

PRE-MEETING AGENDA

ADRIAN CITY COMMISSION
AGENDA
PRE-MEETING STUDY SESSION
JULY 20, 2009
5:30 P.M.

The City Commission will meet for a pre-meeting study session on Monday, July 20, 2009 at 5:30 p.m. in the 2nd Floor Conference Room at City Hall to discuss the following:

- I. Lenawee Economic Development Corporation (LEDC) Funding
- Jim Gartin, LEDC President and CEO

- II. Other Items as Time Permits

COMMISSION AGENDA

**AGENDA
ADRIAN CITY COMMISSION
JULY 20, 2009
7:00 P.M.**

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- I I. ROLL CALL
- I I I. APPROVAL OF MINUTES OF THE JULY 6, 2009 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- I V. PRESENTATION OF ACCOUNTS
- V. COMMUNICATIONS
 - 1. C-1. Grand Valley State University Financial Trend Monitoring Project
- V I. CONSENT AGENDA
 - A. RESOLUTIONS
 - 1. CR09-042. Resolution to award the bid for two diesel fuel pumps , one gas fuel pump, breakaway hoses and filter adapters for placement at Public Works.
 - 2. CR09-043. Resolution to appoint delegates to the annual meeting of the Municipal Employees' Retirement System.
- V I I. PUBLIC COMMENTS
- V I I I. REGULAR AGENDA
 - A. ORDINANCE
 - 1. Ord. 09-08. Introduction of an Ordinance to create Article V of Chapter 90, Sections 90-200 through 90-218 – MOTOR CARRIERS.
 - B. SPECIAL ORDER
 - 1. Public Hearing to hear and consider comments to the submission of an application for a Justice Assistance Grant for the purchase of in-car video systems for patrol vehicles.

C. RESOLUTIONS

1. R09-120. Resolution to hear and consider comments to the submission of a Justice Assistance Grant for the purchase of in-car video systems for patrol vehicles.
2. R09-121. Resolution to accept the resignation of Kirk Valentine from the Adrian City Commission.
3. R09-122. Resolution to approve a permit from the Christian Family Centre to have a fireworks display on August 1, 2009.
4. R09-123. Resolution to approve the purchase and installation of catalog and express Internet units for the Teen Room at the Adrian Public Library.
5. R09-124. Resolution to retain CTI & Associates, Inc. for soil, asphalt and concrete testing services in conjunction with the two-way traffic conversion project.
6. R09-125. Resolution to award the bid for a sewer inspection camera, approval of a Municipal Lease Purchase Agreement and the resulting budget amendments.
7. R09-126. Resolution to approve an Access Agreement with Citizens Gas, on behalf of their consultant, Stantec, Inc., for access to city owned property and approval of additional monitoring sites (at or near 231 Race Street) for the purpose of conducting soil and groundwater sampling and testing.
8. R09-127. Resolution to approve a 5-year Maintenance Agreement with MDOT, designating Kristin Bauer as the Maintenance Superintendent on state trunkline highways covered by said contract, and authorizing the Mayor and City Administrator to execute the contract on behalf of the City of Adrian.
9. R09-128. Resolution to retain firm for façade enhancements at five downtown businesses.

I X. MISCELLANEOUS

1. Parks & Recreation Spring Quarterly Report
2. D.A.R.T. Passenger Ridership Report
3. Departmental Report

X. PUBLIC COMMENTS

X I. COMMISSION COMMENTS

MINUTES

**MINUTES
ADRIAN CITY COMMISSION
JULY 6, 2009
7:00 P.M.**

Official proceedings of the July 6, 2009 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 Osborne, Miller, Steele, Clegg and DuMars

ABSENT: Commissioner Valentine

Mayor McDowell in the Chair.

Commissioner DuMars moved to excuse Commissioner Valentine, seconded by Commissioner Clegg, motion carried by a unanimous vote.

Commissioner Steele moved to approve the minutes of the June 15, 2009 regular meeting of the Adrian City Commission, seconded by Commissioner DuMars, motion carried by a unanimous vote.

PRESENTATION OF ACCOUNTS

Utility Department Receiving Fund Voucher #3066 through #3076	\$ 188,598.24
General Fund Vouchers #19313 through #19352	\$ 724,349.84
Clearing Account Vouchers amounting to	<u>\$ 760,689.34</u>
TOTAL EXPENDITURES	<u>\$1,673,637.42</u>

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

COMMUNICATIONS

1. C-1. Communication from Comcast regarding channel additions to their Cable Latino service
2. C-2. Communication from Comcast regarding a change in channel lineup
3. C-3. FY2009-10 Finance Calendar
4. C-4. State Revenue Sharing Update

CONSENT AGENDA

RESOLUTION CR09-039

RE: ADMINISTRATION – Election of Trustee to MML Workers’ Comp. Board of Trustees

WHEREAS, the City of Adrian has been a member of the Michigan Municipal League (MML) Workers’ Compensation Fund since 1992; and

WHEREAS, each year an election is held for members of the Workers’ Compensation Board of Trustees; and

WHEREAS, one (1) incumbent Trustee is seeking re-election for a two-year term beginning October 1, 2009: Larry Nielsen, Village Manager of Paw Paw, MI; and

WHEREAS, the City Administrator requests City Commission authorization to re-elect the aforementioned incumbent Trustee.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes re-election of the following MML Workers’ Compensation Fund Trustee for a two-year term beginning October 1, 2009: Larry Nielsen, Village Manager of Paw Paw, MI.

RESOLUTION CR09-040

RE: ANNUAL BID – Precast Concrete Requirements

WHEREAS, sealed bids were received May 28, 2009 for the annual precast concrete needs; and

WHEREAS, said bids have been tabulated and recommendations made by Cindy Prue, Asst. Finance Director, and the City Administrator; and

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for precast concrete be awarded to Kerkstra Precast for the items and prices as listed in the attached bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated May 28, 2009.

RESOLUTION CR09-041

RE: UTILITIES DEPARTMENT –Bids for Replacement of Replacement Lamps for Ultraviolet Disinfection System at the Wastewater Treatment Plant

WHEREAS, the City Commission, by Resolution #R09-081 dated May 4, 2009, adopted the FY2009-10 Budget and General Appropriations Act, which included a \$25,000 appropriation to replace lamps for the Ultraviolet Disinfection System at the Wastewater Treatment Plant; and

WHEREAS, on Tuesday, June 16, 2009, the Purchasing Office received a total of six (6) bids for 166 of the subject lamps, summarized as follows:; and

<u>Supplier</u>	<u>Location</u>	<u>Unit Price</u>	<u>Amount</u>
American Air & Water, Inc.	Hilton Head, SC	\$ 98.78 ea	\$16,397.48
UV Doctor Lamps, LLC	Newport, WA	\$107.00 ea	\$17,762.00
Emporer Aquatics, Inc.	Pottstown, PA	\$111.50 ea	\$18,509.00
First Light Technologies, Inc.	Poultney, VT	\$125.00 ea	\$20,750.00
Flier's Quality Water Systems	Portage, MI	\$155.00 ea	\$26,034.00
Atlantic Ultraviolet, Inc.	Hauppauge, NY	\$155.25 ea	\$25,771.50

WHEREAS, due to the competitive prices received, the Utilities Director recommends increasing the quantity purchased to 216 lamps, which represents a full complement of all system lamps, at the low bid of \$98.78 each from American Air & Water, Inc., Hilton Head, SC for a total cost of \$21,336.48.

WHEREAS, the City Administrator recommends approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the low bid and the purchase of 216 replacement lamps for the ultraviolet disinfection system at the Wastewater Treatment Plant from American Air & Water, Inc., Hilton Head, SC for a total cost of \$21,336.48.

On motion by Commissioner DuMars, seconded by Commissioner Osborne, Consent Resolutions CR09-039 through CR09-041 were adopted by a unanimous vote.

PUBLIC COMMENTS

There were no comments.

REGULAR AGENDA

RESOLUTION R09-110

RE: ADMINISTRATION – Sale of Real Estate in Adrian Industrial Park

WHEREAS, the City of Adrian has received an offer for the sale of real estate from Evergreen Grease Service, Inc. for a 3.2 acre parcel located in the Adrian Industrial Park; and

WHEREAS, said proposal sets forth a price of \$50,000 plus other conditions that are set forth in the attached Buy and Sell Agreement and associated amendments; and

WHEREAS, said proposed sales agreement provides that the city would pay a real estate commission in the amount of \$2,500 to the purchaser's broker in this matter; and

WHEREAS, the Adrian City Commission has considered the terms of said offer and believes it is in the best interest of the city to accept the terms of the original sales agreement and as amended in the proposed Addendums.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the City Administrator is hereby authorized to execute the Buy and Sell Agreement attached hereto, along with the attached Addendums for the sale of a 3.2 acre parcel of real estate located in the Adrian Industrial Park to Evergreen Grease Service, Inc. under terms set forth in said document for the sum

of \$50,000 and that the real estate commission in the amount of \$2,500 be authorized to the broker in said transaction, which will be payable at the time of closing. In addition, the building plans and closing must occur within 60 days, unless extended by mutual agreement.

IT IS, FURTHER, RESOLVED that the Mayor and City Clerk are hereby authorized to execute a deed for the conveyance of said parcel of real estate and that the City Administrator is authorized to execute all further closing documents in furtherance of closing of this transaction.

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

RESOLUTION R09-111

RE: DEPARTMENT OF PUBLIC WORKS –Division Street Engineering Services

WHEREAS, the City of Adrian has requested \$250,000 in American Recovery and Reinvestment Act (ARRA) funds for purposes of rebuilding Division Street from Dawes Avenue to Parkview Lane in the Spring of 2010; and

WHEREAS, the City Engineer has solicited and received a proposal from Associated Engineers and Surveyors, Inc.(AES), Adrian, MI (\$8,800), to perform the design engineering services for the aforementioned project, including subcontracting geotechnical subsurface investigation to TTL Associates, Plymouth, MI (\$5,500) for a total cost of \$14,300; and

WHEREAS, the City Engineer recommends that the bid process be waived, in the best interests of the City, due to the working familiarity of the vendor with the ongoing issues related to this project, as well as Michigan Department of Transportation (MDOT) requirements, and AES, Inc. be selected to perform necessary pre-construction design services in the amount of \$14,300 in preparation for the Division Street Rehabilitation Project; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the FY2009-10 Major Street Fund Contingency Account (#202-990.00-990.000); and

WHEREAS, the City Administrator recommends approval of this resolution, including appropriation of funds, amending the budget, waving the bid process, and engagement of AES, Inc. in the City's Standard Professional Services Contract.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission by this resolution hereby authorizes the engagement of Associated Engineers and Surveyors, (AES) Inc., Adrian, MI for the purpose of performing necessary design services in the amount of \$14,300, in preparation for the Division Street Rehabilitation Project.

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.

BE IT, FURTHER, RESOLVED that the aforementioned pre-construction design services be provided under the terms and conditions specified in the City of Adrian's Standard Professional Services Contract.

BE IT, FURTHER, RESOLVED that \$14,300 be appropriated from the FY2009-10 Major Street Fund Contingency Account (#202-990.00-990.000) and the FY2009-10 Budget be amended as follows:

Major Street Fund (202)

Expenditures:

(202-451.01-801.000) Street Construction – Contract Services	\$14,300
(202-990.00-990.000) Contingency	<u>(14,300)</u>
Total	<u>\$ -0-</u>

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

RESOLUTION R09-112

ADMINISTRATION - Recovery Zone Economic Development Bonds

WHEREAS, the Adrian City Commission, by Resolution R08-170 dated December 15, 2009, issued Notice of Intent for the Issuance of Capital Improvement Bonds up to \$10,000,000 to fund the Downtown Government Complex, as well as refinance outstanding debts on other projects, such as the Parks & Forestry facility and the Marvin Farm acquisition; and

WHEREAS, President Obama signed into law the "American Recovery and Reinvestment Act of 2009" (the "Recovery Act") on February 17, 2009, an Act which creates a new category of bonds called Recovery Zone Economic Development Bonds; and

WHEREAS, **Recovery Zone Economic Development Bonds** (RZEDB) are governmental bonds to be used for governmental purposes that will allow Lenawee County to borrow, on behalf of the City of Adrian, at a lower cost than the traditional tax-exempt financing; and

WHEREAS, RZEDB may be issued for purposes of promoting economic development or other economic activity, including public infrastructure and construction of public facilities or job training and educational facilities, in an area that has been designated by the county as a recovery zone; and

WHEREAS, a Recovery Zone is any area that has been designated by a county as having significant poverty, unemployment, home foreclosure or general distress; and

WHEREAS, the City of Adrian, situated in Lenawee County, with unemployment currently at fifteen (15%) percent, has a higher rate of unemployment than the State of Michigan (12%), which is the highest in the nation, thereby qualifying for the designation as a Recovery Zone; and

WHEREAS, Lenawee County has been allocated \$8,900,000 of Recovery Zone Economic Development Bonds under the Recovery Act.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, requests that the Lenawee County Board of Commissioners, under the authority of the American Recovery and Reinvestment Act of 2009 (HR1), designate the City of Adrian

as a Recovery Zone for purposes of issuing Recovery Zone Economic Development Bonds to provide financing for the Downtown Government Complex and refinancing of the Marvin Farm acquisition, the Parks & Forestry Facility and the land contract on the taxi building (250 W. Church Street).

BE IT, FURTHER, RESOLVED that the City Administrator be delegated the authority to instruct the City's Bond Advisor, Stauder, Barch & Associates, to distribute a Request for Proposals for Underwriter Services to market the aforementioned bonds.

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

RESOLUTION R09-113

RE: PAVING – Water Plant Access Drive & Parking Area

WHEREAS, the City Commission, by Resolution #R09-081 dated May 4, 2009, adopted the FY2009-10 Budget and General Appropriations Act, which included an \$85,000 appropriation for Water Plant Access Drive Paving; and

WHEREAS, the City Commission, by Resolution #R09-071 dated April 6, 2009, awarded the bid to reconstruct Summit Street to Slusarski Excavating & Paving, who has agreed to hold their asphalt prices for paving the access drive at the Water Plant, thereby holding the cost of the project to an estimated \$65,000; and

WHEREAS, the Finance Director indicates that funds are available for this purpose in the FY2009-10 Budget (Account #496-549.00-975.511); and

WHEREAS, the Utilities Director and City Administrator recommend approval of this resolution and waiver of the competitive bid process due to the vendor's offer to hold prices on the asphalt, as well as satisfaction with similar services previously performed.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the engagement of Slusarski Excavating & Paving, Inc, Adrian, MI in the City's Standard Professional Services Contract to pave the access drive at the Water Plant at a cost not to exceed \$65,000.

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

RESOLUTION R09-114

RE: CITY ENGINEER/DEPARTMENT OF PUBLIC WORKS – Authorization to Engage in Construction – Two-Way Street Conversion

WHEREAS, the Downtown Development Authority (DDA), through its "Blueprint for Downtown Action Plan", has proposed a Streetscape District Improvement Plan, which includes converting the street system to a two-way operation; and

WHEREAS, the Adrian City Commission approved Resolution R08-098, dated July 07, 2008, authorizing the engagement of URS Corporation, Farmington Hills, MI to prepare Traffic Circulation Design Services for downtown Adrian construction drawings; and

WHEREAS, on behalf of the City Engineer, the City of Adrian Purchasing Office solicited and obtained bids for construction of the two-way street system from the following four (4) vendors on Friday, June 26, 2009:

<u>Vendor</u>	<u>Amount</u>
Slusarski Excavating, Adrian, MI	\$1,375,431.84
Bailey Excavating, Jackson, MI	\$1,375,606.25
C&D Hughes, Charlotte, MI	\$1,481,454.60
Michigan Paving, Jackson, MI	\$1,529,359.08

WHEREAS, sufficient funds are available in Fund 283 – Vibrant Small Cities Grant Fund for this purpose in the following accounts:

(283-480.00-801.012)	Two-Way Street Circulation – (LOCAL)	\$ 893,125
(283-480.00-801-013)	Two-Way Street Circulation – (SIGNALS)	\$ 315,000
(283-480.00-801.014)	Two-Way Street Circulation – (ADA)	<u>\$ 175,000</u>
	Total	<u>\$1,383,125</u>

WHEREAS, the City Engineer, Community Development Director and City Administrator recommend Slusarski Excavating & Paving, Inc. of Adrian, MI be retained to perform construction services related to the Two-Way Street Project at a cost not to exceed \$1,375,431.84.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes engagement of Slusarski Excavating and Paving, Adrian, MI, in the City’s Standard Professional Services Contract to perform the necessary construction services related to the Two-Way Street Project at a cost not to exceed \$1,375,431.84.

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

RESOLUTION R09-115

PARKS & RECREATION DEPARTMENT – Parks & Forestry Maintenance Facility Renovation – Fire Suppression System – Change Order #1

WHEREAS, the Adrian City Commission approved R07-116 - Acquisition and Renovation of 381 Miles Drive for Parks & Forestry Operations, dated July 2, 2007, for a total facility cost not to exceed \$2,000,000; and

WHEREAS, the Adrian City Commission, by Resolution #R07-124, dated July 16, 2007 authorized the selection of Huntington Bank (formerly Sky Bank) to finance the aforementioned acquisition and renovation in an amount up to \$2,000,000 through installment purchase financing as authorized under Michigan Public Act No. 99 of 1933, as amended; and

WHEREAS, in addition, the City Commission, by resolution #R09-039 dated February 2, 2009, awarded fifteen (15) bids to various contracts, including a \$13,705 award to Jackson Automatic Sprinkler, Spring Arbor, MI., for the purchase and installation of a fire suppression system at the subject facility; and

WHEREAS, based on pressure testing of the original system, several deficiencies were revealed that require additional work and funding, resulting in the following request for Change Order #1:

Repair Fire pump	\$2,312.00
Replace Jockey Pump	1,660.00
Repair Leaks in Overhead Lines	<u>3,509.64</u>
Total	<u>\$7,481.64</u>

WHEREAS, even with the Change Order, the total cost of the bid package is \$21,186.64, which is less than the next lowest bidder at \$25,000.00; and

WHEREAS, the Finance Director indicates that funding for this project will be derived from Installment Purchase Loan Proceeds from the previously authorized Huntington Bank promissory note; and

WHEREAS, the Parks & Recreation Director and City Administrator recommend approval of Change Order #1 (\$7,481.64) to the contract with Jackson Automatic Sprinkler, Spring Arbor, MI, for purchase and installation of a fire suppression system at the new Parks & Forestry Maintenance Facility at a cost not to exceed a revised \$21,186.64.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes the approval of Change Order #1 (\$7,481.64) to the contract with Jackson Automatic Sprinkler, Spring Arbor, MI, for purchase and installation of a fire suppression system at the new Parks & Forestry Maintenance Facility at a cost not to exceed a revised \$21,186.64.

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

RESOLUTION R09-116

RE: ADRIAN PUBLIC LIBRARY – Acceptance of Gift Donations and Grants for the Teen and Children’s Rooms and the South Entrance Doors for the Adrian Public Library

WHEREAS, donations and grants from the Maurice and Dorothy Stubnitz Foundation; Kappa, Kappa, Epsilon; The Lenawee Youth Council; an anonymous private donor, and Memorials in Julia Cruikshank’s honor have been received designating a donation of \$34,426.00 to the Adrian Public Library; and

WHEREAS, these funds have been donated for the purchase of furnishings and technology for the teen room, library materials to support the career and college center and youth areas, and power assisted doors for the south entrance; and

WHEREAS, in accordance with the Gift and Donation Policy adopted by the City Commission (Resolution #R04-182, dated November 1, 2004), gift donations with a value of

\$10,000 or greater must be formally accepted by the City Commission and appropriate budget amendments approved to provide proper stewardship; and

WHEREAS, the funds have been allocated to the FY2008-09 Adopted Revenue Budget- Library Donations (101-990.00-675.073) and the FY2009-10 Adopted Revenue Budget- Library Donations (101-990.00-675.073) to fund the Libraries Contributions account (101-738.00-959.000) for FY2008-2009 and FY2009-10; and

WHEREAS, the Library Director and City Administrator recommend approval of this resolution accepting the donations and grants (which have no match requirement), allocation of \$34,426.00 to the FY2008-09 and FY2009-10 Revenue account- Library Donations (101-990.00-675.073).

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the grants from the Maurice and Dorothy Stubnitz Foundation; Kappa, Kappa, Epsilon; The Lenawee Youth Council; an anonymous private donor, and Memorials in Julia Cruikshank's honor in the amount of \$34,426.00 (which has no match requirement), and any forthcoming Cruikshank Memorial Donations to the FY2008-09 and FY2009-10 Revenue account- Library Donations (101-990.00-675.073) to be expended as the donors have requested.

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

RESOLUTION R09-117

RE: ADRIAN PUBLIC LIBRARY – Acquisition of New Teen Room Book Shelves, Display and Magazine Units

WHEREAS, the City Commission, by Resolution #08-118 dated August 4, 2008, adopted a construction management agreement with Central Michigan Developers, LLC, Midland, MI for renovation of the Adrian Public Library; and

WHEREAS, certain related project components, such as furnishings and book drops, are beyond the scope of the aforementioned agreement, falling to the responsibility of the City of Adrian; and

WHEREAS, the Library Director has solicited a quote from the Library Design Associates, Inc., Plymouth, MI, a experienced Michigan distributor for Library book shelves; and

WHEREAS, the cost of the teen book shelves, display and magazine units, including installation, is \$7,500.00; and

WHEREAS, the City Finance Director indicates that sufficient funds are available through donations by Kappa Kappa Epsilon and the Stubntiz Foundation for the book shelves, display and magazine units (\$7,500.00) in the Library Contributions Account (101-738.00-969.000); and

WHEREAS, the Library Director and City Administrator recommend acceptance of the proposed bid from Library Design Associates, Inc., Plymouth, MI, for acquisition and installation of the subject book shelves, display and magazine units, and waiver of the competitive bid process.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acquisition and installation of book shelves, display and magazine units for the Adrian Public Library from Library Design Associates, Inc., Plymouth, MI at a cost not to exceed \$7,500.00.

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.

BE IT FURTHER RESOLVED that \$7,500.00 be appropriated from the Adrian Public Library Donations Account (101-738.00-969.000) for the purchase.

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

RESOLUTION R09-118

RE: Madison Twp. Reimbursement Agreement – Delq. Utility Charges Added to City Taxes for Maple Wood Estates

WHEREAS, Madison Township operates a municipal sewer system that supplies sewer service to certain areas within the City of Adrian; and

WHEREAS, in particular, Madison provides sewer service to Maple Woods Limited Partnership (Maple Woods) who owns and operates a manufactured housing community under the name Maple Woods Estates, located at 1550 W. Beecher St., within the boundaries of the City of Adrian; and

WHEREAS, Maple Woods has failed to pay utility charges for the use of sewer from Madison Township; and

WHEREAS, Madison Township has requested that the City of Adrian apply the \$56,730.21 delinquent Maple Woods utility charges to the Adrian tax roll; and

WHEREAS, the City of Adrian has agreed to apply said delinquent utility charges to the tax roll on the condition that Madison Township enter into a reimbursement agreement which provides that Madison agrees that any money collected from Maple Woods will be reported to the City of Adrian for adjustment of its tax rolls, and further that Madison agrees that should the City of Adrian be required to reimburse Lenawee County for taxes paid to the City through the receiving fund for the assessment relating to Maple Woods, Madison will reimburse the City for those funds;

THEREFORE, IT IS HEREBY RESOLVED that the Mayor and City Clerk are authorized to sign the reimbursement agreement with Madison Township.

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

RESOLUTION R09-119

RE: ADMINISTRATION – Support for County-Wide Recreation/Human Services Center on Former ATS Property

WHEREAS, the Adrian Training School (ATS) has been an important part of the Adrian community for over one hundred years; and

WHEREAS, ATS has always upheld high standards of corrective measures for youth rehabilitation and has been recognized for those efforts many times; and

WHEREAS, the Adrian City Commission was hopeful that the ATS would remain an integral part of our community for many more years, and is saddened by its closure; and

WHEREAS, the State of Michigan authorized and funded a study to examine the feasibility of a community/county recreation services center at the vacated ATS site; and

WHEREAS, the results of that study indicated there were organizations in the county that were willing to explore a collaboration for such a center; and

WHEREAS, the study revealed a county-wide center is a possibility on the ATS site, and that the State of Michigan might deed the 55 acres of land to an organization for the purpose of establishing a recreation/human services center; and

WHEREAS, State Representative Dudley Spade has offered to introduce legislation that would accomplish the conveyance of this real property for such a purpose; and

WHEREAS, there is a citizens committee established that has worked for more than a year exploring the possibility of such a venture and that would like to now proceed to the next step of determining exactly what organizations are willing to move forward, how widespread county citizen and governmental support is for the project, and what options are available for funding.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission has an interest in the project and supports moving forward with further investigation and research on how the project might benefit not only the citizens of Adrian, but also the citizens of the entire County of Lenawee.

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

PUBLIC COMMENTS

There were no comments.

COMMISSION COMMENTS

1. Mayor McDowell opened up discussion, continued from the pre-meeting, regarding the LEDC contribution issue. The Commissioners agreed that more information was needed before a decision could be made on an amount. Administrator Nelson said he would ask Jim Gartin of the LEDC to attend the July 20, 2009 pre-meeting.

Commissioner Steele moved to go into closed session to discuss pending litigation, seconded by Commissioner Clegg, motion carried by a unanimous vote.

The next regular meeting of the Adrian City Commission will be held on Monday, July 20, 2009, at 7:00 p.m. in the Commission Chambers on the 2nd floor of Adrian City Hall, 100 E. Church St., Adrian, MI 49221.

