUTION - MAJOR STREET FUND	100,000	100,000	0	0	100,000	0	0.0%	
676.599 CONTRIBUTION - CAPITAL PROJ. REV. FUND	100,000	100,000	0	55,877	60,000	(40,000)	-40.0%	
697.000 PRIOR YEARS' REVENUE	0	282,793	282,793	0	0	(282,793)	-100.0%	Planned Use of Fund
699.204 TRANSFER IN - MUNICIPAL STREET FUND	431,856	431,856	0	431,856	431,856	0	0.0%	Balance
<b>TOTAL LOCAL STREET FUND REVENUE</b>	<b>\$992,856</b>	<b>\$1,235,649</b>	<b>\$242,793</b>	<b>\$702,101</b>	<b>\$926,356</b>	<b>(\$309,293)</b>	<b>-25.0%</b>	
<b>LOCAL STREET FUND EXPENDITURES (203):</b>								
<b>SIDEWALKS</b>								
SALARIES & FRINGES	\$6,500	\$6,500	\$0	\$5,472	\$6,500	\$0	0.0%	
OPERATING	38,000	63,000	25,000	43,212	63,000	0	0.0%	
SUBTOTAL	\$44,500	\$69,500	\$25,000	\$48,684	\$69,500	\$0	0.0%	
<b>STREET CONSTRUCTION</b>								
SALARIES & FRINGES	\$50,000	\$50,000	\$0	\$15,763	\$50,000	\$0	0.0%	
OPERATING	287,496	545,289	257,793	318,090	545,289	0	0.0%	
SUBTOTAL	\$337,496	\$595,289	\$257,793	\$333,853	\$595,289	\$0	0.0%	
<b>ROUTINE ROAD MAINTENANCE</b>								
SALARIES & FRINGES	\$119,450	\$119,450	\$0	\$27,323	\$80,450	\$39,000	32.6%	
OPERATING	288,250	288,250	0	82,419	218,250	70,000	24.3%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$407,700	\$407,700	\$0	\$109,742	\$298,700	\$109,000	26.7%	
<b>ROUTINE BRIDGE MAINTENANCE</b>								
SALARIES & FRINGES	\$100	\$100	\$0	\$0	\$100	\$0	0.0%	
OPERATING	1,300	1,300	0	0	1,300	0	0.0%	
SUBTOTAL	\$1,400	\$1,400	\$0	\$0	\$1,400	\$0	0.0%	
<b>TRAFFIC SERVICE MAINTENANCE</b>								
SALARIES & FRINGES	\$23,200	\$23,200	\$0	\$7,576	\$14,200	\$9,000	38.8%	
OPERATING	31,700	31,700	0	7,925	16,700	15,000	47.3%	
SUBTOTAL	\$54,900	\$54,900	\$0	\$15,501	\$30,900	\$24,000	43.7%	
<b>WINTER MAINTENANCE</b>								
SALARIES & FRINGES	\$13,000	\$13,000	\$0	\$14,892	\$16,000	(\$3,000)	-23.1%	
OPERATING	47,510	47,510	0	59,471	65,510	(18,000)	-37.9%	
SUBTOTAL	\$60,510	\$60,510	\$0	\$74,363	\$81,510	(\$21,000)	-34.7%	
<b>ADMIN &amp; RECORD KEEPING</b>								
DISTRB. - IT SERVICES	1,288	1,288	0	966	1,288	0	0.0%	
CONTINGENCY	50,062	10,062	(40,000)	0	0	10,062	100.0%	
<b>TOTAL LOCAL STREET FUND EXP (203)</b>	<b>\$992,856</b>	<b>\$1,235,649</b>	<b>\$282,793</b>	<b>\$602,048</b>	<b>\$1,113,587</b>	<b>\$122,062</b>	<b>9.9%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,053</b>	<b>(\$187,231)</b>	<b>(\$187,231)</b>		

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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>MUNICIPAL STREET FUND REVENUE (204):</b>								
402.000 PROPERTY TAXES - SPECIAL VOTED	\$429,856	\$429,856	\$0	\$402,793	\$429,856	\$0	0.0%	
664.000 INVESTMENT INCOME	2,000	2,000	0	823	2,000	0	0.0%	
695.000 OTHER	0	0	0	0	0	0		
<b>TOTAL MUNICIPAL STREET FUND REVENUE</b>	<b>\$431,856</b>	<b>\$431,856</b>	<b>\$0</b>	<b>\$403,616</b>	<b>\$431,856</b>	<b>\$0</b>	<b>0.0%</b>	
<b>MUNICIPAL STREET FUND EXPENDITURES:</b>								
CONTRIBUTION - LOCAL STREETS	\$431,856	\$431,856	\$0	\$431,856	\$431,856	\$0	0.0%	
<b>TOTAL MUNICIPAL ST. FUND EXP.(204)</b>	<b>\$431,856</b>	<b>\$431,856</b>	<b>\$0</b>	<b>\$431,856</b>	<b>\$431,856</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$28,240)</b>	<b>\$0</b>	<b>\$0</b>		
<b>FEE ESTATE (205):</b>								
664.000 INVESTMENT INCOME	\$200	\$200	\$0	\$0	\$200	\$0	0.0%	
675.076 DONATIONS-PRIVATE-FEE ESTATE	800,758	820,508	19,750	282,804	620,508	(200,000)	-24.4%	
695.000 OTHER	100	100	0	1,213	100	0	0.0%	
697.000 PRIOR YEARS REVENUE	0	52,590	52,590	0	52,590	0	0.0%	
<b>TOTAL FEE ESTATE FUND REVENUE</b>	<b>\$801,058</b>	<b>\$873,398</b>	<b>\$72,340</b>	<b>\$284,017</b>	<b>\$673,398</b>	<b>(\$200,000)</b>	<b>-22.9%</b>	
<b>696.00 PARKS &amp; FORESTRY GARAGE</b>								
SALARIES & FRINGES	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	16,000	16,590	590	9,628	16,590	0	0.0%	
SUBTOTAL	\$16,000	\$16,590	\$590	\$9,628	\$16,590	\$0	0.0%	
<b>699.00 FEE ESTATE MAINTENANCE</b>								
SALARIES & FRINGES	\$348,496	\$348,496	\$0	\$240,369	\$328,496	\$20,000	5.7%	
OPERATING	288,287	288,287	0	181,033	248,287	40,000	13.9%	
CAPITAL OUTLAY	86,000	157,750	71,750	1,857	157,750	0	0.0%	
SUBTOTAL	\$722,783	\$794,533	\$71,750	\$421,402	\$734,533	\$60,000	7.6%	
<b>965.00 TRANSFERS OUT</b>								
969.598 CONTRIB-STORM WATER	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$0	0.0%	
TOTAL	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$0	0.0%	
<b>990.00 NON-DEPARTMENTAL</b>								
CONTINGENCY	\$62,275	\$56,275	(\$6,000)	\$0	\$0	\$56,275	100.0%	
TOTAL	\$62,275	\$56,275	(\$6,000)	\$0	\$0	\$56,275	100.0%	
<b>TOTAL FEE ESTATE FUND</b>	<b>\$801,058</b>	<b>\$873,398</b>	<b>\$72,340</b>	<b>\$437,030</b>	<b>\$757,123</b>	<b>\$116,275</b>	<b>13.3%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$153,013)</b>	<b>(\$83,725)</b>	<b>(\$83,725)</b>		

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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET		
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT	PERCENT	
<b>OMNI FUND REVENUE (267):</b>								
663.000 OMNI FORFEITURES	\$80,800	\$80,800	\$0	\$64,804	\$80,800	\$0		
664.000 INVESTMENT INCOME	2,000	2,000	0	391	2,000	0		
671.000 RENTS	4,000	4,000	0	0	4,000	0		
695.000 OTHER	100	100	0	0	100	0		
<b>TOTAL OMNI FUND REVENUE</b>	<b>\$86,900</b>	<b>\$86,900</b>	<b>\$0</b>	<b>\$65,195</b>	<b>\$86,900</b>	<b>\$0</b>		
<b>OMNI FUND EXPENDITURES (267):</b>								
SALARIES & FRINGE BENEFITS	\$26,000	\$26,000	\$0	\$19,270	\$26,000	\$0		
OPERATING	60,900	60,900	0	47,955	60,900	0		
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>TOTAL OMNI FUND EXPENDITURES (267)</b>	<b>\$86,900</b>	<b>\$86,900</b>	<b>\$0</b>	<b>\$67,225</b>	<b>\$86,900</b>	<b>\$0</b>		
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,030)</b>	<b>\$0</b>	<b>\$0</b>		

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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>COMMUNITY DEVELOPMNT FUND REV (275):</b>								
520.000 COMM DEVELOP BLOCK GRANT	\$0	\$130,968	\$130,968	\$87,820	\$0	(\$130,968)	-100.0%	
528.000 NEIGHBORHOOD PRESERVATION GRANT	0	0	0	24,000	24,000	24,000		
529.000 CDBG ADMIN	0	5,000	5,000	0	1,000	(4,000)	-80.0%	
530.000 DOWNTOWN RENTAL REHAB	0	0	0	2,000	2,000	2,000		
531.000 PROPERTY IMPROVEMENT PROGRAM	0	0	0	24,000	24,000	24,000		
583.000 COBRA REINBURSEMENT	0	0	0	1,046	1,046	1,046		
632.000 ADMINISTRATIVE FEES	89,000	89,000	0	500	89,000	0	0.0%	
651.000 APPLICATION FEE	100	100	0	19	100	0	0.0%	
664.000 INVESTMENT INCOME	1,000	1,000	0	1,243	1,500	500	50.0%	
676.281 CONTRIB-DDA-TIF FUND	2,000	2,000	0	2,000	2,000	0	0.0%	
683.000 SALE OF PROPERTY	20,000	20,000	0	54,575	55,000	35,000	175.0%	HUD Foreclosure Sales
<b>TOTAL COMMUNITY DEVELOPMNT FUND REV</b>	<b>\$112,100</b>	<b>\$248,068</b>	<b>\$135,968</b>	<b>\$197,203</b>	<b>\$199,646</b>	<b>(\$48,422)</b>	<b>-19.5%</b>	
<b>COMMUNITY DEVELOPMNT FUND EXP (275):</b>								
<b>ADM CD BLOCK GRANT</b>								
SALARIES & FRINGE BENEFITS	\$69,370	\$69,370	\$0	\$47,511	\$69,370	\$0	0.0%	
OPERATING	23,685	23,685	0	14,623	23,685	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL CDBG GRANT	\$93,055	\$93,055	\$0	\$62,134	\$93,055	\$0	0.0%	
<b>CDBG FAÇADE PROGRAM</b>								
PROPERTY ACQUISITION EXPENSES	100	100	0	221	300	(200)	-200.0%	
DOWNTOWN RENTAL REHAB	0	0	0	2,000	2,000	(2,000)		
CONTINGENCY	18,945	23,945	5,000	0	0	23,945	100.0%	
<b>TOTAL COMM DEVLP FUND EXP (275)</b>	<b>\$112,100</b>	<b>\$248,068</b>	<b>\$135,968</b>	<b>\$176,379</b>	<b>\$226,323</b>	<b>\$21,745</b>	<b>8.8%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,824</b>	<b>(\$26,677)</b>	<b>(\$26,677)</b>		

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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET		
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT	PERCENT	
<b>ECONOMIC DEVELOPMENT FUND REV (276)</b>								
664.000 INVESTMENT INCOME	\$1,500	\$1,500	\$0	\$512	\$1,000	(\$500)	-33.3%	
675.075 DONATIONS - PRIVATE	225,000	225,000	0	225,000	225,000	0	0.0%	
695.000 OTHER	100	100	0	0	0	(100)	-100.0%	
<b>TOTAL ECONOMIC DEVELOPMNT FUND REV</b>	<b>\$226,600</b>	<b>\$226,600</b>	<b>\$0</b>	<b>\$225,512</b>	<b>\$226,000</b>	<b>(\$600)</b>	<b>-0.3%</b>	Balance
<b>ECONOMIC DEVELOPMENT FUND EXP (276):</b>								
CONTRIBUTION - GENERAL FUND	\$ 110,000	\$ 110,000	\$0	\$ 82,500	\$ 110,000	\$ -	0.0%	
ECONOMIC DEVELOPMENT								
SALARIES & FRINGE BENEFITS	\$83,082	\$83,082	\$0	\$60,769	\$83,082	\$0	0.0%	
OPERATING	28,868	28,868	0	9,838	18,868	10,000	34.6%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL ECONOMIC DEVELOPMENT	\$111,950	\$111,950	\$0	\$70,607	\$101,950	\$10,000	8.9%	
CONTINGENCY	4,650	4,650	0	0	0	4,650	100.0%	
<b>TOTAL ECONOMIC DEVL P FUND EXP (276)</b>	<b>\$ 226,600</b>	<b>\$ 226,600</b>	<b>\$ -</b>	<b>\$ 153,107</b>	<b>\$ 211,950</b>	<b>\$ 14,650</b>	<b>6.5%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$72,405</b>	<b>\$14,050</b>	<b>\$14,050</b>		
<b>BROWNFIELD REDEVELOPMENT AUTHORITY (279):</b>								
404.000 CURRENT PROPERTY TAX	\$9,674	\$9,674	\$0	\$21,182	\$21,674	\$12,000	124.0%	
533.000 USEPA SITE ASSESSMENT GRANT	200,000	200,000	0	0	0	(200,000)	-100.0%	
664.000 INVESTMENT EARNINGS	200	200	0	280	400	200	100.0%	
290.000 ADMINISTRATION	0	0	0	2,606	3,000	3,000		
697.000 PRIOR YEARS REVENUE	0	0	0	0	0	0		
<b>TOTAL REVENUE</b>	<b>\$209,874</b>	<b>\$209,874</b>	<b>\$0</b>	<b>\$24,068</b>	<b>\$25,074</b>	<b>(\$184,800)</b>	<b>-88.1%</b>	
<b>BROWNFILED REDEVELOPMENT AUTHORITY (279):</b>								
ADMINISTRATION	\$209,874	\$209,874	\$0	\$12,062	\$24,000	\$185,874	88.6%	
<b>TOTAL EXPENDITURES</b>	<b>\$209,874</b>	<b>\$209,874</b>	<b>\$0</b>	<b>\$12,062</b>	<b>\$24,000</b>	<b>\$185,874</b>	<b>88.6%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,006</b>	<b>\$1,074</b>	<b>\$1,074</b>		

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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			ADOPTED	FORECAST TO BUDGET	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT	PERCENT	
<b>DOWNTOWN DEVLPMNT AUTH REV (280):</b>								
404.000 CURRENT REAL PROPERTY TAX	\$31,589	\$31,589	\$0	\$31,564	\$31,589	\$0	0.0%	
664.000 INVESTMENT EARNINGS	300	300	0	250	300	0	0.0%	
695.000 OTHER	100	100	0	0	100	0	0.0%	
697.000 PRIOR YEAR'S REVENUE	3,411	5,711	2,300	0	0	(5,711)	-100.0%	Planned Use of Fund
699.281 TRANSFER IN TIFA	2,000	6,000	4,000	6,000	6,000	0	0.0%	Balance
<b>TOTAL DOWNTOWN DEV AUTH. REV.</b>	<b>\$37,400</b>	<b>\$43,700</b>	<b>\$6,300</b>	<b>\$37,814</b>	<b>\$37,989</b>	<b>(\$5,711)</b>	<b>-13.1%</b>	
<b>DOWNTOWN DEVLPMNT AUTH. EXP. (280):</b>								
SALARIES & FRINGE BENEFITS	\$5,600	\$5,600	\$0	\$1,095	\$1,600	\$4,000	71.4%	
OPERATING	31,800	25,800	(6,000)	21,876	29,800	(4,000)	-15.5%	
CONTRIBUTION - AUTO PARKING	5,000	5,000	0	5,000	5,000	0	0.0%	
CAPITAL OUTLAY	5,000	7,300	2,300	0	7,300	0	0.0%	
<b>TOTAL DOWNTOWN DEVLPMNT AUTH EXP</b>	<b>\$37,400</b>	<b>\$43,700</b>	<b>\$6,300</b>	<b>\$17,971</b>	<b>\$43,700</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,843</b>	<b>(\$5,711)</b>	<b>(\$5,711)</b>		

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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>DDA - TIF FUND REVENUE (281):</b>								
404.000 CURRENT REAL PROPERTY TAX	\$391,942	\$391,942	\$0	\$311,571	\$391,942	\$0	0.0%	
631.000 REFUSE COLLECTION	15,000	15,000	0	12,700	15,000	0	0.0%	
664.000 INVESTMENT EARNINGS	5,000	5,000	0	1,994	3,000	(2,000)	-40.0%	Market Rates
697.000 PRIOR YEAR'S REVENUE	0	3,400	3,400	0	0	(3,400)	-100.0%	Planned Use of Fund Bl
699.279 CONTRIB - BROWNFLD REDEVELPMNT FUNC	4,245	4,245	0	4,245	4,245	0	0.0%	
<b>TOTAL DOWNTOWN DEV AUTH. REV.</b>	<b>\$416,187</b>	<b>\$419,587</b>	<b>\$3,400</b>	<b>\$330,510</b>	<b>\$414,187</b>	<b>(\$5,400)</b>	<b>-1.3%</b>	
<b>DDA-TIF FUND EXP. (281):</b>								
<b>290.00 ADMINISTRATION</b>								
SALARIES & FRINGE BENEFITS	\$31,415	\$31,415	\$0	\$21,486	\$29,415	\$2,000	6.4%	
OPERATING	65,192	65,192	0	33,636	45,192	20,000	30.7%	
CAPITAL OUTLAY	40,000	43,400	3,400	64,506	65,400	(22,000)	-50.7%	
SUBTOTAL	\$136,607	\$140,007	\$3,400	\$119,628	\$140,007	\$0	0.0%	
<b>965.00 TRANSFERS OUT</b>								
969.275 CONTRIBUTION-COMMUNITY DEVELOP	\$2,000	\$2,000	\$0	\$2,000	\$2,000	\$0	0.0%	
969.28 CONTRIBUTION-DDA	6,000	6,000	0	6,000	6,000	0	0.0%	
969.394 TRANSFER OUT - DEBT	90,565	90,565	0	90,565	90,565	0	0.0%	
969.585 TRANSFER OUT - AUTO PARKING	0	5,000	5,000	5,000	5,000	0		
969.998 TRANSFER OUT - SCHOOLS	155,032	155,032	0	0	155,032	0	0.0%	
SUBTOTAL	\$253,597	\$258,597	\$5,000	\$103,565	\$258,597	\$0	0.0%	
<b>990.00 NON-DEPARTMENTAL</b>								
CONTINGENCY	\$25,983	\$20,983	(\$5,000)	\$0	\$0	\$20,983	100.0%	
TOTAL	\$25,983	\$20,983	(\$5,000)	\$0	\$0	\$20,983	100.0%	
<b>TOTAL DDA-TIF FUND EXP</b>	<b>\$416,187</b>	<b>\$419,587</b>	<b>\$3,400</b>	<b>\$223,193</b>	<b>\$398,604</b>	<b>\$20,983</b>	<b>5.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$107,317</b>	<b>\$15,583</b>	<b>\$15,583</b>		

