

PRE-MEETING AGENDA

ADRIAN CITY COMMISSION
AGENDA
PRE-MEETING STUDY SESSION
JULY 6, 2009
5:30 P.M.

The City Commission will meet for a pre-meeting study session on Monday, July 6, 2009 at 5:30 p.m. in the 2nd Floor Conference Room at City Hall to discuss the following:

- I. Discussion of Grand Valley State University Report
- II. Discussion of Financial Matters
- III. Other Items as Time Permits



MEMO

Date: June 9, 2009

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

From: Jeffrey C. Pardee, Finance Director

Re: **Grand Valley State University – Financial Trends Monitoring System
Report FY2004 to FY2008**

Please find attached the subject report. Both the report and management's response will be discussed at the Pre-Meeting on July 6, 2009. If you have any questions or need for further information, please contact my office at (517)264-4824.

City of Adrian, Michigan
Financial Trends Monitoring System Report
FY 2004 to FY 2008



Brian Flanagan
Dayna Porter
Chris Stallworth

April 2009

TABLE OF CONTENTS

INTRODUCTION	3
<i>Revenue and Expenditure Indicators</i>	5
Indicator #1 – Revenues Per Capita	6
Indicator #2 – Intergovernmental Revenues	7
Indicator #3 – Expenditures Per Capita	8
Indicator #4 – Expenditures By Function	9
<i>Current Financial Position Indicators</i>	10
Indicator #5 – Net Assets	11
Indicator #6 – Operating Deficit or Surplus	12
Indicator #7 – Fund Balance	14
<i>Financial Future Indicators</i>	16
Indicator #8 – Ability to Pay	17
Indicator #9 – Solvency	19
<i>Environmental Factors</i>	22
Indicator #10 – Unemployment	23
Indicator #11 – Assessed Property Value	24
CHALLENGES AND RECOMMENDATIONS	25
SUMMARY	25
ENDNOTES	26

INTRODUCTION

Founded in 1825, incorporated in 1853, and re-chartered in 1957, the City of Adrian, Michigan faces significant challenges in 2009. It is the county seat of Lenawee County, whose southern border with the state of Ohio was determined by an early American civil war during the Andrew Jackson administration. The fact that Adrian was already a decade old when the Toledo War was fought – and twelve years old when Michigan was finally admitted to the Union – is a testament to the long history of the city. Adrian's population of just over 21,000 does not have to fear its Ohioan neighbors today, but it is under siege by a different sort of threat. Michigan has been among the hardest-hit states by the recent national recession, and Lenawee County – with its year-old, double-digit unemployment rate – is among the hardest-hit regions in the state. The county seat has suffered as a result. Adrian's revenue generation has been impacted by the economy, while its expenditures have grown 22.0% since 2004, from nearly \$14 million to nearly \$17 million. Its debt capacity has diminished. Since 2002, debt-per-capita for the city has increased 162.0%, from \$474 to \$1,243, while debt as a percentage of income has risen from 2.2% to 6.0%. As we will see, this has factored into increased liabilities, a real dollar decline in fund balance and net assets, and declining liquidity. Under the weight of the struggling national, state, regional, and local economies, the city's vision for itself – “a hospitable and pleasant community that nurtures its diverse, natural, historical, cultural and social assets in order to foster a safe, clean, prosperous, attractive place in which to live, work, grow and play” – may seem more distant today.

There are reasons to have hope. First, the City of Adrian's mission is to “provide efficient and effective city services through comprehensive planning based on long-term systematic principles that foster an open, honest, responsive government.” This is an admirable and realistic mission even in a tough economy. Second, the city's highest-priority goals – strengthening city finances, diversifying the economy, improving infrastructure, and invigorating the downtown area – are all geared toward emerging from this crisis as a stronger, more sustainable community. Finally, several of the city's objectives make it clear that it recognizes its financial troubles. These include: exploring alternatives for increasing revenues; developing cost-sharing and pricing strategies; completing a debt capacity analysis; prudently investing; and implementing economic development and capital improvement plans. The city's mission, goals, and objectives, in other words, reflect its efforts to bolster its financial future.