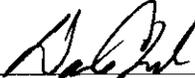
Gary E. McDowell
Mayor

Pat Baker
City Clerk

CHECK
REGISTER

July 20, 2009

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 #3077 through #3086.....	\$172,835.13
General Fund	
Vouchers #19353 through #19369	\$340,373.67
Clearing Account Vouchers	
amounting to.....	<u>\$375,825.36</u>
TOTAL EXPENDITURES	<u>\$889,034.16</u>

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

July 20, 2009

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
<u>Receiving</u>			
3077	City of Adrian: Payroll	Payroll for July 2	\$ 16,492.75
3078	Verizon North	Phone Bills	\$ 148.90
3079	City of Adrian: Clearing	6/30 & 7/6 CK Register	\$ 106,555.14
3080	City of Adrian: Payroll	Payroll for July 10	\$ 52,813.62
3081	City of Adrian: General Fund	June Expenses	\$ 59,836.94
3082	City of Adrian: Utilities	Various Water Bills	\$ 180.19
3083	Citizens Gas Fuel Co	Various Heat Bills	\$ 179.32
3084	City of Adrian: General Fund	July Rent	\$ 650.00
3085	Consumers Energy	Various Electric Bills	\$ 42,465.83
3086	Citizens Gas Fuel Co	Wastewater Heat Bill	\$ 67.58
Total			\$ 279,390.27
Less: CK# 3079			\$ 106,555.14
TOTAL			\$ 172,835.13

WW = \$ 142,618.30
WAT = \$ 136,771.97

20-Jul-09

GENERAL FUND
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
19353	\$ 1,993.75	City of Adrian: TIF	Settlement Downtown Refuse
19354	\$ 15,692.78	City of Adrian: Payroll	Payroll for July 2
19355	\$ 2,772.61	First Federal Bank	FICA for July 2
19356	\$ 1,387.29	US Postmaster	Postage for Tax Bills
19357	\$ 317.50	City of Adrian	Petty Cash
19358	\$ 924.35	Verizon North	Various Phone bills
19359	\$ 614,571.98	City of Adrian: Clearing Acct	6/30 & 7/6 Check Reg Exp
19360	\$ 4,440.20	Quick Service Transportation	Payroll W/E July 3
19361	\$ 251,898.19	City of Adrian: Payroll	Payroll for July 10
19362	\$ 17,524.31	First Federal Bank	FICA for July 10
19363	\$ 18,988.24	Consumers Energy	Various Electric Bills
19364	\$ 2,793.33	City of Adrian: Utilities	Various Water Bills
19365	\$ 6,043.82	Citizens Gas Fuel Co	Various Heat Bills
19366	\$ 105.02	Verizon North	Various Phone bills
19367	\$ 10,896.72	Consumers Energy	Various Electric Bills
19368		City of Adrian: Utilities	Transfer State MI Funds
19369	\$ 4,595.56	Quick Service Transportation	Payroll W/E July 10

\$	954,945.65	
\$	(614,571.98)	Less: CK# 19359
\$	340,373.67	

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ADRIAN CHARTER TOWNSHIP	175.50		
2. ADRIAN COMMUNICATIONS	18.25		
3. ADRIAN DODGE CHRYSLER PLYMOU	17.95		
4. ADRIAN FABRICARE CENTER INC.	690.00		
5. ADRIAN HIGH SCHOOL	200.00		
6. ADRIAN LANDFILL	168.88		
7. ADRIAN LOCKSMITH & CYCLERY	140.49		
8. ADRIAN MECHANICAL SERVICES C	1,187.68		
9. ADRIAN PUBLIC SCHOOLS	325.16		
10. ADRIAN-TECUMSEH FENCE CO	16,200.00		
11. ADVANCE AUTO PARTS COMMERCIA	21.48		
12. AIR SOURCE ONE, INC.	90.96		
13. AIRGAS GREAT LAKES	97.20		
14. ALLIED WASTE SERVICES #259	838.84		
15. AMAZON CREDIT PLAN	240.30		
16. AMERICAN PLANNING ASSOC	275.00		
17. AMVETS	267.00		
18. APPLIED INDUSTRIAL TECHNOLOG	611.04		
19. AXLE SURGEONS INC	650.00		
20. B & B POOLS & SPAS	5,424.00		
21. BAKER & TAYLOR BOOKS	88.37		
22. BATTERY WHOLESALE	361.41		
23. KRISTIN BAUER	20.00		
24. BELSON ASPHALT PAVING INC	32,262.69		
25. ROBERT BISHOP	229.48		
26. BLACK SWAMP EQUIPMENT	265.00		
27. BLISSFIELD PARTS CO INC	179.99		
28. BRAKES-N-MORE	1,006.36		
29. BRAZEE SAFETY & SECURITY INC	1,127.00		
30. TODD BROWN	20.00		
31. BUCK & KNOBBY EQUIP CO INC	5.00		
32. CELUCH CREATIVE IMAGING	4,800.00		
33. CHAMBERS CONTROL COMPANY	4,975.75		
34. CHAMPION PRINTING AND MAILIN	432.04		
35. CLEAN CARE INC	1,969.00		
36. COAST TO COAST DELI	66.07		
37. COIN-OP SPECIALISTS INC.	27.84		
38. CONCLUSIVE MARKETING	45.00		
39. CONSUMERS ENERGY	1,620.00		
40. CONTINENTAL SERVICE	1,362.69		
41. COUNCIL FOR MI FOUNDATIONS	357.50		
42. COYNE TEXTILE SERVICES	4,949.66		
43. CUSTOM CLOSING SERVICES INC	3,679.28		
44. CUSTOM TRUCK REPAIR, L.L.C.	559.14		
45. CUTLER DICKERSON CO	90.00		
46. D&P COMMUNICATIONS, INC.	1,591.43		
47. THE DAILY TELEGRAM	1,060.44		
48. DOAN CONSTRUCTION CO	432.50		
49. STEVE EBERLE	20.00		
50. ENERCO CORPORATION	1,116.38		
51. ENGLEWOOD ELECTRICAL SUPPLY	452.88		
52. EXTREME GLOW	231.00		
53. FASTENAL COMPANY	132.14		
54. FISHER SCIENTIFIC COMPANY LL	461.14		
55. GALLANT & SON	14.99		
56. J.O. GALLOUP COMPANY	400.72		
57. RUSTY GARZA	125.00		
58. MARK K GASCHE	800.00		
59. MARK GIGAX	20.00		
60. GORDON FOOD SERVICE	1,565.81		
61. GREY HOUSE PUBLISHING	478.95		
62. DENISE GRITZMAKER	20.00		
63. HABITEC SECURITY INC	348.00		
64. HACH COMPANY	97.43		
65. HADDEN TIRE COMPANY	553.00		
66. HAFELI STARAN HALLAHAN	1,353.54		
67. HISTORICAL SOCIETY OF MICHIG	65.00		
68. SHANE HORN	20.00		
69. DAVID HUBBARD	36.50		
70. HUNTINGTON NATIONAL BANK	2,421.96		
71. HYDRODYNAMICS, INC.	1,875.00		
72. I C M A	880.00		
73. I C M A VANTAGE POINT	6,219.85		
74. INDUSTRIAL MILL SUPPLY CORP	152.06		
75. INGRAM LIBRARY SERVICES	661.17		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. J.E. JOHNSON DEVELOPMENT GRO	13,910.00		
77. LUYE JACKSON REBUILDERS	250.87		
78. JACKSON TRUCK SERVICE INC.	134.10		
79. JONES & HENRY, ENGINEERS	3,088.86		
80. JONES CHEMICALS, INC.	3,076.37		
81. KELLER THOMA, P.C.	1,710.40		
82. DAVE KNAPP FORD	162.95		
83. KONICA MINOLTA- ALBIN	449.82		
84. BRENT KUBALEK	47.18		
85. LANSING SANITARY SUPPLY INC	1,807.49		
86. LEGACY PRINTING	274.48		
87. LENAWEE COUNTRY CLUB	57.62		
88. LENAWEE COUNTY COMMUNITY	80.00		
89. LENAWEE COUNTY PRINTER	537.91		
90. LENAWEE TIRE & SUPPLY CO	956.33		
91. LEXIS-NEXIS MATTHEW BENDER	1,429.29		
92. LOWE'S CREDIT SERVICES	3,186.86		
93. E.T. MACKENZIE CO	33,899.90		
94. MANPOWER OF LANSING MI INC.	489.60		
95. MARCIA MILLER	57.50		
96. GARY MCDOWELL	20.00		
97. MCGOWAN ELECTRIC SUPPLY INC	280.61		
98. MICHIGAN ASSESSOR'S ASSN	375.00		
99. MICHIGAN DEPARTMENT OF	891.47		
100. MICHIGAN GOVT FINANCE	473.00		
101. MICHIGAN LIBRARY ASSOC	147.00		
102. MICHIGAN MUNICIPAL LEAGUE	7,344.00		
103. MICHIGAN OFFICE SOLUTIONS	140.91		
104. STATE OF MICHIGAN	2,268.57		
105. MICHIGAN STATE POLICE	306.00		
106. MICROMARKETING LLC	1,758.27		
107. MITCHELL WELDING	1,631.12		
108. H T MORIARTY CO INC	8.18		
109. MUGS N' MORE IMAGING	2,775.45		
110. BILL MULLALY	290.00		
111. MUNICIPAL CODE CORPORATION	697.89		
112. MUNICIPAL EMPLOYEES' RETIRE	57,243.88		
113. NATIONAL ASSOC OF PROFESSION	350.00		
114. NELSON TRANE	393.00		
115. NEXTEL COMMUNICATIONS	1,047.92		
116. OLIVER OF ADRIAN, INC.	720.00		
117. ORIENTAL TRADING CO. INC.	183.75		
118. MIKE OSBORN	20.00		
119. OTIS ELEVATOR COMPANY	441.00		
120. JEFFREY PARDEE	2,430.50		
121. PIONEER MANUFACTURING CO.	1,400.00		
122. GLENN PRESTON	20.00		
123. PROFESSIONAL PUMP INC	179.47		
124. PURCHASE POWER	3,000.00		
125. QUALIFICATION TARGETS	255.24		
126. QUICK SERVICE TRANSPORTATION	6,664.78		
127. QUILL CORPORATION	2,165.48		
128. RED PAINT PRINTING LLC	1,000.75		
129. RESCUE EQUIPMENT SALES & SER	40.00		
130. RIO SUPPLY MICHIGAN METER, I	1,903.99		
131. TIM RITCHIE	20.00		
132. SCHUG CONCRETE CONSTRUCTION	7,801.00		
133. SCIENTIFIC METHODS INC	380.00		
134. SELECTIVE DATA SYSTEMS	225.63		
135. SENTIMENTAL PRODUCTIONS	200.00		
136. SERVICE ELECTRIC CO OF ADRIA	1,727.00		
137. PAUL SIZER	341.00		
138. SJS INVESTMENT CONSULTING IN	750.00		
139. SLUSARSKI EXCAVATING & PAVIN	67,141.80		
140. RAYMUNDA SOLIS	105.00		
141. SOUTHWEST BRAKE & PARTS INC	194.59		
142. STEVENSON LUMBER, INC.	90.47		
143. STITCH WIZARD EMBROIDERY INC	1,619.75		
144. STONE'S CAFE CATERING	347.50		
145. SUMMIT SUPPLY CORP OF COLOR	4,082.00		
146. SUPER LAUNDROMAT &	118.95		
147. SUZANNE & JIM, INC.	300.00		
148. TDS SECURITY	399.00		
149. THOMSON WEST	382.52		
150. TIME EMERGENCY EQUIPMENT INC	27.00		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
151. PAUL TRINKA	20.00	_____	_____
152. TTB CLEANING LLC	325.00	_____	_____
153. TURFGRASS INC.	940.00	_____	_____
154. U S POSTMASTER	1,800.00	_____	_____
155. ULOTH FARMS & GREENHOUSE	128.00	_____	_____
156. UNDERWOOD'S NURSERY LLC	3,119.00	_____	_____
157. UNIQUE TRUCK EQUIPMENT INC	106.50	_____	_____
158. UTILITIES INSTRUMENTATION	4,645.00	_____	_____
159. VALUE LINE PUBLISHING, INC.	798.00	_____	_____
160. WARREN HOLDING CO LLC	1,370.00	_____	_____
161. WEST GROUP PAYMENT CENTER	100.00	_____	_____
TOTAL ALL CLAIMS	375,825.36		

COMMUNICATIONS

C-1



MEMO

Date: May 21, 2009

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

From: Jeffrey C. Pardee, Finance Director

A handwritten signature in black ink, appearing to read 'Jeffrey Pardee'.

Re: **Grand Valley State University Financial Trend Monitoring Project**

As indicated in my communication of October 24, 2008, the City of Adrian was selected as one of six sites for the 2009 Grand Valley State University (GVSU) Financial Trend Monitoring Project. The cities of Adrian, Grand Haven, Kentwood, Royal Oak, Sterling Heights and Walker were selected by GVSU for purposes of assigning a team of three interns to each site for purposes of performing a Financial Trend Analysis and prepare and present a report based on a model developed by the International City/County Management Association (ICMA) and used by a number of local governments across the country. The purpose of the report is to take a comprehensive look at financial and other trends to see if the City's financial condition is sound and heading in the right direction.

The ICMA model is meant to examine four types of fiscal condition:

- **Cash Solvency** – the ability to pay the bills over the next 30 or 60 days;
- **Budgetary Solvency** – the ability to cover expenditures with revenues and other resources over the normal budget period;
- **Long-Run Solvency** – the ability to meet expenditures as they come due in the future, including such things as pension costs and other post-employment benefits;
- **Service Level Solvency** – the ability to provide services at the level and quality that are required for the health, safety and welfare of the community and its residents.

The Financial Trend Monitoring System is based on eleven environmental, organizational and financial “factors” representing the primary forces that influence financial condition. The eleven factors include: Revenues, Expenditures, Operating Position (Fund Balances and Cash Balances), Debt Structure (short- and long-term), Unfunded Liabilities (pension obligations), Condition of Capital Plant, Community Needs and Resources, Intergovernmental Constraints, Disaster Risk, Political Culture and External Economic Conditions. Associated with these factors are 42 “indicators” that measure different aspects of nine of the eleven factors, excluding political culture and external economic conditions.

The GVSU Financial Trend Monitoring Project was conducted during the Winter Term of the 2008-09 school year and the report presentation is attached. The students assigned to this project by GVSU School of Public and Non-Profit Administration were Brian Flanagan, Dayna Porter and Chris Stallworth. A summary of findings is provided below with a detailed response prepared by the City of Adrian Finance Department following that.

Report Summary

We set out to analyze the City of Adrian’s financial condition. Upon the evaluation of 11 indicators, we find the city’s condition is mixed. More specifically, revenues appear stable, but expenditures are outpacing revenue growth and are unsustainable. To stabilize these financial indicators, the City must identify additional sources of revenue to offset the growth in expenditures. It is not recommended that additional revenue be obtained through debt financing. In addition, the City of Adrian’s net assets are decreasing and are substantially below the net assets of five comparison cities of similar size. Coupled with declining fund balances and growing operating deficits, the current overall financial position of the City of Adrian is unstable. The City’s financial future yields mixed results. Although Adrian’s ability to pay its bills in the near term (liquidity) remains strong, its ability has dropped rapidly over the past five years. More importantly, if the liquidity continues to decline, the City may put in a position in which cash flows are insufficient to meet current liabilities. Finally, the City’s solvency is threatened by increasing debt and decreasing assets, equity, and population. While this financial trend report yields mixed results, the City of Adrian is not alone in its struggles. The current federal and state recession is clearly having a direct impact on local governments – including the City of Adrian and its neighbors.

General Response

Management of the City’s finances is a dynamic and challenging process. A perfect example is the City Commission’s recent action to adopt the City Administrator’s Recommended (balanced) Budget for FY2009-10 followed the very next day by the Governor’s Executive Order to cut Revenue Sharing \$41 million statewide and \$210,000 for the City of Adrian. The Administration has formulated recommended actions to economize without jeopardizing City services to residents or taxpayers; which was on the June 1 agenda for City Commission consideration.

The GVSU study covers the five-year period beginning 2004 through 2008. The results of each of the eleven (11) indicators will be provided, as well as the Finance Department's response.

REVENUE AND EXPENDITURE INDICATORS

Indicator #1 – Revenues Per Capita reflects Mixed Results. After eliminating the impact of a one-time private donation in the amount of \$460,000 from the Swigert Estate, the study concludes that *revenues per capita appear stable to slightly decreasing. Concurrently, population is decreasing. Revenues per capita are decreasing at a rate slower than the decrease in population. This trend is favorable. However, as seen in future analysis, expenditures per capita exceed revenues per capita, and this trend is not sustainable.*

Response to Indicator #1 – Revenues Per Capita:

Declining Revenues Per Capita is and will continue to be the sentinel financial issue facing the City of Adrian in the short- and intermediate-term, i.e., the next half-decade at least. In addition to the previously mentioned cuts in State Revenue Sharing, the current economic turmoil is having an adverse impact on local property values, the City's primary source of revenue. The FY2009-10 Budget reflects an acceleration in this adverse trend, with property tax revenue projected to be \$150,000 less than the previous year. The full impact of the economic downturn will result in even greater reduction in revenues during the course of the next two years, due to the sales study methodology required by the General Property Tax Act of 1893. Because Assessed Values and Taxable Values are constrained by Proposal A – The Revised School Finance Act approved by the electorate in 1994, and the Tax Rate is constrained by the Headlee Constitutional Tax Limitation Amendment approved by the electorate in 1976, the City will take years to recover even though the economy may bounce back more quickly.

Therefore, the City concludes that the trend analysis is even worse than indicated by the GVSU report. The appropriate course of action is to either economize to remain within available resources, which likely will lead to reduced City services, or develop alternative sources of revenue, or some combination of both.

Indicator #2 – Intergovernmental Revenues reflects Stability. Adrian's overall reliance on intergovernmental revenue has remained relatively constant since 2004, with a nearly 5% reduction in intergovernmental revenues seen in 2008. The study concludes: *The relative stability and recent decrease in reliance on intergovernmental revenues is favorable. Consistent with financial policy, the trend indicates that the City of Adrian is becoming more dependent on its own-source revenues to support operations. Therefore, the City is impacted less by decreases in revenue sharing from state and federal sources. While the trend is stable, the City of Adrian should try to find additional sources of own-source revenues to bring the percentage of intergovernmental revenues more in line with cities of similar size.*

Response to Indicator #2 – Intergovernmental Revenues:

The five (5%) percent reduction is a harbinger of things to come. With the State's budget crisis and its ability to share the pain, the governor's Executive Order cut another 3.2% for 2009 and an additional 5.8% cut is anticipated for 2010. It would not be outside the realm of possibility that Statutory Revenue Sharing might be eliminated altogether. It should be noted that the City's Strategic Action Plan prioritizes own-source revenues growth through assessment of appropriate fees and charges, and further growing revenues through funding from friends and foundations. Consistent with these objectives, the Finance Director respectfully recommends that a study be commissioned to review all existing and potential own-source revenues with recommendations for enhancement.

Indicator #3 – Expenditures Per Capita indicates Instability. - Since 2004, real expenditures per capita have been on the rise in Adrian. While the increase in per capita spending may be related in part to the 1.8% reduction in population between 2004 to 2008, the average increase in spending of 2.4% outpaces population loss. The study concludes that, *although the 2008 "City of Adrian Comprehensive Annual Financial Report" shows planned increases in expenditures related to the development of the Vibrant City Grant Fund, road improvements, establishment of the Fire Department Motor Vehicle Fund, Adrian Public Library renovation, and appropriations for pension benefits, overall the trend is unstable. While 2008 saw the largest per capita expenditures increase, expenditures had been on a slight decline. The City should examine whether additional services are being provided, or if the same level of service is costing more to provide. If the same level of service is costing more to provide, revenues must be increased or services must be reduced to reverse the trend.*

Response to Indicator #3 – Expenditures Per Capita:

This category is the most susceptible to administrative financial management. Indeed, the most formidable approach to controlling expenditures is to aggressively manage recurring costs, particularly personnel costs, i.e., salaries and fringe benefits, which represent over two-thirds of all City expenses. The past two budget years the City has been extremely frugal in this area, having reduced the authorized staffing level from 230 to 213 full- and part-time positions, a total reduction of 17 positions. In addition, the administration has closely examined the fringe benefit package for all City employees and is prepared to make recommendations for achieving economies in health care, which is provided by Blue Cross/Blue Shield and currently costs in excess of \$1.5 million annually, and pension benefits, which are provided by the Municipal Employees Retirement System with an employers contribution approximating \$900,000.

Indicator #4 – Expenditures by Function reflects Mixed Results - Since 2004, general government and public safety expenditures have decreased while culture and recreation expenditures have increased. The study concludes that *increasing expenses in one function represents instability, but in Adrian, three functions are on the rise. Sources of additional revenues (such as increased fees) should be considered to offset the increased spending in Culture and Recreation and Other Services.*

Response to Indicator #4 – Expenditures by function:

This is a classic case of where the raw numbers do not portray the whole story. The City of Adrian is blessed to have a multi-million dollar endowment from the Harriet Kimball Fee Estate that provides resources to develop and maintain beauty in public places of which the Parks Department is the primary beneficiary. In addition, the Parks Department aggressively pursues grant opportunities, both public and private, including Congestion Mitigation & Air Quality Grants (CMAQ) from the Michigan Department of Transportation, as well as the Stubnitz Foundation and Kiwanis International. Therefore, consistent with the City's stated mission and values, several projects have been undertaken during the study period, including Burr Ponds, Kiwanis Trail Expansion, Island Park Bridge Replacement, and the new Parks & Forestry Maintenance Facility. A new CMAQ grant has just been announced that will enable the construction of a \$340,000 pedestrian bridge connecting the Kiwanis Trail with Riverside Park. The areas of decreasing expenditures, such as, general government, public safety and public works, reflect the administrations effort to economize, particularly personnel downsizing as previously mentioned.

CURRENT FINANCIAL POSITION INDICATORS

Indicator #5 – Net Assets reflect Mixed Results. Over the past five years, the real dollar value (dollars adjusted for inflation) for the City of Adrian's net assets has declined by \$8 million or 12.0%. Net assets for governmental activities, consistently accounting for about half of the total, have declined by 10.0%. The study concludes that *the city's net assets have not kept up with inflation or increasing liabilities. Liabilities have nearly doubled in the last five years under the weight of a recent economic downturn, a declining manufacturing base, rising unemployment, and resulting tax revenue losses. The value of Adrian's net assets must outpace liabilities and inflation if the city is going to sustain or improve its financial position.*

Response to Indicator #5 – Net Assets:

In nominal terms, Net Assets for Governmental and Business-Type Activities have grown from \$68,324,700 in 2004 to \$68,423,960 in 2008. Total Assets have grown from \$86,107,101 in 2004 to \$99,146,427, however Liabilities have also grown from \$17,782,401 to \$30,722,467, respectively. The main reason for this increase is related to

an aggressive upgrading of both the Water and Wastewater Plants, as well as implementation of a new ground water resource to supplement the City's primary water source, Lake Adrian. The financing was provided by multiple Revenue Bond issues through the Michigan Department of Treasury (low interest) Revolving Loan Fund Programs for Sewers and Drinking Water. Five separate bonds, beginning in 2002 and concluding in 2007, were issued; detailed in the following summary:

<u>Description</u>	<u>Date of Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Wastewater System	09/26/02	\$ 8,920,000	2.500%	10/01/23
Water Supply System	09/26/02	5,665,000	2.500 %	10/01/23
Wastewater System	09/22/05	2,040,000	1.625%	04/01/27
Wastewater System	12/15/05	7,090,000	1.625%	04/01/27
Water Supply System	09/27/07	7,890,000	2.125%	04/01/29
Total Utility System Debt Issued		<u>\$31,605,000</u>		

The outstanding balance, as of June 30, 2008, amounts to \$25,765,000. Debt service has been maintained exclusively through Water and Sewer User Fees.

Indicator #6 – Operating Deficit or Surplus reflects an Unstable Condition.

Between 2004 and 2006, the city's total governmental funds were in deficit by as much as \$1.25 million and as little as \$38 thousand. The larger figure is nearly 10.0% of total revenue. In 2007, there was a modest 2.0% increase in expenditures compared to a 16.0% increase in revenues that resulted, in part, from a large, one-time, charitable gift (Swigert Estate). This led to a one-year surplus of over \$1.5 million, and subsequently increased the 2007 fund balance. However, this increase did not continue in 2008--revenues decreased by 8.0% while expenditures increased 15.0%. The result was a deficit in fiscal year 2008 that is nearly 12% of general revenue, and a fourth deficit in five years. The study concludes that *These data and figures show that the City of Adrian meets all four criteria that would serve as warning signs to credit raters, and so the indicator cannot be rated above unstable. Potential solutions to improve the imbalance include increasing tax revenues, finding new revenue sources, or stemming the growth in expenditures.* (Emphasis added).

Response to Indicator #6 –Operating Deficit or Surplus:

The focus of the foregoing analysis is on Governmental Funds, which include not only the General Fund, but the Major and Local Street Funds as well. The Major and Local Street Funds are subject to wide year-to-year variations in Operating Deficit or Surplus, depending upon when revenue is recorded and construction projects are scheduled. For example, State grant funds for major reconstruction of Beecher Street and Maple Avenue were received in one fiscal year and spent over the next two fiscal years, reflecting a surplus in the first year and deficits in the subsequent two years. Similar disparities attach to the accumulation of Fee Estate Investment Earnings over several years before expenditure on major projects such as Burr Ponds. Precisely for this reason, the Fee Estate has been moved into a fund of its own.

Specifically with regard to the General Fund, the period 2004 through 2008 can be charted as follows:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Resources	\$10,874,850	\$10,819,757	\$11,494,996	\$12,104,922	\$13,101,346
Expenditures	<u>11,106,311</u>	<u>11,494,482</u>	<u>12,013,198</u>	<u>12,025,570</u>	<u>13,356,950</u>
Surplus/ (Shortfall)	\$ <u>(231,461)</u>	\$ <u>(674,725)</u>	\$ <u>(518,202)</u>	\$ <u>79,352</u>	\$ <u>(255,604)</u>
Percent of Resources	(2.1)%	(6.2)%	(4.5)%	0.7%	(2.0)%

An integral part of the City's Comprehensive Annual Financial Report is Management's Discussion and Analysis, which provides a detailed explanation for each of the foregoing Surplus/(Shortfall). An excerpt is provided for each year:

FY2003-04 - Although revenue decreased by \$1.1 million (Federal and State revenue down \$883,110; Interest earnings down \$116,239), expenditures decreased a like amount, primarily capital expenditures for Community Development and Parks & Recreation. Therefore the net decrease is mainly attributable to General Fund operating subsidies to the Dial-A-Ride (\$121,552 and the Automobile Parking System (\$47,575). *Post-script: Corrective action has been taken such that the annual subsidy to the Auto Parking Fund has been reduced to \$6,000 and the subsidy to Dial-A-Ride has been reduced to under \$100,000 in FY2008-09.*

FY2004-05 - The decrease in the General Fund is mainly attributable to operating subsidies to the Dial-A-Ride (\$136,695) and the Automobile Parking System (\$123,151). Also, the following draw downs on Fund Balance were authorized by the City Commission during the year:

DPW Street Sweeper	\$113,000
GIS Strategic Plan Implementation	87,233
Maumee Streetscape Project	65,263
POLARIS Integrated Library System	53,914
IT Fund Capital Equipment	31,750
GIS Positioning System	23,160
Railroad Property Acquisition	20,000
Pearl Street Property Appraisal	19,900
Document Management System	19,740
Temp Svcs – New Financial System	13,192
Sewer Backup Claims Adjustment	<u>10,000</u>
Total	<u>\$457,152</u>

Post-script: Many of the foregoing expenditures were authorized for the express purpose of streamlining current operations, such as the Geographic Information System (GIS), the Document Management System, the POLARIS Integrated Library System, and the IT Fund Capital Equipment. These expenditures have already provided a return-on-investment and will continue to do so for many years.