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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>LDFA-GAIDC FUND REVENUE (282):</b>								
404.000 CURRENT REAL PROPERTY TAX	\$44,678	\$44,678	\$0	\$49,294	\$44,678	\$0	0.0%	
664.000 INVESTMENT INCOME	2,000	2,000	0	195	500	(1,500)	-75.0%	
671.000 RENTS	4,000	4,000	0	0	4,000	0		
697.000 PRIOR YEARS' REVENUE	13,322	16,322	3,000	0	0	(16,322)	-100.0%	Planned Use of Fund
<b>TOTAL LDFA FUND REVENUE</b>	<b>\$64,000</b>	<b>\$67,000</b>	<b>\$3,000</b>	<b>\$49,489</b>	<b>\$49,178</b>	<b>(\$17,822)</b>	<b>-26.6%</b>	<b>Balance</b>
<b>LDFA-GAIDC FUND - EXPENDITURES (282):</b>								
<b>290.00 ADMINISTRATION</b>								
SALARIES & FRINGE BENEFITS	\$45,091	\$45,091	\$0	\$56,551	\$75,091	(\$30,000)	-66.5%	
OPERATING	7,872	10,872	3,000	8,365	10,872	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$52,963	\$55,963	\$3,000	\$64,916	\$85,963	(\$30,000)	-53.6%	
<b>965.00 TRANSFERS OUT</b>								
969.275 CONTRIBUTION-COMMUNITY DEVELOP	11,037	11,037	0	0	11,037	0	0.0%	
SUBTOTAL	\$11,037	\$11,037	\$0	\$0	\$11,037	\$0	0.0%	
<b>TOTAL LDFA FUND EXP (310)</b>	<b>\$64,000</b>	<b>\$67,000</b>	<b>\$3,000</b>	<b>\$64,916</b>	<b>\$97,000</b>	<b>(\$30,000)</b>	<b>-44.8%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$15,427)</b>	<b>(\$47,822)</b>	<b>(\$47,822)</b>		

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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET		
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT	PERCENT	
<b>VIBRANT SMALL CITIES GRANT FUND REVENUE (283)</b>								
519.001 VSCG-2 CDBG	\$0	\$26,945	\$26,945	\$26,945	\$26,945	\$0	0.0%	
519.004 VSCG-2 WAY TRFC GRNT-LOCAL	0	0	0	0	0	0		
519.005 VSCG-2 WAY TRFC GRNT-SIGNALS	0	0	0	0	0	0		
519.006 VSCG-2 WAY TRFC GRNT-ADA IMPRVMENTS	0	0	0	0	0	0		
519.007 VSCG-2 WAY TRFC GRNT-ADMIN	0	0	0	0	0	0		
519.008 VSCG-LAND ASSEMBLY GRNT-LOCAL	0	0	0	0	0	0		
519.009 VSCG-LAND ASSEMBLY GRNT-ACQSTN	0	0	0	0	0	0		
519.010 VSCG-LAND ASSEMBLY GRNT-DEMO	0	0	0	0	0	0		
519.011 VSCG-LAND ASSEMBLY GRNT-ADMIN	0	0	0	0	0	0		
519.012 VSCG-DWNTWN FACADE GRNT-PVT	0	0	0	0	0	0		
519.013 VSCG-DWNTWN FACADE GRNT-CDBG	0	0	0	800	0	0		
519.014 VSCG-DWNTWN FACADE GRNT-LOCAL	0	0	0	0	0	0		
519.015 VSCG-OTHER GRNT-LOCAL	0	0	0	0	0	0		
664.000 INVESTMENT EARNINGS	0	0	0	0	0	0		
697.000 PRIOR YEARS' REVENUE	0	26,945	26,945	0	26,945	0	0.0%	
<b>TOTAL VSCI GRANT FUND REVENUE (283)</b>	<b>\$0</b>	<b>\$53,890</b>	<b>\$53,890</b>	<b>\$27,745</b>	<b>\$53,890</b>	<b>\$0</b>	<b>0.0%</b>	
<b>VIBRANT SMALL CITIES GRANT FUND EXPENDITURES (283)</b>								
TWO-WAY TRAFFIC	\$0	\$0	\$0	\$2,000	\$0	\$0		
NON-MOTORIZED TRANSPORTATION	0	0	0	467	0	0		
FAÇADE IMPROVEMENTS	0	0	0	800	0	0		
BLIGHT REDUCTION	0	53,890	53,890	55,595	53,890	0	0.0%	
CONTINGENCY	0	0	0	0	0	0		
<b>TOTAL VSCI GRANT FUND EXPENDITURES (283)</b>	<b>\$0</b>	<b>\$53,890</b>	<b>\$53,890</b>	<b>\$58,862</b>	<b>\$53,890</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$31,117)</b>	<b>\$0</b>	<b>\$0</b>		

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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>DDA DEBT FUND REVENUE (394):</b>								
664.000 INTEREST EARNINGS	\$100	\$100	\$0	\$325	\$500	\$400	400.0%	
699.000 APPROP TRANSFER IN	90,565	90,565	0	90,565	90,565	0	0.0%	
<b>TOTAL DDA DEBT FUND REVENUE</b>	<b>\$90,665</b>	<b>\$90,665</b>	<b>\$0</b>	<b>\$90,890</b>	<b>\$91,065</b>	<b>\$400</b>	<b>0.4%</b>	
<b>DDA DEBT FUND EXPENDITURES (394):</b>								
BOND INTEREST EXPENSE	\$10,240	\$10,240	\$0	\$5,120	\$10,240	\$0	0.0%	
PAYING AGENT FEES	425	425	0	425	425	0	0.0%	
CONTINGENCY	80,000	80,000	0	0	80,000	0	0.0%	
<b>TOTAL DDA DEBT FUND EXP (394)</b>	<b>\$90,665</b>	<b>\$90,665</b>	<b>\$0</b>	<b>\$5,545</b>	<b>\$90,665</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85,345</b>	<b>\$400</b>	<b>\$400</b>		

CITY OF ADRIAN  
 FY2010-11 THIRD QUARTER FINANCIAL FORECAST  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET		
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT	PERCENT	
<b>WATER-CAPITAL PROJECTS FUND REVENUE (496)</b>								
676.591 CONTRIBUTION- WATER FUND	\$190,000	\$190,000	\$0	\$100,872	\$190,000	\$0	0.0%	
697.000 PRIOR YEAR'S REVENUE	0	70,000	70,000	0	70,000	0	0.0%	Planned Use of Fund
<b>TOTAL DDA DEBT FUND REVENUE</b>	<b>\$190,000</b>	<b>\$260,000</b>	<b>\$70,000</b>	<b>\$100,872</b>	<b>\$260,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>Balance</b>
<b>WATER-CAPITAL PROJECTS FUND EXPENDITURES (496)</b>								
ADMINISTRATION	\$0	\$0	\$0	\$0	\$0	\$0		
METER READING & MAINT.	35,000	85,000	50,000	59,174	85,000	0	0.0%	
OAKWOOD FACILITY	10,000	10,000	0	0	10,000	0	0.0%	
WATER PLANT CAPITAL EQUIP	26,000	36,000	10,000	28,009	36,000	0	0.0%	
WATER PLANT CAPITAL IMPRVMT	35,000	35,000	0	13,689	35,000	0	0.0%	
WATER DISTRB CAPITAL EQUIP	9,000	19,000	10,000	0	19,000	0	0.0%	
WATER DISTRB CAPITAL IMPRVMT	75,000	75,000	0	0	75,000	0	0.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$190,000</b>	<b>\$260,000</b>	<b>\$70,000</b>	<b>\$100,872</b>	<b>\$260,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		
<b>SEWER-CAPITAL PROJECTS FUND REVENUE (497)</b>								
520.000 COMM DEVELOP BLOCK GRANT	\$0	\$470,916	\$470,916	\$0	\$470,916	\$0	0.0%	Riverside Park Interceptor
676.590 CONTRIBUTION- WASTEWATER FUND	168,000	585,605	417,605	214,786	585,605	0	0.0%	Project
697.000 PRIOR YEAR'S REVENUE	0	234,331	234,331	0	234,331	0	0.0%	Planned Use of Fund
<b>TOTAL SEWER-CAPITAL PROJECTS FUND REVENUE</b>	<b>\$168,000</b>	<b>\$1,290,852</b>	<b>\$1,122,852</b>	<b>\$214,786</b>	<b>\$1,290,852</b>	<b>\$0</b>	<b>0.0%</b>	<b>Balance</b>
<b>SEWER-CAPITAL PROJECTS FUND EXPENDITURES (497)</b>								
WWTP CAPITAL IMPROVEMENTS	\$58,000	\$68,500	\$10,500	\$30,828	\$68,500	\$0	0.0%	
WWTP CAPITAL EQUIPMENT	55,000	55,000	0	15,018	55,000	0	0.0%	
SEWER COLLECTION SYSTEM	55,000	1,167,352	1,112,352	290,983	1,167,352	0	0.0%	Riverside Park Interceptor
<b>TOTAL EXPENDITURES</b>	<b>\$168,000</b>	<b>\$1,290,852</b>	<b>\$1,122,852</b>	<b>\$336,829</b>	<b>\$1,290,852</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$122,043)</b>	<b>\$0</b>	<b>\$0</b>		

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>AUTO PARKING FUND REVENUE (585):</b>								
652.000 PARKING FEES	\$24,000	\$24,000	\$0	\$4,497	\$6,000	(\$18,000)	-75.0%	
656.000 PARKING FINES	5,000	5,000	0	3,755	5,000	0	0.0%	
664.000 INVESTMENT EARNINGS	100	100	0	101	100	0	0.0%	
697.000 PRIOR YEARS' REVENUE	0	5,000	0	0	0	(5,000)	-100.0%	
698.000 SALE OF BONDS/NOTES	2,735,000	0	(2,735,000)	0	0	0		Pay-as-you-go
699.101 CONTRIBUTION - GENERAL FUND	6,000	6,000	0	0	6,000	0	0.0%	
699.280 TRANSFER IN - DDA	10,000	10,000	0	5,000	5,000	(5,000)	-50.0%	
699.281 TRANSFER IN - DDA TIF	0	0	0	5,000	5,000	5,000		
699.599 SPECIAL ASSESSMENT	30,000	90,000	60,000	43,771	60,000	(30,000)	-33.3%	
<b>TOTAL AUTO PARKING FUND REVENUE</b>	<b>\$2,810,100</b>	<b>\$140,100</b>	<b>(\$2,675,000)</b>	<b>\$62,124</b>	<b>\$87,100</b>	<b>(\$53,000)</b>	<b>-37.8%</b>	
<b>AUTO PARKING FUND EXPENDITURES (585):</b>								
SALARIES & FRINGE BENEFITS	\$33,845	\$33,845	\$0	\$18,134	\$24,845	\$9,000	26.6%	
OPERATING	105,255	106,255	1,000	35,891	48,255	58,000	54.6%	
CAPITAL OUTLAY	2,671,000	0	(2,671,000)	0	0	\$0		
<b>TOTAL AUTO PARKING FUND EXP (585)</b>	<b>\$2,810,100</b>	<b>\$140,100</b>	<b>(\$2,670,000)</b>	<b>\$54,025</b>	<b>\$73,100</b>	<b>67,000</b>	<b>47.8%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,099</b>	<b>\$14,000</b>	<b>\$14,000</b>		
<b>TRANSPORTATION SYSTEM FUND REV (588):</b>								
511.000 FEDERAL GRANTS	\$67,081	\$67,081	\$0	\$83,974	\$84,081	\$17,000	25.3%	
571.000 STATE CAPITAL GRANT	284,190	284,190	0	297,610	297,190	13,000	4.6%	
572.000 STATE ACT 51 OPERATING	147,118	147,118	0	104,181	139,118	(8,000)	-5.4%	
573.000 STATE GRANT - MAINT. REIMB.	0	0	0	11,943	12,000	12,000		
633.000 PASSENGER FARES	101,004	101,004	0	65,188	87,004	(14,000)	-13.9%	
671.000 RENTS	4,056	4,056	0	0	4,056	0	0.0%	
675.000 DONATIONS-PRIVATE	0	23,000	23,000	21,400	23,000	0		Fixed Route Bus
676.101 CONTRIBUTION - GENERAL FUND	100,000	100,000	0	0	100,000	0	0.0%	
685.000 SALE OF EQUIPMENT	0	0	0	3,400	3,400	3,400		
695.000 OTHER	0	0	0	3,299	4,400	4,400		
697.000 PRIOR YEARS' REVENUE	0	1,396	1,396	0	0	(1,396)	-100.0%	
<b>TOTAL TRANSPRTN SYSTEM FUND REV</b>	<b>\$703,449</b>	<b>\$727,845</b>	<b>\$24,396</b>	<b>\$590,995</b>	<b>\$754,249</b>	<b>\$26,404</b>	<b>3.6%</b>	
<b>TRANSPORTATION FUND EXPENDITURES:</b>								
SALARIES & FRINGE BENEFITS	\$300,075	\$322,397	\$22,322	\$212,389	\$285,397	\$37,000	11.5%	
OPERATING	119,184	121,258	2,074	97,739	130,258	(9,000)	-7.4%	
CAPITAL OUTLAY	284,190	284,190	0	295,902	296,190	(\$12,000)	-4.2%	
<b>TOTAL TRANSPORTATION FUND EXP (588)</b>	<b>\$703,449</b>	<b>\$727,845</b>	<b>\$24,396</b>	<b>\$606,030</b>	<b>\$727,845</b>	<b>\$16,000</b>	<b>2.2%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$15,035)</b>	<b>\$26,404</b>	<b>\$42,404</b>		

**CITY OF ADRIAN  
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March 31, 2011**

<u>FUND/DEPARTMENT</u>	<u>FY2010-11</u>	<u>FY2010-11</u>	<u>AMENDED</u>	<u>YEAR-TO-DATE</u>	<u>FORECAST</u>	<u>VARIANCE</u>		<u>EXPLANATION</u>
	<u>ADOPTED</u>	<u>AMENDED</u>	<u>over/(under)</u>			<u>ACTUAL</u>	<u>FORECAST TO BUDGET</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>ADOPTED</u>			<u>AMOUNT</u>		
<b>SEWER FUND REVENUE (590):</b>								
647.000 CHARGES FOR SERVICES	\$4,194,000	\$4,194,000	\$0	\$2,960,403	\$3,994,000	(\$200,000)	-4.8%	
653.000 PENALTIES	80,000	80,000	0	61,427	82,000	2,000	2.5%	
654.000 IPP FINES & FEES	0	0	0	3,500	5,000	5,000		
664.000 INVESTMENT EARNINGS	20,000	20,000	0	21,863	25,000	5,000	25.0%	
665.000 CHANGE IN FAIR MARKET VALUE	0	0	0	(4,865)	(5,000)	(5,000)		
681.000 TAPS & SERVICE	25,000	25,000	0	8,025	11,000	(14,000)	-56.0%	
695.000 OTHER	20,000	20,000	0	66	5,000	(15,000)	-75.0%	
697.000 PRIOR YEARS' REVENUE	0	65,129	65,129	0	0	(65,129)	-100.0%	Planned Use of Fund
<b>TOTAL SEWER FUND REVENUE</b>	<b>\$4,339,000</b>	<b>\$4,404,129</b>	<b>\$65,129</b>	<b>\$3,051,784</b>	<b>\$4,117,000</b>	<b>(\$287,129)</b>	<b>-6.5%</b>	<b>Balance</b>
<b>SEWER FUND EXPENDITURES (590):</b>								
<b>WASTE WATER TREATMENT PLANT</b>								
SALARIES & FRINGE BENEFITS	\$623,859	\$623,859	\$0	\$428,766	\$638,859	(\$15,000)	-2.4%	
OPERATING	896,800	908,303	11,503	508,674	678,303	230,000	25.3%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$1,520,659	\$1,532,162	\$11,503	\$937,440	\$1,317,162	\$215,000	14.0%	
<b>ADMINISTRATION &amp; OVERHEAD</b>								
SALARIES & FRINGE BENEFITS	\$280,854	\$280,854	\$0	\$262,043	\$349,854	(\$69,000)	-24.6%	
OPERATING	362,832	362,832	0	247,732	330,832	32,000	8.8%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$643,686	\$643,686	\$0	\$509,775	\$680,686	(\$37,000)	-5.7%	
<b>SANITARY SEWERS</b>								
SALARIES & FRINGE BENEFITS	\$146,000	\$146,000	\$0	\$81,194	\$109,000	\$37,000	25.3%	
OPERATING	129,050	182,676	53,626	45,648	60,676	122,000	66.8%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$275,050	\$328,676	\$53,626	\$126,842	\$169,676	\$159,000	48.4%	
<b>BROAD STREET LIFT STATION</b>								
SALARIES & FRINGE BENEFITS	\$11,000	\$11,000	\$0	\$2,842	\$4,000	\$7,000	63.6%	
OPERATING	38,500	38,500	0	22,687	30,500	8,000	20.8%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$49,500	\$49,500	\$0	\$25,529	\$34,500	\$15,000	30.3%	
<b>LIFT STATIONS</b>								
SALARIES & FRINGE BENEFITS	\$12,000	\$12,000	\$0	\$4,074	\$6,000	\$6,000	50.0%	
OPERATING	29,500	29,500	0	12,530	17,500	12,000	40.7%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$41,500	\$41,500	\$0	\$16,604	\$23,500	\$18,000	43.4%	