The purpose of this paper is to assess the City of Adrian's current and future financial position, and to offer conclusions and recommendations to the city's leadership. The International City/County Management Association's (ICMA) handbook for local government, *Evaluating Financial Condition* guides this analysis. The ICMA's method – the Financial Trend Monitoring System (FTMS) – is designed to identify and organize “the factors that affect financial condition so that they can be measured and analyzed.”¹ As such, eleven indicators have been selected, monitored for five years (2004 through 2008), and rated as stable, mixed results, or unstable. The indicators and their respective ratings are as follows:

Indicator	Rating
1. Revenues-Per-Capita	Mixed Results
2. Own-Source Revenue	Stable
3. Expenditures-Per-Capita	Unstable
4. Expenditures by Function	Mixed Results
5. Net Assets	Mixed Results
6. Operating Deficit	Unstable
7. Fund Balance	Unstable
8. Ability to Pay	Mixed Results
9. Solvency	Unstable
10. Unemployment	Unstable
11. Assessed Property Value	Stable

The first four indicators measure revenues and expenditures; indicators five, six, and seven measure the city's current financial position; and the financial future of the city is assessed by indicators eight and nine. Finally, indicators ten and eleven evaluate selected environmental conditions.

Certain indicators have been selected to benchmark Adrian's financial position against those of five other Michigan cities that are similar in size. These indicators will provide, "*flags* for identifying problems, *clues* about their causes, and *time* to take anticipatory action."² These cities include:

- Eastpointe, Macomb County, population of 34,077
- Grand Haven, Ottawa County, population of 11,168
- Kentwood, Kent County, population of 47,449
- Royal Oak, Oakland County, population of 57,292
- Walker, Kent County, population of 23,709

The remainder of this paper defines the indicators, one-by-one, providing analyses, conclusions, and recommendations. The paper concludes with challenges and recommendations and a summary of the findings. The overall analysis provides a sense of the city's 60-day cash solvency, 360-day budgetary solvency, and 3,600-day long-run solvency, as well as "its ability to provide services at the level and quality that are required"³

FINANCIAL AND ENVIRONMENTAL CONDITIONS ANALYSIS

Revenue and Expenditure Indicators

Revenues Per Capita

Intergovernmental Revenues

Expenditures Per Capita

Expenditures By Function

Indicator #1 – Revenues Per Capita

City Trend: MIXED RESULTS

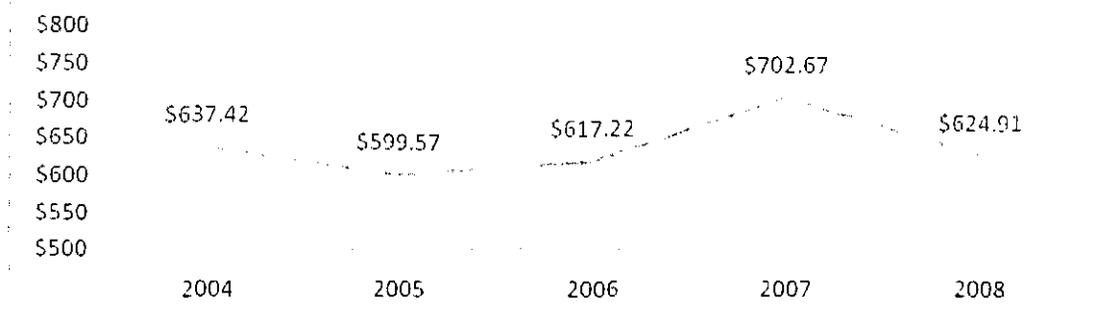
Description

Revenues per capita relate changes in revenues to changes in population over time. As population increases, real revenues per capita should remain stable or increase, as it is expected that the need for services will grow. Decreasing revenues per capita may indicate that without cutting costs or finding additional revenue sources, the city will become unable to maintain current service levels.⁴

City Policy

No city policy related to revenues per capita.