FY2005-06 - The decrease in the General Fund is mainly attributable to defeasance of debt on the Witt Property (\$558,568). *Post-script: The interest rate on this outstanding installment-purchase contract amounted to 5.75%.*

FY2006-07 - The General Fund experienced an increase even though the City Commission, during the course of FY2006-07, approved several draw downs on Fund Balance totaling \$1,589,506, including those listed below. Several have not been fully expended and those that have were more than covered by current revenues.

<u>Description</u>	<u>Authorized</u>	<u>Expended</u>	<u>Balance</u>
Burr Ponds	\$ 819,536	\$470,633	\$348,903
Encumbrances & Carry-forwards	314,294	210,139	104,155
Replace Engine Pumper #1	254,582	137,967	116,615
New Telephone System	120,789	117,369	3,420
Purchase 250 W. Church Street	32,775	0	32,775
Library Façade Expenses	30,000	25,380	4,620
Demo Heritage Park Farm House	9,350	9,350	0
Demo 451 W. Maumee	6,200	5,700	500
Demo 310 Riverside Drive	1,980	1,980	0
Total	<u>\$1,589,506</u>	<u>\$978,518</u>	<u>\$610,988</u>

Most of the balance will be included as Encumbrances and Carry-forwards in the FY2007-08 Budget and will be included in the new-year's financial performance.

FY2007-08 - The unfavorability for the General Fund is primarily due to the following anticipated transactions:

- Establishment of the Fire Department Motor Vehicle Fund and transfer of funds equivalent to the accumulated depreciation of existing Fire Department rolling stock \$ (400,583)
- Appropriation of funds for Adrian Public Library Renovation (231,533)
- Appropriation of funds for MERS Window for Pension Benefits (204,999)
- Total Anticipated Draws on Fund Balance \$ (837,115)

Other Significant Operating Variances, both favorable and unfavorable, combined to partially offset the foregoing anticipated draws on Fund Balance:

- Reduced personnel costs due to downward reclassification of City Clerk, City Engineer, Utilities Director and City Assessor, in addition to deletion of Parks & Forestry Foreman, Recreation Manager, and Police Department clerical position, as well as replacement of Manpower contract position with Part-Time Non-Eligible position in the Assessing Office \$ 304,744
- Church Street Parking Lot – Delay Renovation 160,458
- General Fund-Motor Vehicle Rental Charges to Other Funds 175,664
- Blue Cross/Blue Shield Health Benefit – 50% Reimbursement of Reserve Based on favorable

Experience Factor	87,741
- Fire Dept. Motor Vehicle Rent withheld in lieu of Working Capital Transfer	99,921
- Delinquent Personal Property Taxes associated with ailing economy	(128,993)
- Increased Employer Retirement Contributions associated with improved Pension for T-POAM and Non-Represented Employees (B-2 to B-3 Plan)	<u>(127,000)</u>
Total Significant Operating Variances	<u>\$ 572,535</u>
Net Unfavorability Explained	<u>\$ (264,580)</u>

Post-script: The bottom-line to all of the foregoing detailed explanations is that, although the appearance of a structural imbalance leading to an unstable financial condition would be a normal conclusion based on the numbers, the fact is that the City prudently manages its finances. Specifically, when opportunities to achieve a long-term financial savings, such as defeasing high-interest debt or pre-paying long-term pension liabilities with planned draw-downs on fund balance, City management and policy-makers conscientiously take the long-term view.

Furthermore, it should be noted that the \$400,583 transfer from the General Fund to establish the Fire Department Motor Vehicle Pool in FY2007-08, as well as a similar transfer in FY2006-07 amounting to \$123,834 to establish the Information Technology Fund, were based on accumulated depreciation and were used as working capital to launch two new Internal Service Funds that provide a rational mechanism for future equipment replacement. Both of these funds are subsidiary to the General Fund and reflect Net Assets on June 30, 2008 as follows: IT Fund \$580,151 and Fire Department Motor Vehicle Pool \$339,231.

Indicator #7 – Fund Balance reflects an Unstable Condition - The city’s total governmental fund balance, has decreased in three of the last four years, resulting in a 17.0% decline over the span. In its financial report, the city highlights several causes for the falling fund balance, including investments in City Hall, Adrian Public Library, and a fire engine, as well as depreciation, debt servicing, and pension benefits. The five-year, \$3.2 million reduction, in real dollars, is also partially attributable to the city’s recent trend of operating deficits. The study concludes that *this indicator yields a rating of unstable for Adrian because the unreserved fund balance has fallen as a percentage of net operating revenue from 45.4% to 32.7% since 2004.*

Response to Indicator #7 – Fund Balance:

Once again, the focus of the foregoing analysis is on Governmental Funds, which include not only the General Fund, but the Major and Local Street Funds as well. The Major and Local Street Funds, as indicated earlier, are subject to wide year-to-year variations in Operating Deficit or Surplus, depending upon when revenue is recorded and construction projects are scheduled. Therefore a recap of General Fund – Fund Balance (including

subsidiary Internal Service Funds) is provided as follows for the period 2004 through 2008:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund	\$7,237,093	\$6,562,368	\$6,044,166	\$6,123,518	\$5,867,914
IT Fund				445,416	580,151
Motor Pool					339,231
Total	<u>\$7,237,093</u>	<u>\$6,562,368</u>	<u>\$6,044,166</u>	<u>\$6,568,934</u>	<u>\$6,787,296</u>
Percentage of Revenue	66.5%	60.7%	52.6%	54.3%	51.8%

The fund balance is an indicator of the government’s ability to weather future financial storms, and it affects the city’s ability to save for future capital investments. Although too large a fund balance is seen by the bond-rating industry as a red flag, declining unreserved fund balances in relation to net operating revenue can be a warning sign for future financial conditions. The City’s policy with regard to Fund Balance is provided as follows:

To maintain the City of Adrian’s credit rating and meet seasonal cash flow shortfalls, the budget shall provide for an anticipated unreserved fund balance at least fifteen (15%) percent to twenty (20%) percent of annual budgeted operating expenditures for the general government and enterprise fund types. The fund balance shall be exclusive of all reserves not anticipated to be readily available for use in emergencies and contingencies. The adequacy of the fund balance shall be evaluated annually to consider minimum cash requirements prior to receipt of current year property tax collections.

Therefore, after closer analysis and based on the City’s stated policy of maintaining a minimum Fund Balance between balance at least fifteen (15%) percent to twenty (20%) percent of annual budgeted operating expenditures, a prudent person could conclude that the City’s Fund Balance is not unstable but, rather, more than adequate (51.8%) to meet “emergencies and contingencies.” In fact, it is primarily because of the current condition of Fund Balance that the City is able to underwrite the initial costs of its own local economic stimulus program, i.e., the development of the new downtown City Government Complex, including a renovated Bank Building to be used as a new City Hall, a new Police Department Facility, and renovations of the Adrian Public Library and the former Adult Education Building (Post Office before that) for Commissioner Chambers and Public Meeting Rooms.

FINANCIAL FUTURE INDICATORS

Indicator #8 – Ability to Pay reflects Mixed Results. The City of Adrian has had high liquidity ratios over the last five years, but it is experiencing a downward trend. In 2004, the current ratio was greater than eight to one, meaning that less than one-eighth of the city’s liquid assets were required to cover short-term liabilities. In 2008, the ratio remained above four to one. This is still a strong liquidity rate, but its decline over the

last five years, is a warning trend. The trend is not yet a cause for concern since the ratio is still relatively high, but a continuing decline would warrant the city’s attention. The Study concludes *The fundamental cause of the decrease in Adrian’s liquidity is from declining current assets and increasing current liabilities. Between 2004 and 2006, current assets fell by 30.0% while current liabilities increased by 35.0%. Current assets recovered between 2006 and 2008, growing by 20.0%, but current liabilities grew at an even higher rate of 42.0%. Overall, this indicator yields mixed results for Adrian.*

Response to Indicator #8 – Ability to Pay.

A comparison analysis is provided as follows:

	2004		2008	
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities
Current Assets	\$3,468,459	\$2,755,192	\$4,654,201	\$3,625,408
Current Liab.	404,829	107,221	1,186,408	1,250,206
Current Ratio	8.6	25.7	3.9	2.9

Although the Current Ratio has declined during the study period for both Governmental Activities and Business-Type Activities, the present Current Ratio reflects adequate liquidity to meet current obligations. However, the trend is noteworthy and, therefore, I concur with the Study recommendation regarding performance of a regular cash-flow analysis. **Furthermore, because cash flow is dependent upon, in the first instance, revenue, I strongly suggest that a comprehensive review of all City Revenues be undertaken with recommendations for enhancements.**

Indicator #9 – Solvency reflects an Unstable Financial Condition. Given the city policy of using debt to finance capital projects, the debt to asset and debt to net assets ratios are monitored for business type activities because the majority of debt is financed for these activities. Both ratios have increased over the past five years while the average for the benchmark cities has remained stable (debt to asset ratio) or decreased (debt to net asset ratio). Part of the increase is a result of upgrades to the wastewater system and building purchases. Additional debt is financed for some governmental type activities that are capital in nature. Combining both types of activities—governmental and business-type—and comparing the total to the population, the debt per capita has increased each year, nearly doubling from 2004 to 2008. The Study concludes that: *Overall, debt is growing and at a faster pace than assets, equity, population, and property values, which is cause for concern. The upgrade in the wastewater system, purchases of land and buildings, and the payments for accrued sick days for city employees are the major factors for the growing debt. As a result, property owners are likely to witness increases in future tax rates and/or charges and fees to pay down this debt.*

Response to Indicator #9 – Solvency.

Although the City has avoided any tax increases in the past several years, City residents have experienced a significant increase in the cost of their Sewer and Water Services in the form of higher rates. It should be noted, however, that the current utility rates are competitive within the geographic region and with other comparably sized jurisdictions throughout the State. A significant factor constraining the City's own-source revenue, primarily Real and Personal Property Taxes which comprise almost two-thirds of General Fund Revenue, is the fact that fully 25% of the property in the City is exempt from taxation. The reason for this disproportionate amount is because the City is the seat of Lenawee County, which government offices are tax exempt. In addition, all educational facilities, including Adrian Public Schools, Lenawee Intermediate School District, Adrian College, Siena Heights University, and Jackson Community College are all tax exempt. The list gets even larger when you add Bixby Hospital and the extraordinary number of churches. Increasing the property tax would only serve to unfairly burden the homeowners that currently shoulder the financial responsibility for providing quality public services. **To address the issue of declining solvency, the aforementioned recommendation to closely examine City Revenues should encompass alternative forms of taxation that would more equitably share the cost of providing City services to all who benefit from those services.**

Indicator #10 – Unemployment reflects an Unstable Condition – Unemployment rates for the City of Adrian reflected in the study are as follows:

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
7.4%	7.0%	7.3%	7.7%	9.9%

The foregoing information suggests the City of Adrian's unemployment rate has risen steadily over the last four years. However, this tendency is not distinctive since the state and national unemployment rates have both followed this trend. There should be cause for concern because the unemployment rate jumped more than 2.0% from 2007 to 2008. And it is significant that the city's unemployment rate has consistently been higher than the state average. Dura Corporation's loss of 250 jobs contributed to the jump in unemployment from 2007 to 2008. Alongside annual temporary layoffs in the auto industry, a slow-down in construction and weakness in the leisure and retail industry exacerbated the rise in unemployment. The Study concludes that: *As is the case with many Michigan cities, the manufacturing sector comprises a major portion of Adrian's economic tax base. Therefore, diversification of the employment base should be sought to offset the losses in manufacturing.*

Response to Indicator #10 – Unemployment:

The local economy is not immune to the national and state economic downturn and the resultant increase in unemployment, which has worsened to 12.9% in 2009. Consistent with the City's Strategic Plan, an excerpt of which follows, is the infusion almost \$7 million of public funds into the local economy related to the Downtown Government Complex. The City Administrator and City Commission have been painstaking in their

efforts to guide the funds to local contractors. Regarding diversification, the following excerpt from the City’s Strategic Plan addresses this important objective:

Goal: Strengthen and diversify the local economy

High Priority

1. Prepare and implement an economic development plan to provide guidance for action, perhaps incorporating some or all of the following elements:
 - Build on a philosophy of “gardening” as opposed to “hunting” in terms of our approach to economic development (develop and support local entrepreneurs).
 - Incorporate attention to neighborhoods and residential development, as well as downtown and commercial redevelopment, as part of the economic development plan.
 - Explore opportunities for partnerships with the Chamber of Commerce and other entities in terms of economic development efforts.
 - Identify options and make recommendations on use of incentives.
2. Perform analysis and formulate recommendation regarding the future use of the Local Development Finance Authority.
3. Implement Vibrant Small Cities Initiative ((VSCI) Grant, including: Infrastructure Projects, Downtown Building Façade Enhancements, Development Regulations Re-Write, Downtown Rental Rehabilitation Projects, Wireless Networks, and Downtown Property Blight Removal.

Priority When Resources are Available

4. Explore development of a fixed route transportation system for the city.
5. Explore use of a Local Development Finance Authority to facilitate development of the Witt and Marvin Farms.
6. Explore opportunities and develop strategy for building partnerships with local colleges to attract business investment and facilitate development, e.g., promote establishment of a new business incubator facility, and assist in curriculum development encouraging entrepreneurship.

Indicator #11 – Assessed Property Value reflects a Stable Condition – Assessed Property Values for the study period reflect as follows (in millions of dollars):

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$454	\$474	\$508	\$533	\$530

Even though population has declined over the four-year period of the analysis, revenues generated from property taxes are increasing except for the slight downward trend in 2008 by approximately \$3 million dollars. Furthermore, the value of residential property dropped by \$8.5 million dollars in 2008, while the value of industrial property rose by almost \$4 million dollars. The Study concludes that: *Despite the \$8.5 million decrease in residential property values, other assessed values of real and personal property has remained stable or increased. The residential property value decrease is cause for concern and strategies should be pursued to rectify the issue going forward.*

Response to Indicator #11 – Assessed Property Value:

The situation in this area is much worse than the study reflects, and the trend is significantly downward in terms of tax revenue to fund City services. The interaction of the Headlee Constitutional Tax Limitation Amendment, approved by the voters in 1978, and the Revised School Finance Act (Proposal A), approved by the voters in 1994, renders any increases in Assessed Property Values irrelevant. The concept of Taxable Values has been introduced and the revenue generated is restricted to five (5%) percent or the level of inflation (as measured by the Consumer Price Index), **whichever is less**. Taxable Values, Tax Rates and Tax Revenue for operations during the Study period are as follows:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Taxable Value	\$397.2 M	\$410.3M	\$426.9M	\$450.7M	\$450.6M
Tax Rates	14.7340mills	14.7340mills	14.6912mills	14.6039mills	14.6039mills
Revenue	\$5,852,345	\$6,045,360	\$6,271,673	\$6,581,978	\$6,580,517

Had the Tax Rates been applied to the Assessed Property Values, as was the case before Proposal A, the following revenues would have been generated:

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Revenue	\$6,689,236	\$6,983,916	\$7,463,130	\$7,783,879	\$7,740,067
Foregone	(836,891)	(938,556)	(1,191,457)	(1,201,901)	(1,159,550)

Obviously, taxpayers have benefited from the limits that have been imposed, however, the reduced revenue does not seem to be matched by a lower demand for services. Even though Assessed Property Values dropped precipitously from 2008 level of \$530 million to \$499 in 2009, the Taxable Value was allowed to increase by the rate of inflation (4.4%), resulting in an overall reduction in tax revenue amounting to approximately \$150,000. The inflation rate for next year’s computation is expected to be much less, on the order of one (1%) percent, which will have a significant adverse impact on the City’s primary source of revenue. Even though the City has trimmed the number of authorized positions during the past four years by two-dozen, the housing market downward spiral will challenge the City’s ability to maintain a workforce capable of delivering quality public services expected by our constituents. **As a result, it is incumbent upon the City to closely examine the current tax structure, in terms of who’s paying and who’s benefiting, and explore all legal avenues in terms of providing a more equitable sharing of the tax burden, as well as ensuring sufficient own-source revenue to sustain a suitable level of public services.**

CONSENT AGENDA

CR-1

DATE: July 13, 2009
TO: Honorable Mayor and City Commissioners
FROM: Dane C. Nelson, City Administrator
SUBJECT: Purchase & Installation of Fuel Pumps – Public Works

I concur with the recommendation of the City Engineer to award the bid for two diesel fuel pumps, one gas fuel pump, breakaway hoses and filter adapters to H. Domine Enterprises of Brownstone, MI in the amount of \$15,347.34. This price includes the removal of the old pumps and installation of the new ones.

Three firms responded to the offer to bid. There are sufficient funds in the Motor Vehicle account that were held over from the 2008-09 FY budget.



Dane C. Nelson
City Administrator

DCN:bjw

July 6, 2009

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

CC: Mark Bishop, Superintendent DPW

SUBJECT: Fuel Pumps



We received three (3) bids on July 2, 2009 for Two (2) New Diesel Pumps and One (1) New Two Hose Gas Pump:

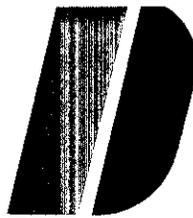
ITEM	H Domine Enterprises Brownstown MI	Harp Contractors Inc Northwood, OH	Genesis Contracting Inc Holland, OH
Gasboy 9153KF 2 each	\$6,192.40	\$6,090.00	\$7,670.00
Gasboy 9152KTW1F 1 each	\$5,377.70	\$5,250.00	\$6,660.00
CX (pulsar) 10:1 ratio 4 each	\$1,022.40	\$1,050.00	\$1,260.00
SSTS Stainless Steel 3 each	\$ 423.90	\$ 445.00	\$ 520.00
Internal Hose Retractors 4 each	\$ 270.00	\$ 290.00	\$ 340.00
3/4"x12' hoses & breakaways – 4 each	\$ 288.00	\$ 270.00	\$ 320.00
Nozzles for gas 2 each	\$ 75.20	\$ 80.00	\$ 120.00
Nozzles for diesel 2 each	\$ 77.20	\$ 80.00	\$ 120.00
External filters 2 each	\$ 12.42	\$ 240.00	\$ 240.00
Removal of old pumps	\$ 1.00	\$ 3,000.00	\$ 790.00
Installation of new pumps	\$ 1,500.00	\$ 3,000.00	\$ 1,760.00
GRAND TOTAL	\$15,240.22	\$19,795.00	\$19,800.00
Delivery	3 days after delivery from Gasboy	60 days	40 days

I recommend this bid be awarded to H. Domine Enterprises, Inc. of Brownstone, MI for \$15,240.22 plus \$58.80 for breakaway hoses and \$48.32 for filter adapters for a total of \$15,347.34.

Funds for this project were held over from the 2008-09 Fiscal Year and are available in the 101-443.00-975.000 Motor Vehicle Fund (2008-09).

CITY OF ADRIAN, MICHIGAN
 FUEL PUMPS
 DUE DATE: JULY 2, 2009

ITEM	H Domine Enterprises Brownstown MI	Harp Contractors Inc Northwood, OH	Genesis Contracting Inc Holland, OH
Gasboy 9153KF 2 each	\$6,192.40	\$6,090.00	\$7,670.00
Gasboy 9152KTW1F 1 each	\$5,377.70	\$5,250.00	\$6,660.00
CX (pulsar) 10:1 ratio 4 each	\$1,022.40	\$1,050.00	\$1,260.00
SSTS Stainless Steel 3 each	\$ 423.90	\$ 445.00	\$ 520.00
Internal Hose Retractors 4 each	\$ 270.00	\$ 290.00	\$ 340.00
¾"x12' hoses & breakaways – 4 each	\$ 288.00	\$ 270.00	\$ 320.00
Nozzles for gas 2 each	\$ 75.20	\$ 80.00	\$ 120.00
Nozzles for diesel 2 each	\$ 77.20	\$ 80.00	\$ 120.00
External filters 2 each	\$ 12.42	\$ 240.00	\$ 240.00
Removal of old pumps	\$ 1.00	\$ 3,000.00	\$ 790.00
Installation of new pumps	\$ 1,500.00	\$ 3,000.00	\$ 1,760.00
GRAND TOTAL	\$15,240.22	\$19,795.00	\$19,800.00
Delivery	3 days after delivery from Gasboy	60 days	40 days



H. DOMINE ENTERPRISES, INC.

20676 SIBLEY RD. • BROWNSTOWN, MI 48193
(734) 283-5000 • FAX (734) 283-5470

CITY OF ADRIAN

Purchasing Office

100 E. Church Street

Adrian, MI 49221

Re: Bid Specifications for (2) New Diesel Pumps & (1) New Two Hose Gas Pump at D.P.S.

H. Domine Enterprises is pleased to submit the attached bid for fuel dispensing equipment. GASBOY Specifications & Warranty Policy is also attached. The following is a list of specifications for additional equipment being bid:

¾" x 12' Steelflex Hardwall Pump Hoses w/ MxM coupled ends-OEM WARRANTY

¾" OPW 66V-0300 Single Use Breakaways-WARRANTY ATTACHED

RICHARDS/OPW ¾" 11B Nozzles with Splash Guards for Gasoline-WARRANTY ATTACHED

RICHARDS/OPW ¾" 11B Nozzles with Splash Guards for Diesel Fuel-WARRANTY ATTACHED

CIM-TEC 400-10 Particulate removal Spin -on Filters – WARRANTY ATTACHED

Installation of Equipment can be performed within 3 calendar days from arrival of GASBOY Dispensers and equipment. Estimated lead time from date of order is 4 weeks (quoted from GASBOY as of June 30, 2009).

The following equipment is not requested in bid breakdown however is required/recommended and NOT included in GRAND TOTAL of bid:

(4)	¾" x 9" Breakaway hoses	ADD.....\$58.80
(2)	CIM-TEC Filter adaptors for 400 Series Filters	ADD.....\$48.32

Please feel free to contact me with any questions.

Respectfully,

Kimberly Domine-V.P.

Sealed Bid Notice
Fuel Pumps
Bid Year 2008-09

Purchasing Office
City of Adrian
June 15, 2009

Sealed bids will be received until 2:00 p.m. EDT on Thursday, July 2, 2009, at the Purchasing Office, City Hall, 100 E. Church Street, Adrian, Michigan 49221, for the purchase of two (2) New Diesel pumps and (1) New Two Hose Gas pump to be used by the Department of Public Works. Specifications are attached.

2 each	Gasboy 9153KF	\$ <u>6,192.⁴⁰</u>
1 each	Gasboy 9152KTW1F	\$ <u>5,377.⁷⁰</u>
4 each	CX (pulser) 10:1 ratio, Gallon	\$ <u>1,022.⁴⁰</u>
3 each	SSTS Stainless Steel (Top & Side)	\$ <u>423.⁹⁰</u>
4 each	Internal hose retractors	\$ <u>270.⁰⁰</u>
4 each	3/4" x 12' hoses and Breakaways	\$ <u>288.⁰⁰</u>
2 each	Nozzles for gas	\$ <u>75.²⁰</u>
2 each	Nozzles for diesel	\$ <u>77.²⁰</u>
2 each	External filters, 10 micron	\$ <u>12.⁴²</u>
	Removal of old pumps	\$ <u>1.⁰⁰</u>
	Installation of new pumps	\$ <u>1,500.⁰⁰</u>
	GRAND TOTAL	\$ <u>15,240.²²</u>

If the successful bidder, we will deliver within 3 calendar days* after receipt of order.

*AFTER ORDER
IS RECEIVED
FROM GASBOY

All bids must be firm for not less than 45 days after official opening of bids.

All bids must be F.O.B. Adrian, Michigan. Installed.

The City of Adrian reserves the right to accept or reject any or all bids and to waive any irregularities.

Bidders may submit more than one bid.

All bids must contain detailed specifications and warranty information on the products being bid. Deviations from specifications must be noted on a separate sheet.

The City of Adrian has a local preference policy.

No contract shall be made with any person, firm or corporation in default of the city.

Sealed Bid Notice
Gas Pumps
Page 2

Any questions may be directed to Mr. Mark Bishop at (517) 264.4889 during normal business hours

All bids must be submitted in a sealed envelope clearly marked on the outside, "Sealed Bid - Fuel Pumps"

NAME OF COMPANY H. DOMINE ENTERPRISES, INC.
ADDRESS 20676 SIBLEY ROAD
CITY BROWNSTOWN STATE MI ZIP 48193
BY KIMBERLY DOMINE
TITLE Vice PRES.
TELEPHONE 734.283.5000 FAX 734.283.5470
DATE JUNE 30, 2009

CR09-042

July 20, 2009

RE: PUBLIC WORKS – Purchase of Fuel Pumps

RESOLUTION

WHEREAS, sealed bids were received July 2, 2009 for two diesel and one gas fuel pumps, breakaway hoses and filter adapters to be installed at the Public Works facility; and

WHEREAS, said bids have been tabulated and recommendations made by Kristin Bauer, City Engineer, 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 fuel pumps and accessories be awarded to H. Domine Enterprises of Brownstone, MI, in the amount of \$15,240.22 under the terms and conditions as specified and as proposed in their sealed bids dated July 2, 2009.

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

CR-2

MEMORANDUM

July 14, 2009

TO: Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

**SUBJECT: Municipal Employees' Retirement System
Of Michigan Annual Meeting**

Each year the pension system of which the City is a member has an annual meeting to which each member municipality is urged to send official delegates. Each municipality is entitled to one municipal representative and one employee representative.

We have just completed the balloting for the employee's representative and the results of the election are as follows:

Joshua North	APD	31
Cindy Prue	Finance	25
Dan Wright	O&M	15
Robert Gentry	P&F	4
Donna Stewart	Treasurer	2
Jim Karle	P&F	1

Based on the results of the voting, I would recommend that Joshua North be named employee representative with Cindy Prue as the employee alternate. I further recommend that Jeff Pardee be named the City's Representative this year with Pat Baker as his alternate. Attached hereto, you will find the necessary resolution drawn in accord with the above recommendations.

CR09-043

July 20, 2009

RE: ADMINISTRATION – Appointment of Delegates to the Annual MERS Meeting

RESOLUTION

WHEREAS, the Michigan Municipal Employees Retirement System (MERS) is having its annual meeting of participating municipalities; and

WHEREAS, it is necessary that one officer and one employee of the City of Adrian be designated by each municipality, with respective alternates; and

WHEREAS, there has been an election held by employees of the City of Adrian.

NOW, THEREFORE, BE IT RESOLVED that Joshua North be designated as the employee representative and Cindy Prue as the alternate employee delegate; and be it

FURTHER RESOLVED, that Jeff Pardee be designated as the City Officer delegate and that Pat Baker be designated as the alternate officer delegate to attend the meeting at the Amway Grand Plaza Hotel in Grand Rapids, MI on September 15 through 17, 2009 in accordance with the provisions of the Municipal Employees Retirement Act No. 135, Public Act of 1945, as amended.

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

REGULAR

AGENDA

0-1

ORDINANCE 09-08

AN ORDINANCE TO CREATE ARTICLE V OF CHAPTER 90, OF THE ADRIAN CODE, ENTITLED "MOTOR CARRIERS"

Article V of Chapter 90 of the Adrian Code is hereby created to read as follows:

Article V of Chapter 90 Motor Carriers.