CITY OF ADRIAN  
 FY2010-11 THIRD QUARTER FINANCIAL FORECAST  
 March 31, 2011

<u>FUND/DEPARTMENT</u>	<u>FY2010-11</u>	<u>FY2010-11</u>	<u>AMENDED</u>	<u>YEAR-TO-DATE</u>	<u>FORECAST</u>	<u>VARIANCE</u>		<u>EXPLANATION</u>
	<u>ADOPTED</u>	<u>AMENDED</u>	<u>over/(under)</u>			<u>ACTUAL</u>	<u>FORECAST TO BUDGET</u>	
<b>RETENTION BASIN</b>								
SALARIES & FRINGE BENEFITS	\$3,000	\$3,000	\$0	\$706	\$2,000	\$1,000	33.3%	
OPERATING	14,500	14,500	0	1,478	2,500	12,000	82.8%	
SUBTOTAL	\$17,500	\$17,500	\$0	\$2,184	\$4,500	\$13,000	74.3%	
<b>DEPRECIATION EXPENSE</b>	\$1,200,000	\$1,200,000	\$0	\$1,003,500	\$1,200,000	\$0	0.0%	
<b>BOND INTEREST EXPENSE</b>	287,794	287,794	0	212,830	213,794	74,000		
<b>INSTALLMENT PURCHASE DEBT SVC</b>	117,884	117,884	0	25,845	34,884	83,000		
<b>CONTRIBUTION - CAPITAL PROJECTS</b>	168,000	168,000	0	214,786	286,000	(\$118,000)		
<b>FIXED EXPENSES</b>	\$1,773,678	\$1,773,678	\$0	\$1,456,961	\$1,734,678	\$39,000	2.2%	
<b>CONTINGENCY</b>	17,427	17,427	\$0	\$0	0	17,427	100.0%	
<b>TOTAL SEWER FUND EXPENDITURES (590)</b>	<b>\$4,339,000</b>	<b>\$4,404,129</b>	<b>\$65,129</b>	<b>\$3,075,335</b>	<b>\$3,964,702</b>	<b>\$439,427</b>	<b>10.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$23,551)</b>	<b>\$152,298</b>	<b>\$152,298</b>		

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>WATER FUND REVENUE (591):</b>								
634.000 NEW ACCOUNT CHARGES	\$15,000	\$15,000	\$0	\$11,445	\$15,000	\$0	0.0%	
646.000 CHARGES FOR SERVICES - SALES	3,542,000	3,542,000	0	2,492,910	3,324,000	(218,000)	-6.2%	
653.000 PENALTIES	75,000	75,000	0	52,351	70,000	(5,000)	-6.7%	
664.000 INVESTMENT EARNINGS	20,000	20,000	0	11,463	15,000	(5,000)	-25.0%	
665.000 CHANGE IN FAIR MARKET VALUE	0	0	0	(378)	0	0		
667.000 HYDRANT RENTAL	50,000	50,000	0	36,578	50,000	0	0.0%	
680.000 MERCHANDISE	1,000	1,000	0	359	1,000	0	0.0%	
681.000 TAPS & SERVICE	25,000	25,000	0	9,125	13,000	(12,000)	-48.0%	
695.000 OTHER	20,000	20,000	0	18,193	20,000	0	0.0%	
697.000 PRIOR YEARS' REVENUE	0	5,532	5,532	0	0	(5,532)	-100.0%	Planned Use of Fund
<b>TOTAL WATER FUND REVENUE</b>	<b>\$3,748,000</b>	<b>\$3,753,532</b>	<b>\$5,532</b>	<b>\$2,632,424</b>	<b>\$3,508,000</b>	<b>(\$245,532)</b>	<b>-6.5%</b>	<b>Balance</b>
<b>WATER FUND EXPENDITURES (591):</b>								
<b>MERCHANDISE</b>	\$40,000	\$40,000	\$0	\$25,134	\$33,000	\$7,000	17.5%	
<b>TAPS &amp; SERVICE</b>								
SALARIES & FRINGE BENEFITS	\$5,000	\$5,000	\$0	\$0	\$2,000	\$3,000	60.0%	
OPERATING	3,000	3,000	0	1,000	2,000	1,000	33.3%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$8,000	\$8,000	\$0	\$1,000	\$4,000	\$4,000	50.0%	
<b>PURIFICATION &amp; PUMPING</b>								
SALARIES & FRINGE BENEFITS	\$443,415	\$443,415	\$0	\$298,856	\$400,415	\$43,000	9.7%	
OPERATING	794,500	799,525	5,025	515,237	687,525	112,000	14.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$1,237,915	\$1,242,940	\$5,025	\$814,093	\$1,087,940	\$155,000	12.5%	
<b>TRANSMISSION &amp; DISTRIBUTION</b>								
SALARIES & FRINGE BENEFITS	\$343,500	\$343,500	\$0	\$254,169	\$343,500	\$0	0.0%	
OPERATING	208,300	208,753	453	114,323	152,753	56,000	26.8%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$551,800	\$552,253	\$453	\$368,492	\$496,253	\$56,000	10.1%	
<b>CUSTOMER SERVICE &amp; OVERHEAD</b>								
SALARIES & FRINGE BENEFITS	\$601,832	\$582,420	(\$19,412)	\$558,277	\$744,420	(\$162,000)	-27.8%	
OPERATING	(65,804)	(65,750)	54	(96,612)	(128,750)	63,000	-95.8%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$536,028	\$516,670	(\$19,358)	\$461,665	\$615,670	(\$99,000)	-19.2%	

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<u>FUND/DEPARTMENT</u>	<u>FY2010-11 ADOPTED BUDGET</u>	<u>FY2010-11 AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
DEPRECIATION EXPENSE	\$780,879	\$780,879	\$0	\$423,560	\$780,879	\$0	0.0%	
BOND INTEREST EXPENSE	246,988	246,988	0	185,659	246,988	0	0.0%	
CONTRIBUTION - CAPITAL PROJECTS	190,000	190,000	0	100,871	135,000	55,000	28.9%	
CONTINGENCY	156,390	175,802	19,412	0	0	175,802		
<b>TOTAL WATER FUND EXPENSES (591)</b>	<b>\$3,748,000</b>	<b>\$3,753,532</b>	<b>\$5,532</b>	<b>\$2,380,474</b>	<b>\$3,399,730</b>	<b>\$353,802</b>	<b>9.4%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$251,950</b>	<b>\$108,270</b>	<b>\$108,270</b>		

CITY OF ADRIAN  
 FY2010-11 THIRD QUARTER FINANCIAL FORECAST  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET		
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT	PERCENT	
<b>STORM WATER UTILITY FUND REV (598):</b>								
522.000 ILLICIT CONNECTION GRANT	\$100	\$100	\$0	\$0	\$100	\$0	0.0%	
545.000 URBAN TREE CANOPY GRANT	0	11,200	11,200	3,000	4,000	(7,200)	-64.3%	
648.000 STORM SEWER CHARGES	260,000	260,000	0	261,017	261,000	1,000	0.4%	
664.000 INVESTMENT EARNINGS	100	100	0	387	100	0	0.0%	
676.205 CONTRIB-FEE ESTATE	0	6,000	6,000	6,000	6,000	0	0.0%	
695.000 OTHER	0	0	0	1,279	2,000	2,000		
697.000 PRIOR YEARS' REVENUE	0	5,200	5,200	0	0	(5,200)		
<b>TOTAL STORM WATER UTILITY FUND REV.</b>	<b>\$260,200</b>	<b>\$282,600</b>	<b>\$22,400</b>	<b>\$271,683</b>	<b>\$273,200</b>	<b>(\$9,400)</b>	<b>-3.3%</b>	
<b>STORM WATER UTILITY FUND EXP. (598):</b>								
<b>DRAINS - PUBLIC BENEFIT</b>								
SALARIES & FRINGE BENEFITS	\$53,900	\$53,900	\$0	\$11,326	\$15,900	\$38,000	70.5%	
OPERATING	185,700	185,700	0	18,986	25,700	160,000	86.2%	
CAPITAL OUTLAY	0	0	0	2,200	2,200	(2,200)		
SUBTOTAL	\$239,600	\$239,600	\$0	\$32,512	\$43,800	\$195,800	81.7%	
<b>ENGINEERING</b>								
SALARIES & FRINGE BENEFITS	\$4,000	\$4,000	\$0	\$8,045	\$11,000	(\$7,000)	-175.0%	
OPERATING	600	600	0	3,345	4,600	(4,000)	-666.7%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$4,600	\$4,600	\$0	\$11,390	\$15,600	(\$11,000)	-239.1%	
<b>CONTINGENCY</b>	\$0	\$0	\$0	\$0	\$0	\$0		
<b>URBAN TREE CANOPY GRANT</b>	0	22,400	22,400	11,200	15,400	7,000	31.3%	
<b>ADMIN. &amp; RECORD KEEPING</b>	16,000	16,000	0	3,085	16,000	0	0.0%	
<b>TOTAL STORM WATER UTILITY FUND EXP</b>	<b>\$260,200</b>	<b>\$282,600</b>	<b>\$22,400</b>	<b>\$58,187</b>	<b>\$90,800</b>	<b>\$191,800</b>	<b>67.9%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$213,496</b>	<b>\$182,400</b>	<b>\$182,400</b>		

CITY OF ADRIAN  
 FY2010-11 THIRD QUARTER FINANCIAL FORECAST  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET		
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT	PERCENT	
<b>CAPITAL PROJECTS REVOLVING FUND REVENUE (599)</b>								
408.203 SPECIAL ASSESSMENTS	\$130,000	\$130,000	\$0	\$0	\$0	(\$130,000)	-100.0%	
664.000 INVESTMENT EARNINGS	30,000	30,000	0	27,937	30,000	0	0.0%	
<b>TOTAL REVENUE</b>	<b>\$160,000</b>	<b>\$160,000</b>	<b>\$0</b>	<b>\$27,937</b>	<b>\$30,000</b>	<b>(\$130,000)</b>	<b>-81.3%</b>	
<b>CAPITAL PROJECTS REVOLVING FUND EXPENDITURES (599)</b>								
<b>TRANSFERS OUT</b>								
CONTRIB - MAJOR STREET	\$30,000	\$30,000	\$0	\$0	\$30,000	\$0	0.0%	
CONTRIB - LOCAL STREET	100,000	100,000	0	0	0	100,000	100.0%	
SUBTOTAL	\$130,000	\$130,000	\$0	\$0	\$30,000	\$100,000	76.9%	
<b>NON-DEPARTMENTAL</b>								
CONTINGENCY	\$30,000	\$30,000	\$0	\$0	\$0	\$30,000	100.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$160,000</b>	<b>\$160,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$130,000</b>	<b>81.3%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$27,937</b>	<b>\$0</b>	<b>\$0</b>		

CITY OF ADRIAN  
 FY2010-11 THIRD QUARTER FINANCIAL FORECAST  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET		
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT	PERCENT	
<b>INFORMATION TECHNOLOGY FUND REVENUE (661)</b>								
636.000 INFO TECH SERVICES	\$119,075	\$119,075	\$0	\$93,918	\$119,075	\$0	0.0%	
637.000 GIS/CAD SERVICES	25,767	25,767	0	17,766	25,767	0	0.0%	
695.000 OTHER	0	0	0	1,127	1,500	1,500		
697.000 PRIOR YEARS' REVENUE	241,944	312,332	70,388	0	0	(312,332)	-100.0%	Planned Use of Fund
<b>TOTAL REVENUE</b>	<b>\$386,786</b>	<b>\$457,174</b>	<b>\$70,388</b>	<b>\$112,811</b>	<b>\$146,342</b>	<b>(\$310,832)</b>	<b>-68.0%</b>	<b>Balance</b>
<b>INFORMATION TECHNOLOGY FUND EXPENDITURES (661)</b>								
<b>GIS SERVICES</b>								
SALARIES & FRINGE BENEFITS	\$22,545	\$22,545	\$0	\$17,114	\$22,545	\$0	0.0%	
OPERATING	44,300	49,300	5,000	2,339	12,300	37,000	75.1%	
CAPITAL OUTLAY	0	0	0	0	0	0		
SUBTOTAL	\$66,845	\$71,845	\$5,000	\$19,453	\$71,845	\$37,000	51.5%	
<b>TELECOMMUNICATIONS</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	14,000	14,203	203	8,211	11,203	3,000	21.1%	
CAPITAL OUTLAY	0	595	595	3,749	3,750	(3,155)	-530.3%	
SUBTOTAL	\$14,000	\$14,798	\$798	\$11,960	\$14,798	(\$155)	-1.0%	
<b>ADMINISTRATION</b>								
SALARIES & FRINGE BENEFITS	\$70,502	\$70,502	\$0	\$52,476	\$70,502	\$0	0.0%	
OPERATING	175,439	239,315	63,876	70,369	100,315	139,000	58.1%	
CAPITAL OUTLAY	60,000	60,714	714	23,925	31,714	29,000	47.8%	
SUBTOTAL	\$305,941	\$370,531	\$64,590	\$146,770	\$370,531	\$168,000	45.3%	
<b>TOTAL EXPENDITURES</b>	<b>\$386,786</b>	<b>\$457,174</b>	<b>\$69,590</b>	<b>\$178,183</b>	<b>\$457,174</b>	<b>\$0</b>	<b>0.0%</b>	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$65,372)	(\$310,832)	(\$310,832)		

**CITY OF ADRIAN**  
**FY2010-11 THIRD QUARTER FINANCIAL FORECAST**  
 March 31, 2011

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)			FORECAST TO BUDGET	PERCENT	
	BUDGET	BUDGET	ADOPTED	ACTUAL		AMOUNT		
<b>MOTOR VEHICLE POOL FUND REVENUE (662)</b>								
635.000 VEHICLE RENT	\$649,561	\$644,871	(\$4,690)	\$406,960	\$549,871	(\$95,000)	-14.7%	
638.000 EQUIPMENT RENT	4,690	4,690	0	0	0	(4,690)	-100.0%	
675.101 CONTRIBUTION - GENERAL FUND	12,300	12,300	0	0	0	(12,300)	-100.0%	
676.001 CONTRIBUTION - ADRIAN SCHOOLS	84,000	84,000	0	81,774	109,000	25,000	29.8%	
676.002 CONTRIBUTION - LISD	4,000	4,000	0	3,314	4,000	0	0.0%	
676.003 CONTRIBUTION - LENAWEE TRANSPORTATIC	60,000	60,000	0	45,116	60,000	0	0.0%	
676.202 CONTRIBUTION - MAJOR STREET FUND	132,600	132,600	0	89,417	120,600	(12,000)	-9.0%	
676.203 CONTRIBUTION - LOCAL STREET FUND	153,100	153,100	0	65,991	88,100	(65,000)	-42.5%	
676.205 CONTRIBUTION - FEE ESTATE	0	20,000	20,000	17,530	24,000	4,000		
676.267 CONTRIBUTION - OMNI	300	300	0	514	600	300	100.0%	
676.283 CONTRIBUTION - VIBRANT CITY GRANT	0	300	300	252	300	0		
676.585 CONTRIBUTION - AUTO PARKING	6,000	6,000	0	9,220	12,000	6,000	100.0%	
676.588 CONTRIBUTION - TRANSPORTATION FUND	41,000	41,000	0	36,705	49,000	8,000	19.5%	
676.590 CONTRIBUTION - WASTEWATER FUND	22,000	22,000	0	14,182	19,000	(3,000)	-13.6%	
676.591 CONTRIBUTION - WATER FUND	23,500	23,500	0	14,948	20,500	(3,000)	-12.8%	
676.598 CONTRIBUTION - STORM WATER UTILITY	0	5,000	5,000	4,012	5,000	0		
685.000 SALE OF EQUIPMENT	0	7,000	7,000	6,561	7,000	0		Planned Use of Fund
695.000 OTHER	0	0	0	145	0	0		
<b>TOTAL MOTOR POOL FUND REVENUE</b>	<b>\$1,193,051</b>	<b>\$1,220,661</b>	<b>\$27,610</b>	<b>\$796,641</b>	<b>\$1,068,971</b>	<b>(\$151,690)</b>	<b>-12.4%</b>	<b>Balance</b>
<b>MOTOR POOL FUND EXPENSES (662)</b>								
<b>ADMINISTRATION</b>								
SALARIES & FRINGE BENEFITS	\$114,345	\$112,071	(\$2,274)	\$80,262	\$112,071	\$0	0.0%	
OPERATING	69,603	69,603	0	209,561	69,603	0	0.0%	
<b>SUB-TOTAL</b>	<b>\$183,948</b>	<b>\$181,674</b>	<b>(\$2,274)</b>	<b>\$289,823</b>	<b>\$181,674</b>	<b>\$0</b>	<b>0.0%</b>	
CEMETERY VEHICLES	16,318	16,318	0	4,601	6,318	10,000	61.3%	
POLICE DEPT VEHICLES	142,859	142,859	0	57,552	76,859	66,000	46.2%	
FIRE DEPT VEHICLES	101,593	101,593	0	16,475	22,593	79,000	77.8%	
INSPECTION DEPT VEHICLES	12,723	12,723	0	1,279	2,723	10,000	78.6%	
DPW VEHICLES	170,123	170,123	0	29,593	40,123	130,000	76.4%	
ENGINEERING DEPT VEHICLES	12,109	12,109	0	1,405	2,109	10,000	82.6%	
RECREATION DEPT VEHICLES	5,687	5,687	0	2,364	3,687	2,000	35.2%	
PARKS & FORESTRY DIV VEHICLES	60,624	60,624	0	15,250	20,624	40,000	66.0%	
HERITAGE PARK VEHICLES	6,325	6,325	0	1,472	2,325	4,000	63.2%	
FEE ESTATE VEHICLES	42,690	42,690	0	8,730	11,690	31,000	72.6%	
CONTRIBUTION - GENERAL FUND	438,052	438,052	0	0	438,052	0	0.0%	
CONTINGENCY	0	29,884	29,884	0	0	29,884	100.0%	
DEPRECIATION	0	0	0	0	358,815	(358,815)		
<b>TOTAL EXPENDITURES</b>	<b>\$1,193,051</b>	<b>\$1,220,661</b>	<b>\$27,610</b>	<b>\$428,544</b>	<b>\$1,167,592</b>	<b>\$53,069</b>		
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$368,097</b>	<b>(\$98,621)</b>	<b>(\$98,621)</b>		

CITY OF ADRIAN  
 FY2010-11 THIRD QUARTER FINANCIAL FORECAST  
 March 31, 2011

<u>FUND/DEPARTMENT</u>	<u>FY2010-11 ADOPTED BUDGET</u>	<u>FY2010-11 AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>PERPETUAL CARE FUND REVENUE (711)</b>								
664.000 INVESTMENT EARNINGS	\$40,000	\$40,000	\$0	\$55,129	\$40,000	\$0	0.0%	
665.000 CHANGE IN MARKET VALUE	0	0	0	(55,408)	0	0		
<b>TOTAL REVENUE</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$0</b>	<b>(\$279)</b>	<b>\$40,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>PERPETUAL CARE FUND EXPENDITURES (711)</b>								
CONTRIBUTION - GENERAL FUND	\$40,000	\$40,000	\$0	\$40,000	\$40,000	\$0	0.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$40,279)</b>	<b>\$0</b>	<b>\$0</b>		
<b>TOTAL REVENUES - ALL FUNDS</b>	<b>\$29,639,392</b>	<b>\$30,561,529</b>	<b>\$917,137</b>	<b>\$20,404,618</b>	<b>\$28,353,353</b>	<b>(\$2,208,176)</b>	<b>-7.2%</b>	
<b>TOTAL EXPENDITURES - ALL FUNDS</b>	<b>29,639,392</b>	<b>30,561,529</b>	<b>961,339</b>	<b>18,175,744</b>	<b>28,497,671</b>	<b>2,079,858</b>	<b>6.8%</b>	
<b>NET OF REVENUE AND EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>2,228,874</b>	<b>(144,318)</b>	<b>(128,318)</b>		

C-3

April 27, 2011

## MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Fuel Surcharges



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As you are aware, our contract with Steven's Disposal & Recycling Service contains a provision for a fuel surcharge when the three-month running average for ultra low sulfur diesel fuel rises above \$3.51/gallon as posted by the U.S. Energy Information Administration.