DIVISION 1. SAFETY

Sec. 90-200. Adoption of federal regulations; definitions.

(1) The City of Adrian hereby adopts the following provisions of Title 49 of the Code of Federal Regulations, on file with the office of the Secretary of State except where modified by this division, to provide for the safe transportation of persons and property with the intent of following the policies and procedures of the United States Department of Transportation's Federal Highway Administration as they relate to Title 49 of the Code of Federal Regulations and the North American Standard Uniform Out-Of-Service Criteria and Inspection Procedures.

(a) Hazardous materials regulations, being 49 CFR parts 100 through 180 except for the transportation of agricultural products for which an exception from the application of 49 CFR subchapter C and 49 CFR subchapters G and H, part 172, is provided under 49 CFR 173.5, is specifically authorized if the transportation is in compliance with this act and other state law.

(b) Motor Carrier Safety Regulations, being 49 CFR parts 40, 356, 365, 368, 371 through 373, 375, 376, 379, 382, 385, 387, 390 through 393, 395 through 399 including the appendices of each part except for the following:

1. Except as provided in this subparagraph, where the term "United States Department of Transportation", "federal motor carrier safety administration", "federal motor carrier safety administrator", "director", "bureau of motor carrier safety", "pipeline and hazardous materials administration", or "associate administrator for hazardous materials safety" appears, it refers to the department of state police. If the term is being used for the purposes of 49 CFR 397 as it relates to routing and movement of hazardous materials, it refers to the Michigan state transportation department.
2. Where "interstate" appears, it shall mean intrastate or interstate, or both, as applicable, except as specifically provided in this act.
3. Where "special agent of the federal motor carrier safety administration", "administration personnel", or "hazardous materials enforcement specialist" appears, it either means a peace officer or an enforcement member of the motor carrier division of the department of state police.
4. Where MCS 63 appears, it means MC 9 and MC 9b.
5. Where MCS 64 appears, it means UD-70.

6. Exempt intracity zones and the regulations applicable to exempt intracity zones do not apply to this act.
- (2) This act does not apply to a bus operated by a public transit agency operating under any of the following:
 - (a) A county, city, township, or village as provided by law, or other authority incorporated under 1963 PA 55, MCL 124.351 to 124.359. Each authority and governmental agency incorporated under 1963 PA 55, MCL 124.351 to 124.359, has the exclusive jurisdiction to determine its own contemplated routes, hours of service, estimated transit vehicle miles, costs of public transportation services, and projected capital improvements or projects within its service area.
 - (b) An authority incorporated under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, or that operates a transportation service pursuant to an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
 - (c) A contract entered into pursuant to 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536, or 1951 PA 35, MCL 124.1 to 124.13.
 - (d) An authority incorporated under the public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479, or a nonprofit corporation organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, that provides transportation services.
 - (e) An authority financing public improvements to transportation systems under the revenue bond act or 1933, 1933 PA 94, MCL 141.101 to 141.140.
 - (3) As used in this act, “hazardous material vehicle inspection or repair facility” means a commercial enterprise that performs inspections, certification, testing, or repairs to commercial motor vehicles transporting hazardous materials as required by 49 CFR parts 100 to 180 and includes motor carriers that perform the inspections, certification, testing, or repairs to vehicles owned or leased by the motor carrier.

Section 90-201. Person qualified to drive commercial motor vehicle.

- (1) A person shall not drive a commercial motor vehicle unless he or she is qualified to drive that vehicle. A motor carrier shall not require or permit a person to drive a commercial motor vehicle unless that person is qualified to drive that vehicle.
- (2) In the case of intrastate transportation, a person is qualified to drive a commercial motor vehicle if he or she meets all of the requirements of 49 CFR part 391 except all of the following provisions:
 - (a) Except as otherwise provided in subdivision (b), the person is at least 18 years old when transporting intrastate property or passengers.
 - (b) The person is at least 21 years old when transporting hazardous materials in a quantity that requires the vehicle to be marked or placarded under 49 CFR parts 100 to 180.
 - (c) The person is eligible for and displays a valid medical waiver card, is excepted from the medical waiver card provisions under this act, or displays a grandfather rights card issued in accordance with this act.

Section 90-202. Person applying to operate commercial motor vehicle; providing list of applicant's former employers and related information.

A person who applies to operate a commercial motor vehicle as defined by section 7a of the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, being section 257.7a of the Michigan Compiled Laws, shall submit a list of the names and addresses of the applicant's employers during the 7-year period preceding the 3-year period required by 49 C.F.R. 391.21(b)(10) for which the applicant was an operator of a commercial motor vehicle, together with the dates of employment and the reasons for leaving such employment.

Section 90.203. Person not physically qualified to drive, waiver to drive commercial motor vehicle, application; requirements; issuance of waiver; validity; renewal; notice; suspension or revocation; denial of application for waiver; appeal; effect on worker's compensation status.

- (1) A person who is not physically qualified to drive under CFR 391.41 and who is otherwise qualified to drive a commercial motor vehicle may drive a commercial motor vehicle if the motor carrier division of the department of state police or the appeal board has granted a waiver to that person.
- (2) An application for a waiver shall be submitted jointly by the person who seeks a waiver of his or her physical disqualification and by the motor carrier that will employ the person if the application is granted. The application shall be delivered to the headquarters of the motor carrier division of the department of state police.
- (3) An application for a waiver shall contain all of the following:
 - (a) A description of all of the following:
 1. The type, size, and special equipment, if any, of the vehicles the individual applicant intends to drive.
 2. The general area and type of roads the individual applicant intends to traverse while driving.
 3. The maximum distances the individual applicant intends to drive.
 4. The nature of the commodities or cargo the individual applicant intends to support.
 5. The methods the applicant or any other person will use to load and secure the commodities or cargo.
 6. The nature and extent of the individual applicant's experience at operating commercial motor vehicles of the type he or she intends to drive.
 - (b) An agreement that the motor carrier will promptly file with the motor carrier division of the department of state police reports that the division may require, including accident reports.
 - (c) An agreement that if a waiver is granted, it authorizes the individual applicant to drive intrastate only when employed by the motor carrier that joined in the individual's application.
- (4) An application for a waiver shall be accomplished by all of the following:
 - (a) Not less than 2 reports of medical examinations, conducted within the preceding 60 days of the date of the application, pursuant to 49 CFR 391.43, each of which

includes the medical examiner's opinion concerning the individual applicant's ability to operate safely a vehicle of the type the applicant intends to drive.

- (b) A copy of the individual applicant's application for employment made pursuant to 49 CFR 391.21 or this act.
- (5) An application for a waiver shall be signed by both the individual applicant and the motor carrier. If the motor carrier is a corporation, the application shall be signed by an officer of the corporation. If the motor carrier is a partnership, the application shall be signed by a general partner.
 - (6) The driver applicant or motor carrier applicant shall not falsify information in the letter of application or the renewal application.
 - (7) The motor carrier division of the department of state police may deny the application or may approve the application, in whole or in part, and issue a waiver subject to the terms, conditions, and limitations as it considers consistent with safety and the public interest. A waiver is valid for not more than 2 years, and a waiver may be renewed upon submission of a new application under this act.
 - (8) If the motor carrier division of the department of state police grants a waiver, it shall notify each applicant by a letter, that sets forth the terms, conditions, and limitations of the waiver. The motor carrier shall retain the letter or a legible copy of it and a copy of the medical waiver card in the driver's qualification file as long as the individual applicant is employed by that motor carrier and for 3 years thereafter. The individual applicant shall have the current medical waiver card in his or her possession when he or she drives a commercial motor vehicle or is otherwise on duty.
 - (9) The motor carrier division of the department of state police may suspend a waiver at any time. The motor carrier division may revoke a waiver after the person to whom it was issued is given notice of the proposed revocation and a reasonable opportunity to appeal for review.
 - (10) An applicant who was denied in whole or in part his or her application for a waiver of physical defect under this act or conflict of medical evaluation under 49 CFR 391.47 may make an appeal for review by contacting the motor carrier division.
 - (11) Notwithstanding any other provisions of this section, the determination of the motor carrier safety appeal board shall have no bearing on worker's compensation status.

Section 90.203. Trailers or trailer-vehicle combinations; surge brakes equipment for intrastate operation.

Trailers with a gross vehicle weight or gross vehicle weight rating of 15,000 pounds or less or trailer-vehicle combinations with an actual gross vehicle weight or a gross vehicle weight rating of 26,000 pounds or less may be equipped with surge brakes for intrastate operation as allowed by section 705(1)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.705.

Section 90.204. Exceptions to act and federal provisions; exemption from medical qualification; grandfather rights; preexisting conditions; maintaining copy of grandfather card.

- (1) The provisions of this act and 49 CFR 391.21 relating to applications for employment, 49 CFR 391.23 relating to investigations and inquiries, and 49 CFR 391.33 relating to road

tests do not apply to a driver who has been a regularly employed driver of an intrastate motor carrier of property for a continuous period which began on or before June 10, 1984, as long as he or she continues to be a regularly employed driver of that motor carrier or to a driver who has been a regularly employed driver of an intrastate motor carrier of passengers for a continuous period which began on or before March 3, 1991, as long as he or she continued to be a regularly employed driver of that motor carrier. Such a driver is qualified to drive a commercial motor vehicle if he or she fulfills the requirements of section 90-201(2).

- (2) The provisions in this act pertaining to an intrastate driver's medical qualifications do not apply to any driver who:
 - (a) Has been a regularly employed driver of the motor carrier for a continuous period that began on or before June 10, 1984.
 - (b) Has continued to be a regularly employed driver of that motor carrier.
 - (c) Is otherwise qualified to drive a commercial motor vehicle under this act.
 - (d) Has made application to the appeal board claiming grandfathering rights.
 - (e) Has received a grandfather rights card from the motor carrier division of the department of state police. The grandfather rights card shall be carried at all times on the person of the driver while he or she is operating a commercial motor vehicle. The original grandfather rights application form or a legible copy of it will be retained in the driver's qualification file in accordance with this act.
- (3) Notwithstanding subsection (2), the provisions of this act pertaining to random, reasonable cause, and postaccident drug and alcohol testing apply to all drivers as required by 49 CFR part 382 granted grandfather rights under this section.
- (4) Grandfather rights shall remain valid until December 31, 2014.
- (5) The exemption from medical qualification under this section applies only to preexisting conditions before January 1, 1996. Any medical condition that would normally disqualify a driver under this act automatically voids any grandfather rights. Any driver who develops a normally disqualifying medical condition or violates any provision of subsection (2) of this section after being issued a grandfather card must return the grandfather card to the motor carrier division of the department of state police and apply for a medical waiver as provided in this act.
- (6) A motor carrier shall maintain the original or a legible copy of the grandfather card issued under this act in the file of each driver that has been issued one.

Section 90-205. Intrastate transportation; exceptions; applicability to farm vehicle driver, public utility driver, government-owned commercial motor vehicle, certain combination of vehicles, and buses; definitions.

- (1) In the case of intrastate transportation, the provisions of 49 CFR 391.21 relating to application for employment, 49 CFR 391.23 relating to investigations and inquiries, 49 CFR 391.31 relating to road tests, 49 CFR part 395 relating to hours of service, 49 CFR 391.41 to 391.45 to the extent that they require a driver to be medically qualified or examined and to have a medical examiner's certificate on his or her person and the provisions of this act relating to files and records do not apply to a farm vehicle driver s defined in 49 CFR 390.5.

- (2) For intrastate transportation, the provisions of this act do not apply to a self-propelled implement of husbandry or an implement of husbandry being drawn by a farm tractor or another implement of husbandry.
- (3) The provisions of this act related to driver qualifications do not apply to a public utility, telephone, and cable television company service employees if those employees are not otherwise being used as a regularly employed driver and are not operating a vehicle that meets the definitions of a commercial motor vehicle in 49 CFR part 383.
- (4) The requirements of 49 CFR part 395 do not apply to any driver of a public utility service vehicle when being used in cases of emergency. As used in this subsection, "emergency" means any instance of loss of public utility service due to an unforeseen circumstance, a natural disaster, or an act of God. A declaration of emergency by a public official is not required to constitute an emergency under this subsection.
- (5) A commercial motor vehicle constructed and maintained so that the body chassis or other parts of the vehicle afford the rear end protection required by 49 CFR 393.86 is in compliance with that section.
- (6) This ordinance does not apply to a commercial motor vehicle owned and operated by a unit of government or its employees, except as otherwise provided by this act, and except for all of the following parts of 49 CFR:
 - (a) Part 382.
 - (b) Part 391.
 - (c) Part 392
 - (d) Part 393.
- (7) A combination of vehicles with an actual combination gross vehicle weight or a gross combination weight rating of 26,000 pounds or less, provided the trailer or semitrailer has an actual gross vehicle weight or gross vehicle weight rating of 15,000 pounds or less, may be equipped with surge brakes for intrastate operation as allowed by section 705(1)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.705. Vehicles of any size that are transporting hazardous materials in an amount that requires placarding or vehicles that are designed to transport more than 8 passengers, including the driver, are prohibited from being equipped with surge brakes for intrastate operation.
- (8) This ordinance does not apply to a school bus as defined in the pupil transportation act, 1990 PA 187, MCL 257.1801 to 257.1877, or a bus defined and certificated under the motor bus transportation act, 1982 PA 432, MCL 474.101 to 474.414.
- (9) As used in subsections (3) and (4), "public utility" means a person or corporation operating equipment or facilities for producing, generating, transmitting, delivering, or furnishing gas or electricity for the production of light, heat, or power for the public for compensation.
- (10) As used in this section:
 - (a) "Implement of husbandry" means that term as defined in section 21 of the Michigan vehicle code, 1949 PA 300, MCL 257.21.
 - (b) "Farm tractor" means that term as defined in section 16 of the Michigan vehicle code, 1949 PA 300, MCL 257.16.

Section 90-206. Motor carriers; submission of documents to motor carrier officer; inspection of cargo.

- (1) Motor carriers shall submit, upon demand, all their transportation safety related documents, such as all records and information pertaining to any accident, driver's records of duty status, bills of lading, shipping records, driver time and payroll records, driver qualification records, vehicle maintenance records, and equipment for inspection or copying during regular business hours to any City of Adrian police officer.
- (2) Hazardous materials vehicle inspection and repair facilities shall submit, upon demand, all their transportation safety related documents as required by this act, such as hazardous materials tank certification and repair documents, and annual inspection certification documents to any City of Adrian police officer.
- (3) A motor carrier or a hazardous material vehicle inspection or repair facility operating within this state with main offices in another state or province shall submit all transportation safety related documents as outlined in subsection (1) for inspection and copying within 10 working days after receiving formal notification requesting the documents.
- (4) A City of Adrian police officer may without warrant require the cargo carrying portion of a vehicle to be opened for inspection of the cargo, any object within that portion of the vehicle, or the interior of the vehicle or any compartment within the interior of the vehicle. If a commercial motor vehicle is inspected by breaking the load seal, then the City of Adrian Police officer shall insure the load is resealed and sign the load paper work provided by the driver.

Section 90-207. Violation of act or rules; penalty.

- (1) Except as provided, any person, driver, or motor carrier as defined by CFR 390.5 who violates this act or a rule promulgated under this act, or permits or requires any person to violate this act or a rule promulgated under this act, is responsible for a civil infraction and may be ordered to pay a fine of not more than \$250.00 for each violation.
- (2) A peace officer upon probable cause to believe that a motor vehicle is being operated in violation of this act or a rule promulgated under this act, may stop the motor vehicle and inspect the motor vehicle. If a violation is found, the officer may issue a notice to appear for that violation.
- (3) A peace officer, upon notification of a valid out-of-service order upon a motor carrier issued by the United States department of transportation, by a state or a political subdivision of a state, by the Canadian or Mexican government, or by the government of a province of Canada, may stop and detain any vehicle operated by the motor carrier and place the vehicle and driver out of service pursuant to the order. A driver or motor carrier operating a vehicle in violation of an out-of-service order is responsible for a civil infraction and shall be assessed a fine of not more than \$500.00.

Section 90-208. Serious safety defect.

- (1) A driver, person, or motor carrier as defined by 49 CFR 390.5 who operates or who requires or permits the driver to operate a commercial motor vehicle with a serious safety defect in violation of this act or a rule promulgated under this act is responsible for a civil infraction and shall be assessed a fine of not more than \$500.00 for each violation. A fine ordered to be paid by a district court shall be paid to the treasurer of the political subdivision whose ordinance is violated.
- (2) As used in this section, "serious safety defect" means a violation of this act or a rule promulgated pursuant to this act relative to brakes, tires, steering, coupling devices, headlights, taillights, brake lights, and turn signals that results in the vehicle being placed out of service.

Section 90-209. Transporting package relating to hazardous material required to be marked or labeled; violation; penalty; owner or user of hazardous materials vehicle inspection or repair facility; violation as a misdemeanor.

- (1) A person who operates or who requires or permits a person to operate a commercial motor vehicle in violation of this act or a rule promulgated under this act related to the transportation of hazardous materials if the vehicle is transporting a package required to be marked or labeled under 49 CFR parts 100 to 180 is responsible for a civil infraction and may be ordered to pay a fine of not more than \$500.00 for each violation.
- (2) A person or entity identified in subsection (1) who knowingly or willfully violates this act or rule promulgated under this act is, upon conviction, guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$500.00, or both, for each violation.
- (3) An officer, employee, owner, or agent of an individual, partnership, corporation, or association, or their lessees or receiver appointed by a court that is the owner or user of any hazardous materials vehicle inspection or repair facility that violates a section of this act, or a rule promulgated under this act, related to the transportation of hazardous materials, is guilty of a misdemeanor.

Section 90-210. Definitions; compliance order; shut down order; noncompliance as misdemeanor; impoundment of vehicle.

- (1) As used in this section:
 - (a) "Immediate destination" means the next scheduled stop of a commercial motor vehicle already in motion where the cargo on board can be safely secured.
 - (b) "Motor carrier division" means the motor carrier division of the department of state police.
 - (c) "Person" means an individual, driver, or employee or a firm, motor carrier, lessee, lessor, association, partnership, or corporation, and their affiliated or related successors, that undertakes to control, direct, conduct, or otherwise perform transportation by commercial motor vehicle upon the public highways of

the City.

- (d) "Shut down order" means a court order issued to a motor carrier upon proof shown of unreasonable risk or an imminent hazard.
 - (e) "Unreasonable risk or an imminent hazard" shall be defined as any condition of commercial motor vehicle, employee, or commercial motor vehicle operation which creates, causes, or compounds the substantial likelihood that death, serious illness, or severe personal injury may occur if not discontinued immediately.
- (2) Upon determination that the continued operation of commercial motor vehicles by a person upon the highways of this state poses an unreasonable risk or an imminent hazard to the public safety, the motor carrier division shall issue a compliance order. The order may direct a person to make certain changes, repairs, or alterations to the person's vehicles or operations, to comply with the laws of this state. In making an order, restrictions shall not be imposed on any employee or person beyond that required to abate the hazard. Any vehicle or driver operating during the specified time period of the order shall be in compliance with all applicable laws and rules.
 - (3) A compliance order shall include the name and address of the person and the chief operating officer of the person, the reason or reasons for the order, and the requirements or conditions that must be met for rescission of the order. The order shall also include a statement that the person has a set time limit to comply with the order. If the set time limit expires and the person is not in compliance with the order, the motor carrier division may seek a shut down order from a circuit court. The motor carrier division shall set the time limit for compliance with the compliance order to be not less than 30 days and not more than 180 days.
 - (4) Upon petition to the circuit court having jurisdiction by the motor carrier division, the court may issue a shut down order. The order shall direct a vehicle or vehicles or employee or employees out of service from further operations, or shall direct a person to cease all or part of the person's commercial motor vehicle operation. In making such an order, restrictions shall not be imposed on any employee or person beyond that required to abate the hazard.
 - (5) A shut down order shall include the name and address of the person and the chief operating officer of the person, the reason or reasons for the order, the requirements or conditions that must be met for rescission of the order, and a statement of the right to appeal.
 - (6) An order to any person to cease all or part of its operation shall not prevent vehicles in transit at the time the order is served from proceeding to their immediate destinations, unless that vehicle or person is specifically ordered out of service. However, vehicles and drivers proceeding to their immediate destination shall be subject to compliance upon arrival.
 - (7) A person who fails to comply with a shut down order is guilty of a misdemeanor, punishable by a fine of not more than \$500.00 for each violation, or by imprisonment for not more than 90 days, or both. A person or vehicle found operating on the highways of the City while under a shut down order shall be immediately stopped, and impounded or arrested. The owner or lessee of the vehicle shall be responsible for any costs incurred during impoundment. The

vehicle shall be released upon the court's determination that the order has been complied with.

Section 90-211. Venue.

When this division has been violated, the offense may be prosecuted in the 2-A district court in Lenawee County, State of Michigan.

Section 90-212. Notification of incident; definition.

- (1) Immediately following any of the following occurrences involving the transportation of hazardous materials, the owner, driver, or lessee, or representative of the owner, driver, or lessee, shall notify the motor carrier division of the department of state police and the organized fire department of the area in which the incident occurred of the known details regarding the incident:
 - (a) A person is killed.
 - (b) A person is hospitalized due to an injury.
 - (c) A person is hospitalized due to hazardous material contamination or exposure.
 - (d) There is an unintentional release of hazardous materials that affects highway transportation safety or is caused, or believed to be caused, by a violation of this act or a rule promulgated under this act.
- (2) For the purposes of this section, "notify the motor carrier division of the department of state police" includes contacting the local state police post, the operations section of the department of state police, or the motor carrier division headquarters by telephone, facsimile machine, or other means.

Section 90-213. Vehicle combination transporting combustible liquid; requirements; information required to be on file; retention and transfer of information; applicability of requirements in subsections (2) and (3); transport of flammable liquids, gases, or compressed gases.

- (1) A truck tractor pulling a semitrailer and a trailer, or pulling 2 semitrailers, shall not transport a combustible liquid unless the vehicle combination meets the following requirements:
 - (a) Is equipped with a device that restricts the horizontal and vertical rotation of the dolly assemblage of the vehicle combination in a manner that maintains the longitudinal tracking of the dolly and semitrailer in a truck tractor, semitrailer, and trailer combination, or the dolly and the truck in a truck and trailer combination. This device shall be welded to the vehicle in a workmanlike manner, and the efficiency of a weld shall not be less than 85% of the mechanical properties of the adjacent metal in the chassis.
 - (b) Is equipped with stops in the spring hangers of each semitrailer and trailer in the vehicle combination in a manner that improves the stability of the vehicle combination by reducing the free play of the leaf spring suspension to a maximum of 3/4 of an inch when the spring passes from tension to compression.

- (2) The owner of the semitrailer or trailer to which the device described in subsection (1) is attached shall keep on file in their principal place of business the following information:
 - (a) Specifications and plans of the device.
 - (b) Name of the manufacturer of the device.
 - (c) Date of installation of the device.
 - (d) An individual manufacturer identification number which is stamped or permanently affixed to the device.
- (3) The information required in subsection (2) shall be kept by the vehicle's owner and shall be transferred to the new owner if the vehicle is sold, or may be destroyed if the vehicle is retired from service or scrapped.
- (4) The requirements specified in subsections (2) and (3) apply to devices affixed to vehicles on or after the effective date of the amendatory act that added this subsection.
- (5) Commercial motor vehicles used to transport flammable liquids, flammable gases, or compressed flammable gases shall also comply with section 722a of the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, being section 257.722a of the Michigan Compiled Laws.

Section 90-214. Fine for operating vehicle with a serious safety defect; exception, issuance of more than 1 citation; requirements as motor carrier enforcement officer.

- (1) The fine for operating a vehicle with a serious safety defect shall be paid to the county treasurer and shall be allocated as follows:
 - (a) Seventy percent to the City of Adrian
 - (b) Thirty percent for library purposes as provided by law.
- (2) Subsection (1) does not apply to a fine ordered to be paid for a case in which the citation is dismissed pursuant to subsection (3).
- (3) The owner or operator of a commercial motor vehicle shall not be issued more than 1 citation for each violation of a code or ordinance regulating the operation of a commercial motor vehicle and substantially corresponding to a provision of sections 683 to 725a, within a 24-hour period. If the owner or operator of a commercial motor vehicle is issued a citation for an equipment violation that does not result in the vehicle being placed out of service, the court shall dismiss the citation if the owner or operator of that commercial motor vehicle provides written proof to the court within 14 days after the citation is issued showing that the defective equipment indicated in the citation has been repaired.
- (4) In order to be classified as a motor carrier officer, a police officer must have training equal to the minimum training requirements, including any annual training updates, established by the department of state police for an officer of the motor carrier division of the department of state police. A police officer who has received training equal to these minimum training requirements before the effective date of this section is considered a motor carrier enforcement officer for purposes of this act.

Section 90-215. Transfer of hazardous materials.

- (1) Except as provided in subsection (2), a person, driver, owner, carrier, lessee, or lessor shall not transfer or allow to be transferred a hazardous material from a cargo tank, portable tank, or any other container to any cargo tank, portable tank, fuel tank, or any other container on a highway, road, street, or alley in the City.
- (2) Subsection (1) does not apply to the following transfer situations:
 - (a) Fueling machinery or equipment for construction, farm, and maintenance use.
 - (b) Fueling emergency vehicles.
 - (c) Under emergency conditions, a transfer may be made provided it is approved by the local fire chief, the state fire marshal, or a hazardous materials investigator of the motor carrier division of the department of state police pursuant to their respective authority under the fire prevention code, 1941 PA 207, MCL 29.1 to 29.34.
- (3) A person shall not overfill a container, including a storage tank, during a transfer of a hazardous material from or into a vehicle, so that hazardous material is released from the package or container.
- (4) The penalty for violating this section shall be as prescribed in section 90-209.

Section 90-217. Transporting hazardous materials in amount requiring placard on publicly maintained route; prohibition; violation; penalty.

- (1) A person, driver, owner, carrier, lessee, or lessor shall not transport or allow to be transported a vehicle carrying hazardous materials in an amount required to be placarded under title 49 of the code of federal regulations on a publicly maintained route as identified on the national hazardous materials route registry as determined by the department of transportation under title 49 CFR.
- (2) The penalty for violating this section shall be as prescribed in section 90-209.

Section 90-218. Prevention of water or road surface substances being thrown from rear wheels.

A truck, tractor, trailer, semitrailer, or any combination of these, when used on a highway, shall be constructed, equipped, or operated to prevent water or other road surface substances from being thrown from the rear wheels of the vehicle or combination at tangents exceeding 22-1/2 degrees measured from the road surface. If a flap type device is used, it shall not have attached any type of lamp, breakable reflective material, or reflecting buttons nor may the device extend beyond the maximum width of the vehicle or combination.

INTRODUCTION.....July 20, 2009

SUMMARY PUBLISHED.....

ADOPTION.....

COMPLETE PUBLICATION.....

EFFECTIVE DATE.....

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

50-1, R-1

July 20, 2009

SPECIAL ORDER

The Mayor called for the hearing and consideration of comments to the submission of an application for a Justice Assistance Grant (JAG) for the purpose of purchasing in-car video systems for four patrol vehicles.

Discussion

When the Mayor called for final objections _____

_____ and he declared the hearing closed.



BJA FY 09 Edward Byrne Memorial Justice Assistance Grant Program: Local Solicitation 2009-H1017-MI-DJ



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APPLICATION FOR FEDERAL ASSISTANCE	2. DATE SUBMITTED July 07, 2009	Applicant Identifier	
	1. TYPE OF SUBMISSION Application Non-Construction	3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name City of Adrian		Organizational Unit Police Department	
Address 100 E. Church St. Adrian, Michigan 49221-2720		Name and telephone number of the person to be contacted on matters involving this application Schwartz, James (517) 264-4898	
6. EMPLOYER IDENTIFICATION NUMBER (EIN) 38-6004654		7. TYPE OF APPLICANT Municipal	
8. TYPE OF APPLICATION New		9. NAME OF FEDERAL AGENCY Bureau of Justice Assistance	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 16.738 CFDA: EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT PROGRAM TITLE: ASSISTANCE GRANT PROGRAM		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT The purchase of in car video will enhance the officer's ability to prosecute crimes, document events, provide officer safety and facilitate convictions for criminal events.	
12. AREAS AFFECTED BY PROJECT The safety of the officers will be preserved. This will allow the officers to document events, review for training purposes, and provide safety to citizens of the community. This will also allow for case presentation for trials with a goal of increased convictions.			
13. PROPOSED PROJECT Start Date: July 15, 2009 End Date: July 15, 2010		14. CONGRESSIONAL DISTRICTS OF a. Applicant b. Project MI07	
15. ESTIMATED FUNDING		16. IS APPLICATION SUBJECT TO REVIEW BY STATE	

Federal	\$14,539	EXECUTIVE ORDER 12372 PROCESS? This preapplication/application was made available to the state executive order 12372 process for review on 05/30/2013
Applicant	\$0	
State	\$0	
Local	\$0	
Other	\$0	
Program Income	\$0	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? N
TOTAL	\$14,539	
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS REQUIRED.		

Continue

**PROGRAM BUDGET
JAG GRANT 2009-H1017-MI-DJ**

Budget:

A) EQUIPMENT

(4) DVM-500 Digital Ally Camera Systems @ \$3,995.00 each \$15,980.00

INSTALLATION

(4) LABCAM Installation of camera system @ \$255.00 each \$1,020.00

TOTAL \$17,125.00

Budget Narrative:

Equipment:

\$15,980.00 will be used to purchase four (4) in car video cameras for the police vehicles. There currently are no cameras in the vehicles which creates liability and investigative obstacles. The equipment will be used by the Adrian Police Department but will benefit all law enforcement agencies within Lenawee County to include the Lenawee County Prosecutor's Office.

Installation:

\$1020.00 will be used for the proper installation of all equipment needed to utilize the in car camera system for the patrol vehicles. This will include four (4) complete installations of the cameras to include front and rear cameras and audio.

Adrian Police Department
JAG Application 2009-H1017-MI-DJ

Abstract:

Name: Adrian Police Department
100 E. Church Street
Adrian, Michigan 49221

Project Title: To provide efficient effective investigations and training

Goals: Our goal is to provide efficient, effective and proactive enforcement of all laws in the City of Adrian. The ability to provide this service is essential for our members to utilize advancements in technology. The ability to have video in the patrol vehicles will allow our officers documentation upon citizen contacts. These videos will also provide accurate documentation when preparing for criminal cases. It will also serve as evidence in court proceedings. Because of the recorded facts, this will allow for cases to be presented and possible case resolution prior to actual trials.

Another goal to be addressed is the reduced liability to the Adrian Police Department and the citizens that we serve. This will allow the Adrian Police Department to address officer complaints by reviewing video. This will also address training issues as observed by officer's actions while dealing with the public. This will ensure officer safety training and case management.

R09-120

July 20, 2009

RE: POLICE DEPT. – Justice Assistance Grant – Set Public Hearing

RESOLUTION

WHEREAS, the City of Adrian Police Department is requesting authorization to apply for funding under the Justice Assistant Grant (JAG) Program; and

WHEREAS, funding is available to purchase the following items:

4	DVM-500 Digital Ally Camera Systems (\$395.00 ea.)	\$15,980.00
4	Installation of Camera Systems (\$255.00 ea.)	<u>\$ 1,020.00</u>
	TOTAL	<u>\$17,125.00</u>

WHEREAS, it is expected that any costs incurred above the grant amount will be paid by the City of Adrian; appropriate budget amendments will be prepared at the time of the grant acceptance; and

WHEREAS, a Justice Department prerequisite to grant acceptance is holding a Public Hearing to provide an opportunity for public input, which has been scheduled for July 20, 2009, at 7:00 p.m. in the Commission Chambers at Adrian City Hall, 100 E. Church Street; and

WHEREAS, the Police Chief and City Administrator recommend authorizing submission of the Justice Assistance Grant (JAG) application (2009-H1017-MI-DJ).

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes submission of the Justice Assistance Grant (JAG) application.

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

R-2

R09-121

July 20, 2009

RESOLUTION

WHEREAS, Kirk Valentine has tendered his written resignation as a City Commissioner for the City of Adrian on July 9, 2009; and

WHEREAS, Commissioner Valentine has served the City of Adrian with distinction.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the resignation of Kirk Valentine, be, and is hereby, accepted by the Adrian City Commission; and be it

FURTHER RESOLVED, that the City Commission sends its gratitude to Commissioner Valentine for his contributions to the City of Adrian during his term in office.

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

R-3

Adrian Fire Department



Memorandum

To: Mayor Gary McDowell, Adrian City Commission
City Administrator Dane Nelson

From: Paul G. Trinka

CC: file

Date: 9 July 2009

Re: Fireworks 1 August 2009

Paul Maybee from the Christian Family Centre has contacted the fire department regarding the fireworks display for this year's event. Mr. Maybee has submitted the paperwork as required, including proof of insurance for the event.

I have reviewed the proposed location of the firing area at City owned property on Industrial Drive. To meet the safe distances from the firing area to the spectators as set forth in the National Fire Protection Association guidelines for safe displays I would recommend the following:

- a. Industrial Drive be closed to all vehicular and pedestrian traffic
- b. No parking be allowed in Nuestro, Kapnick and the Adrian Nazarene Church parking lot
- c. Security to insure spectators do not walk across the field from the Maple Woods development into the fallout area.

I would also ask that Chief Collins be consulted due to the proximity to US-223.

If these conditions and approvals are address the fire department requirements are met.

Brenda Williams

From: Terry Collins
Sent: Tuesday, July 14, 2009 2:10 PM
To: Brenda Williams
Subject: RE: Fireworks Display

If Paul has no problems with the area, I have no problems. There is a slight concern that vehicles travelling down US223 will slow down or stop to see the fireworks and cause a traffic hazard, but I do not think it is significant enough to stop the activity.

Terrence B. Collins
Chief of Police
Adrian Police Department
100 E. Church St.
Adrian, Michigan 49221
(517) 264-4848



1800 West US-223, Adrian, MI 49221
(517) 263-6232 • www.thecentre.info

July 9, 2009

Dear City Commission,

Together with several churches, businesses and other non-profits, we are planning for the second annual Community Celebration Day event. This year the event is designed to take place at multiple sites throughout the City. At the conclusion of the day's events we will be gathering at the Adrian College Football Field for a night of entertainment including Kidz Blitz, and recording artist Francesca Battistelli, followed by a spectacular fireworks display at 9:45pm.

The purpose of Community Celebration Day is to celebrate who we are and the freedoms we enjoy. It's about helping one another through service projects. It's about hope and laughter, but mostly it's about feeling good about our community, because together we are better!

Mission Statement:

Community Celebration Day is an investment back into our wonderful community. Community Celebration Day will be characterized as a family-friendly, wholesome, safe, and fun day of diverse activities, entertainment and service. Activities will be offered to the community at a low cost or free and will be hosted by a variety of churches, businesses and non-profits for God to be glorified and for His name to be lifted up.

The purpose of this letter is to inform the City of some of the event details, to request a permit, to seek permission to use City property for the fireworks display, and the City's general consent and blessing. The fireworks site plan has been designed for best viewing from inside the Adrian stadium location, with bleachers facing West. We have established the best location for the shooting site to be: on the West side of Industrial Drive between Kapnick Insurance and the Venchurs Property at 100 Industrial Dr. This property is owned by the City of Adrian. The fallout area is 500 feet and includes the property of Kapnick Insurance, and Venchurs. We have secured permission from Kapnick Insurance, Venchurs, and also the Maple Woods housing property which is just outside the fallout area.

For the display itself, we have secured the services of Pyrotecnico of New Castle PA who will be providing a turnkey fireworks display with all the necessary licensed technicians to safely deliver and execute the show. They will also be responsible to completely clean up the display area immediately after the display is finished.

We have purchased the required insurance policy for \$10,000,000.00 which names as additionally insured: The City of Adrian, MI; Kapnick and Company, Inc.; HJM Development, LLC; Venchurs, Inc; WREI, Inc; Maple Woods Partners Limited Partnership / Medallion Homes.

Thank you for considering this request. We are working hard to provide a fantastic, fun event designed for the benefit of the entire community.

Respectfully submitted,

Paul Maybee

On behalf of The Centre

PERMIT

FOR FIREWORKS DISPLAY Act 358, P.A. 1968

This permit is not transferable. Possession of this permit by the herein named person will authorize him to possess, transport and display fireworks in the amounts, for the purpose, and at the place listed below only.

TYPE OF DISPLAY: Public Display Agricultural Pest Control

ISSUED TO:

NAME **PAUL MAYBEE on behalf of THE CENTRE. 1800 West US 223. Adrian. MI 49221**

ADDRESS **171 E. LOWRY ST. BROOKLYN. MI 49230** AGE **50**

REPRESENTING:

NAME OF ORGANIZATION, GROUP, FIRM OR CORPORATION
THE CENTRE

ADDRESS **1800 West US 223. ADRIAN. MI 49221**

NUMBER & TYPES OF FIREWORKS:

TOTAL OF 458 MISCELANEOUS SHELLS, RANGING FROM 3" TO 5" IN DIAMETER

THE DISPLAY WILL BE PRODUCED "TURNKEY" BY PYROTECNICO OF NEW CASTLE PENNSYLVANIA, AND

INCLUDES LICENCED TECHNICIANS, TRANSPORATION, DELIVERY, EQUIPMENT, AND INSURANCE.

DISPLAY:

EXACT LOCATION
GRASS FIELD - NW SIDE OF 100 INDUSTRIAL DR. - PROPERTY OF THE CITY OF ADRIAN

CITY, VILLAGE, TOWNSHIP
CITY OF ADRIAN

DATE
AUGUST 1, 2009

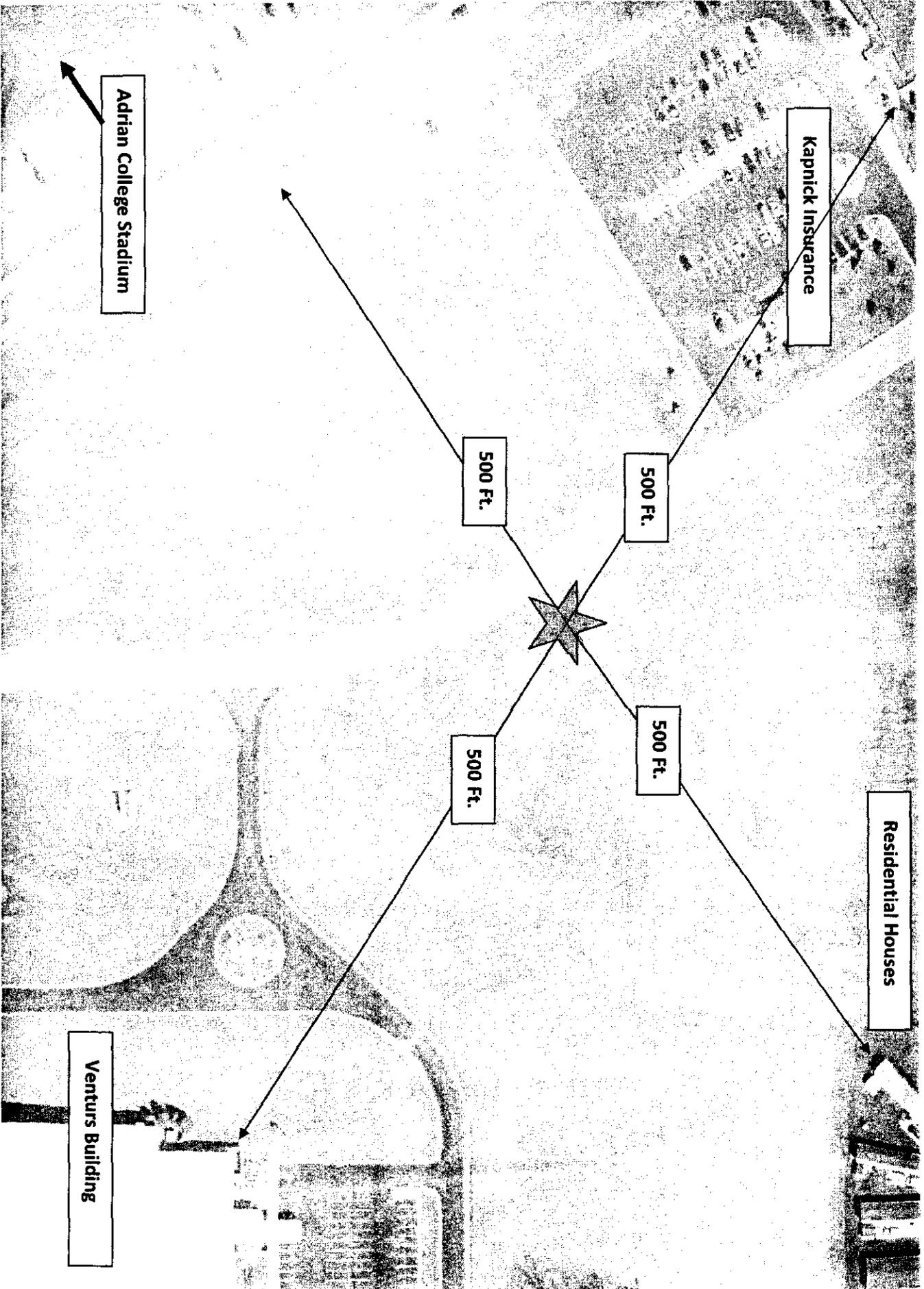
TIME
9:45pm

BOND OR INSURANCE FILED: Yes No AMOUNT **\$10,000,000.00**

ISSUED BY:

Issued by action of the _____
(council, commission, board)
of the _____ of _____
(city, village, township) (name of city, village, township)
on the _____ day of _____ 19____.

(signature & position of council, commission or board representative)



Kapnick Insurance

500 Ft.

500 Ft.

Residential Houses

500 Ft.

500 Ft.

Venturs Building

Adrian College Stadium

Kapnick and Company, Inc.
333 Industrial Drive, P.O. Box 1801
Adrian, MI 49221

July 7, 2009

FAKED

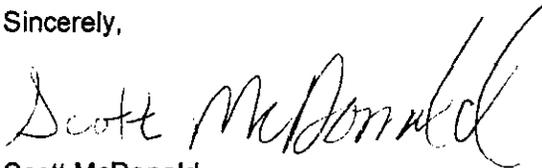
City of Adrian,

Dear City Council,

As owners of the property known as Kapnick and Company, 333 Industrial Drive, P.O. Box 1801, Adrian, MI, we do hereby give our consent to the fireworks display which is being planned by The Centre and others as part of Community Celebration Day in Adrian, MI on August 1, 2009. We have reviewed the site plan which was sent to us by Paul Maybee of the Centre. We understand that the Kapnick and Company property is located inside the fallout area of the fireworks display, and our building is in close proximity at approximately 500 feet from the shooting location.

The Centre shall secure the proper permits and requirements to safely provide this display. The Fireworks will be supplied and administered by Pyrotecnico of New Castle PA with trained and licensed technicians. Pyrotecnico technicians will completely clean up the shooting area immediately after the display. We have received a copy of the \$10,000,000 insurance policy whereby Kapnick and Company, Inc. is named as additional insured.

Sincerely,



Scott McDonald
Kapnick Insurance Group

Medallion Homes
41000 West Seven Mile Rd. Suite 110
Northville, MI 48167
(248) 449-8262
FAX (248) 449-7288

July 7, 2009

City of Adrian,

Dear City Council,

As owners of the property known as Maple Woods, 1550 W. Beecher Avenue, Adrian, MI, we do hereby give our consent to the fireworks display which is being planned by The Centre and others as part of Community Celebration Day in Adrian, MI on August 1, 2009. We have reviewed the site plan which was sent to us by Paul Maybee of the Centre. We understand that the Maple Woods property is outside of the official fallout area of the fireworks display however is in a close proximity being approximately 500 feet from the shooting location.

The Centre shall secure the proper permits and requirements to safely provide this display. The Fireworks will be supplied and administered by Pyrotecnico of New Castle PA with trained and licensed technicians. Pyrotecnico technicians will completely clean up the shooting area immediately after the display. We also ask that both Maple Woods and Medallion Homes be named on the \$10,000,000 insurance policy which is being provided by the Centre.

Sincerely,



Steve Karbal
Property Owner – Maple Woods / Medallion Homes

Venchurs Inc.; WREI, Inc.
100 Industrial Drive
Adrian, MI 49221

July 14, 2009

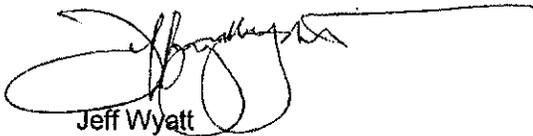
City of Adrian,

Dear City Council,

As owners of the property known as Venchurs, 100 Industrial, Adrian, MI, we do hereby give our consent to the fireworks display which is being planned by The Centre and others as part of Community Celebration Day in Adrian, MI on August 1, 2009. We have reviewed the site plan which was sent to us by Paul Maybee of the Centre. We understand that the Venchurs property is located inside the fallout area of the fireworks display, and our building is in close proximity at approximately 500 feet from the shooting location.

The Centre shall secure the proper permits and requirements to safely provide this display. The Fireworks will be supplied and administered by Pyrotecnico of New Castle PA with trained and licensed technicians. Pyrotecnico technicians will completely clean up the shooting area immediately after the display. We have received a copy of the \$10,000,000 insurance policy whereby Venchurs Inc.; WREI, Inc. are named as additional insured.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Wyatt", with a long horizontal line extending to the right.

Jeff Wyatt
Venchurs Inc.

PRODUCER

MCGRIFF, SEIBELS & WILLIAMS, INC.
 P.O. Box 10265
 Birmingham, AL 35202
 800-476-2211

This certificate is issued as a matter of information only and confers no rights upon the Certificate Holder. This Certificate does not amend, extend or alter the coverage afforded by the policies below.

COMPANIES AFFORDING COVERAGE

Company A United States Fire Insurance

Company B James River Insurance Company

Company C Westchester Surplus Lines Ins

Company D See Attachment

Company E

INSURED

S. Vitale Pyrotechnic Industries, Inc.
 dba Pyrotecnico
 P.O. Box 149
 New Castle, PA 16103

This is to certify that the policies of insurance described herein have been issued to the Insured named herein for the policy period indicated. Notwithstanding any requirement, term or condition of contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, conditions and exclusions of such policies. Limits shown may have been reduced by paid claims.

CO LT	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE EXPIRATION	LIMITS OF LIABILITY	
B	GENERAL LIABILITY <input checked="" type="checkbox"/> Commercial General Liability <input type="checkbox"/> Claims Made <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Owners' and Contractors' Protection <input checked="" type="checkbox"/> Per Project Cap \$2,000,000 Gen Agg <input type="checkbox"/> General Aggregate Limit applies per <input checked="" type="checkbox"/> Policy <input type="checkbox"/> Project <input type="checkbox"/> Location	000292601	01/14/2009 01/14/2010	EACH OCCURRENCE	\$ 1,000,000
				FIRE DAMAGE	\$ 100,000
				MEDICAL EXPENSE	\$ EXCLUDED
				PERS. AND ADVERTISING INJURY	\$ 1,000,000
				GENERAL AGGREGATE	\$ 5,000,000
				PRODUCTS AND COMP. OPER. AGG.	\$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> Any Automobile <input type="checkbox"/> All Owned Automobiles <input type="checkbox"/> Scheduled Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-owned Automobiles <input type="checkbox"/>	1337272101	01/14/2009 01/14/2010	COMBINED SINGLE LIMIT	\$ 1,000,000
				BODILY INJURY (Per person)	\$
				BODILY INJURY (Per accident)	\$
				PROPERTY DAMAGE (Per accident)	\$
				COMPREHENSIVE	\$1000 deductible
				COLLISION	\$1000 deductible
D	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY See Attachment for Workers Comp & Employers Liab Coverage Information			WC Statutory Limit <input checked="" type="checkbox"/> Other <input type="checkbox"/>	
				EL EACH ACCIDENT	\$
				EL DISEASE (Each employee)	\$
				EL DISEASE (Policy Limit)	\$
B	EXCESS LIABILITY <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Claims Made	000296261	01/14/2009 01/14/2010	EACH OCCURRENCE	\$ 4,000,000
				AGGREGATE	\$ 4,000,000
C	EXCESS UMBRELLA COVERAGE	G22054752002	01/14/2009 01/14/2010	Excess of Underlying \$4, Million	\$ 5,000,000
					\$
					\$
					\$
					\$

Fireworks Display Date: August 1, 2009 Rain Date: August 2, 2009

Location: Venchurs, Inc., 100 Industrial Dr., Adrian, MI

Kapnick and Company, Inc.; HJM Development, LLC; Venchurs, Inc.; WREI, Inc; City of Adrian, MI; Maple Woods Partners Limited Partnership / Medallion Homes

The above listed are Additional Insured respects to General Liability policy as required by written contract subject to policy terms, conditions and exclusions. The Certificate Holder is named as Additional Insured with respect to General Liability as required by written contract subject to policy terms, conditions, and exclusions.

CERTIFICATE HOLDER

Christian Family Centre
 1800 West U.S. 223
 Adrian, MI 49221

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

Authorized Representative

R09-122

July 20, 2009

RE: FIREWORKS DISPLAY – Christian Family Centre

RESOLUTION

WHEREAS, the Christian Family Centre has requested permission to conduct a fireworks display on August 1, 2009; and

WHEREAS, proper insurance has been obtained through McGriff, Seibels & Williams, Inc. of Birmingham, AL; and

WHEREAS, the site plan for the northwest side of 100 Industrial Drive has been approved by the City of Adrian Fire Department and the Police Chief; and

WHEREAS, experienced operators employed by S. Vitale Pyrotechnic Industries, Inc. of New Castle, PA will conduct the display.

NOW, THEREFORE, BE IT RESOLVED that a permit submitted by the Christian Family Center for a fireworks display on August 1, 2009 is hereby (approved) (denied).

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

R-4

DATE: July 20, 2009
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Library Teen Room Catalog & Express Internet Units

The Library Director solicited and received quotes from Library Design Associates, Inc. of Plymouth, MI for catalog and express Internet units for the Teen Room. The total cost of both items will be \$1,800.25. The city has purchased items through this firm for the past thirty years and has been pleased with their products and service.

The City Charter allows the bid process to be waived when it is determined that no advantage to the city would result in obtaining additional quotes. I, therefore, urge your favorable consideration authorizing this purchase and that the bid process be waived. Funds are available in the Library's Expenditure account for this purchase.



Dane C. Nelson
City Administrator

DCN:bjw

R-4



143 E. Maumee St. • Adrian, Michigan 49221-2773

Adrian Public Library

(517) 265-2265 • Fax (517) 265-8847
www.adrian.lib.mi.us

July 13, 2009

To: Honorable Mayor Gary McDowell and City Commission
From: Carol Souchock, Adrian Public Library Director
cc: Dane Nelson, City Administrator and Jeff Pardee, Finance Director
Re: Adrian Public Library Teen Room Catalog and Express Internet Units

As previously communicated, due to our ongoing renovation, we are moving forward with the purchase of several items, including furnishings for the teen room. These items are not included in the J. E. Johnson proposal but have been planned for during the renovation budget process. I am proposing purchasing furniture for the library catalog and express Internet station from Library Design with funds donated by the Stubnitz Foundation. This unit has been selected to coordinate with the furniture that our interior designers, SPACE, have selected for the teen room.

Library Design is the premier Michigan distributor for library shelving units and computer furniture and the exclusive Michigan distributor of many library products lines. This firm has been serving our library for over thirty years and they provide a high quality product and excellent long term maintenance and service.

I request permission from the City Commission to authorize the City of Adrian to purchase the teen catalog and express Internet station unit at a cost of \$1,800.25, including shipping, from Library Design and waive the competitive bid process in the best interests of the city. Funds are available in the Library's Expenditure Funds 101-738.00-969-000 for these purchases. The attached resolution has been prepared for consideration by the City Commission at their meeting of July 20, 2009.

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

RE: ADRIAN PUBLIC LIBRARY – Acquisition of New Teen Room Library Catalog and Express Internet Unit

RESOLUTION

WHEREAS, the City Commission, by Resolution #08-118 dated August 4, 2008, adopted a construction management agreement with Central Michigan Developers, LLC, Midland, MI, for renovation of the Adrian Public Library; and

WHEREAS, certain related project components, such as furnishings and book drops, are beyond the scope of the aforementioned agreement, falling to the responsibility of the City of Adrian; and

WHEREAS, the Library Director has solicited a quote from the Library Design Associates, Inc., Plymouth, MI, an experienced Michigan distributor for library furniture; and

WHEREAS, the cost of the teen catalog and express Internet unit, including installation, is \$1,800.25; and

WHEREAS, the City Finance Director indicates that sufficient funds are available through donations by the Stubnitz Foundation for the catalog and express Internet unit (\$1,800.25) in the Library Contributions Account (101-738.00-969.000); and

WHEREAS, the Library Director and City Administrator recommend acceptance of the proposed bid from Library Design Associates, Inc., Plymouth, MI, for acquisition and installation of the subject catalog and express Internet unit, and waiver of the competitive bid process.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acquisition and installation of the catalog and express Internet unit for the Adrian Public Library from Library Design Associates, Inc., Plymouth, MI at a cost not to exceed \$1,800.25.

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.

BE IT, FURTHER, RESOLVED that \$1,800.25 be appropriated from the Adrian Public Library Donations Account (101-738.00-969.000) for the purchase.

On motion by Commissioner _____,
seconded by Commissioner _____, this
Resolution was adopted by a _____ vote.