In April 2011, the three-month average exceeded the \$3.51 threshold. For the month of April, the fuel surcharge was high enough to cost the City \$0.12/unit or \$698.00. The cost for diesel fuel is still climbing and has exceeded \$4.00/gal. The fuel surcharge for May is projected to be in the area of \$1,396. Through June 30, 2011, all fuel surcharges will be paid through the City's general fund and previous expected savings through the changes in the trash system will be reduced.

Beginning July 1, 2011 the FY 2011-12 budget contains an independent Solid Waste Fund with revenues generated through the billing of residents for the trash service. This revenue was intended to cover the administrative costs, operational costs of the compost site, Saturday recycling drop-off site and residential trash services. In 2010, the Commission set a price of \$23.00/quarter or \$7.67/month to cover these costs. With the current fuel costs increasing, it is obvious that this current planned billing rate will not cover the required intended expenses and fuel surcharge.

In 2008, the prices for diesel fuel increased to \$4.77/gal before declining. Using the data from 2008, we could expect about an average surcharge rate of \$1,667/month. This would require an additional revenue of \$20,000 minimum for the 2011-12 Fiscal Year.

In order to cover this fuel surcharge, we are requesting the City Commission to consider adjusting the current intended billing rate effective immediately. In order to cover this fuel surcharge, we request this rate be increased to \$8.00/month per residential address, at a minimum. The rate would change to \$24.00/quarter or \$96.00/year. This rate will increase \$4.00/year for the typical single-family resident and will provide an additional \$23,200 to the solid waste revenue. If billing adjustments are not made, we may be required to close the compost site to conserve funds to maintain residential trash services.



# REGULAR AGENDA

0-1  
April 13, 2011

Honorable Mayor  
and City Commission:

At their April 5, 2011, regular meeting the Adrian City Planning Commission recommended to the City Commission the approval of the proposed changes to the Zoning/Development Regulations as submitted and that this language be compatible with the proposed licensing ordinance.

Medical Marihuana Facilities have been under discussion by the Planning Commission for close to six months now – six regular meetings and at three study sessions, one of which was a joint session with the City Commission.

The Planning Commission started discussing this issue at their November 2, 2010, meeting. At the December 7, 2010, meeting the Planning Commission reviewed draft language, and moved to recommend a 120 day moratorium to the City Commission. At the January 4, 2011, the Planning Commission reviewed changes to the language. The public hearing was held at the February 1 meeting where the Planning Commission heard from a variety of people who were involved with different aspects of this issue, from operators of different medical marihuana facilities, patients, caregivers and a retail business having a supporting role in this issue. The Planning Commission moved to table this issue and requested a group work session with the City Commission. At the March 1 meeting the Planning Commission agreed that the ordinance be redrafted for consideration at the April 5 meeting.

Respectfully submitted,



Denise Cook, Secretary

**ORDINANCE NO. 11-001**

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF ADRIAN BY AMENDING ARTICLE II – DEFINITIONS AND ARTICLE IV – GENERAL PROVISIONS OF THE CITY OF ADRIAN ZONING/DEVELOPMENT REGULATIONS

The City of Adrian Ordains:

1. That Subsections 2.90.01, 2.90.02 and 2.90.03 of Section 2.11- Terms and Words Defined of Article II of the City of Adrian Zoning/Development Regulations be added to read as follows:

**2.90.01        Medical Marihuana**

**Means marihuana as defined by the Michigan Medical Marihuana Act., MCL 333.26421 et seq., to be grown, used or transferred for Medical use as defined by the Michigan Medical Marihuana Act., MCL 333.26421 et seq.**

**2.90.02        Medical Marihuana Primary Caregiver**

**An individual, as defined by the Michigan Medical Marihuana Act., MCL 333.26421 et seq., and as authorized by and registered through the State Department of Community Health, who is at least 21 years old and who has agreed to assist with a patient’s medical use of marihuana and who has never been convicted of a felony involving illegal drugs.**

**2.90.03        Medical Marihuana Caregiver Facility**

**Means an establishment whose operation includes the sale, cultivation, distribution or transfer of Medical Marihuana.**

2. That Subsection 14 of Section 14.03 of Article XIV of the City of Adrian Zoning/Development Regulations be added to read as follows:

**SECTION 14.03 USES SUBJECT TO A ZONING EXCEPTION PERMIT:**

**14.    Medical Marihuana Caregiver Facility, subject to the following conditions:**

- a.    **No such facility shall be situated within 1,000 feet of any of the following uses:**

1.    **Any similar facility**
2.    **A school, public or private, including pre-school through college**

- b.    **No such facility shall be situated within 500 feet of any of the**

**following uses:**

- 1. A church**
  - 2. A public park or playground**
  - 3. A state licensed day-care facility as defined in the City of Adrian Zoning Ordinance, definition(s) 2.64**
- c. No such facility shall be situated adjacent to or abutting a zoning district or lot zoned for single-family residential use (R-1 through R-4).**
- d. Cultivation or distribution of medical marihuana shall not occur in connection with or at a location at which any other commodity, product or service is offered for sale.**
- e. No equipment or process shall be used in the processing or cultivation which creates noise, dust, vibration, glare, fumes, odors or electrical interference detectable to the normal senses beyond the property boundaries.**
- f. Signage shall be limited to one identification sign, to be affixed flat against the front wall of the facility of size not to exceed eight (8) sq ft.**
- g. The outdoor growth and/or cultivation of marijuana plants is prohibited.**
- h. Drive-through, drive-up or curbside service facilities are prohibited.**
- i. All such facilities shall be licensed and in compliance with the requirements specified in Chapter 46, Sect. 46-500 of the Adrian City Code.**

INTRODUCTION-----May 2, 2011  
SUMMARY PUBLISHED-----  
ADOPTION-----  
COMPLETE PUBLICATION-----  
EFFECTIVE DATE-----

On motion by Commissioner \_\_\_\_\_, supported by  
Commissioner \_\_\_\_\_, this Ordinance was \_\_\_\_\_ by a  
\_\_\_\_\_ vote.

0-2

**ORDINANCE 11-002**

**INTRODUCTION OF AN ORDINANCE TO CREATE SECTION 46-500 OF CHAPTER 46, OF THE ADRIAN CODE, ENTITLED “MEDICAL MARIHUANA CAREGIVER FACILITIES ”.**

**ARTICLE XI**

**DIVISION 1. GENERALLY**

**Section 46-500. Legislative Intent.** The City intends to license and regulate medical marihuana caregiver facilities to the extent they are permitted under the Michigan Medical Marihuana Act. The City does not intend that licensing and regulation under this section be construed as a finding that such businesses are legal under state or federal law. Although some specific uses of medical marihuana are allowed by the Michigan Medical Marihuana Act, marihuana continues to be classified as a Schedule 1 controlled substance under federal law, making it unlawful under federal law to use, manufacture, or distribute or dispense marihuana or to possess it with the intent to use, manufacture or dispense marihuana. By requiring a license and compliance with requirements as provided in this section, the City intends to protect to the extent possible the health, safety, and welfare of the residents of and visitors to the City of Adrian, including but not limited to medical marihuana patients, from harm that may result from the activities of persons who unilaterally on the advice of their own attorney determine that they may operate a medical marihuana caregiver facility.

**Section 46-501. Definitions.** The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except when the context clearly indicates a different meaning.

*Act* means Michigan Medical Marihuana Act

*Medical Marihuana Caregiver Facility* means an establishment whose operation includes the sale, distribution, transfer, cultivation of marihuana by one or more caregivers as defined by and permitted under the Michigan Medical Marihuana Act, MCL 333.26421 et seq.

*Medical Marihuana* means that term as defined in MCL 333.7106.

*Primary Caregiver* means a person who is registered under the Michigan Medical Marihuana Act, and is defined as a person who is at least 21 years old and who has agreed to assist with a patient’s medical use of marihuana and who has never been convicted of a felony involving illegal drugs.

*Registered Qualifying Patient* means a person who has been diagnosed by a physician as having a debilitating medical condition and who has received a registry identification card.

*Registry Identification Card* means a document issued by the Department of Community Health that identifies a person as a registered qualifying patient or registered qualifying caregiver.

*Usable Marihuana* means the dry leaves and flowers of the marihuana plant and any mixture or prep thereof, but does not include the seeds, stalks, and roots of the plant.

## **DIVISION 2. LICENSE**

### Section 46-502. Required.

- a. No person shall operate a medical marihuana caregiver facility at a location for which an annual license, as provided for in this section, has not been issued.
- b. The license requirements in this section apply to all facilities that exist on the effective date of this section or that are established after the effective date of this section.

### Section 46-503. Application.

- a. Application for a license shall be made annually on forms provided by the City Clerk.
- b. The license requirements set forth in this chapter shall be in addition to, and not in lieu of, any other licensing and permitting requirements imposed by any other federal, state, or local law.
- c. The issuance of any license pursuant to this chapter does not create an exception, defense, or immunity to any person in regard to any potential criminal liability the person may have for the production, distribution, or possession of marihuana.
- d. No license issued under this section may be transferred or assigned and no license is valid for any location other than the location specified in the license.

### Section 46-504. Conditions of Issuance.

The City Clerk shall not issue a license until all of the following conditions have been met:

- a. The address of the facility and any other contact information shall be listed on the application form.
- b. The name and address of the owners of all real property where the facility is located shall be listed on the application form.
- c. The name and addresses of all owners and managers of the facility shall be listed on the application form.
- d. A signed release shall be provided, on a form included with the application, permitting the City of Adrian Police Department to perform a criminal background check to ascertain whether any person named on the application has been convicted of any felony under Michigan law or the law of any other state or the United States.
- e. Proof that a valid and current certificate of occupancy has been issued by the building official indicating that all necessary inspections have been conducted, which may include but are not limited to electrical inspection, plumbing inspection and mechanical inspection.

- f. Where the application identifies electrical devices are being used or intended to be used in conjunction with a license, proof that the Fire Department has inspected and approved the use or proposed use and that any necessary permits for electrical alterations have been obtained.
- g. Where the application identifies structural modifications have been made or are intended in conjunction with the license, proof that the building code officials have inspected the property and issued the necessary permits.

Section 46-505. Conduct of Licensee.

- a. Each licensee shall, as a condition of obtaining and maintaining a license, agree to comply at all times with applicable local and state building, zoning, fire, health and sanitation statutes, ordinances and regulations.
- b. The premises shall be operated and maintained at all times consistent with responsible business practices and so that no excessive demands will be placed upon public health or safety services, nor any excessive risk of harm to the public health, safety or sanitation.
- c. There shall be no use of medical marihuana on the premises.
- d. Licensee shall immediately notify the City Clerk and update as required the information provided on the application.
- e. All marihuana in any form kept at the location of the facility shall be kept within an enclosed, locked area and shall be accessible only to a licensed caregiver or patient. The enclosed, locked area shall not be visible from any location outside of the building.
- f. Medical marihuana facilities shall be closed for business and no sale or other distribution of marihuana in any form shall occur upon the premises or be delivered from the premises between the hours of 8:00 p.m. and 8:00 a.m.
- g. No more marihuana than is permitted under the Michigan Medical Marihuana Act shall be kept on the premises of the facility.
- h. Failure to comply with the requirements contained in this section is a civil infraction.

Section 46-506. Effective license; suspension; daily violation.

- a. A license is valid only for the location identified on the license and cannot be transferred to another location in the City without a new application.
- b. A license is valid for one year from the date of issuance.
- c. A license does not prohibit prosecution by the federal government for violation of its laws or prosecution by state authorities for violations of the Act or other violations not protected by the Act.
- d. Compliance with city ordinance and state statutes is a condition of maintenance of a license and a license may be suspended for failure to comply with any of the provisions of this section.
- e. Suspension of a license is not an exclusive remedy and nothing contained herein is intended to limit the City's ability to prosecute code violations that may have

been the cause of the suspension or any other code violations not protected by this Act.

- f. Operating a medical marihuana facility without a valid license or assisting in the operation of a medical marihuana facility without a valid license for that property is a civil infraction. Each day that a person shall operate a medical marihuana facility without a license or assist in the operation of a medical marijuana facility without a valid license in effect for that property shall constitute as a separate offense.

Section 46-507. Confidentiality. Names and addresses of applicants, licensed primary caregivers and their qualifying patients shall be maintained as confidential records, not subject to disclosure, except to authorized employees of various City departments as necessary to perform official duties or except upon order of a court of competent jurisdiction.

Section 46 -508. Fees for licenses. The fees for the license herein defined shall be set by resolution of the city commission and may be obtained by the city clerk.

INTRODUCTION.....May 2, 2011

SUMMARY PUBLISHED .....

ADOPTION .....

COMPLETE PUBLICATION .....

EFFECTIVE DATE .....

On motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, this Ordinance was \_\_\_\_\_ by a \_\_\_\_\_ vote.

50-1, R-1

May 2, 2011

SPECIAL ORDER

The Mayor called for the hearing and consideration of comments to adoption of the FY2011-12 Budget and General Appropriations Act.

Discussion

When the Mayor called for final objections \_\_\_\_\_

\_\_\_\_\_ and he declared the hearing closed.

R-1

**R11-051**

May 2, 2011

**CITY OF ADRIAN, MICHIGAN  
FISCAL YEAR 2011-2012 BUDGET  
AND  
GENERAL APPROPRIATIONS ACT**

**RESOLUTION #11-\_\_\_\_  
May 2, 2011**

WHEREAS in accordance with the provisions of the Adrian City Charter and Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Units of Government, it is the responsibility of the Adrian City Commission to establish and adopt the annual City Budget and work program by resolution not later than the second week of May, as well as provide for a levy of an amount necessary to be raised by taxes upon real and personal property for municipal purposes subject to the limitations contained in Section 9.1 of said Charter and the 1978 Tax Limitation Amendment contained in Article IX Section 31 of the Michigan Constitution; and

WHEREAS the City Commission received budget requests from all City Departments, and has reviewed in detail the City Administrator's Fiscal Year 2011-2012 Budget Recommendation; and

WHEREAS the City Commission, after due deliberation, has formulated a Proposed General Appropriations Act balancing total appropriations with available resources at \$22,981,621 for Fiscal Year 2011-2012, a summary of which is included in the Notice of Public Hearing published in a newspaper of general circulation; and

WHEREAS a copy of the proposed Budget and General Appropriations Act was published April 22, 2011 and a Public Hearing was held on May 2, 2011 in accordance with the provisions of Section 8.3 of the Adrian City Charter, Public Act 5 of 1982, and the federal, state and local Fiscal Assistance Act of 1972 (P.L. 92-512), as amended; and

WHEREAS included in the General Appropriations Act are the service charge rates for Dial-A-Ride transportation and Water and Sewer Utilities; Dial-A-Ride rates remain unchanged from FY2010-11; for a typical utility customer using eight units, which is approximately 6000 gallons per month, the water bill will increase \$.96 per month and the sewer bill will increase \$1.32 per month for a total increase of \$2.28 per month; and

WHEREAS the City Administrator recommends establishment of a new Enterprise Fund, a Solid Waste Fund (595), for the purpose of recording revenue generated from user fees and expenditures for refuse collection and disposal services; and

WHEREAS the further intent of this resolution is to maintain a budgetary system for the City of Adrian on the same basis of accounting (generally accepted accounting principles) as the actual financial information is maintained; to define the powers and duties of the City's officers in relation to that system; to designate the Chief Administrative Officer and Fiscal Officer; and to provide that the City Commission and the Fiscal Officer shall be furnished with information by the departments, boards, agencies and offices relating to their financial needs, revenues and expenditures/expenses, and general affairs; to prescribe a disbursement procedure, to provide for an allotment system; and to provide remedies for refusal or neglect to comply with the requirements of this resolution.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission does hereby adopt and amend the Fiscal Year 2011-2012 Budget and General Appropriations Act recommended by the City Administrator as advertised and placed in the Clerk's Office for public inspection, balancing total appropriations with available resources at \$22,981,621 for Fiscal Year 2011-2012.

BE IT FURTHER RESOLVED that the Adrian City Commission authorizes to levy a millage rate of 14.6039 (Operating-13.6293; and Local Streets-0.9746) mills upon the total Taxable Value of Real and Personal Property (\$411,414,878) so as to generate \$6,006,297, including additions for Industrial Facilities Tax (IFT) Revenue and excluding captured tax revenue for various economic development authorities, to support the FY2011-2012 City of Adrian General Fund Operating and Local Street Budgets.

BE IT FURTHER RESOLVED that the Adrian City Commission authorizes Industrial Facilities Tax (IFT) collections at 14.6039 mills upon the total Taxable Value of Real and Personal Property (\$9,597,162) so as to generate \$140,156 to provide additional support for the FY2011-12 City of Adrian General Fund Operating and Local Street Budgets.

BE IT FURTHER RESOLVED that the Adrian City Commission authorizes the imposition of a one (1%) percent property tax administration fee as required by the General Property Tax Act (MCL211.44) and continuation of the Dial-A-Ride fares of \$2.00 for regular passengers and \$1.00 for senior citizens and handicapped riders, instituted July 1, 2005.