R-5

DATE: July 15, 2009

TO: Honorable Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

SUBJECT: Soil, Asphalt & Concrete Testing - Two-Way Traffic Conversion

Proposals were solicited and received on July 2, 2009 for soil, asphalt and concrete testing in conjunction with the Two-Way Traffic Conversion Project. After review by the Engineering staff, the City Engineer has recommended that CTI & Associates, Inc. of Brighton, MI be retained for this project at a not-to-exceed cost of \$20,000.

Five firms responded to the offer to bid. There are sufficient funds in the Major Street Contingency account for these testing services.



Dane C. Nelson
City Administrator

DCN:bjw

R-5

July 14, 2009

MEMORANDUM

TO: Dane Nelson, City Administrator
FROM: Kristin Bauer, City Engineer
SUBJECT: Two Way Traffic Conversion
Testing



We received proposals on July 2, 2009 for testing services in conjunction with the Two-Way Traffic Conversion. We received five (5) proposals from the following companies: CTI and Associates, Inc., Soils and Materials Engineers, Inc., TTL Associates, Inc., PSI, Inc., and The Mannik and Smith Group, Inc.

This contract will be a time and materials type of contract using the fee schedules provided in the proposals.

After review of the proposals by my staff and I, we recommend awarding this contract to CTI and Associates, Inc. of Brighton, MI. I contacted several of the references who were pleased with the services provided by CTI and confirmed that they have personnel that live within a reasonable distance from Adrian and providing adequate service to us will not be an issue.

I recommend CTI and Associates, Inc. be awarded this contract on a not-to-exceed amount of \$20,000.

Funds for this project are available in the Major Street Contingency Funds:

(202-990.00-990.00) Major Street Contingency – \$ 20,000



CTI and Associates, Inc.

July 2, 2009

12482 Emerson Drive Brighton, MI 48116 248.486.5100 248.486.5050 Fax

Ms. Kristin L. Bauer, P.E.
City Engineer
City of Adrian
100 East Church Street
Adrian, Michigan 49221

**Re: Request for Proposal – As-Needed Construction Services
Downtown Two-Way Traffic Conversion Project
Adrian, Michigan
CTI Proposal No. 09PR02040-159**

Dear Ms. Bauer:

On behalf of CTI and Associates, Inc. (CTI), we are pleased to submit the attached proposal in response to the Request for Proposal, dated June 17, 2009 for "As-Needed Construction Services" for the Downtown Two- Way Traffic Conversion project in the City of Adrian.

Based on the documentation contained herein, we are confident you will find CTI to be highly competent and experienced in the disciplines required to successfully fulfill the project requirements. CTI is a certified MBE, DBE and SDB with over 32 years of experience in the fields of Geotechnical Engineering and Construction Materials Testing. Our mission at CTI is to provide our clients with the highest level of customer service through communication, responsiveness and dependable delivery from the simplest to the most complex projects.

Upon review of the proposal, please feel free to contact us if you require further information and/or clarification of any of the items within.

We appreciate the opportunity to submit this proposal and qualification package for your consideration.

Respectfully,

CTI and Associates, Inc.

Theresa M. Marsik, P.E.
Senior Project Engineer

Kevin D. Manuel, P.E.
Manager – CMT Group

C. FEE SCHEDULE

We propose to perform the work based on unit rates included in a Professional Services Agreement (PSA) negotiated between the City of Adrian and CTI. The summary of our estimated cost is as follows:

Downtown Two-Way Traffic Conversion Project

Estimated Quantity	Unit Price	Price Extension	Description of Service Item
360	\$36.00	\$12,960.00	Technician with Nuclear Density Gauge - Straight Time ⁽¹⁾
40	\$36.00	\$1,440.00	Technician with Nuclear Density Gauge - Overtime ⁽¹⁾⁽²⁾
48	\$30.00	\$1,440.00	Technician Daily Mobilization (includes travel time to and from the project site)
16	\$80.00	\$1,280.00	Additional Professional Engineer Services, as Requested by City
120	\$12.00	\$1,440.00	Concrete Cylinder Mold, Cure, Pick-up and Compressive Strength Test ⁽⁴⁾
5	\$50.00	\$250.00	Sieve Analysis
5	\$100.00	\$500.00	Modified Proctor, AASHTO T-180
2	\$100.00	\$200.00	Extraction/Gradations ⁽³⁾
3	\$0.00	\$0.00	Review Concrete or Asphalt Mix Design
Total Price:		\$19,510.00	

Notes:

⁽¹⁾ Unit prices for all technician service items shall include all vehicle costs, equipment costs, and office support, including engineering review and secretarial services. No minimum hour charge will be paid, unless work for the day is cancelled by the City without advance notice. Minimum "cancellation charges" will be limited to four hours.

⁽²⁾ Overtime rates shall be applied only to hours worked beyond an eight (8) hour workday (Monday through Friday) or to any hours worked on Saturdays. Double-time rates (2 times the straight time rate) shall be applied to hours worked on Sundays and City holidays.

⁽³⁾ Includes percentage of crushed material. The test results to be submitted to the City within 5 business days.

⁽⁴⁾ The City will require 4 cylinders be molded per sample location, unless otherwise specified.



MEMORANDUM ADDENDUM

Attached please find excerpts, including Fee Schedules, from the five (5) proposals that were submitted on July 2, 2009 by:

CTI and Associates, Inc.	Brighton, MI
Soil and Materials Engineers (SME), Inc.	Plymouth, MI
TTL Associates, Inc.	Plymouth, MI
Professional Service Industries (PSI), Inc.	Plymouth, MI
The Mannik & Smith Group, Inc.	Monroe, MI

Based on a review by the City Engineer and staff, taking into consideration the following Scope of Services, the recommendation is to select CTI and Associates, Inc., Brighton, MI to perform the Two-Way Street Project soil, asphalt and concrete testing on Church Street, between Maumee and Winter, before transferring to the Michigan Department of Transportation (MDOT).

SCOPE OF SERVICES

- **Engineered Fill (including sand and aggregate base):** Perform field density testing in order to verify that sand and aggregate base materials, as well as engineered fill materials used for utility trench backfill and beneath walkways and pavements, are compacted to meet project specifications.
- **Bituminous Paving:** Perform reviews of asphalt lay-down procedures and testing of the material, including loose thickness measurements, temperature and nuclear density testing of the in-place compacted pavement to verify that the material is being compacted to the specified percentage of the maximum density.
- **Cast-In-Place Concrete:** Perform compressive strength tests on the cured concrete placed for curb and gutters, sidewalks and pavements to determine compliance with specifications.

RE: CITY ENGINEER – Two-Way Street Traffic Conversion Soil, Asphalt and Concrete Testing

RESOLUTION

WHEREAS, the Adrian City Commission, by Resolution #R09-114 dated July 6, 2009, authorized engagement of Slusarski Excavating and Paving, Adrian, MI in the City’s Standard Professional Services Contract to perform the necessary construction services related to the Two-Way Street Project at a cost not to exceed \$1,375,431.84; and

WHEREAS, proposals for professional engineering services were submitted on July 2, 2009, from the following firms, to perform the Two-Way Street Project soil, asphalt and concrete testing on Church Street, between Maumee and Winter - before transferring to the Michigan Department of Transportation (MDOT):

- | | |
|---|-----------------|
| CTI and Associates, Inc. | Brighton, MI |
| Soil and Materials Engineers (SME), Inc. | Plymouth, MI |
| TTL Associates, Inc. | Plymouth, MI |
| Professional Service Industries (PSI), Inc. | Plymouth, MI |
| The Mannik & Smith Group, Inc. | Monroe, MI; and |

WHEREAS, based on a review by the City Engineer and staff, taking into consideration the specified Scope of Services, the City Administrator recommends selection of CTI and Associates, Inc., Brighton, MI, to perform the Two-Way Street Project soil, asphalt and concrete testing at a cost not to exceed \$20,000; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the FY2009-10 Budget – Major Street Fund Contingency Account (202-990.00-990.000); and

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the selection of CTI and Associates, Inc., Brighton, MI, and engagement in the City’s Standard Professional Services Contract to perform the Two-Way Street Project soil, asphalt and concrete testing at a cost not to exceed \$20,000.

BE IT, FURTHER, RESOLVED that the FY2009-10 Budget be amended as follows:

Major Street Fund (Fund #202)

Expenditures:

(202-451.90-801.000)	Two-Way Street Conversion Project – Contract Services	\$20,000
(202-990.00-990.000)	Major Street Fund - Contingency	(20,000)
	Total	<u>\$ -0-</u>

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

R-b

DATE: July 16, 2009

TO: Honorable Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

SUBJECT: Sewer Inspection Camera

I concur with the recommendation of the Utilities Director to award the bid for a tractor-mounted sewer inspection camera to Jack Doheny Supplies of Northville, MI at a cost of \$124,999.01. This was the lowest bid that met specifications.

Financing for this equipment is available through Key Government Finance at a low interest rate (5.01%). At the end of five years, the city can choose to keep the equipment or initiate a Guaranteed Buyback Payment Agreement, which would guarantee payment in the amount of \$33,330.00 for the equipment.

I urge your favorable consideration authorizing the purchase of a sewer inspection camera from Jack Doheny Supplies in the amount of \$124,999.01 and that financing be obtained through Key Government Finance.



Dane C. Nelson
City Administrator

DCN:bjw

MEMORANDUM – UTILITIES DEPARTMENT

DATE: July 14, 2009
TO: Dane C. Nelson, City Administrator
FROM: Shane A. Horn, Utilities Director 
SUBJECT: Sewer Inspection Camera

Sealed bids were received by the purchasing office on Thursday June 18, 2009 for the purchase of a tractor mounted sewer inspection camera. The bid tabulation is attached. The low bidder, Aries Industries Inc., submitted a unit that did not meet our specifications due to the lack of a zoom feature on their camera. The next low bidder was Jack Doheny Supplies Inc. of Northville, MI at \$124,999.00. This price was substantially higher than the \$70,000.00 we budgeted for this purchase. Jack Doheny Supplies does offer a lease-purchase financing arrangement through Key Bank that includes four annual payments of \$25,845.33 and a balloon payment of \$35,000.00 in year five. We typically spend \$25,000-\$30,000 annually for storm and sanitary sewer camera inspection work.

The purchase of a sewer inspection camera will allow us to accurately manage our asset and prioritize a repair and replacement schedule. This system will work together with our existing GIS system by allowing us to attach a digital file of a sewer inspection to the GIS system.

I respectfully recommend that we execute a lease-purchase agreement with Jack Doheny Supplies Inc. for a total purchase price of \$124,999.00. This total would be spread out over a five year payment schedule at a 5.01% interest rate. This type of financing will allow us to secure and begin to utilize the equipment while making manageable payments.

cc: Jeff Pardee, Finance Director
Steve Eberle, O&M Superintendent

CITY OF ADRIAN, MICHIGAN
TRACTOR MOUNTED SEWER CAMERA
DUE DATE: JUNE 18, 2009

BIDDER	AMOUNT	DELIVERY
Aries Industries Inc Waukesha, WI	\$ 93,567.00 Aries Saturn III	45 days
Jack Doheny Northville, MI	\$ 124,999.00 IBAK Premium Mainline	5 days
Jet-Vac Inc Wharton, NJ	\$ 128,500.00 IBAK Premium Mainline	30-45 days
Alliance Technology Sarkville, WI	\$ 130,750.00 IBAK Mainline	45-60 days



Jack Doheny Supplies, Inc.

*"World's Largest Distributor of Sewer Cleaning
and Air Handling Equipment"*



777 Doheny Court
PO Box 609
Northville, MI 48167

800-336-4369
Fax: 248-349-2774

www.dohenysupplies.com

GUARANTEED BUYBACK PAYMENT AGREEMENT

June 30, 2009

Mr. Steve Eberle
Superintendent
Water & Sewer Utilities
City of Adrian
1025 Oakwood

RE: Ibak Premium Mainline System

Dear Mr. Eberle,

Please be advised that the City of Adrian may request guaranteed buyback payment in the amount of \$33,330.00 from Jack Doheny Supplies Inc. at the end of lease term. This lease buyback payment agreement is independent of City of Adrian's lease agreement with Lessor to execute final balloon payment of \$35,000.00. Should the City of Adrian elect to receive the guaranteed buyback payment clear title shall transfer to Jack Doheny Supplies, Inc. after receipt of payment and completion of lease term.

Should the City of Adrian elect to replace proposed equipment from Doheny Supplies the guaranteed buyback payment amount shall be \$35,000.00 (full reimbursement of balloon payment).

If you need clarity of any questions or additional information, please do not hesitate to contact me.

Sincerely,

Jack L. Doheny, CEO
Jack Doheny Companies

Officer, Title, Date
City of Adrian

Payment Schedule with Balloon

Lessee: City of Adrian
 Equip: Ibak Premium Mainline System

Lessor: Key Government Finance

Number and frequency of payments:

4 Annual payments in advance with Balloon beginning of 5th year
 Interest computed at 5.01 % per annum

		Payment Amount	Payment applied to		Purchase price (remaining balance)
			Interest	Principal	
Ibak Premium Mainline System:					\$ 124,999.00
Payment	Begin of Year # 1	\$ 25,845.33	\$ -	\$ 25,845.33	\$ 99,153.67
Payment	Begin of Year # 2	\$ 25,845.33	\$ 4,967.60	\$ 20,877.73	\$ 78,275.94
Payment	Begin of Year # 3	\$ 25,845.33	\$ 3,921.62	\$ 21,923.71	\$ 56,352.23
Payment	Begin of Year # 4	\$ 25,845.33	\$ 2,823.25	\$ 23,022.08	\$ 33,330.15
Balloon	Begin of Year # 5	\$ 35,000.00	\$ 1,669.84	\$ 33,330.16	\$ -
Guaranteed Buyback		\$ (33,330.16)			
Totals		\$105,051.16	\$13,382.31	\$124,999.01	

The agreement provides for annual appropriation of funds payable first year upon satisfactory delivery of equipment with following payments due annually thereafter with prepayment privilege at any time. Should all payments be made as scheduled (or prepaid in full) the City of Adrian shall have clear title of unit. The City of Adrian will have option to request execution of guaranteed buyback with Jack Doheny Supplies, Inc. at the end of the 4th year of service for the amount stated on bid sheet or under separate cover. Should the City of Adrian elect to request guaranteed buyback payment, title shall pass to Jack Doheny Supplies, Inc. after pay off of unit to Lessor and execution of buyback payment (per attached Guaranteed Buyback Payment Agreement between Jack Doheny Supplies, Inc. and the City of Adrian). Optional Guaranteed Buyback Payment Agreement is independent of the City of Adrian 's lease payment agreement with Lessor.

Interest accrues daily, at the rate indicated above, on the outstanding principal balance (listed in "Purchase price" column).

Lessor to be determined
 Lessor

City of Adrian
 Lessee

By: _____
 Date

By: _____
 Date

Title: _____
 Date

Title: _____
 Date

Total amount financed by Lessor

Annual payments in advance and full balloon payment due to Lessor to be determined

Guaranteed Buyback Amount

Delivery of Equipment: 15 days after Receipt of Order

RE: UTILITIES DEPARTMENT –Municipal Lease Purchase Agreement for Sewer Inspection Camera

RESOLUTION

WHEREAS, the Adrian City Commission, by Resolution #07-085 dated May 7, 2007, adopted the FY2007-08 Budget and General Appropriations Act, which included \$70,000 for a sewer inspection camera (497-555.00-977.553), which has been requested by the Utilities Director to be carried over into the FY2009-10 Budget; and

WHEREAS, sealed bids were received by the Purchasing Office on Thursday, June 18, 2009 for the purchase of a tractor mounted sewer inspection camera, with the following results:

<u>Vendor</u>	<u>Location</u>	<u>Amount</u>
Aries Industries, Inc.	Waukesha, WI	\$ 93,567.00
Jack Doheny	Northville, MI	\$124,999.01
Jet-Vac, Inc.	Wharton, NJ	\$128,500.00
Alliance Technology	Sarkville, WI	\$130,750.00

WHEREAS, the low bidder, Aries Industries, Inc., submitted a unit that did not meet specifications due to the lack of a zoom feature on the camera, resulting in a recommendation to select the next lowest bidder, Jack Doheny, at a cost of \$124,999.01; and

WHEREAS, in addition, the vendor has submitted a proposed Municipal (Tax-Exempt) Lease Purchase Agreement through Key Government Finance, Inc. for a total cost of \$138,381.32 over a five (5) year timeframe at 5.01% interest rate; and

WHEREAS, the Finance Director recommends approval of the Municipal Lease Purchase method of financing this particular piece of equipment for the following reasons:

- Lease Purchase arrangement avoids large initial cash outlay;
- Tax-exempt status allows for a competitive interest rate;
- No prepayment penalty;
- Low transaction cost and immediate availability of funds;
- Upon final payment, the City shall have clear title to the unit;
- The City will have the option to request execution of a guaranteed buyback in the amount of \$35,000.00; and

WHEREAS, the Utilities Director and City Administrator recommend selection of the lowest qualified bidder, Jack Doheny, Northville, MI for acquisition of the sewer inspection camera at a cost of \$124,999.01, approval of the Municipal Lease Purchase Agreement with Key Government Finance, Inc. and the appropriate budget amendments.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the selection of the lowest qualified bidder, Jack Doheny, Northville, MI for acquisition of the sewer inspection camera at a cost of \$124,999.01, approval of the Municipal Lease Purchase Agreement with Key Government Finance, Inc. and the following amendments to the FY2009-10 Budget:

BE IT FURTHER RESOLVED that the FY2009-10 Budget be amended as follows:

Capital Projects Sewer Fund (Fund 497)

Revenue:	
(497-000.00-676.590) Contribution – Wastewater Fund	\$55,000
Expense:	
(497-555.00-977.553) Sewer Inspection Camera	<u>55,000</u>
Total Fund	<u>\$ -0-</u>

Sewer Fund (Fund 590)

Revenue:	
(590-000.00-697.000) Prior Years' Revenue	\$55,000
Expense:	
(590-965.00-969.497) Contribution – Capital Projects Sewer Fund	<u>55,000</u>
Total Fund	<u>\$ -0-</u>

On motion by Commissioner _____, seconded by
Commissioner _____, this Resolution was _____
by a _____ vote.

R-1
July 15, 2009

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Access Agreement



Citizen's Gas, for many years, has maintained monitoring wells for the purposes of performing Remedial Investigation including soil borings and groundwater testing around their property at 117 N. Winter Street. In conjunction with this Stantec, Inc., a consultant to Citizen's Gas, has requested additional monitoring sites, as well as an extension to their current access agreement. These new locations will be adjacent to the existing Kiwanis Trail and within the East Yard at our DPW facility.

This access agreement has been reviewed by the City Attorney and myself and we recommend acceptance of the additional boring locations and extension until July 6, 2012.

ACCESS AGREEMENT

This Access Agreement (“Agreement”) is made as of _____, 2009, by and between **City of Adrian**, (“Owner”), and **Citizens Gas Fuel Company**, a Michigan corporation, (“Citizens”) (collectively referred to herein as “the Parties”):

Recitals

- A. Owner is the owner of certain real property located in the City of Adrian, Lenawee County, Michigan, more particularly described on Exhibit A attached hereto (the “Property”).
- B. The Property is believed to be at or near the former location of a manufactured gas plant.
- C. Citizens desires to perform a Remedial Investigation at the Property, including but not limited to conducting soil and/or groundwater sampling and testing, and Owner has agreed to grant access to Citizens for such purposes, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound, the Parties hereby covenant and agree as follows:

1. **Access.** Owner hereby grants to Citizens, its successors, parents, affiliates, assigns and consultants, access to the Property for the purpose of performing a Remedial Investigation of the Property, including but not limited to the collecting and testing samples of soil and groundwater through the installation of one or more soil borings and/or monitoring wells (“Remedial Investigation”). In specific, the Remedial Investigation will consist of advancing up to six soil borings in support of an environmental investigation being conducted on the former manufactured gas plant site located on the Citizens property (117 N. Winter Street, Adrian, MI). The approximate locations of the proposed soil borings are shown on the attached map (Exhibit B) as PSB-02, PSB-03, PSB-05, PSB-06, PSB-07 and PSB-11.

These borings will be completed with a drilling rig. This rig may disturb the areas on which it drives and drills. All disturbed areas will be repaired following completion of drilling activities. Soil samples will be collected from the soil borings. The soil borings will take up to 4 hours each to install; therefore Citizens expects to be on the property for no more than three days to advance the soil borings.

Groundwater samples will be periodically collected from the existing monitoring wells located on the Owner’s property. One to two people will be on site to perform the sampling. It is expected that the sampling of the monitoring wells will take approximately 4-6 hours per sampling event.

1.1 At least two business days before entering the Property for the purposes of carrying out the Remedial Investigation, Citizens and/or its agents will contact the Owner to inform him of their intent to enter onto the Property pursuant to this Agreement and to coordinate their activities.

1.2 Citizens' investigatory activities shall be performed in a workman-like and professional manner, and at a time and in a manner so as to minimize the disturbance to Property Owner or occupants of the Property.

1.3 Owner and/or any successor Owners shall not interfere with Citizens' access to the Property and/or investigatory activities thereon. Owner and/or any successor Owners shall not remove, alter, destroy, and/or otherwise interfere with any monitoring well installed on the Property without fourteen days (14) days prior notice and obtaining Citizens' consent thereto. Citizens shall not unreasonably withhold consent to the performance of any such activities. Citizens and/or its agents shall provide Owner with a map depicting the location of any monitoring wells installed on the Property.

1.4 Citizens will request Miss Dig to mark on the ground surface the locations of buried utilities (e.g., electrical lines, telephone lines, sewers, water mains and natural gas pipes) in the area to be investigated, provided that the area is part of the utility companies' easements. Miss Dig utility clearance service does not include marking of private buried sewer lines or utilities installed by the landowner, tenant or operator. Therefore, Owner will provide Citizens and/or its agents with all reasonably available information, including a detailed map, if available, about the location of all subsurface structures at the Property. If the Owner, and successor Owners, or Owner's tenants has installed any subsurface structure and the Owner fails to disclose such information to Citizens or if the information the Owner provides about such structures is inaccurate, Citizens shall not be responsible for any damage to such subsurface structures.

1.5 Disposal and handling of any soils and/or other by-products of the investigatory activities will be removed as expeditiously as possible from the Property upon completion of the Remedial Investigation following characterization and approval of disposal at a licensed landfill and weather permitting.

1.6 Within a reasonable period of time at the end of the Remedial Investigation, and subject to Citizens' determination that any monitoring wells installed by Citizens on the Property will not be needed for future work and weather permitting, Citizens and/or its agents will remove the well casings, plug all wells, and restore any surface features such that the portions of the Property on which any investigatory activities have occurred are returned to a condition at least as good as it was prior to the initiation of the Remedial Investigation.

2. **Term.** Subject to paragraph 1.6, access shall terminate upon Citizens' written notification to the Owner or any successor Owner of the Property that no further Remedial Investigations, or other work, are necessary at the Property, or on July 6, 2012. If Citizens

wishes to extend the termination date, it may request in writing an extension from the Owner and such extension, when requested, shall not be unreasonably denied by the Owner.

3. **Assignment.** Owner and any successor Owners of the Property may assign or otherwise transfer its interests in the Agreement and its rights hereunder, subject to the conditions set forth in herein. Any sale or other transfer or encumbrance of all or any part of the Property shall be subject to this Agreement.

4. **Notices.** All notices required under this Agreement shall be in writing and shall be deemed to have been given if delivered personally, mailed by certified or registered mail, overnight delivery service, or sent by telefacsimile to Owner or to Citizens with a copy to Citizens at their respective addresses as set forth below, or to any other address that either party may furnish in writing during the term of this Agreement:

If to Owner,
Kristin Bauer, PE
City Engineer
City of Adrian
100 E. Church Street
Adrian, MI 49221
Facsimile: (517)265-8798

If to Citizens,
Diane M. Martino
Environmental Management and Resources
Citizens Gas Fuel Company
One Energy Plaza, 655 GO
Detroit, MI 48226
Facsimile: (313)235-6206

5. **Captions and Headings.** The captions and headings used in this Agreement are intended only for convenience and are not to be used in construing this Agreement.

6. **Applicable Law; Arbitration; Severability.** This Agreement shall be governed by the laws of the State of Michigan and any disputes arising out of this Agreement shall be settled by binding arbitration held in accordance with the commercial arbitration rules (or rules applicable to real estate transactions) of the American Arbitration Association, as well as the laws of the State of Michigan. An award rendered by the arbitrator shall be final and binding on all parties to the proceeding. Judgment upon the award rendered by the arbitrator may be entered in any court located within the State of Michigan having jurisdiction thereof. If any provision of this Agreement or its application to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

7. **Successors.** This Agreement and the covenants and conditions shall inure to the benefit of and be binding on Owner and his successors and assigns and shall be binding on Citizens and its, affiliates, parents, successors, and assigns.

8. **Entire Agreement/Amendment.** The Agreement constitutes the entire Agreement between Citizens and Owner and it may be modified only by written agreement of the Parties.