BE IT FURTHER RESOLVED that the following Water and Sewer Rate Charges continue in effect on July 1, 2011:

Water Rates. The service charges shall be as follows each month:

<u>Meter Size</u>	<u>Current Service Charge Per Month</u>	<u>Proposed Service Charge Per Month</u>
5/8"	<del>\$ 8.24</del>	\$ 8.49
3/4"	<del>\$ 9.83</del>	\$ 10.13
1"	<del>\$ 12.45</del>	\$ 12.82
1 1/2"	<del>\$ 18.74</del>	\$ 19.30
2"	<del>\$ 26.67</del>	\$ 27.47
3"	<del>\$ 43.04</del>	\$ 44.33
4"	<del>\$ 69.75</del>	\$ 71.84
6"	\$131.14	\$135.07
8"	\$270.06	\$278.16
10"	\$407.26	\$419.48



(3) Service Charge. A monthly service charge shall be applied to each bill for administrative costs and the cost of treating wastewater and infiltration as follows:

<u>Meter Size</u>	<u>Current Service Charge Per Month</u>	<u>Proposed Service Charge Per Month</u>
5/8"	<del>\$ 11.37</del>	\$ 11.83
3/4"	<del>\$ 15.44</del>	\$ 16.06
1"	<del>\$ 19.09</del>	\$ 19.85
1 1/2"	<del>\$ 26.35</del>	\$ 27.40
2"	<del>\$ 43.62</del>	\$ 45.37
3"	<del>\$ 58.18</del>	\$ 60.51
4"	<del>\$ 87.26</del>	\$ 90.75
6"	<del>\$165.41</del>	\$172.03
8"	<del>\$272.66</del>	\$283.57
10"	<del>\$408.99</del>	\$425.35

(4) Flat Rate. The charge for flat rate customers in the City of Adrian:

Current flat rate:	<del>\$39.51</del>
Proposed flat rate:	\$41.10

(5) Outside City (Unmetered Flat Rate) per month:

Adrian Township	Current	<del>\$40.48</del>
Madison Township	Proposed	\$42.10

Outside City (master meter rate per unit)

Adrian Township	Current	<del>\$2.19</del>
	Proposed	\$2.28

Madison Township	Current	<del>\$2.20</del>
	Proposed	\$2.31

(6) Industrial Pretreatment Fee: A fee of \$75.00 per month shall be charged to all customers who have an Industrial Pretreatment Program Permit.

Septage Receiving Waste Fees:

Current: \$50.00 per 1000 gallons

Proposed \$50.00 per 1000 gallons or \$0.06 per gallon

Current and Proposed Water and Sewer Connection Fees:

Water and sewer connection fees shall be paid by the owner for all new and renewed connections to the water and sewer system. These fees shall be paid prior to the issuance of a building permit. The Water Capacity Charge and the Sewer Impact Fee are established to recover the capital investment made to provide service. The Water Tap Installation charge recovers the cost of tapping a water main and installing a service line to the property. The fees result from an analysis of the water and sewer capital assets and capacity, and remain unchanged from FY2010-11. The fees are based on the size of the tap and meter reflecting the potential water and sewer demand.

<b>Water Tap Unit</b>	<b>Water Meter Charge</b>	<b>Residential Equivalent Charge</b>	<b>Water Tap Installation</b>	<b>Water Capacity Size</b>	<b>Sewer Impact Size</b>
¾"	5/8"	1	\$ 1,250.00	\$ 850.00	\$ 1,030.00
¾"	¾"	1.5	\$ 1,300.00	\$ 1,125.00	\$ 1,545.00
1"	1"	2.5	\$ 1,800.00	\$ 2,125.00	\$ 2,575.00
1.5"	1.5"	5	\$ 2,400.00	\$ 4,250.00	\$ 5,150.00
2"	2"	8		\$ 6,800.00	\$ 8,240.00
3"	3"	16		\$13,600.00	\$ 16,480.00
4"	4"	25		\$21,250.00	\$ 25,750.00
6"	6"	50		\$42,500.00	\$ 51,500.00
8"	8"	140		\$119,000.00	\$144,200.00
10"	10"	220		\$187,000.00	\$226,600.00

; and

BE IT FURTHER RESOLVED that a new Enterprise Fund be established, a Solid Waste Fund (595), for the purpose of recording revenue generated from user fees and expenditures for refuse collection and disposal services.

BE IT FURTHER RESOLVED that:

1. The City Administrator is hereby designated the Chief Administrative Officer (CAO) of the City of Adrian and, further, that the Finance Director shall perform the duties of the Chief Fiscal Officer (CFO) as specified in this resolution.
2. The CFO shall provide an orientation session and written instructions for preparing departmental budget requests. These instructions shall include information that the CFO determines to be useful and necessary to assure that the budgetary estimates of the agencies are prepared in a consistent manner and the needs of the CAO and the City Commission are met.
3. Any offices, departments, commissions and boards of the City of Adrian financed in whole or in part by the City of Adrian shall transmit to the CFO their estimates of the amounts of money required for each activity in their respective agencies, as well as their estimate of revenues that will be generated from charges for services. They shall also submit any other information deemed relevant by the CAO, CFO and/or City Commission.
4. The CFO shall prescribe forms to be used by the offices, departments, commissions and boards of the City of Adrian in submitting their budget estimates and shall prescribe the rules and regulations the CFO deems necessary for the guidance of officials in preparing such budget estimates. The CFO may require that the estimates be calculated on the basis of various assumptions regarding level of service. The CFO may also require a statement for any proposed expenditure and a justification of the services financed.
5. The CFO shall prepare estimates of revenue for each budgeted fund, classified to show in detail the amount expected to be received from each source. Estimated of expenditures and revenues shall also be classified by character, object, function and activity consistent with the State Chart of Accounts and Michigan Department of Treasury accounting system classification.
6. The CFO shall review the agency estimates with a representative from each agency of the City of Adrian that has submitted such estimates. The purpose of the review shall be to clarify the estimates, ensure the accuracy, and to determine

their adherence to the policies previously enumerated by the CAO, CFO and City Commission as herein required.

7. The CFO shall consolidate the estimates received from the various departments and agencies, together with the amounts of expected revenues, and shall make recommendations relating to those estimates, which shall assure that the total of estimated expenditures, including an accrued deficit, does not exceed the total of expected revenues, including an unappropriated surplus.
8. The recommended budget shall include at least the following:
  - (a) Expenditure data for the most recently completed fiscal year and estimated expenditures for the current fiscal year;
  - (b) An estimate of the expenditure amounts required to conduct the government of the City of Adrian, including its budgetary centers;
  - (c) Revenue data for the most recently completed fiscal year and estimated revenues for the current fiscal year;
  - (d) An estimate of revenues, by source, to be raised or received by the City of Adrian in the ensuing fiscal year;
  - (e) The amount of surplus or deficit from prior fiscal years, together with an estimate of the amount of surplus or deficit expected in the current fiscal year;
  - (f) An estimate of the amount needed for deficiency, contingent or emergency purposes and the amounts needed to pay and discharge the principal and interest of the debt of the City of Adrian due in ensuing fiscal years;
  - (g) The amount of proposed capital outlay expenditures, except those finance by enterprise, capital projects or internal service funds, including the estimated total costs and proposed method of financing of each capital construction project for three (3) years beyond the fiscal year covered by the budget;
  - (h) An informational summary of projected revenues and expenditures/expenses of all capital projects, internal service and enterprise funds;

- (i) A comparison of the revenue and expenditure amounts in the recommended budget to the budget previously adopted, and amended, by the City Commission, with appropriate explanation of the variances;
- (j) Any other data relating to fiscal conditions that the CAO, CFO and/or City Commission consider to be useful in evaluating the financial needs of the City of Adrian.

9. Not less than ninety (90) days before the next succeeding fiscal year, the CAO shall transmit the recommended budget to the City Commission. The recommended budget shall be accompanied by:

- (a) A proposed general appropriation measure, consistent with the budget, which shall set forth the anticipated revenue and requested expenditure/expense authority, in such form and in such detail deemed appropriate by the City Commission;
- (b) A budget message, which shall explain the reasons for the increases or decreases in budgeted items compared with the current fiscal year, the policy of the CAO as it relates to important budgetary items, and any other information that the CAO determines to be useful to the City Commission in its consideration of the proposed appropriations;
- (c) A comparison of the recommended budget to the current year adopted and amended budget, together with an analysis and explanation of the variances therefrom, such variances being divided to show the portion attributable to the current year budget amendments and the portion resulting from the recommended budget.

10. The City Commission may direct the CAO and/or other appointed officials to submit any additional information it deems relevant in its consideration of the budget and proposed appropriations measure. The City Commission may conduct budgetary reviews with the CFO and/or City Departments or agencies for the purpose of clarification or justification of proposed budgetary items.

11. The City Commission may revise, alter or substitute for the proposed general appropriations measure in any way, except that it may not change it in a way that would cause total appropriations, including an accrued deficit, to exceed total estimated revenues, including an unappropriated surplus. An accrued deficit shall be the first item to be resolved in the general appropriations measure.
12. The City Commission shall fix the time and place of a public hearing to be held on the budget and proposed appropriations measure. The City Clerk shall then have published, in a newspaper of general circulation within the City of Adrian, notice of the hearing and an indication of the place at which the budget and proposed appropriations measure may be inspected by the public. This notice must be published at least seven days before the date of the public hearing.
13. No later than June 30, the City Commission shall pass a general appropriations measure providing the authority to make expenditures and incur obligations on behalf of the City of Adrian. The supporting budgetary data to the general appropriations measure shall include at least the following:
  - (a) Expenditure data for the most recently completed fiscal year;
  - (b) The expenditure budget as originally adopted by the City Commission for the current fiscal year;
  - (c) The amended current year appropriations;
  - (d) An estimate of the expenditure amounts required to conduct the government of the City of Adrian, including its budgetary centers;
  - (e) Revenue data for the most recently completed fiscal year and estimated revenues for the current fiscal year;
  - (f) Budgeted Revenue Estimates as originally adopted by the City Commission for the current fiscal year;
  - (g) The amended current year Budgeted Revenues;
  - (h) An estimate of revenues, by source, to be raised or received by the City of Adrian in the ensuing fiscal year;
  - (i) The amount of surplus or deficit from prior fiscal years, together with an estimate of the amount of surplus or deficit expected in the current fiscal year;

- (j) An estimate of the amount needed for deficiency, contingent or emergency purposes, and the amounts needed to pay and to discharge the principal and interest of the debt of the City of Adrian due in the ensuing fiscal year;
  - (k) The amount of proposed capital expenditures, except those financed by enterprise, capital project or internal service funds, including the estimated costs and proposed method of financing of each capital construction project and the projected additional annual operating costs and the method of financing the operating costs of each capital construction project for three (3) years beyond the fiscal year covered by the budget;
  - (l) An informational summary of projected revenues and expenditures/expenses of capital projects, internal service and enterprise funds;
  - (m) Any other data relating to fiscal conditions that the City Commission considers to be useful in considering the financial needs of the City;
  - (n) Printed copies of the City Commission's Adopted Budget, Financial Plan or any facsimile thereof shall contain all the above data unless otherwise approved by the City Commission.
14. The City Commission may authorize transfers between appropriation items by the CAO or CFO within limits stated in the appropriations measure. In no case, however, may such limits exceed those provided for in paragraph #21 of this resolution.
15. A deviation from the original general appropriations measure shall not be made without first amending the general appropriations measure through action by the City Commission, except within those limits provided for in paragraph #16 of this resolution.
16. Appropriations accumulated at the Department level will be deemed maximum authorization to incur expenditures. The CAO or the CFO shall exercise supervision and control of all budgeted expenditures within these limits, holding expenditures below individual line-item appropriations or allowing overruns in individual line-items, providing that at no time shall the net expenditures exceed

the total appropriation for each department as originally authorized or amended by the City Commission. Line-item detail by cost center and allotments, which provide a monthly calendarization of annual appropriations, as deemed necessary by the CFO, shall be maintained and utilized as an administrative tool for management information and cost control. The CFO shall not approve any expenditure beyond that necessary to accomplish stated program or work objectives authorized in the general appropriations measure as originally approved unless amended, in which case the amendment takes precedence.

17. The CFO shall maintain, for all budgeted funds, appropriation ledger accounts in which are to be recorded such expenditures, encumbrances and obligations for the future payment of appropriated funds as the CCFO may approve.
18. Each Purchase Order, Voucher, or Contract of the City of Adrian shall specify the funds and appropriation designated by number assigned in the accounting system classification from which it is payable and shall be paid from no other fund or appropriation. The necessary amount of the appropriation from such account shall be transferred pursuant to the provisions of this resolution to the appropriate general appropriation account and the expenditure then charged thereto.
19. No obligation shall be incurred against, and no payment shall be made from, any appropriation account unless there is sufficient unencumbered balance in the appropriation and sufficient funds are or will be available to meet the obligation. Any obligation incurred or payment authorized in violation of this resolution shall be void and any payment so made illegal, except those otherwise ordered by court judgment or decree.
20. The CFO, after the end of each fiscal quarter, shall transmit to the City Commission a report depicting the financial condition of budgeted operations, including, but not limited to:
  - (a) A forecast of actual revenues by major source compared with budgeted revenues accompanied by an explanation of any significant variances; and
  - (b) A forecast of actual expenditures and encumbrances by department compared with authorized appropriations accompanied by an explanation of any significant variances.

21. Direct expenditure and/or transfers of any unencumbered balance or any portion thereof in any appropriation for transfer account to any other appropriations account may not be made without amendment of the general appropriations measure as provided for in this resolution, except that transfers within and between budgeted funds and departments may be made by the CFO in the following instances:
  - (a) Transfers may be made between accounts as authorized by the CAO up to a maximum of \$10,000;
  - (b) Transfers may be made from the non-departmental overtime account and salary/fringe benefit adjustment account to the appropriate departmental budget as specific overtime requests are reviewed and approved by the CAO. Additionally, overtime appropriations may be transferred between departments, if authorized by the CAO;
22. The Chief Administrative Officer (City Administrator) is granted expenditure authority up to a maximum of \$10,000 per transaction and, in compliance with Section 12.1 of the City Charter, sealed bids shall be obtained for all materials, supplies and public improvements in amounts equal to or greater than the aforementioned spending limit.
23. The City Commission may make supplemental appropriations by amending this general appropriations measure as provided by this resolution, provided that revenues in excess of those anticipated in the original appropriations measure become available due to:
  - (a) An unobligated surplus from prior years becoming available;
  - (b) Current year revenue exceeding original estimates in amounts sufficient enough to finance increased appropriations. The City Commission may make a supplemental appropriation by increasing the dollar amount of an appropriation item in the original general appropriations measure or by adding additional items. At the same time the estimated amount from the source of revenue to which the increase in revenue may be attributed shall be increased, or other source an amount shall be added to the appropriation account in a sum sufficient to equal the supplemental

expenditure amount. In no case may such appropriation cause total estimated expenditures, including an accrued deficit, to exceed total estimated revenues, including an unappropriated surplus.

24. Whenever it appears to the CAO, CFO or City Commission that actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such funds were based, the CAO shall present to the City Commission recommendations which, if adopted, will prevent expenditures from exceeding available resources for the current fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues, or both. After receiving the recommendations of the CAO for bringing appropriations into balance with estimated revenues, the City Commission shall amend the general appropriations measure to reduce appropriations or shall approve such measures necessary to provide revenues sufficient to equal appropriations, or both.
25. All appropriations are annual and the unexpended portion shall lapse at year-end. Encumbrances and Appropriations Carried Forward will be recorded as a reservation of fund balance and the subsequent year's budget amended to provide authority to complete these transactions. Appropriations shall not be carried forward for more than six (6) months into the budget year following the year in which they were originally appropriated.
26. A member of the City Commission, the CAO, CFO, appointed official, administrative officer or employee of the City of Adrian shall not: (1) create a debt, incur a financial obligation on behalf of the City against an appropriation account in excess of the amount authorized, (2) apply or divert money of the City for purposes inconsistent with those specified in this general appropriations measure as approved and amended by the City Commission, not (3) forgive a debt or write off an account receivable without appropriate authorization of the City Commission.

27. All Internal Service Fund budgets that have depreciable assets shall have a capital budget with detail supporting the amount of annual depreciation therein included, as well as a fiscal plan for replacing, upgrading or disposing of those assets.
28. The budgetary system shall be maintained on the same basis of accounting (generally accepted accounting principals) as the actual financial information is maintained.
29. Any violation of the general appropriations measure by the CAO, CFO, any administrative officer, employee or member of the City Commission detected through application of generally accepted accounting procedures utilized by the City of Adrian, or disclosed in an audit of the financial records and accounts of the City, shall be filed with the State Treasurer and reported by the State Treasurer to the Attorney General. Pursuant to Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Government, the Attorney General shall review the report and initiate appropriate action against the person or persons in violation. For use and benefit of the City of Adrian, the Attorney General or Prosecuting Attorney may institute a civil and/or criminal action in a court of competent jurisdiction for the recovery of City funds disclosed by an examination to have been illegally expended or collected as a result of malfeasance, and for the recovery of public property disclosed to have been converted or misappropriated.
30. The provisions of this resolution shall be applied to the General Fund and all Special Revenue and Proprietary Funds of the City of Adrian, including Enterprise and Internal Service Funds.

On motion by Commissioner \_\_\_\_\_, seconded by  
Commissioner \_\_\_\_\_, this resolution was adopted by a  
\_\_\_\_\_ vote.

R-2



**MEMO**

Date: April 22, 2011

To: Dane C. Nelson, City Administrator  
Hon. Gary McDowell, Mayor  
City Commission

From: Jeffrey C. Pardee, Finance Director *Jeffrey C Pardee*

**Re: FY2010-11 Third Quarter Recommended Budget Amendments**

Public Act 621 of 1978, the Uniform Budgeting and Accounting act for Local Units of Government, provides for adjustments to the Adopted Budget. The Financial Forecast, prepared by the City of Adrian’s Finance Department, has identified several variances between current projections and Estimated Revenues and Appropriations included in the Adopted and Amended FY2010-11 Budget, and recommends appropriate budget amendments.

The recommended budget amendments comply with the Uniform Budgeting and Accounting Act requirement that no appropriations measure may be submitted to the City Commission that would allow total expenditures/expenses, including an accrued deficit, to exceed total estimated revenues, including an available surplus.

A summary explanation follows:

General Fund Revenue: The Third Quarter Financial Forecast highlighted several misc. increases and decreases, resulting in a net decrease of \$82,904, including the following:

- School Policing Officer Grant	32,667
- Homeland Security Grant	(30,413)
- Contrib. - Drug Forfeiture Trust Fund	(28,000)
- Building Permits	(25,000)
- Firefighters’ Assistance Grant	(22,500)
- Recreation – Adult Sports	(20,000)
- Other	<u>10,342</u>
Total	<u><u>\$(82,904)</u></u>

General Fund Expenditures:

- The recommended adjustment to the Finance Dept. Distribution of Wages and Fringes reflects a reduction in direct charges in favor of indirect charges authorized by the adoption of the Indirect Cost Allocation Plan.
- Assessing consultant fees are less than anticipated due to fewer than estimated personal property discoveries.
- Human Resources legal fees are down due to prudent use and more in-house involvement.
- Building expenses associated with City Hall, City Chambers and the Police Facility are lower than originally estimated.
- The original budget for the Fire Department did not contemplate wage adjustments for Education Premium and Holiday Pay.
- The Motor Vehicle Pool is still a work-in-process with an adjustment needed for the Engineering Department.
- Recycling subscriptions were unknown at the time the budget was developed.
- The Debt Service Budget included principal and interest payments, whereas principal is not an expense but, rather, a reduction of the outstanding liability and is, therefore recorded on the Balance Sheet and not the Revenue and Expense Report.

**The net effect of all General Fund Budget Amendments results in increasing the Contingency Account by \$11,442 to a current balance of \$198,901.**

Other Funds requiring mid-year budget adjustments include:

- The Major Street Fund and the Local Street Fund experienced an extraordinary number of snow events this fiscal year, resulting in a need to adjust the budget to reflect increased costs for overtime and vehicle rent.
- Adjustments to the Community Development Fund reflect unanticipated grant revenue for the Neighborhood Preservation Program (NPP) and the Property Improvement Program (PIP), as well as sale of five (5) HUD properties.
- The Brownfield Redevelopment Authority budget contemplated a US-EPA Site Assessment Grant, which did not materialize.
- The DDA-TIF budget reflects the movement of miscellaneous unused operating appropriations to cover the expended Downtown Façade Program.
- The LDFA-GAIDC budget reflects an increased draw from prior years' revenue to cover related economic development administrative expenses.
- The Auto Parking Fund is being adjusted to balance appropriations with estimated expenditures based on the Third Quarter Financial Forecast.

If you have any questions or need for additional information, please contact my office.

**CITY OF ADRIAN  
 FY 2010-11 BUDGET  
 THIRD QUARTER FINANCIAL FORECAST  
 RECOMMENDED BUDGET AMENDMENTS**

	<b>FY2010-11 ADOPTED BUDGET</b>	<b>FY2010-11 AMENDED BUDGET as of 3/31/11</b>	<b>FY2010-11 THIRD QUARTER FINANCIAL FORECAST</b>	<b>BUDGET AMENDMENT</b>
<b>GENERAL FUND (101)</b>				
<b>REVENUE:</b>				
<b>Police Dept</b>				
101-301.00-509.000 HOMELAND SECURITY GRANT	\$0	\$30,413	\$0	(\$30,413)
101-301.00-514.000 SCHOOL POLICING OFFICER GRANT	0	0	32,667	32,667
101-301.00-675.001 DONATIONS - POLICE RESERVES	0	0	5,342	5,342
101-301.00-676.701 CONTRIB. - TRUST FUND	31,643	33,858	5,858	(28,000)
<b>Fire Department</b>				
101-336.00-500.000 FIREFIGHTERS' ASSISTANCE GRANT	22,500	22,500	0	(22,500)
101-336.00-544.000 FIRE PROTECTION PAYMENT	17,000	17,000	24,100	7,100
<b>Inspection Department</b>				
101-371.00-477.000 BUILDING PERMITS	100,000	100,000	75,000	(25,000)
101-371.00-485.000 ZONING PERMITS & FEES	4,000	4,000	3,000	(1,000)
<b>Department of Public Works</b>				
101-441.00-481.000 SIDEWALK - CURB & EXCAVATING	1,000	1,000	2,000	1,000
<b>Engineering</b>				
101-449.00-583.000 COBRA REIMBURSEMENT	0	0	1,000	1,000
<b>Refuse Collection &amp; Disposal</b>				
101-528.00-649.000 CURBSIDE RECYCLING	0	11,000	12,000	1,000
<b>Recreation Department</b>				
101-691.00-651.055 USE/ADM FEES-REC-ADULT SPORTS	100,865	100,865	80,865	(20,000)
<b>Library</b>				
101-738.00-667.000 LIBRARY STATE AID	8,000	8,000	6,000	(2,000)
101-738.00-627.000 DUPLICATING & PHOTOSTATS	2,000	2,000	3,000	1,000
101-738.00-651.000 APPLICATION FEE	4,100	4,100	3,000	(1,100)
101-738.00-657.000 LIBRARY BOOK FINES	10,000	10,000	8,000	(2,000)
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$301,108</b>	<b>\$344,736</b>	<b>\$261,832</b>	<b>(\$82,904)</b>

**CITY OF ADRIAN  
FY 2010-11 BUDGET  
THIRD QUARTER FINANCIAL FORECAST  
RECOMMENDED BUDGET AMENDMENTS**

	<u>FY2010-11 ADOPTED BUDGET</u>	<u>FY2010-11 AMENDED BUDGET as of 3/31/11</u>	<u>FY2010-11 THIRD QUARTER FINANCIAL FORECAST</u>	<u>BUDGET AMENDMENT</u>
<b>EXPENDITURES:</b>				
<b>Dept 201.00: FINANCE DEPT</b>				
101-201.00-965.000 DISTRIB-WAGES & FRINGES	(\$150,000)	(\$150,000)	(\$120,000)	\$30,000
101-201.00-977.000 CAPITAL - EQUIP	0	14,884	10,884	(4,000)
SUB-TOTAL	<u>(\$150,000)</u>	<u>(\$135,116)</u>	<u>(\$109,116)</u>	<u>\$26,000</u>
<b>Dept 209.00: ASSESSING</b>				
101-209.00-812.000 CONSULTANT FEES	\$0	\$33,750	\$13,750	(\$20,000)
SUB-TOTAL	<u>\$0</u>	<u>\$33,750</u>	<u>\$13,750</u>	<u>(\$20,000)</u>
<b>Dept 226.00: HUMAN RESOURCES</b>				
101-226.00-803.000 LEGAL FEES	\$30,000	\$39,500	29,500	(10,000)
SUB-TOTAL	<u>\$30,000</u>	<u>\$39,500</u>	<u>\$29,500</u>	<u>(\$10,000)</u>
<b>Dept 265.00: CITY HALL</b>				
101-265.00-931.001 BLDG MAINT - NEW CITY HALL	\$25,000	\$25,000	\$20,000	(\$5,000)
SUB-TOTAL	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$20,000</u>	<u>(\$5,000)</u>
<b>Dept 266.00: CITY CHAMBERS</b>				
101-266.00-911.000 PROPERTY INSURANCE	\$7,000	\$7,000	\$0	(\$7,000)
SUB-TOTAL	<u>\$7,000</u>	<u>\$7,000</u>	<u>\$0</u>	<u>(\$7,000)</u>
<b>Dept 267.00: POLICE FACILITY</b>				
101-267.00-911.000 PROPERTY INSURANCE	\$5,000	\$5,000	\$0	(\$5,000)
SUB-TOTAL	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>	<u>(\$5,000)</u>
<b>Dept 336.00: FIRE DEPARTMENT</b>				
101-336.00-709.000 LONGEVITY	\$20,000	\$20,000	\$17,000	(\$3,000)
101-336.00-711.000 EDUCATION PREMIUM	0.00	0.00	23,100	23,100
101-336.00-720.000 HOLIDAY PAY	0.00	0.00	56,000	56,000
SUB-TOTAL	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$96,100</u>	<u>\$76,100</u>
<b>Dept 449.00: CITY ENGINEER</b>				
101-449.00-943.662 VEH RENT - MOTOR POOL	\$12,109	\$12,109	\$24,109	\$12,000
SUB-TOTAL	<u>\$12,109</u>	<u>\$12,109</u>	<u>\$24,109</u>	<u>\$12,000</u>
<b>Dept 528.00: REFUSE COLLECTION AND DISPOSAL</b>				
101-528.00-817.000 RECYCLING COLLECTION	\$0	\$0	\$33,000	\$33,000
SUB-TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$33,000</u>	<u>\$33,000</u>
<b>Dept. 550.00: FIXED EXPENSES</b>				
101-550.00-995.000 BOND INTEREST EXPENSE	\$449,492	\$449,492	\$249,492	(\$200,000)
SUB-TOTAL	<u>\$449,492</u>	<u>\$449,492</u>	<u>\$249,492</u>	<u>(\$200,000)</u>
<b>Dept. 691.01: ADRIAN AREA LITTLE LEAGUE</b>				
101-691.01-975.000 CAPITAL IMPROVEMENTS	\$0	\$0	\$5,554	\$5,554
SUB-TOTAL	<u>\$0</u>	<u>\$0</u>	<u>\$5,554</u>	<u>\$5,554</u>
<b>Dept 990.00: NON-DEPT. APPROPRIATIONS</b>				
101-990.00-990.000 CONTINGENCY	\$0	\$187,459	198,901	11,442
SUB-TOTAL	<u>\$0</u>	<u>\$187,459</u>	<u>\$198,901</u>	<u>\$11,442</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u><b>\$398,601</b></u>	<u><b>\$644,194</b></u>	<u><b>\$561,290</b></u>	<u><b>(\$82,904)</b></u>

**CITY OF ADRIAN  
FY 2010-11 BUDGET  
THIRD QUARTER FINANCIAL FORECAST  
RECOMMENDED BUDGET AMENDMENTS**

	<b>FY2010-11 ADOPTED BUDGET</b>	<b>FY2010-11 AMENDED BUDGET as of 3/31/11</b>	<b>FY2010-11 THIRD QUARTER FINANCIAL FORECAST</b>	<b>BUDGET AMENDMENT</b>
<b>MAJOR STREET FUND (202)</b>				
<b>EXPENDITURES:</b>				
202-474.00-702.108 WAGES-SIGNAL MAINT	\$34,000	\$34,000	\$14,000	(\$20,000)
202-474.00-921.000 ELECTRICAL	33,000	33,000	23,000	(10,000)
202-478.00-776.111 SUPPLIES-SNOW REMOVAL	29,000	29,000	59,000	30,000
<b>TOTAL EXPENDITURES</b>	<b>\$96,000</b>	<b>\$96,000</b>	<b>\$96,000</b>	<b>\$0</b>

**LOCAL STREET FUND (203)**

<b>REVENUE:</b>				
203-000.00-641.000 SIDEWALK	\$0	\$0	\$13,500	\$13,500
203-000.00-676.599 TRANSFER -CAPITAL PROJ REV FUND	100,000	100,000	60,000	(40,000)
<b>TOTAL REVENUE</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$73,500</b>	<b>(\$26,500)</b>

**EXPENDITURES:**

203-478.00-702.111 WAGES-SNOW REMOVAL	\$9,000	\$9,000	\$12,000	\$3,000
203-478.00-943.111 VEH RENT-SNOW REMOVAL	17,000	17,000	35,000	18,000
203-478.00-704.111 OVERTIME-SNOW REMOVAL	0	0	4,000	4,000
203-478.00-704.112 OVERTIME-ICE CONTROL	4,000	4,000	0	(4,000)
203-463.00-702.091 WAGES - C&G REPAIR	27,300	27,300	6,300	(21,000)
203-463.00-801.091 CONT SERV - C&G REPAIR	20,000.00	20,000.00	9,500	(10,500)
203-463.00-801.104 CONT SERV-SINGLE SEAL	26,000.00	26,000.00	10,000	(16,000)
<b>TOTAL EXPENDITURES</b>	<b>\$103,300</b>	<b>\$103,300</b>	<b>\$76,800</b>	<b>(\$26,500)</b>

**COMMUNITY DEVELOPMENT FUND (275)**

<b>REVENUE:</b>				
275-000.00528.000 NEIGHBORHOOD PRESERVATION GRANT	\$0	\$0	\$24,000	\$24,000
275-000.00530.000 DOWNTOWN RENTAL REHAB	0	0	2,000	2,000
275-000.00531.000 PROPERTY IMPROVEMENT PROGRAM	0	0	24,000	24,000
275-000.00583.000 COBRA REIMBURSEMENT	0	0	1,046	1,046
275-000.00664.000 INVESTMENT INCOME	1,000	1,000	1,500	500
275-000.00683.000 SALE OF PROPERTY	20,000	20,000	55,000	35,000
<b>TOTAL REVENUE</b>	<b>\$21,000</b>	<b>\$21,000</b>	<b>\$107,546</b>	<b>\$86,546</b>

**EXPENDITURES:**

275-836.07-801.000 CONTRACT SERVICES	\$0	\$0	\$2,000	\$2,000
275-990.00-990.000 CONTINGENCY	18,945	23,945	108,491	84,546
<b>TOTAL EXPENDITURES</b>	<b>\$18,945</b>	<b>\$23,945</b>	<b>\$110,491</b>	<b>\$86,546</b>

**CITY OF ADRIAN  
FY 2010-11 BUDGET  
THIRD QUARTER FINANCIAL FORECAST  
RECOMMENDED BUDGET AMENDMENTS**

	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET as of 3/31/11	FY2010-11 THIRD QUARTER FINANCIAL FORECAST	BUDGET AMENDMENT
<b><u>BROWNFIELD REDEVELOPMENT AUTHORITY (279)</u></b>				
<b>REVENUE:</b>				
279-000.00404.000 CURRENT PROPERTY TAX	\$9,674	\$9,674	\$21,674	\$12,000
279-000.00-533.000 USEPA SITE ASSESSMENT GRANT	200,000	200,000	0	(200,000)
279-000.00-664.000 INVESTMENT EARNINGS	200	200	400	200
279-290.00-488.002 BROWNFLD-1325N MAIN-REMEDATION	0	0	1,500	1,500
279-290.00-491.002 BROWNFLD-1325 N. MAIN-ADMIN REIMB	0	0	1,500	1,500
<b>TOTAL REVENUE</b>	<b>\$209,874</b>	<b>\$209,874</b>	<b>\$25,074</b>	<b>(\$184,800)</b>
<b>EXPENDITURES:</b>				
279-290.00-801.000 CONTRACT SERVICES	\$200,000	\$200,000	\$0	(\$200,000)
279-290.00-801.022 BROWNFLD - PRINCIPAL REIMB.	0	0	8,000	8,000
279-990.00-990.000 CONTINGENCY	5,629	5,629	12,829	7,200
<b>TOTAL EXPENDITURES</b>	<b>\$205,629</b>	<b>\$205,629</b>	<b>\$20,829</b>	<b>(\$184,800)</b>
<b><u>DDA-TIF FUND (281)</u></b>				
<b>EXPENDITURES:</b>				
281-290.00-741.000 OPER SUPPLIES	\$5,000	\$5,000	\$0	(\$5,000)
281-290.00-801.000 CONTRACT SERVICES	35,178	35,178	25,178	(10,000)
281-290.00-812.000 CONSULTANT FEES	5,000	5,000	0	(5,000)
281-290.00-976.000 FASCADE PROGRAM	40,000	43,400	63,400	20,000
<b>TOTAL EXPENDITURES</b>	<b>\$85,178</b>	<b>\$88,578</b>	<b>\$88,578</b>	<b>\$0</b>
<b><u>LDFA-GAIDC FUND (282)</u></b>				
<b>REVENUE:</b>				
282-000.00664.000 INVESTMENT INCOME	\$2,000	\$2,000	\$500	(\$1,500)
282-000.00-697.000 PRIOR YEARS' REVENUE	13,322	16,322	47,822	31,500
<b>TOTAL REVENUE</b>	<b>\$15,322</b>	<b>\$18,322</b>	<b>\$48,322</b>	<b>\$30,000</b>
<b>EXPENDITURES:</b>				
282-290.00-702.000 WAGES	35,948.00	35,948.00	\$45,948	\$10,000
282-290.00-716.000 HOSPITALIZATION INS	1,002.00	1,002.00	11,002	10,000
282-290.00-718.000 RETIREMENT CONTRIBUT	4,274.00	4,274.00	9,274	5,000
282-290.00-951.000 TAXES	0.00	0.00	5,000	5,000
<b>TOTAL EXPENDITURES</b>	<b>\$41,224</b>	<b>\$41,224</b>	<b>\$71,224</b>	<b>\$30,000</b>
<b><u>AUTO PARKING FUND (585)</u></b>				
<b>REVENUE:</b>				
585-000.00-652.306 PARKING FEES-CHURCH STREET	4,000.00	4,000.00	\$2,000	(\$2,000)
585-000.00-652.312 PARKING FEES-PARKING PERMITS	20,000.00	20,000.00	\$4,000	(16,000)
585-000.00-699.280 TRANSFER IN - DDA	10,000	10,000	5,000	(5,000)
585-000.00-699.281 TRANSFER IN - DDA TIF	0	0	5,000	5,000
585-000.00-699.599 CONTRIB.-SPECIAL ASSESSMENT	30,000	90,000	60,000	(30,000)
585-000.00-697.000 PRIOR YEARS' REVENUE	0	5,000	16,000	11,000
<b>TOTAL REVENUE</b>	<b>\$64,000</b>	<b>\$129,000</b>	<b>\$92,000</b>	<b>(\$37,000)</b>
<b>EXPENDITURES:</b>				
585-546.00-702.000 WAGES	8,613.00	8,613.00	\$6,613	(\$2,000)
585-546.00-702.111 WAGES-SNOW REMOVAL	6,700.00	6,700.00	1,700	(5,000)
585-546.00-702.290 WAGES-EQUIP MAINT & COLL	7,200.00	7,200.00	0	(7,200)
585-546.00-702.291 WAGES-GEN LOT MAINT	2,000.00	2,000.00	9,200	7,200
585-546.00-801.000 CONTRACT SERVICES	35,000.00	36,000.00	16,000	(20,000)
585-546.00-943.111 VEH RENT-SNOW REMOVAL	18,789.00	18,789.00	8,789	(10,000)
<b>TOTAL EXPENDITURES</b>	<b>\$78,302</b>	<b>\$79,302</b>	<b>\$42,302</b>	<b>(\$37,000)</b>

**RE: DEPARTMENT OF FINANCE – FY2010-11 THIRD-QUARTER BUDGET AMENDMENTS**

**RESOLUTION**

WHEREAS, Public Act 621 of 1978, the Uniform Budgeting and Accounting Act for Local Units of Government, provides for adjustments to the adopted budget; and

WHEREAS, the Financial Forecast, prepared by the City of Adrian’s Finance Department, has identified several variances between current projections and Estimated Revenues and Appropriations included in the Adopted and Amended FY2010-11 Budget, and recommends appropriate budget amendments; and

WHEREAS, the recommended budget amendments comply with the Uniform Budgeting and Accounting Act requirement that no appropriations measure may be submitted to the City Commission that would allow total expenditures/expenses, including an accrued deficit, to exceed total estimated revenues, including an available surplus; and

WHEREAS, the City Administrator has reviewed the Financial Forecast and proposed budget amendments and recommends their adoption.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission authorizes the Department of Finance to amend the FY2010-11 Budget in accordance with the attached schedule entitled "*City of Adrian FY2010-11 Third Quarter Recommended Budget Amendments*".