9. **Counterparts.** This Agreement may be executed in two or more counterparts, with the same effect as if all the signatures on the counterparts were on the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

Signed in the presence of:

Type/Print Name

Its: _____

Owner

By: _____

Type/Print Name:

Its: _____

Citizens Gas Fuel Company

By: _____

Type/Print Name:

Its: _____

Type/Print Name

Its: _____

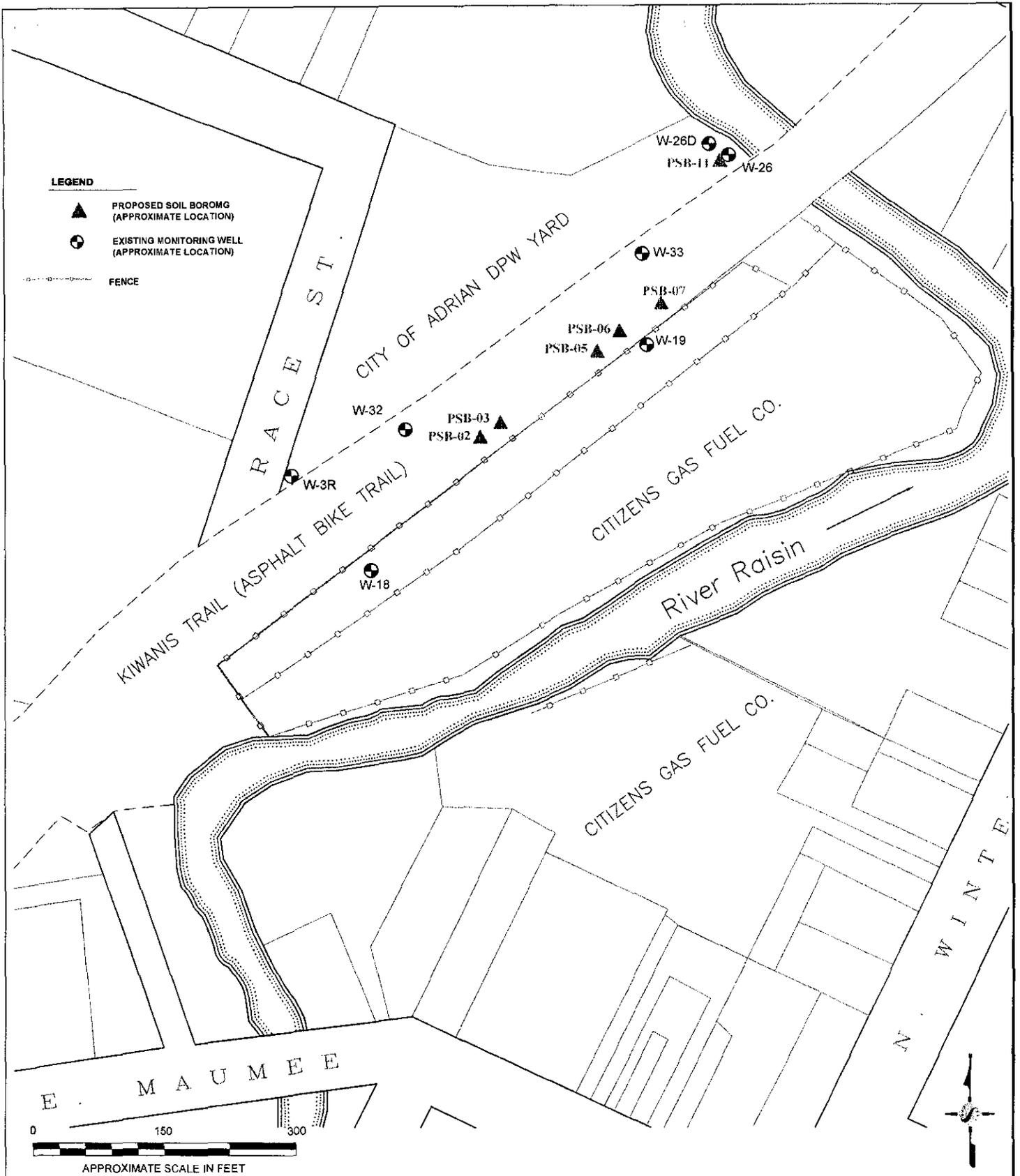
EXHIBIT A

Property commonly known as the City of Adrian DPW Yard at 231 Race Street, Adrian, Michigan; and,

Property known as the Kiwanis Bike Trail (located between 231 Race Street and the City of Adrian's Police Department's Former Vehicle Impoundment Yard

EXHIBIT B

Map Showing Approximate Locations of Soil Borings




Stantec
 27280 HAGGERTY ROAD, SUITE C-11
 FARMINGTON HILLS, MICHIGAN
 PHONE (248) 489-5900 FAX: (248) 489-1088

FOR:
 CITIZENS GAS FUEL COMPANY
 ADRIAN, MICHIGAN

JOB NUMBER: 207801061

DRAWN BY: EEB

MAP SHOWING PROPOSED
 SOIL BORING LOCATIONS

CHECKED BY: DS

APPROVED BY: DS

FIGURE:
 1

DATE: 5/13/09

R09-126

July 20, 2009

RE: ENGINEERING –Approval of Access Agreement with Citizens Gas, on Behalf of Stantec, Inc., and Approval of Monitoring Sites

RESOLUTION

WHEREAS, the City of Adrian currently has an Access Agreement with Citizens Gas for right of entry to city owned property at 231 Race Street and property adjacent to the Kiwanis Bike Trail (at the same location); and

WHEREAS, the location of said property owned by the city is adjacent to land owned by Citizens Gas Fuel Company at 117 N. Winter St., Adrian, MI; and

WHEREAS, the Access Agreement allows representatives of Citizens Gas to perform remedial investigation, including soil borings and groundwater testing; and

WHEREAS, Citizens Gas, on behalf of their consultant, Stantec, Inc., has requested additional monitoring sites at the aforementioned locations, as well as entering into an Access Agreement; and

WHEREAS, the Access Agreement has been reviewed by the City Engineer and City Attorney, who have recommended its approval.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission does hereby authorize Stantec, Inc., consultant for Citizens Gas, to locate additional monitoring sites on the aforementioned city owned properties and authorizes the City Administrator to execute the Access Agreement with Citizens Gas (on behalf of Stantec, Inc.), for a term expiring on July 6, 2012.

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

R.8

R09-127

July 20, 2009

RE: ENGINEERING – MDOT State Trunkline Maintenance Contract Renewal

RESOLUTION

WHEREAS, the Michigan Department of Transportation (MDOT) has submitted a renewal of their State Trunkline Maintenance Contract with the City of Adrian; and

WHEREAS, the City Engineer has reviewed said contract and has recommended its approval.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission does hereby approve a five (5) year renewal of the State Trunkline Maintenance Contract with MDOT for a period covering October 1, 2009 through September 30, 2014; and be it

FURTHER, RESOLVED that Kristin Bauer, City Engineer, be designated as Maintenance Superintendent on state trunkline highways, who will supervise all work covered by the contract; and be it

FURTHER, RESOLVED that the Mayor and City Administrator are hereby authorized to execute said contract on behalf of the City of Adrian.

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

MICHIGAN DEPARTMENT OF TRANSPORTATION
STATE TRUNKLINE MAINTENANCE CONTRACT
CITY OF ADRIAN

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 City of Adrian, a Michigan municipal corporation, hereinafter referred to as the "MUNICIPALITY."

WITNESSETH:

WHEREAS, the DEPARTMENT has affirmatively found that contracting with this MUNICIPALITY for the maintenance of state trunklines and bridges within its jurisdiction is in the best public interest; and

WHEREAS, 1925 PA 17 Section 2, MCL 250.61 et seq; authorizes the DEPARTMENT to contract with the MUNICIPALITY for the construction, improvement, and/or maintenance of state trunkline highways. The DEPARTMENT, subject to the approval of State Administrative Board, will do all acts or things necessary to carry out the purpose of 1925 PA 17 supra; and

WHEREAS, the DEPARTMENT has so advised the State Transportation Commission and the Appropriations Committee of the Senate and House of Representatives in accordance with 1951 PA 51 Section 11(c), MCL 247.661(c).

NOW, THEREFORE, in consideration of the premises and the mutual undertakings of the parties hereto, it is agreed as follows:

Section 1. ORGANIZATION, EQUIPMENT, AND FACILITIES

The MUNICIPALITY will provide personnel, equipment, and facilities to maintain the state trunkline highways and provide the services required under the terms of this Contract. The MUNICIPALITY will furnish the DEPARTMENT, upon request, with an organizational chart showing garage locations, names of supervisory personnel, and any other information incidental to the performance under this Contract.

Section 2. SCOPE OF WORK

- a. The MUNICIPALITY will perform maintenance work at the direction of the DEPARTMENT'S Region Engineer or a designee of the REGION ENGINEER hereinafter referred to as the "REGION ENGINEER" or, acting under the general direction of the Engineer of Maintenance of the DEPARTMENT, hereinafter referred to as the "ENGINEER OF MAINTENANCE," under the terms of this Contract and as covered by the Line Item Budget for each fiscal year, and is incorporated herein by reference as if the same were repeated in full herein. Work for the Maintenance Division, including permit issuance and inspection, under this Contract will be performed in accordance with accepted maintenance practices on those sections of state trunkline highway as identified in a written Letter of Understanding.
 - i. A written Letter of Understanding shall be drafted annually by the DEPARTMENT and signed by both the DEPARTMENT and the MUNICIPALITY. The letter will outline the number and type of maintenance activities to be performed under this Contract (A sample Letter of Understanding is attached as Appendix F). The Letter of Understanding shall provide sufficient detail of the work activities to be performed, expectations or outcomes from the performance of this work, and identification of budget line items for budgeting and billing purposes. The Letter of Understanding shall be signed by the designated representative of the MUNICIPALITY and approved by the REGION ENGINEER.
 - ii. The executed Letter of Understanding and all subsequent approved revisions thereto, is incorporated herein by reference as if the same were repeated in full herein.
 - iii. If the MUNICIPALITY is unable to perform any of the services outlined in the Letter of Understanding on a twenty-four (24) hour, seven (7) day-a-week basis, the MUNICIPALITY will immediately notify the DEPARTMENT. The DEPARTMENT will work with the MUNICIPALITY to ensure that the services defined in the Letter of Understanding are performed.
- b. Whenever the MUNICIPALITY performs permit assistance and inspection on behalf of the DEPARTMENT:
 - i. The DEPARTMENT will require as a condition of the issuance of all permits as to which the MUNICIPALITY will perform services for the DEPARTMENT, pursuant to this Contract, that the Permittee save harmless the State of Michigan, the Transportation Commission, the Department of Transportation and all officers,

agents and employees thereof and the MUNICIPALITY, its officials, agents and employees against any and all claims for damages arising from operations covered by the permit.

ii. The DEPARTMENT, for all permit activities for which it wishes the MUNICIPALITY to perform permit services for the DEPARTMENT pursuant to this Contract, will further require that the Permittee, except as to permits issued to governmental entities and public utilities or unless specifically waived by the MUNICIPALITY in writing, provide comprehensive general liability insurance, including coverage for contractual liability, completed operations, and/or product liability, X, C, & U, and contractor's protective liability with a blasting endorsement when blasting is involved or commercial general liability insurance that includes all the above, naming as additional parties insured on all such policies the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT and all offices, agents and employees thereof, the MUNICIPALITY, its officials, agents and employees and that the Permittee provide to the DEPARTMENT written proof of said insurance.

iii. The amounts of such insurance will be no less than the following:

Comprehensive General Liability:

Bodily Injury	--	\$500,000 each occurrence
	--	\$500,000 each aggregate
Property Damage	--	\$250,000 each occurrence
	--	\$250,000 each aggregate

Commercial General Liability Insurance:

\$500,000 each occurrence and aggregate

c. Special maintenance work, work not covered by the Line Item Budget, and work for any other Division of the DEPARTMENT (non-maintenance work) may be performed under the terms of this Contract only upon written authorization approved by the REGION ENGINEER. Emergency work may be performed based on verbal approval given by the REGION ENGINEER and subsequently supported in writing. Work performed by the MUNICIPALITY for any Division other than the Maintenance Division will be supervised by the Division issuing a state Transportation Work Authorization (TWA). The MUNICIPALITY and the DEPARTMENT may enter into separate agreements for the shared payment of installation, maintenance, and energy costs for traffic control devices.

Transportation Work Authorizations (TWA's) may be issued by the REGION ENGINEER for special maintenance work (work not covered by the Line Item Budget) and non-maintenance work. This work may be performed by the MUNICIPALITY or a subcontractor as set forth in Section 9. TWA's will be performed in accordance with the DEPARTMENT'S accepted maintenance practices and specifications as specified on the TWA. The MUNICIPALITY will provide the necessary supervision or inspection to assure that the work is performed in accordance with the TWA.

- d. The REGION ENGINEER is authorized to issue written orders, as are necessary, for the performance of maintenance work under the provisions of this Contract.

Section 3. INTEGRATION OF STATE AND MUNICIPAL WORK

The MUNICIPALITY will furnish sufficient personnel, equipment, and approved material as needed to perform maintenance on state trunkline highways. Personnel and equipment will be used on municipal streets and state trunkline highways as conditions warrant.

Section 4. HIGHWAY MAINTENANCE SUPERINTENDENTS

The MUNICIPALITY hereby designates Kristen Bayer
City Engineer as Maintenance Superintendent on state trunkline highways, who will supervise all work covered by this Contract. In the event the MUNICIPALITY desires to replace the Maintenance Superintendent, the MUNICIPALITY will notify the DEPARTMENT in writing.

Section 5. WAGE SCHEDULE

Wages paid by the MUNICIPALITY for work on state trunkline highways will be the same as on street work for the MUNICIPALITY.

Premium Pay and Overtime Pay (specify under what conditions and percentage of regular rate paid if not specified in the attached labor agreement).

See attached,

Pay for "show-up time" (Specify under what conditions and number of hours, if a minimum number is used and is not specified in the attached labor agreement).

No "stand by at home" pay will be included in charges for work on state trunkline highways.

The DEPARTMENT will reimburse the MUNICIPALITY for Direct Labor Overhead costs on all labor costs properly chargeable to the DEPARTMENT, including but not limited to, vacation, sick leave, holiday pay, workers' compensation, retirement, social security, group life insurance, hospitalization, longevity, unemployment insurance, and military leave, hereinafter referred to as "EMPLOYEE BENEFITS," in accordance with Section 14.

Section 6. MATERIALS TO BE ACQUIRED AND MATERIAL SPECIFICATIONS

Material necessary for the performance of this Contract may, at the option of the MUNICIPALITY, be purchased by the MUNICIPALITY unless otherwise directed by the REGION ENGINEER. The MUNICIPALITY shall advertise and receive competitive bids when such purchases exceed Ten Thousand Dollars (\$10,000.00) or if required by federal or state law.

The MUNICIPALITY shall retain documentation that such bids were taken. Failure to retain documentation that such bids were taken may result in denial of reimbursement of the costs of such materials.

The following materials: bituminous pre-mixed materials, bituminous materials, aggregates (except ice control sand), and traffic control devices used on state trunkline highways by the MUNICIPALITY will conform to current or supplemental specifications approved by the DEPARTMENT, unless otherwise approved in advance by the REGION ENGINEER. The REGION ENGINEER may require approval by the DEPARTMENT'S Construction and Technology Division or by a laboratory approved by that MUNICIPALITY and the REGION ENGINEER. If DEPARTMENT-owned materials are stored jointly with MUNICIPALITY-owned materials, proper and adequate inventory records must be maintained by the MUNICIPALITY, clearly indicating the portion that is DEPARTMENT-owned.

Section 7. PRICE SCHEDULE OF MATERIALS AND SERVICES

Materials supplied by the MUNICIPALITY, including aggregates and bituminous materials using raw materials either partially or wholly obtained from municipally-owned

property, municipally-leased (in writing) property, or by written permit from state or privately-owned property, may be furnished at a firm unit price, subject to approval of source and price by the REGION ENGINEER. Firm unit prices are not subject to unit price adjustment by audit.

The DEPARTMENT may audit all records necessary to confirm accuracy of quantities for which reimbursement is requested. Reimbursement for all materials supplied by the MUNICIPALITY that are not included in the firm unit price schedule will be in accordance with Subsection 14(c). Firm unit prices may be changed, added, or deleted upon written request by the MUNICIPALITY and approval by the REGION ENGINEER at least sixty (60) days prior to the effective date of the change, addition, or deletion.

FIRM UNIT PRICES

<u>ITEM KIND</u>	<u>ITEM LOCATION</u>	<u>PRICE UNIT</u>	<u>PRICE INCLUDES*</u>	<u>PER UNIT</u>

Insert above, the following applicable number(s):

*Firm Unit Price Includes:

<u>Item Kind</u>	<u>Item Locations</u>
1. Processing/or Mixing Costs	1. Pit Site
2. Stockpiling/or Hauling to Stockpile Costs	2. Yard
3. Royalty Costs	3. Other (Describe)
4. Municipal Supplied Salt or Calcium Chloride (when used in a winter salt/sand mixture)	
5. Winter Sand	
6. Bituminous Costs	
7. Other (Describe)	

The DEPARTMENT may audit all records necessary to confirm the accuracy of the material quantities for all materials on the Firm Unit Price List for which the MUNICIPALITY requests reimbursement.

Listed items purchased from a vendor source or vendor stockpile for direct use on the trunklines are not eligible for firm unit price consideration and should be billed at vendor cost.

Section 8. SUBCONTRACTS

The MUNICIPALITY may subcontract any portion of the work to be performed under this contract. Bid/price solicitation and subcontracts will be in conformance with the MUNICIPALITY's contracting process, and applicable state laws, except as modified herein. All subcontracted work will require the submittal of a Quotation Request for Services or Equipment (Form 426) along with relevant bid and contract documents, and bid or quote tabulation.

All subcontracted work will be performed in accordance with the established Scope of Work outlined on Form 426 and any specifications developed by the MUNICIPALITY and/or the DEPARTMENT for said subcontracted work. The scope of work and specifications (if any) must be approved by the REGION ENGINEER. The MUNICIPALITY will provide the necessary supervision or inspection to assure the subcontracted work is performed in accordance with the scope of work and specifications. At no time will the MUNICIPALITY pay for subcontracted work until the work has been inspected and approved for compliance with the scope of work and specifications.

Emergency work will be subcontracted based on a verbal approval given by the REGION ENGINEER. The work must be supported by the subsequent submission of Form 426 upon completion of work. State Administrative Board approval is required within thirty (30) days of completion of emergency work.

At the conclusion of the contract term, subcontracts that are in process will be completed with the understanding that a new contract will supercede the expiring contract. In situations where either the contract is terminated by the MUNICIPALITY, or DEPARTMENT, subcontracts become null and void.

Failure to obtain the necessary approvals or to retain the documentation that the bids, prices, or rate quotations were solicited as required under this Section, may result in a denial of the reimbursement of the costs.

For subcontracts involving the items of Cleaning Drainage Structures, Roadway Sweeping and Flushing or Grass and Weed Control, the MUNICIPALITY will include a cancellation clause that will allow the MUNICIPALITY to cancel the subcontract if funds are not made available by the DEPARTMENT.

County and/or Municipality-based advantage programs (CBA Process) or any type of preference program that awards contracts based on criteria other than low bid through the competitive bidding process, will not be used for DEPARTMENT-funded projects.

The term of the subcontract will not exceed five (5) years, said term will include any time extensions.

The subcontract solicitation and approval process will be as follows:

- a. **Subcontracts less than \$2,500:** The MUNICIPALITY will obtain the lowest reasonable price. Form 426 does not require REGION ENGINEER approval. Documentation of the price solicitation must be retained.
- b. **Subcontracts \$2,500 or greater and less than \$25,000:** The MUNICIPALITY will solicit either a bid price, or rate quotation from three or more qualified sources. REGION ENGINEER approval of the Form 426 is required. Documentation of the solicitation from all qualified sources must be retained.
- c. **Subcontracts that exceed \$25,000:** The MUNICIPALITY will advertise and award by competitive bid. Advertisements must clearly define contract term and location of work. REGION ENGINEER and State Administrative Board approval is required and documentation of the solicitations must be retained.

Overruns, extra work, and adjustments requiring State Administrative Board approval are outlined in Appendix E, attached hereto and made a part hereof.

Section 9. NON-DISCRIMINATION

- a. In connection with the performance of maintenance work under this Contract, the MUNICIPALITY (hereinafter in Appendix C referred to as the "contractor") agrees to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix C, attached hereto and made a part hereof. This provision will be included in all subcontracts related to this Contract.
- b. During the performance of this Contract, the MUNICIPALITY, for itself, its assignees, and its successors in interest (hereinafter in Appendix G referred to as the "contractor") agrees to comply with the Civil Rights Act 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 the Regulations of the Department of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix G, dated June 2003, attached hereto and made a part hereof. This provision will be included in all subcontracts relating to this Contract.
- c. The MUNICIPALITY will carry out the applicable requirements of the DEPARTMENT's Disadvantaged Business Enterprise (DBE) program and 49 CFR Part 26, including, but not limited to, those requirements set forth in Appendix H, dated October 1, 2005, attached hereto and made a part hereof.

Section 10. ANTI-KICKBACK

No official or employee of the MUNICIPALITY or of the State of Michigan will receive direct or indirect remuneration from purchases of materials, supplies, equipment, or subcontracts required for trunkline highway maintenance purposes.

Section 11. SCOPE OF CONTRACT

It is declared that the work performed under this Contract is a governmental function that the MUNICIPALITY performs for the DEPARTMENT. This Contract does not confer jurisdiction upon the MUNICIPALITY over the state trunkline highways encompassed by this contract or over any other state trunkline highways. This Contract may not be construed to confer temporary or concurrent jurisdiction in the MUNICIPALITY over a state trunkline highway. Nothing inconsistent with the underlying statutory jurisdiction, duties, prerogatives, and obligations of the DEPARTMENT is herein intended. The parties hereto further declare that this Contract is not made for the benefit of any third party.

Section 12. INSURANCE

- a. The MUNICIPALITY will furnish the DEPARTMENT with a certificate of automobile liability insurance, which complies with the No-Fault Automobile Insurance laws of the State of Michigan. Insurance coverage shall include owned, non-owned, and hired motor vehicles. Such insurance shall be not less than Two Hundred Fifty Thousand Dollars (\$250,000.00) for bodily injury or death of any one person. Coverage for public liability, property damage, and combined single limit shall also comply with Michigan No-Fault Automobile Insurance laws. The MUNICIPALITY shall also provide thirty (30) days notice to the DEPARTMENT prior to cancellation, termination, or material change of the policy. The certificate of said insurance shall be submitted to the DEPARTMENT on DEPARTMENT Form 428 (Certificate of Insurance for State Highway Maintenance Contract) covering public liability and property damage, indicating thereon the policy number, and the aforesaid thirty (30) days notice provisions and the limits of liability.

In the event the MUNICIPALITY is self-insured, a copy of the Secretary of State's certificate of self-insurance shall be submitted to the Department.

- b. In the event that the MUNICIPALITY receives a Notice of Intent to File Claim and/or any complaint filed by a person seeking to recover damages from the MUNICIPALITY for its alleged acts or omissions on a state trunkline highway, the MUNICIPALITY shall provide a copy of such notice within fifteen (15) days of receipt of said notice or complaint to the Assistant Attorney General in Charge, hereinafter referred to as the "ASSISTANT ATTORNEY GENERAL," Van Wagoner Building, 4th Floor, 425 West Ottawa Street, Lansing, Michigan, 48909. Thereafter, the MUNICIPALITY shall provide copies of pleadings and other

information regarding the claims or lawsuits when requested by the ASSISTANT ATTORNEY GENERAL and shall comply with all the obligations, duties and requirements of the general liability policy provided herein.

Section 13. WORKERS' DISABILITY COMPENSATION

The MUNICIPALITY will comply with the Michigan Workers' Disability Compensation Law as to all employees performing work under this Contract.

Section 14. REQUEST FOR REIMBURSEMENT

The DEPARTMENT will reimburse the MUNICIPALITY for the following costs incurred in the performance of routine maintenance, non-maintenance, and all other work covered by this Contract, except as set forth in Sections 16, 17, 18, and 19. To be eligible for reimbursement under this Section, costs must be submitted to the DEPARTMENT prior to the start of the audit for each respective year of the Contract period.

- a. The DEPARTMENT'S share of the actual cost of all direct labor employed in the performance of this Contract, including the expense of permit inspection, field and office engineering, and including audit expenses in connection with projects on force account work by subcontractors.
- b. The DEPARTMENT'S share of the cost of EMPLOYEE BENEFITS as referred to in Section 5 as a percentage of the payroll. This percentage shall be developed for billing purposes using DEPARTMENT Form 455M (Report of Employee Benefit Cost for the Municipality) and shall conform with the general accounts of the MUNICIPALITY on the previous fiscal year's experience. The completed Form 455M shall be submitted to the REGION ENGINEER within thirty (30) days of the MUNICIPALITY's fiscal year end. These charges will be adjusted by audit, to the costs incurred in the current contract year in accordance with Section 23.
- c. The DEPARTMENT'S share of the actual cost of MUNICIPALITY owned or purchased energy.
- d. The DEPARTMENT will reimburse the MUNICIPALITY for the cost of purchased bulk (measured by volume or weight) materials and Non-Bulk (measured by area or count) material used in the performance of this contract. The MUNICIPALITY shall deduct all discounts or rebates in excess of two percent (2%), to establish the reimbursed cost.
- e. The Department will reimburse the MUNICIPALITY for the cost of handling materials furnished by the MUNICIPALITY and materials furnished by the DEPARTMENT as follows:

i. **Bulk Items (measured by volume or weight):**

The direct expenses of handling, such as unloading, processing, stockpiling, heating or loading of materials measured by volume or weight in bulk, bags or drums such as aggregates, bituminous materials and chemicals, on condition that reimbursement of such expenses is not provided elsewhere herein, provided that these costs can be identified within the records of the MUNICIPALITY.

ii. **Non-Bulk Items (measured by area or count):**

A five percent (5%) handling and storage charge may be added to the purchase price of all materials measured by area or count provided such materials are stocked in and distributed from approved storage facilities. When reported by the MUNICIPALITY, charges for handling and storage in excess of five percent (5%) will be reimbursed to the MUNICIPALITY upon audit, provided that these charges can be identified and supported within the records of the MUNICIPALITY.

- f. The rental of equipment used in the performance of this Contract. The rental rates will be those established in Schedule C, Report 375 Equipment Rental Rates, issued annually by the DEPARTMENT and is incorporated herein by reference as if the same were repeated in full herein.
- g. The amounts paid by the MUNICIPALITY to a subcontractor, as provided for in Section 8.
- h. The cost to the MUNICIPALITY for labor, materials, and equipment rental incurred in connection with engineering, supervision, and inspection of subcontract work.
- i. Overhead in Accordance with Attached Overhead Schedule.

The DEPARTMENT will reimburse the MUNICIPALITY for overhead costs at the appropriate percentage rate as indicated in Appendix B. The overhead rate shall be based upon the original annual budget established for the MUNICIPALITY and shall not change.

The overhead amount payable under Section 14(i) is reimbursement to the MUNICIPALITY for all costs and expenses arising out of the performance of this Contract not specifically described in other sections of this Contract. This reimbursement includes salary and expenses (including transportation) of the Maintenance Superintendent (except as noted in Section 14(k)), salaries of clerical assistants, including radio communication staff, office expense, storage rentals on MUNICIPALITY owned property, and the cost of small road tools. Work tools without a power assist and used in a road or a bridge maintenance activity, are

considered small road tools. Small road tools do not have an equipment rental rate listed in Schedule C, Report 375, Equipment Rental Rates. Small road tools are reimbursed as an overhead cost.

- j. The DEPARTMENT will reimburse the MUNICIPALITY for the DEPARTMENT'S pro-rata share of the cost to maintain chemical storage facilities as provided for in the chemical storage facility contracts between the MUNICIPALITY and the DEPARTMENT.
- k. Requests for reimbursement to be made quarterly on the basis of certified statement of charges prepared and submitted by the MUNICIPALITY within thirty (30) days from the end of each quarter on forms furnished by the DEPARTMENT or using an equivalent approved alternative format. Costs submitted beyond sixty (60) days from the end of each quarter will include written justification for the delay and will be paid only upon approval of the REGION ENGINEER. Upon written request to the REGION ENGINEER, payment may be made to the MUNICIPALITY on a monthly basis, after submission to the DEPARTMENT of certified statements of costs for each monthly payment period.
- l. The MUNICIPALITY will be reimbursed as a direct cost for work performed by the Maintenance Superintendent making regular inspections of state trunkline highways in accordance with written instructions from the REGION ENGINEER. This time shall be specifically recorded on daily time sheets and reported as a direct labor charge.