BE IT, FURTHER, RESOLVED that the resulting Amended Budget shall comply with the Uniform Budgeting and Accounting Act (Public Act 621 of 1978) for Local Units of Government, which requires that no appropriations measure may be adopted in which total expenditures/expenses, including an accrued deficit, exceed total estimated revenues, including an available surplus.

On motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_ by a \_\_\_\_\_ vote.



135 E. Maumee St.  
Adrian, Michigan 49221

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City Administrator

Phone (517) 264-4881  
Fax (517) 266-4882  
[dnelson@ci.adrian.mi.us](mailto:dnelson@ci.adrian.mi.us)

April 20, 2011

To Whom It May Concern:

In 1978, voters approved the Headlee Constitutional Tax Limitation Amendment to the 1963 State Constitution which requires, among other provisions, local governments to reduce their authorized property tax millage rates when annual value increases on existing property grows faster than the rate of inflation as measured by the Consumer Price Index (CPI). Prior to 1994, local governments were allowed to “roll up” their millage rates when the year-to-year change in value of existing property was less than inflation (CPI), however, with the passage of Proposal A in 1994, the enabling legislation was written to prohibit such “roll ups”, thereby precluding local governments from sharing in the benefits of any substantial growth in existing property values.

Over the past several years, local governments throughout the State of Michigan have been faced with serious financial challenges due to steadily declining property values resulting from the “Great Recession” that has impacted the entire nation, thereby diminishing their ability to provide municipal services. In response to a precipitous decline in revenues, local governments have been forced to make tough decisions and respond to growing financial challenges by considering and/or implementing the closure of parks, senior centers and community centers, elimination of firefighters and police officers, as well as cancellation of parades and other community events.

A continued decline in local revenue will further erode their ability to provide such services as libraries, recreation programs, refuse collection and removal, snow plowing, and other quality of life services, while the rest of the nation eventually recovers from the aforementioned recession. The fear is prevalent that, while the rest of the nation slowly recovers from harsh economic times, local Michigan municipalities will be unable to keep pace because of the current constraints posed by the Proposal A enabling legislation and interaction with the previously approved Headlee Amendment, ultimately rendering the State of Michigan to a less competitive position in terms of attracting and retaining business and an educated workforce.

The attached resolution has been prepared for consideration by the Adrian City Commission at their regularly scheduled meeting on May 2, 2011, urging the Michigan Legislature and Governor to reevaluate and modify the current property tax enabling legislation in order to provide for the long-term financial stability of local units of government. If you have any questions or need for further information, please contact my office.

Respectfully,

A handwritten signature in black ink, appearing to read "Dane Nelson", written over the printed name.

Dane C. Nelson,  
City Administrator

**RE: CITY ADMINISTRATOR – Request Michigan State Legislature and Governor to Reevaluate and Modify the Current Property Tax Structure to Provide for Long-Term Stability of Local Governments**

**RESOLUTION**

WHEREAS, in 1978, voters approved the Headlee Constitutional Tax Limitation Amendment to the 1963 State Constitution which requires, among other provisions, local governments to reduce their authorized property tax millage rates when annual value increases on existing property grows faster than the rate of inflation as measured by the Consumer Price Index (CPI); and

WHEREAS, prior to 1994, local governments were allowed to “roll up” their millage rates when the year-to-year change in value of existing property was less than inflation (CPI), however, with the passage of Proposal A in 1994, the enabling legislation was written to prohibit such “roll ups”, thereby precluding local governments from sharing in the benefits of any substantial growth in existing property values; and

WHEREAS, over the past several years, local governments throughout the State of Michigan have been faced with serious financial challenges due to steadily declining property values resulting from the “Great Recession” that has impacted the entire nation, thereby diminishing their ability to provide municipal services; and

WHEREAS, in response to a precipitous decline in revenues, local governments have been forced to make tough decisions and respond to growing financial challenges by considering and/or implementing the closure of parks, senior centers and community centers, elimination of firefighters and police officers, as well as cancellation of parades and other community events; and

WHEREAS, continued decline in local revenue will further erode their ability to provide such services as libraries, recreation programs, refuse collection and removal, snow plowing, and other quality of life services, while the rest of the nation eventually recovers from the aforementioned recession; and

WHEREAS, the fear is prevalent that, while the rest of the nation slowly recovers from harsh economic times, local Michigan municipalities will be unable to keep pace because of the current constraints posed by the Proposal A enabling legislation and interaction with the previously approved Headlee Amendment, ultimately rendering the State of Michigan to a less competitive position in terms of attracting and retaining business and an educated workforce; and

WHEREAS, the City Administrator recommends approval of this resolution, urging the Michigan Legislature and Governor to re-evaluate and modify the current property tax enabling legislation in order to provide for the long-term financial stability of local units of government.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, joins with other municipalities throughout the State in urging the Michigan Legislature and Governor to re-evaluate and modify the current property tax enabling legislation in order to provide for the long-term financial stability of local units of government.

BE IT, FURTHER, RESOLVED that copies of this resolution be distributed to the legislative delegation representing the City of Adrian, as well as the Office of Governor and the City of Eastpointe.

On motion by Commissioner \_\_\_\_\_, seconded by  
Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_ by a  
\_\_\_\_\_ vote.

R-4

April 27, 2011

## MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: LCRC Collaboration on Beecher St.



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The Adrian City Commission, by Resolution #R11-009 dated February 7, 2011, adopted the Recommended FY2011-17 City of Adrian Capital Improvement Program (CIP) and FY2011-12 Capital Budget Recommendation, including the reconstruction of Beecher Street from Treat Street to City Limits. The Adrian City Commission, by Resolution #R10-129 dated Oct. 18, 2010, authorized the engagement of Associated Engineers, Adrian, MI, at a cost of \$17,900 to perform design/survey engineering services in preparation for the partial reconstruction of Beecher Street from Treat Street to City Limits.

In collaboration with the Lenawee County Road Commission, the City of Adrian obtained grant funding from MDOT's Transportation Economic Development Fund (TED) for a reconstruction project from Treat Street in the City of Adrian to Parr in Lenawee County. Currently, this project is being designed by Associated Engineers as one project. The City and County are collaborating services on this project. The City will take the lead on the project with MDOT; the City will handle the financial aspects of the project, bidding the project and some construction engineering. The County Road Commission will provide pay estimates, construction engineering and field management for the project. Both parties will work together to select contractors and cooperate to identify cost savings measure beneficial to both departments.

The City of Adrian Engineering Department respectfully requests the City of Adrian partner with the Lenawee County Road Commission on this project and asks that the City Administrator execute the enclosed third party construction agreement. This agreement was approved by the Board of County Commissioners of the County of Lenawee at their regular meeting on April 21, 2011 and signed by the Managing Director of the Road Commission on April 25, 2011.

**BEECHER ST. – DEERFIELD RD. CONSTRUCTION AGREEMENT**

**WHEREAS**, the City of Adrian (“City”) and the Lenawee County Road Commission are each participating in projects to reconstruct Beecher St./Deerfield Rd. from Treat Hwy. to the east City limits (Part A) and from the east City limits to Parr Hwy. (Part B) ( collectively the “Project”), pursuant to a contract between the City and the Michigan Department of Transportation, (MDOT) and,

**WHEREAS** the parties wish to cooperate in administering the Project in order to share responsibilities, avoid duplication of services and minimize overall project costs;

**NOW THEREFORE**, the City and the Road Commission agree as follows:

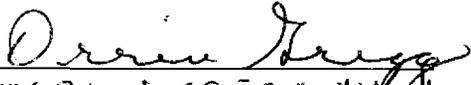
1. The City is the entity that is contracting directly with the MDOT and will serve as the lead agency for the Project and will be responsible for all contract administration, bidding and will be the primary contact with MDOT.
2. The Road Commission will provide all pay estimates, construction engineering and field management for the Project.
3. The parties will consult and jointly select contractor(s) for the Project.
4. As the City is the entity contracting directly with MDOT for the Project, payment for the Road Commission’s share of Project costs will be made to the City.
5. The parties will cooperate throughout the Project to identify other possible cost saving measures and implement them as warranted.

**City of Adrian**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**Board of County Road  
Commissioners of the  
County of Lenawee**

  
By: ORRIN GREGG, MANAGING DIR,

Date: APRIL 25, 2011

**RE: DEPARTMENT OF PUBLIC WORKS – Beecher Street Reconstruction – Treat thru City Limits to Parr Highway – Collaboration with Lenawee County Road Commission (LCRC)**

**RESOLUTION**

WHEREAS, the Adrian City Commission, by Resolution #R11-009 dated February 7, 2011, adopted the Recommended FY2011-17 City of Adrian Capital Improvement Program (CIP) and FY2011-12 Capital Budget Recommendation, including the reconstruction of Beecher Street from Treat Street to City Limits; and

WHEREAS, the Adrian City Commission, by Resolution #R10-129 dated Oct. 18, 2010, authorized the engagement of Associated Engineers, Adrian, MI, at a cost of \$17,900 to perform design/survey engineering services in preparation for the partial reconstruction of Beecher Street from Treat Street to City Limits; and

WHEREAS, the Lenawee County Road Commission (LCRC) has scheduled reconstruction of Beecher Street from Adrian City Limits to Parr Highway in collaboration with the City’s Project; and

WHEREAS, the City of Adrian and the LCRC jointly submitted a grant application and have been awarded a Michigan Department of Transportation (MDOT) Transportation Economic Development Fund (TED) grant to partially fund the joint project as follows:

	MDOT Grant	Local Match	Total Cost
City of Adrian	\$375,000	\$ 93,800	\$468,800
LCRC	<u>300,000</u>	<u>75,000</u>	<u>375,000</u>
Total	<u>\$675,000</u>	<u>\$168,800</u>	<u>\$843,800</u>

WHEREAS, the City and LCRC are collaborating services on this project, with a division of responsibilities as follows: The City will take the lead on the project with MDOT; the City will handle the financial aspects of the project, bidding the project and some construction engineering. The County Road Commission will provide pay estimates, construction engineering and Field management for the project. Both parties will work together to select contractors and cooperate to identify cost savings measure beneficial to both departments; and

WHEREAS, the third party construction agreement necessary to implement this joint project was approved by the Board of County Commissioners of the County of Lenawee at their regular meeting on April 21, 2011 and signed by the Managing Director of the Road Commission on April 25, 2011; and

WHEREAS, the City Engineer and City Administrator recommend City Commission approval of the aforementioned agreement and authorization for the City Administrator to sign the inter-local agreement.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the Inter-Local Agreement with the Lenawee County Road Commission to collaborate on the reconstruction of Beecher Street from Treat Street thru the city limits to Parr Highway and authorizes the City Administrator to sign the Inter-Local Agreement.

On motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, this resolution was adopted by a \_\_\_\_\_ vote.

R-5

April 27, 2011



## MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: MDOT Contract – Beecher St.

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The Adrian City Commission, by Resolution #R11-009 dated February 7, 2011, adopted the Recommended FY2011-17 City of Adrian Capital Improvement Program (CIP) and FY2011-12 Capital Budget Recommendation, including the reconstruction of Beecher Street from Treat Street to City Limits. The Adrian City Commission, by Resolution #R10-129 dated Oct. 18, 2010, authorized the engagement of Associated Engineers, Adrian, MI, at a cost of \$17,900 to perform design/survey engineering services in preparation for the partial reconstruction of Beecher Street from Treat Street to City Limits.

In collaboration with the Lenawee County Road Commission the City of Adrian obtained grant funding from MDOT's Transportation Economic Development Fund (TED) for a reconstruction project from Treat Street in the City of Adrian to Parr in Lenawee County. Currently this project is being designed by Associated Engineers as one project. The City and County are collaborating services on this project.

The Michigan Department of Transportation (MDOT) has submitted a proposed contract to perform the subject reconstruction for the City's portion (Part A) of the project at an estimated cost of \$468,800, including a \$375,000 State of Michigan TED funds to partially fund the project. The subject contract [Control Section EDF 46566, Job Number 110967, and Contract No. 11-5182] includes a pre-bid estimate of \$468,800 for Total Project Cost, including State Funding of \$375,000, leaving a balance of local match amounting to \$93,800. Per the third party agreement with the Lenawee County Road Commission the City of Adrian is contracting directly with MDOT and handling the financial portion of the project as such this contract also includes the County's portion (Part B) of the project an estimated cost of \$375,000, including a \$300,000 State of Michigan TED funds to partially fund the project. The subject contract [Control Section EDF 46566, Job Number

110969, and Contract No. 11-5182] includes a pre-bid estimate of \$375,000 for Total Project Cost, including State Funding of \$300,000, leaving a balance of local match amounting to \$75,000, the local match for Part B of the project will be paid by the Lenawee County Road Commission.

MDOT has requested a certified resolution of the City Commission authorizing the Mayor and City Clerk to sign the subject contract. The attached resolution approving the contract has been prepared for City Commission consideration at its regularly scheduled meeting of May 2, 2011. I respectfully recommend approval of this resolution authorizing the Mayor and City Clerk to sign the Federal Highway Administration (FHWA) Contract Agreement with the Michigan Department of Transportation (MDOT) reconstruction of Beecher St from Treat Street to City Limits.

TED (F)  
NON FED

CAB  
Control Section EDF 46566  
Job Number 110967; 110969  
Contract No. 11-5182

THIS CONTRACT is made and entered into this date of \_\_\_\_\_, by and between the MICHIGAN DEPARTMENT OF TRANSPORTATION, hereinafter referred to as the "DEPARTMENT;" and the CITY OF ADRIAN, a Michigan municipal corporation, hereinafter referred to as the "REQUESTING PARTY;" for the purpose of fixing the rights and obligations of the parties in agreeing to the following improvements, in the City of Adrian, Michigan, hereinafter referred to as the "PROJECT" and estimated in detail on EXHIBIT "I," dated March 21, 2011, attached hereto and made a part hereof:

PART A – EDF 46566; JOB #110967

Reconstruction work along Beecher Street from Treat Street to the east city limits; and all together with necessary related work.

PART B – EDF 46566; JOB #110969

Reconstruction work along Deerfield Road/Beecher Street from the east city limits to Parr Highway; and all together with necessary related work.

WITNESSETH:

WHEREAS, the State of Michigan is hereinafter referred to as the "State;" and

WHEREAS, the PROJECT has been approved for financing in part with funds from the State appropriated to the Transportation Economic Development Fund, hereinafter referred to as "TED FUNDS," qualifies for funding pursuant to PA 231, Section 11(2)(b); Public Act of 1987, as amended, and is categorized as:

CATEGORY "F" FUNDED PROJECT

WHEREAS, the parties hereto have reached an understanding with each other regarding the performance of the PROJECT work and desire to set forth this understanding in the form of a written contract.

NOW, THEREFORE, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, it is agreed:

1. The parties hereto shall undertake and complete the PROJECT in accordance with the terms of this contract.

2. The term "PROJECT COST," as herein used, is hereby defined as the cost of the physical construction necessary for the completion of the PROJECT.

The costs incurred by the REQUESTING PARTY for preliminary engineering, construction engineering and inspection, and right-of-way are excluded from the PROJECT COST as defined by this contract.

3. The DEPARTMENT is authorized by the REQUESTING PARTY to perform, at no cost to the PROJECT, such administration of the PROJECT covered by this contract as is necessary to assist the REQUESTING PARTY to qualify for funding. Such administration may include performing such review, legal, financing, any other PROJECT related activities as are necessary to assist the REQUESTING PARTY in meeting applicable State requirements.

The DEPARTMENT shall provide the REQUESTING PARTY with a notice to proceed with the award of the construction contract for the PROJECT.

The DEPARTMENT shall make a final acceptance inspection of the PROJECT as necessary to ensure the PROJECT meets State requirements. Failure to comply with State requirements may result in forfeiture of future distributions of the Michigan Transportation Fund as described in Section 6. No charges will be made by the DEPARTMENT to the PROJECT for any inspection work or construction engineering.

4. The REQUESTING PARTY, under the terms of this contract, shall advertise and award the PROJECT work in accordance with the following:

- A. The REQUESTING PARTY will, at no cost to the DEPARTMENT or the PROJECT, design, or cause to be designed, the PROJECT, and shall accept full responsibility for that design. Any review undertaken by the DEPARTMENT is for its own purposes and is not to nor does it relieve the REQUESTING PARTY of liability for any claims, causes of action or judgments arising out of the design of the PROJECT.
- B. The REQUESTING PARTY, hereby, certifies to the DEPARTMENT that the plans, specifications, and estimates for the PROJECT have been prepared in compliance with applicable State laws, local ordinances, and State and local standards and regulations.
- C. The REQUESTING PARTY, hereby, certifies to the DEPARTMENT that the contracting procedures to be followed by the REQUESTING PARTY in connection with the solicitation of the construction contract for the PROJECT shall be based on an open competitive bid process. It is understood that the proposal for the PROJECT shall be publicly advertised and the contract awarded on the basis of the lowest responsive and

responsible bid in accordance with applicable State statutes, local ordinances, and State and local regulations.

- (1) The REQUESTING PARTY shall not award the construction contract prior to receipt of a notice to proceed from the DEPARTMENT.
  - (2) Upon verification that contractor selection by the REQUESTING PARTY was made in accordance with the terms of this contract and upon receipt of the "Request for Payment" form from the REQUESTING PARTY for each of the PART A and B portions of the PROJECT, the DEPARTMENT will authorize payment to the REQUESTING PARTY for the eligible amounts in accordance with Section 5.
- D. The REQUESTING PARTY will, at no cost to the PROJECT or the DEPARTMENT, comply with all applicable State statutes, local ordinances, and State and local regulations, including, but not limited to, those specifically relating to construction contract administration and obtain all permits and approvals with railway companies, utilities, concerned State, Federal, and local agencies, etc., and give appropriate notifications as may be necessary for the performance of work required for the PROJECT.

The REQUESTING PARTY agrees to comply with all applicable requirements of Part 91, Soil Erosion and Sedimentation Control of the Natural Resources and Environmental Protection Act, 1994 PA 451 as amended by 1995 PA 60 and 1996 PA 173, MCL 324.9101 et. seq., for all PROJECT work performed under this contract, and the REQUESTING PARTY shall require its contractors and subcontractors to comply with the same.