It is further agreed that in smaller municipalities, the Maintenance Superintendent designated above may at times be engaged in tasks other than those of a strictly supervisory nature, such as operator of a truck or other highway equipment. The MUNICIPALITY may be reimbursed for this time worked on state trunklines, provided that all such time for non-supervisory work is specifically recorded on the daily time sheet and reported on the Maintenance Payroll Report Form 410A. The exact dates on which the Maintenance Superintendent so worked, the number of hours worked, and the number of hours worked under each classification shall be indicated on the Maintenance Payroll Report Form 410A.

Section 15. ELECTRONIC FUNDS TRANSFER

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). The MUNICIPALITY is required to register to receive payments of EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).

Section 16. WINTER MAINTENANCE

The MUNICIPALITY will be compensated for winter maintenance on the basis of actual expenditures only. The DEPARTMENT will share in the cost of snow hauling when each snow hauling effort is approved by the REGION ENGINEER. The DEPARTMENT'S share of snow hauling will be determined based on the ratio of area designated for traffic movement to the total area of the state trunkline highway right-of-way within the agreed upon area of snowhaul. The DEPARTMENT will subtract the area of parking lanes and sidewalks from the total area of the state trunkline highway right-of-way to determine the area designated for traffic movement. The DEPARTMENT'S reimbursement for snow hauling from state trunkline highways, based upon this calculation, is paid at the rate of _____ percent (%) of actual charges supported by proper documentation. The frequency (annually, each storm, etc.) will be at the discretion of the REGION ENGINEER. The DEPARTMENT will reimburse the MUNICIPALITY for snow hauling charges as Activity 149, Other, in the DEPARTMENT'S Annual Budget Reports. A prior written authorization from the REGION ENGINEER shall be required and kept on file.

MDOT complete

The MUNICIPALITY agrees that it will not be compensated for snow removed from the highway right-of-way from snow hauling charges as Activity 149, Other, in the DEPARTMENT'S Annual Budget Reports including that snow moved into the adjacent sidewalks by the MUNICIPALITY.

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Section 17. PAVEMENT MARKING

Compensation for the item of Pavement Marking will be based on actual expenditure only, except in no case will the DEPARTMENT be compensated for a total expenditure in excess of the amount designated in the DEPARTMENT'S Annual Budget for the appropriate DEPARTMENT fiscal year. Compensation for Pavement Marking is limited to only painting authorized by the REGION ENGINEER. The MUNICIPALITY shall not include charges for curb painting in the routine maintenance cost for state trunkline maintenance.

Section 18. COMPENSATION FOR AESTHETIC WORK ITEMS

Compensation for the items of Sweeping and Flushing (activity 132), Grass and Weed Control (activity 126) and Roadside Clean up (activity 124) will be made on the basis of actual expenditures only, except that in no case will the MUNICIPALITY be compensated for a total expenditure in excess of the budget amount designated each of these three work activities on the Summary of the Field Activity Budget for the appropriate DEPARTMENT fiscal year.

The number of work operations for each of these three activities will be agreed upon between the MUNICIPALITY and REGION ENGINEER; and reflected in each line activity budget amount.

Section 19. TREES AND SHRUBS

Except for emergency work, the MUNICIPALITY will request the DEPARTMENT'S written approval to remove dead trees and/or trim trees prior to the start of work. The DEPARTMENT will pay all costs to remove dead trees. The DEPARTMENT and MUNICIPALITY shall equally share costs when state and local forces combine efforts to trim trees within the trunkline right-of-way as approved by the REGION ENGINEER.

Section 20. EQUIPMENT LIST

The MUNICIPALITY will furnish the DEPARTMENT a list of the equipment it uses during performance under this Contract, on DEPARTMENT form 471 (Equipment Specifications and Rentals.) This form shall be furnished to the DEPARTMENT no later than February 28 of each year.

Section 21. RECORDS TO BE KEPT

The MUNICIPALITY will:

- a. Establish and maintain accurate records, in accordance with generally accepted accounting principals, of all expenses incurred for which payment is sought or made under this Contract, said records to be hereinafter referred to as the "RECORDS." Separate accounts will be established and maintained for all costs incurred under this Contract. The RECORDS include, but are not limited to:
 - i. Daily time cards for employees and equipment signed by the employee and his immediate supervisor or by a timekeeper and the supervisor when a timekeeper is employed. The daily time cards shall also indicate the distribution to route sections and work items. Those MUNICIPALITIES using crew day cards may, if they prefer, retain crew day cards backed by a time record for the pay period signed as above in lieu of daily time cards detailing the distribution.
 - ii. Properly signed material requisitions (daily distribution slips) showing type of material, quantity, units, date issued, and indicating distribution thereof to route sections and work items.
 - iii. Additional cost records as needed to support and develop unit cost charges and percentages applied to invoice cost. No such cost records are necessary in support of the overhead percentage or the five percent (5%) handling charge.
- b. Maintain the RECORDS for at least three (3) years from the date of the DEPARTMENT'S receipt of the statement of charges for the quarter ending September 30 of each year of this contract period. In the event of a dispute with

regard to the allowable expenses or any other issue under this Contract, the MUNICIPALITY will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

- c. Allow the DEPARTMENT or its representative to inspect, copy, or audit the RECORDS at any mutually acceptable time. However, the MUNICIPALITY cannot unreasonably delay the timely performance of the audit.

Section 22. CERTIFIED STATEMENT OF CHARGES

The MUNICIPALITY hereby certifies that, to the best of the MUNICIPALITY'S knowledge, the costs reported to the DEPARTMENT under this Contract will represent only those items that are properly chargeable in accordance with the Contract. The MUNICIPALITY also hereby certifies that it has read the contract terms and is aware of the applicable laws, regulations, and terms of this Contract.

Section 23. AUDIT

The MUNICIPALITY'S records will be subject to audit. Charges by the MUNICIPALITY for maintenance of state trunkline highways and authorized non-maintenance work performed under this Contract will not be adjusted (increased or decreased) by audit after twenty-four (24) months subsequent to the date of the DEPARTMENT'S receipt of certified statement of charges for the quarter ending September 30 of each year of this contract period. This limitation will not apply in case of fraud or misrepresentation of material fact or if mutually agreed to in writing.

The firm unit prices for aggregates and bituminous materials that are processed and furnished by the MUNICIPALITY will not be subject to adjustment.

If any adjustments are to be made, the MUNICIPALITY will be notified of the tentative exceptions and adjustments within the above twenty-four (24) month period. The twenty-four (24) month period is intended only as a limitation of time for making adjustments and does not limit the time for payment of such amounts. 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 will promptly submit to the MUNICIPALITY a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings communicated to the MUNICIPALITY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the MUNICIPALITY will:

- a. Respond in writing to the responsible Bureau of 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 will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the MUNICIPALITY may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by the DEPARTMENT. The RESPONSE will refer to and apply the language of the Contract.
- d. The MUNICIPALITY 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 make a final decision to either allow or disallow any items of questioned cost, or no opinion expressed cost.

Upon review of the RESPONSE, if the DEPARTMENT'S Dispute Audit Review Team (DART) does not agree with the RESPONSE, the DEPARTMENT will provide the MUNICIPALITY an opportunity to appear before DART to explain and support its RESPONSE. This will occur within ninety (90) days of receipt of the RESPONSE, unless the time has been extended by the DEPARTMENT. The DEPARTMENT will make its decision regarding any disallowed or questioned cost items within 30 days after DART considers the appeal.

If after a DART decision the DEPARTMENT determines that an overpayment has been made to the MUNICIPALITY, the MUNICIPALITY shall repay that amount to the DEPARTMENT or notify the DEPARTMENT of the MUNICIPALITY'S intent to appeal to the three member panel, which is described in this section of the contract or file a lawsuit in the court of proper jurisdiction to contest the DEPARTMENT'S decision. The DEPARTMENT shall not withhold or offset funds in dispute if the MUNICIPALITY appeals to the three member panel or files a lawsuit in the court of proper jurisdiction. The appeal to the three member panel or the filing of a lawsuit in the court of proper jurisdiction shall be initiated by the MUNICIPALITY within thirty (30) days of the receipt of the DEPARTMENT'S written notice that an overpayment has been made. If the MUNICIPALITY fails to repay the overpayment or reach an agreement with the DEPARTMENT on a repayment schedule within the thirty (30) day period, the MUNICIPALITY agrees that the DEPARTMENT will deduct all or a portion of the overpayment from any funds due the MUNICIPALITY by the DEPARTMENT under the terms of any maintenance contract. The MUNICIPALITY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to appeal to the three member panel or to file a lawsuit in the court of proper jurisdiction to contest the DEPARTMENT'S decision only as to any item of expense the disallowance of which was disputed by the MUNICIPALITY in a timely filed RESPONSE. The

MUNICIPALITY may ask the court of proper jurisdiction to bar the DEPARTMENT from withholding or offsetting funds until the court finally decides the dispute.

The individuals on the three member panel shall be selected from state agencies not directly associated with the DEPARTMENT. The MUNICIPALITY will appoint one (1) member and the DEPARTMENT will appoint one (1) member. The third member of the panel will be selected by the two (2) appointed panel members. The decision of the panel shall be binding unless appealed to the proper court by either party within one hundred twenty (120) days after the decision of the panel has been issued.

Section 24. TERM OF CONTRACT

This Contract will be in effect from October 1, 2009, through September 30, 2014.

Section 25. TERMINATION OF CONTRACT

Either party may terminate this Contract. Termination may occur in any year, but only in the months of April, May, or June. Written notice of intent to terminate this Contract shall be provided to the other party at least ninety (90) days prior to the date of termination.

Section 26. STATE ADMINISTRATIVE BOARD RESOLUTION

The provisions of the State Administrative Board Resolution of May 1, 1979, as amended, attached hereto made a part hereof as Appendix D.

Section 27. CONTRACT CONTENT

In case of any discrepancies between the body of this Contract and any exhibits hereto, the body of this Contract will govern.

Section 28. AUTHORIZED SIGNATURE(S)

This Contract will become binding on the parties and of full force and effect upon signing by the duly authorized official(s) of the MUNICIPALITY and of the DEPARTMENT and upon adoption of a resolution approving said Contract and authorizing the signature(s) thereto of the respective official(s) of the MUNICIPALITY, a certified copy of which resolution will be sent to the DEPARTMENT with this CONTRACT, as applicable.

IN WITNESS WHEREOF, the parties have caused this Contract to be awarded.

CITY OF ADRIAN

BY: _____
TITLE: *Mayor*

BY: _____
TITLE: *City Administrator*

MICHIGAN DEPARTMENT OF TRANSPORTATION

BY: _____
TITLE: Department Director



MEMO

Date: July 16, 2009

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

From: Jennifer Compton, Downtown Development Coordinator 

Re: **DOWNTOWN DEVELOPMENT AUTHORITY – VIBRANT SMALL CITIES INITIATIVE –
Authorization to Engage in Construction – Façade Enhancement**

The Adrian Downtown Development Authority and Adrian City Commission has adopted the Blueprint for downtown Adrian in an effort to revitalize and reenergize downtown Adrian. The aforementioned plan identifies a need to encourage private investment in the downtown, both in new developments, as well as the retention, restoration, reuse of historic and/or architecturally significant buildings. On behalf of the Downtown Development Authority, the City of Adrian Purchasing Office solicited and obtained bids from the following three (3) vendors on Friday, June 26, 2009:

<u>Vendor</u>	<u>Amount</u>	
Campbell-Duroucher	\$ 37,800.00	(H&R Block 149 S Main)
Erie, MI	\$ 58,350.00	(Robert Jewelers 116-120 S Main)
	\$ 22,800.00	(The Barley House Tavern 113 E Maumee)
	\$ 58,500.00	(Jo Ann Steel Insurance 130 N Main)
	<u>\$ 33,900.00</u>	(Copeland Furniture 136-140 N Main)
	<u>\$211,350.00</u>	Total
Beal Inc.		
Ann Arbor, MI	\$ 89,700.00	(H&R Block 149 S Main)
	\$178,000.00	(Robert Jewelers 116-120 S Main)
	\$ 96,000.00	(The Barley House Tavern 113 E Maumee)
	\$123,000.00	(Jo Ann Steel Insurance 130 N Main)
	<u>\$114,000.00</u>	(Copeland Furniture 136-140 N Main)
	<u>\$600,700.00</u>	Total

Krieghoff Lenawee		
Adrian, MI	\$108,127.00	(H&R Block 149 S Main)
	\$259,441.00	(Robert Jewelers 116-120 S Main)
	\$105,554.00	(The Barley House Tavern 113 E Maumee)
	\$173,718.00	(Jo Ann Steel Insurance 130 N Main)
	<u>\$141,892.00</u>	(Copeland Furniture 136-140 N Main)
	<u>\$788,732.00</u>	Total

The City's Finance Director indicates that sufficient funds are available in Fund 283 – Vibrant Small Cities Grant Fund for this purpose through grant funds (283-481.00-801.003) and matching owner escrow account (283-481.00-801.005). The Downtown Development Coordinator and Community Development Director recommend selection of the low bidder, Campbell-Doroucher of Erie, MI, and engagement in the City's Standard Professional Services Contract to perform construction services related to the façade enhancement as outlined in grant specifications.

The attached resolution has been prepared for consideration by the City Commission at its regularly scheduled meeting of July 20, 2009. If you have any questions or need for further information, please contact my office.

CITY OF ADRIAN, MICHIGAN
 HISTORIC FAÇADE RESTORATIONS
 DUE DATE: JUNE 26, 2009

	Beal Inc Ann Arbor, MI	Campbell- Duroucher Erie, MI	Krieghoff Lenawee Adrian, MI	Phoenix Contractors Ypsilanti MI
H&R Block 149 S Main	\$89,700.00	\$37,800.00	\$108,127.00	
Roberts Jewelers 116-120 S Main	\$178,000.00	\$58,350.00	\$259,441.00	
Barley House 113 E Maumee	\$96,000.00	\$22,800.00	\$105,554.00	\$133,000.00
Joe Ann Steele 130 N Main	\$123,000.00	\$58,500.00	\$173,718.00	
Copeland Furnitur 136-140 N Main	\$114,000.00	\$33,900.00	\$141,892.00	\$178,000.00
NOTES				Incomplete bid

Re: **DOWNTOWN DEVELOPMENT AUTHORITY – VIBRANT SMALL CITIES INITIATIVE –
Authorization to Engage in Construction – Façade Enhancement**

RESOLUTION

WHEREAS, the Adrian Downtown Development Authority and Adrian City Commission has adopted the Blueprint for downtown Adrian in an effort to revitalize and reenergize downtown Adrian; and

WHEREAS, the aforementioned plan identifies a need to encourage private investment in the downtown, both in new developments, as well as the retention, restoration, reuse of historic and/or architecturally significant buildings; and

WHEREAS, on behalf of the Downtown Development Authority, the City of Adrian Purchasing Office solicited and obtained bids from the following three (3) vendors on Friday, June 26, 2009:

<u>Vendor</u>	<u>Amount</u>	
Campbell-Durocher	\$ 37,800.00	(H&R Block 149 S Main)
Erie, MI	\$ 58,350.00	(Robert Jewelers 116-120 S Main)
	\$ 22,800.00	(The Barley House Tavern 113 E Maumee)
	\$ 58,500.00	(Jo Ann Steel Insurance 130 N Main)
	<u>\$ 33,900.00</u>	(Copeland Furniture 136-140 N Main)
	<u>\$211,350.00</u>	Total
Beal Inc.		
Ann Arbor, MI	\$ 89,700.00	(H&R Block 149 S Main)
	\$178,000.00	(Robert Jewelers 116-120 S Main)
	\$ 96,000.00	(The Barley House Tavern 113 E Maumee)
	\$123,000.00	(Jo Ann Steel Insurance 130 N Main)
	<u>\$114,000.00</u>	(Copeland Furniture 136-140 N Main)
	<u>\$600,700.00</u>	Total
Krieghoff Lenawee		
Adrian, MI	\$108,127.00	(H&R Block 149 S Main)
	\$259,441.00	(Robert Jewelers 116-120 S Main)
	\$105,554.00	(The Barley House Tavern 113 E Maumee)
	\$173,718.00	(Jo Ann Steel Insurance 130 N Main)
	<u>\$141,892.00</u>	(Copeland Furniture 136-140 N Main)
	<u>\$788,732.00</u>	Total

WHEREAS, the City's Finance Director indicates that sufficient funds are available in Fund 283 – Vibrant Small Cities Grant Fund for this purpose through grant funds (283-481.00-801.003) and matching owner escrow account (283-481.00-801.005).

WHEREAS, the Downtown Development Coordinator, Community Development Director and City Administrator recommend selection of the low bidder, Campbell-Durocher of Erie, MI, and engagement in the City's Standard Professional Services Contract to perform construction services related to the façade enhancement as outlined in grant specifications.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes selection of the low bidder, Campbell-Durocher of Erie, MI, and engagement in the City's Standard Professional Services Contract to perform construction services related to the façade enhancement as outlined in grant specifications.

On motion of Commissioner _____,

Seconded by Commissioner _____, the above resolution was

_____ by a _____ vote.

MISCELLANEOUS

12-1

Parks and Recreation Department
 Recreation Program Report
 Spring 2009 (March - May)

	2005	2006	2007	2008	2009
AQUATICS					
Swim Lessons	21	26	16	19	18
Lifeguard Class	7	5	N.O.	N.O.	N.O.
Water Aerobics (Drop in program)	15	20	N.O.	N.O.	N.O.
YOUTH PROGRAMS					
Adaptive Programs					
Ooey Goey Art			6		
Incredible Edible Art			6	20	
Spring Fling			8		
Karaoke			6		
Bowling Bonanza				25	
Art Attack					(1)
Sports Fun					(1)
Beginning Juggling*					(1)
Drumming				5	N.O.
Golf Lessons	2	14	10	10	8
Beginning Guitar Lessons				3	N.O.
Karate	20	42	49	40	18
Let Go of My Legos			13	14	9
Messy Munchkins*					(3)
Movin' Magic*					(3)
Sports for Squirts	30	32	36		
Squirts Tball				25	20
Squirts Soccer				30	22
Spring Break Camp - Single Day	49	58	19	42	14
Spring Break Camp - All Week	18	22	13	21	8
Free Soil School				90	0
YOUTH SPORTS					
Baseball/Softball*					461
Youth Soccer	15	41	54	53	52
HS Soccer*					65
ADULT/FAMILY PROGRAMS					
Beginning Guitar			9	6	N.O.
Builder's Pre-Licensing	13	9	(4)	N.O.	N.O.
Digital Photography			4	5	9
Dog Obedience (Combined)	38	12	13	48	37
2 sessions in 2005, 2008, 2009					
Dog Obedience (4H)		12	12	11	11
Karate - Family/Individual	7/5	3/3	2/3	3/3	6/7
Golf Lessons	7	15	7	10	4
Stubnitz Spring Programs					
Song Bird/Wildflower Trail Hike	3	12	21	35	38
Bluebird Habitat			11	20	24
MI Snakes Alive				113	
Amazing Animal Adaptations					107
MI Raptors	73	54	58		
MI Valuable Wetlands	62				
Wildflower Watercolor			25		
Spring Floral Wreath			24		
Springtime Basket Weaving				13	
Adult Day Trips					
Dundee (Cabella's)		6			(1)
Sauder Village				6	8
Shipshewana					21
Dance Classes					
Ballroom Dance (Couples)	<N.O.>	24	16	24	22
Swing Dance (Couples)	<N.O.>	10	12	15	13

N.O. - Not Offered * - New () -Cancelled <> - Instructors Not Avail.
 NOTE: Blank spaces are due to not offering certain programs in various

Parks and Recreation Department
Recreation Program Report
Spring 2009 (March - May)

	2005	2006	2007	2008	2009
ADULT SPORTS/LEAGUES					
Adult Volleyball 4X4 (Teams)					
Men	9	9	5	0	6
Women	37	42	29	35	33
Co-Ed	31	22	25	24	14
Soccer (Teams)					
Co-Ed/Open	8	7	12	10	12
SKATE PARK					
Open Skating (April - May)		470	490	494	461
Skateboard Class		10	7	8	18
SPECIAL EVENTS					
Eggstravaganza	275	182	341	9	282
Heritage Hare Racer	44	38	61	73	62
Mom's & Son's Activity Night	159	88	59	128	116
Mother's Day Gift Workshop	20	(7)	14	11	(3)
Pitch Hit and Run	51	15	17	14	12
Rose For Mom Contest	143	159	71	356	290
Teddy Bear Tea Party		10	7	13	
Mad Hatter Tea Party* (Replaced Teddy Bear Tea Party)					24
Walk Michigan				165	108
N.O. - Not Offered * - New () -Cancelled <> - Instructors Not Avail.					
NOTE: Blank spaces are due to not offering certain programs in variou					

YOUTH RECREATION SCHOLARSHIPS
March - May 2009

Aquatics	2	\$50.00
Youth Programs	8	\$110.50
Youth Sports	16	\$346.00
Special Events	7	\$143.00
Skate Park	3	\$45.00
Baseball/Softball	65	\$1,565.00
TOTAL	101	\$2,259.50

Adrian Parks Recreation
Resident/Non-Resident Comparison
Spring 2009 (March - May)

	Residents	Non-Residents	Total Participants	Percentage Non-Residents
AQUATICS				
Swim Lessons	9	9	18	50%
YOUTH PROGRAMS				
Golf	4	4	8	50%
Karate	1	8	9	89%
Let Go of My Legos	6	3	9	33%
Messy Munchkins	1	2	3	67%
Squirts Tball	13	7	20	35%
Squirts Soccer	16	6	22	27%
Spring Break Camp - Single Day	9	5	14	36%
Spring Break Camp - All Week	3	5	8	63%
YOUTH SPORTS				
Baseball/Softball	287	174	461	38%
Youth Soccer	28	24	52	46%
HS Soccer	18	47	65	72%
ADULT/FAMILY PROGRAMS				
Digital Photography	2	7	9	78%
Dog Obedience (Combined)	19	29	48	60%
Karate - Individual/Family	4	2	6	33%
Golf	2	2	4	50%
Adult Day Trips (Combined)	14	15	29	52%
Dance Classes (Individuals)	24	46	70	66%
ADULT SPORTS/LEAGUES				
Adult Volleyball 4X4 (Players)	121	273	394	69%
Adult Soccer (Players)	67	76	143	53%
SKATE PARK				
Skate Lessons	4	14	18	78%
SPECIAL EVENTS				
Eggstravaganza	Did not Track			
Heritage Hare Racer	25	37	62	60%
Mom's & Son's Activity Night	91	25	116	22%
Pitch Hit and Run	8	4	12	33%
Rose for Mom	Did not Track			
Mad Hatter Tea Party	18	6	24	25%
Walk Michigan	Did not Track			
TOTALS	794	830	1,624	51%

m-2
 TO: DANE C NELSON, CITY ADMINISTRATOR
 FROM: MARCIA M. BOHANNON, TRANSPORTATION COORDINATOR

ADRIAN D.A.R.T. PASSENGER RIDERSHIP REPORT FOR JUNE 2009

WEEK END:	JUN 5	JUN 12	JUN 19	JUN 26	JUN 30	TOTAL
MONDAY	307	322	299	260	239	1427
TUESDAY	309	257	271	305	262	1404
WEDNESDAY	351	307	307	306	0	1271
THURSDAY	344	297	306	294	0	1241
FRIDAY	297	265	283	265	0	1110
		1448	1466	1430	501	6453

SERVICE DAYS	JUN 2009	JUN 2008	+/-	MAY 2009
	(22)	(21)		(21)

SENIORS	815	896	-81	777
HDCP SENIORS	923	1148	-225	882
HANDICAPPED	2910	3109	-199	2707
WHEELCHAIRS **	433	311	122	417
GENERAL	1805	1554	251	1753
	6453	6707	-254	6119

JULY	2007	5775	2008	6717	16%
AUGUST	2007	6378	2008	6213	-3%
SEPTEMBER	2007	6071	2008	6640	9%
OCTOBER	2007	7357	2008	7278	-1%
NOVEMBER	2007	6718	2008	6050	-10%
DECEMBER	2008	6171	2009	6734	9%
JANUARY	2008	7616	2009	7368	-3%
FEBRUARY	2008	7452	2009	7417	0%
MARCH	2008	7027	2009	7540	7%
APRIL	2008	7136	2009	6915	-3%
MAY	2008	6957	2009	6119	-12%
JUNE	2008	6707	2009	6453	-4%
		81365		81444	0%

** WHEELCHAIR TOTALS ARE INCLUDED IN HANDICAPPED PASSENGER TOTALS

m-3

DEPARTMENTAL REPORT

JULY 20, 2009

	JUNE 2009	MAY 2009	JUNE 2008	YEAR-TO-DATE 2009	YEAR-TO-DATE 2008
POLICE DEPARTMENT					
Complaints Answered	959	915	1,024	4,915	5,369
VIOLATIONS					
Moving Citations	86	78	127	476	683
3-6 am Parking Tickets	94	188	87	1,158	589
Non-Moving Citations	57	34	17	239	78
Downtown Parking Tickets	248	227	430	727	2,669
TOTAL VIOLATIONS	485	527	661	2,600	4,019
ARRESTS	129	94	150	702	798
FIRE DEPARTMENT (See M-4)					
INSPECTION DEPARTMENT					
Building Permits	37	37	51	148	218
Electrical Permits	14	17	17	101	106
Mechanical Permits	15	14	24	97	125
Plumbing Permits	2	4	6	28	34
Sidewalk Permits	4	3	4	8	5
Sign Permits	5	3	7	22	35
TOTAL PERMITS	77	78	109	404	523
Estimated Bldg.Costs	\$236,569	\$847,422	\$538,872	\$1,792,214	\$4,561,869
PARKING SYSTEM					
Meters in Operation	232	232	232	232	232
Parking Assessment	\$101	\$133	\$133	\$13,548	\$9,412
Lot Revenue	\$673	\$0	\$0	\$1,335	\$3,769
Street Revenue	\$0	\$0	\$0	\$0	\$0
Misc. Revenue	\$14	\$9	\$9	\$80	\$42
Permits	\$525	\$575	\$575	\$15,929	\$34,288
Fines	\$815	\$1,710	\$1,725	\$3,471	\$11,549
Token Sales	\$0	\$0	\$0	\$0	\$0
Contribut-GenFund	\$16,000	\$0	\$0	\$16,000	\$132,000
TOTAL REVENUE	\$18,128	\$2,427	\$2,442	\$50,363	\$191,060
WASTE WATER DEPARTMENT					
M. G. Pumped	152,563	149,471	158,895	1,089,013	1,168,708
Cost of Plant Operation	*	\$401,482	\$182,362	\$1,567,885	\$1,547,924
WATER DEPARTMENT					
M. G. Pumped	89	89	93	520	557
Number of Customers	6,296	6,267	6,321		
	Industrial	Commercial	Residential	Other	TOTAL
M. G. Sold Revenue	\$26,083	\$77,617	\$113,042	\$67,698	66,209 \$284,440

*The June numbers for the Auto Parking Report are preliminary numbers

*Figure not available