- E. All work in connection with the PROJECT shall be performed in conformance with the DEPARTMENT'S current Standard Specifications for Construction, special provisions, and the supplemental specifications and plans pertaining to the PROJECT. All materials furnished and used in the construction of the PROJECT shall conform to the aforesaid specifications. Any changes in the scope of work for the PROJECT will require approval by the DEPARTMENT.

- F. The REQUESTING PARTY shall, at no cost to the PROJECT or to the DEPARTMENT, appoint a project engineer who shall administer the PROJECT and ensure that the plans and specifications are followed, and shall perform or cause to be performed the construction engineering and inspection services necessary for the completion of the PROJECT.

Should the REQUESTING PARTY elect to use consultants for construction engineering and inspection, the REQUESTING PARTY shall provide a full-time project manager employed by the REQUESTING PARTY who shall ensure that the plans and specifications are followed.

- G. The REQUESTING PARTY shall require the contractor who is awarded the contract for the construction of the PROJECT to provide, as a minimum, insurance in the amounts specified in and in accordance with the DEPARTMENT'S current Standard Specifications for Construction, and to:

- (1) Maintain bodily injury and property damage insurance for the duration of the PROJECT.
- (2) Provide owner's protective liability insurance naming as insureds the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and its officials, agents and employees, the REQUESTING PARTY and any other party with jurisdiction for the roadway being constructed as the PROJECT, and their employees, for the duration of the PROJECT and to provide copies of certificates of insurance to the insureds. It is understood that the DEPARTMENT does not assume either ownership of any portion of the PROJECT or jurisdiction of any REQUESTING PARTY highway as a result of being named as an insured on the owner's protective liability insurance policy.
- (3) Comply with the requirements of notice of cancellation and reduction of insurance set forth in the current Standard Specifications for Construction and to provide copies of notices and reports prepared to those insured.

5. The PROJECT COST shall be met in accordance with the following:

PART A

The PART A portion of the PROJECT COST shall be met in part by contributions by TED FUNDS. TED FUNDS Category F shall be applied to the eligible items of the PART A portion of the PROJECT COST up to an amount not to exceed the lesser of: (1) 80 percent of the approved and responsible low bid amount for the

PART A portion of the PROJECT, or (2) \$375,000, the grant amount. The balance, if any, of the PROJECT COST, after deduction of TED FUNDS, is the sole responsibility of the REQUESTING PARTY.

PART B

The PART B portion of the PROJECT COST shall be met in part by contributions by TED FUNDS. TED FUNDS Category F shall be applied to the eligible items of the PART B portion of the PROJECT COST up to an amount not to exceed the lesser of: (1) 80 percent of the approved and responsible low bid amount for the PART B portion of the PROJECT, or (2) \$300,000, the grant amount. The balance, if any, of the PROJECT COST, after deduction of TED FUNDS, is the sole responsibility of the REQUESTING PARTY.

The REQUESTING PARTY shall be responsible for the payment of all costs and expenses incurred in the performance of PROJECT work.

Based upon the final cost of each of the PART A and B portions of the PROJECT and/or a request by the REQUESTING PARTY, a payment adjustment may be initiated and/or authorized by the DEPARTMENT for eligible items of each of the PART A and B portions of the PROJECT COST such that the total amount of TED FUNDS for each of the PART A and B portions of the PROJECT does not exceed the grant amount for each PART. The REQUESTING PARTY shall certify all actual costs incurred for work performed under this contract that are eligible for payment with TED FUNDS and will be required to repay any TED FUNDS it received in excess of 80 percent of the total of such costs for each of the PART A and B portions of the PROJECT.

6. The REQUESTING PARTY shall establish and maintain adequate records and accounts relative to the cost of the PROJECT. Said records shall be retained for a period of three (3) years after completion of construction of the PROJECT and shall be available for audit by the DEPARTMENT. In the event of a dispute with regard to allowable expenses or any other issue under this contract, the REQUESTING PARTY shall continue to maintain the records at least until that dispute has been finally decided and the time after all available challenges or appeals of that decision has expired.

The DEPARTMENT, or its representative, may inspect, copy, or audit the records at any reasonable time after giving reasonable notice.

The REQUESTING PARTY, within six (6) months of completion of the PROJECT and payment of all items of PROJECT COST related thereto, shall make a final reporting of construction costs to the DEPARTMENT and certify that the PROJECT has been constructed in accordance with the PROJECT plans, specifications, and construction contract.

In the event that an audit performed by or on behalf of the DEPARTMENT indicates an adjustment to the costs reported under this contract or questions the allowability of an item of

expense, the DEPARTMENT shall promptly submit to the REQUESTING PARTY a Notice of Audit Results and a copy of the audit report which may supplement or modify any tentative findings verbally communicated to the REQUESTING PARTY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the REQUESTING PARTY shall: (a) respond in writing to the responsible Bureau or the DEPARTMENT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to the DEPARTMENT a written explanation as to any questioned or no opinion expressed item of expense, hereinafter referred to as the "RESPONSE". The RESPONSE shall be clearly stated and provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the REQUESTING PARTY may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE shall refer to and apply the language of the contract. The REQUESTING PARTY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes the DEPARTMENT to finally disallow any items of questioned or no opinion expressed cost.

The DEPARTMENT shall make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If the DEPARTMENT determines that an overpayment has been made to the REQUESTING PARTY, the REQUESTING PARTY shall repay that amount to the DEPARTMENT or reach agreement with the DEPARTMENT on a repayment schedule within thirty (30) days after the date of an invoice from the DEPARTMENT. If the REQUESTING PARTY fails to repay the overpayment or reach agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the REQUESTING PARTY agrees that the DEPARTMENT shall deduct all or a portion of the overpayment from any funds then or thereafter payable by the DEPARTMENT to the REQUESTING PARTY under this contract or any other agreement, or payable to the REQUESTING PARTY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by the DEPARTMENT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The REQUESTING PARTY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest the DEPARTMENT'S decision only as to any item of expense the disallowance of which was disputed by the REQUESTING PARTY in a timely filed RESPONSE.

The REQUESTING PARTY shall comply with the Single Audit Act of 1984, P.L. 998-502 and applicable State laws and regulations relative to audit requirements.

7. Upon completion of construction of the PROJECT, the REQUESTING PARTY will cause to be enacted and enforced such ordinances or regulations as may be necessary to prohibit parking in the roadway right-of-way throughout the limits of the PROJECT.

8. The REQUESTING PARTY certifies that a) it is a person under 1995 PA 71 and is not aware of and has no reason to believe that the property is a facility as defined in MSA 13A.20101(1)(1); b) the REQUESTING PARTY further certifies that it has completed the tasks required by MCL 324.20126 (3)(h); MSA 13A.20126(3)(h); c) it conducted a visual inspection of property within the existing right of way on which construction is to be performed to determine if any hazardous substances were present; and at sites on which historically were located businesses that involved hazardous substances, it performed a reasonable investigation to determine whether hazardous substances exist. This reasonable investigation should include, at a minimum, contact with local, State and federal environmental agencies to determine if the site has been identified as, or potentially as, a site containing hazardous substances; d) it did not cause or contribute to the release or threat of release of any hazardous substance found within the PROJECT limits.

The REQUESTING PARTY also certifies that, in addition to reporting the presence of any hazardous substances to the Department of Environmental Quality, it has advised the DEPARTMENT of the presence of any and all hazardous substances which the REQUESTING PARTY found within the PROJECT limits, as a result of performing the investigation and visual inspection required herein. The REQUESTING PARTY also certifies that it has been unable to identify any entity who may be liable for the cost of remediation. As a result, the REQUESTING PARTY has included all estimated costs of remediation of such hazardous substances in its estimated cost of construction of the PROJECT.

9. If, subsequent to execution of this contract, previously unknown hazardous substances are discovered within the PROJECT limits, which require environmental remediation pursuant to either State or federal law, the REQUESTING PARTY, in addition to reporting that fact to the Department of Environmental Quality, shall immediately notify the DEPARTMENT, both orally and in writing of such discovery. The DEPARTMENT shall consult with the REQUESTING PARTY to determine if it is willing to pay for the cost of remediation and to determine the eligibility, for reimbursement, of the remediation costs. The REQUESTING PARTY shall pay all costs associated with such remediation, including all delay costs of the contractor for the PROJECT. If the REQUESTING PARTY refuses to participate in the cost of remediation, the amount of TED FUNDS the REQUESTING PARTY received from Grant 532 for the PART A portion of the PROJECT and Grant 538 for the PART B portion of the PROJECT shall be forfeited back to the DEPARTMENT.

10. If State funds administered by the DEPARTMENT are used to pay the cost of remediating any hazardous substances discovered after the execution of this contract and if there is a reasonable likelihood of recovery, the REQUESTING PARTY, in cooperation with the Department of Environmental Quality and the DEPARTMENT, shall make a diligent effort to recover such costs from all other possible entities. If recovery is made, the DEPARTMENT

shall be reimbursed from such recovery for the proportionate share of the amount paid by the DEPARTMENT and the DEPARTMENT shall credit such sums to the appropriate funding source.

11. The DEPARTMENT'S sole reason for entering into this contract is to enable the REQUESTING PARTY to obtain and use funds provided by the State.

Any and all approvals of, reviews of, and recommendations regarding contracts, agreements, permits, plans, specifications, or documents, of any nature, or any inspections of work by the DEPARTMENT pursuant to the terms of this contract are done to assist the REQUESTING PARTY in meeting program guidelines in order to qualify for available funds. Such approvals, reviews, inspections and recommendations by the DEPARTMENT shall not relieve the REQUESTING PARTY and the local agencies, as applicable, of their ultimate control and shall not be construed as a warranty of their propriety or that the DEPARTMENT is assuming any liability, control or jurisdiction.

The providing of recommendations or advice by the DEPARTMENT does not relieve the REQUESTING PARTY and the local agencies, as applicable, of their exclusive jurisdiction of the highway and responsibility under MCL 691.1402, MSA 3.996(102).

When providing approvals, reviews and recommendations under this contract, the DEPARTMENT is performing a governmental function, as that term is defined in MCL 691.1401; MSA 3.996(101), which is incidental to the completion of the PROJECT.

12. The DEPARTMENT, by executing this contract, and rendering services pursuant to this contract, has not and does not assume jurisdiction of the highway, described as the PROJECT for purposes of MCL 691.1402; MSA 3.996(102). Exclusive jurisdiction of such highway for the purposes of MCL 691.1402; MSA 3.996(102) rest with the REQUESTING PARTY and other local agencies having respective jurisdiction.

13. The REQUESTING PARTY shall approve all of the plans and specifications to be used on the PROJECT and shall be deemed to have approved all changes to the plans and specifications when put into effect. It is agreed that ultimate responsibility and control over the PROJECT rests with the REQUESTING PARTY and local agencies, as applicable.

14. The REQUESTING PARTY agrees that the costs reported to the DEPARTMENT for this contract will represent only those items that are properly chargeable in accordance with this contract. The REQUESTING PARTY also certifies that it has read the contract terms and has made itself aware of the applicable laws, regulations, and terms of this contract that apply to the reporting of costs incurred under the terms of this contract.

15. In addition to any protection afforded by a policy of insurance, the REQUESTING PARTY agrees to indemnify and save harmless the State of Michigan, the Michigan State Transportation Commission, the DEPARTMENT and all officers, agents, and employees thereof:

- A. From any and all claims by persons, firms, or corporations for labor, materials, supplies or services provided to the REQUESTING PARTY in connection with the contract which the REQUESTING PARTY shall perform under the terms of this contract; and
- B. From any and all claims for injuries to, or death of, any and all persons, for loss of or damage to property, environmental damage, degradation, response and cleanup costs, and attorney fees or other related costs, arising out of, under, or by reason of the Agreement, including the design of the PROJECT, except claims resulting from the sole negligence or willful acts or omissions of said indemnitee, its agents or employees.

The DEPARTMENT shall not be subject to any obligations or liabilities by contractors of the REQUESTING PARTY or their subcontractors or any other person not a party to this contract without its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the REQUESTING PARTY shall take no action or conduct which arises either directly or indirectly out of its obligations, responsibilities, and duties under this contract, which results in claims being asserted against or judgments being imposed against the State of Michigan, the DEPARTMENT, and/or the Michigan State Transportation Commission.

In the event that the same occurs, for the purpose of this contract, it will be considered as a breach of this contract thereby giving the State of Michigan, the DEPARTMENT, and/or the Michigan State Transportation Commission a right to seek and obtain any necessary relief or remedy, including but not by way of limitation, a judgment for money damages.

16. In connection with the performance of PROJECT work under this contract the parties hereto (hereinafter in Appendix "A" referred to as the "contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, attached hereto and made a part hereof. The parties further covenant that they will comply with the Civil Rights Acts of 1964 being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d, and 2000a-2000h-6, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of this contract.

17. The REQUESTING PARTY and other local agencies, as applicable parties, understand and agree that the highway(s) or street(s) being improved under the terms of this

agreement and funded with Transportation Economic Development Funds, shall not be subject to any restriction by local authorities in using certain commercial vehicles on such highway(s) or street(s). Such restrictions are in conflict with the basic concept of the Transportation Economic Development Program and Funding. The REQUESTING PARTY, by signing this agreement, agrees to obtain concurrence from other local governmental agencies within whose jurisdiction or control the highway(s) or street(s) are being improved.

18. This contract shall become binding on the parties hereto and of full force and effect upon the signing thereof by the duly authorized officials for the parties hereto and upon the adoption of the necessary resolution approving said contract and authorizing the signatures thereto of the respective officials of the REQUESTING PARTY, a certified copy of which resolution shall be attached to this contract; and with approval by the State Administrative Board.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

CITY OF ADRIAN

MICHIGAN DEPARTMENT  
OF TRANSPORTATION

By \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Department Director MDOT

By \_\_\_\_\_  
Title:



March 24, 2011

EXHIBIT I

CONTROL SECTION EDF 46566  
JOB NUMBER 110967; 110969

ESTIMATED COST

Estimated PROJECT COST

	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
Contracted Work	\$468,800	\$375,000	\$843,800

ESTIMATED COST PARTICIPATION

GRAND TOTAL ESTIMATED COST	\$468,800	\$375,000	\$843,800
Less TED FUNDS*	<u>\$375,000</u>	<u>\$300,000</u>	<u>\$675,000</u>
BALANCE (REQUESTING PARTY'S SHARE)	\$ 93,800	\$ 75,000	\$168,800

NO DEPOSIT

\*TED FUNDS for each of the PART A and B portions of the PROJECT are limited to the amounts as described in Section 5.

APPENDIX A  
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Act No. 453, Public Acts of 1976, the contractor hereby agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or as a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. Further, in accordance with Act No. 220, Public Acts of 1976 as amended by Act No. 478, Public Acts of 1980 the contractor hereby agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants shall be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to insure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status or a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or his collective bargaining representative will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this appendix.
6. The contractor will comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission which may be in effect prior to the taking of bids for any individual state project.
7. The contractor will furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission, said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor as well as the contractor himself, and said contractor will permit access to his books, records, and accounts by the Michigan Civil Rights Commission and/or its agent, for purposes of investigation to ascertain compliance with this contract and relevant with rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this agreement, the Civil Rights Commission may, as part of its order based upon such findings, certify said findings to the Administrative Board of the State of Michigan, which Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, and including the governing boards of institutions of higher education, until the contractor complies with said order of the Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Civil Rights Commission to participate in such proceedings.
9. The contractor will include, or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by the rules, regulations or orders of the Michigan Civil Rights Commission, and will provide in every subcontract or purchase order that said provisions will be binding upon each subcontractor or seller.

March, 1998

**RE: DEPARTMENT OF PUBLIC WORKS – Michigan Department of Transportation (MDOT) Beecher Street Reconstruction – Treat thru City Limits to Parr Highway**

**RESOLUTION**

WHEREAS, the Adrian City Commission, by Resolution #R11-009 dated February 7, 2011, adopted the Recommended FY2011-17 City of Adrian Capital Improvement Program (CIP) and FY2011-12 Capital Budget Recommendation, including the reconstruction of Beecher Street from Treat Street to City Limits; and

WHEREAS, the Adrian City Commission, by Resolution #R10-129 dated Oct. 18, 2010, authorized the engagement of Associated Engineers, Adrian, MI, at a cost of \$17,900 to perform design/survey engineering services in preparation for the partial reconstruction of Beecher Street from Treat Street to City Limits; and

WHEREAS, the Lenawee County Road Commission (LCRC) has scheduled reconstruction of Beecher Street from Adrian City Limits to Parr Highway in collaboration with the City’s Project; and

WHEREAS, the City of Adrian and the LCRC jointly submitted a grant application and have been awarded a Michigan Department of Transportation (MDOT) Transportation Economic Development Fund (TED) grant to partially fund the joint project as follows:

	<b><u>MDOT Grant</u></b>	<b><u>Local Match</u></b>	<b><u>Total Cost</u></b>
City of Adrian (Part A)	\$375,000	\$ 93,800	\$468,800
LCRC (Part B)	<u>300,000</u>	<u>75,000</u>	<u>375,000</u>
Total	<u>\$675,000</u>	<u>\$168,800</u>	<u>\$843,800</u>

WHEREAS, the City and LCRC are collaborating services on this project, with a division of responsibilities as follows: The City will take the lead on the project with MDOT; the City will handle the financial aspects of the project, bidding the project and some construction engineering. The County Road Commission will provide pay estimates, construction engineering and Field management for the project. Both parties will work together to select contractors and cooperate to identify cost savings measure beneficial to both departments; and

WHEREAS, because the City will be responsible for the financial administration of the project [Control Section EDF 46566, Contract No. 11-5182 Job Nos. Part A 110967 and Part B 110969], the City Engineer and City Administrator recommend City Commission approval of the aforementioned Federal Highway Administration (FHWA) contract and authorization for the Mayor and City Clerk to sign the appropriate documents implementing reconstruction of Beecher Street from Treat Street thru City Limits to Parr Highway.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the Federal Highway Administration (FHWA) contract [Control Section EDF 46566, Contract No. 11-5182 Job Nos. Part A 110967 and Part B 110969] and authorization for the Mayor and City Clerk to sign the appropriate documents implementing reconstruction of Beecher Street from Treat Street thru City Limits to Parr Highway.

On motion by Commissioner \_\_\_\_\_, seconded by Commissioner \_\_\_\_\_, this resolution was \_\_\_\_\_ by a \_\_\_\_\_ vote.