Figure 1. Revenues Per Capita



Analysis

From 2004 through 2008, the City of Adrian’s revenues per capita trend shows an average annual real dollar decrease of 0.5%, while at the same time population has decreased 1.8%. In 2007, revenues per capita increased by 13.8%, but then they fell 11.1% in 2008 to a level typical of previous years. The sharp and temporary increase in 2007 is attributed to a general fund expansion of nearly \$80,000 and another non-major governmental fund increase due to a \$460,000 private donation to establish the Swigert Senior Trust. The City of Adrian revenues per capita are exhibiting the same trend as similarly sized Michigan cities explored in this report, including Eastpointe, Grand Haven, Kentwood, Royal Oak, and Walker.

Conclusion

Despite the 11.1% decrease in revenues per capita from 2007 to 2008, the overall trend yields mixed results. Decreasing revenues per capita is typically a negative trend, and the unexpected growth in 2007 may be considered an outlier since subsequent revenues per capita returned to levels that are more historic. When we remove 2007 as an outlier, 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.

Indicator #2 – Intergovernmental Revenues

City Trend: STABLE

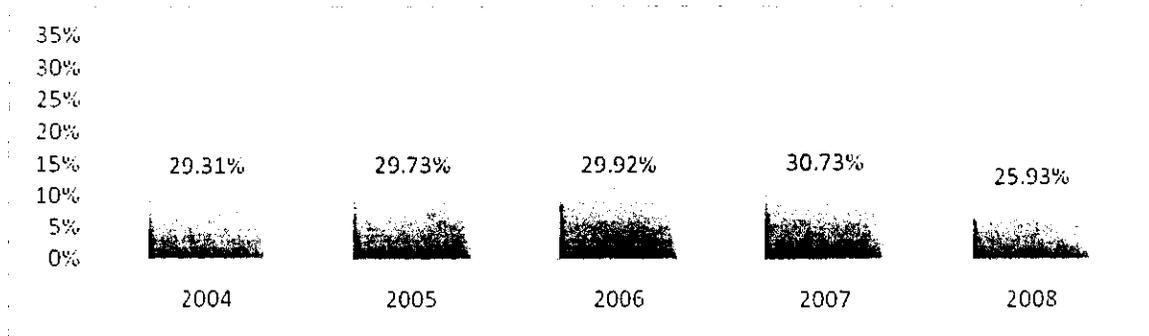
Description

Intergovernmental revenues are revenues from other governments (e.g., federal, state, and sometimes county, and local). Those revenues linked to revenue sharing are often reduced during times of economic distress. Overreliance on intergovernmental revenues to support operations makes municipalities vulnerable during tough economic times. As a percentage of gross operating revenues, a growing reliance on intergovernmental revenues indicates instability.⁵

City Policy

Adrian actively pursues grants, entitlements, contracts for services and other federal and state funds. The City uses these funds to further the applicable stated program goals. Because this source of funding is not guaranteed and are generally intended for a specific purpose, they do not be rely upon them as an alternative source of revenue to fund operating costs. Use of these funds should not have an adverse financial impact on the General Fund. City staff and the City Commission evaluate all grant opportunities for cost versus benefit factors and long-term impacts on the City.⁶

Figure 2. Percent Revenue from Intergovernmental Sources



Analysis

Adrian’s overall reliance on intergovernmental revenue has remained relatively constant since 2004, with a nearly 5% reduction in intergovernmental revenues seen in 2008. This reduction is due in part to reduced State shared revenue payments and the city’s Strategic Action Plan, which prioritizes own-source revenues growth through assessment of appropriate fees and charges, and further growing revenues through funding from friends and foundations. Figure 2 shows that the overall trend since 2004 is downward. When benchmarked against cities of similar size, two of the six cities show slight upward trends while others are stable or declining. Of note, however, is that the City of Adrian has consistently had the highest percentage of intergovernmental revenues of all the cities. The comparison cities average 20% intergovernmental revenues in 2008.

Conclusion

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.

Indicator #3 – Expenditures Per Capita

City Trend: UNSTABLE

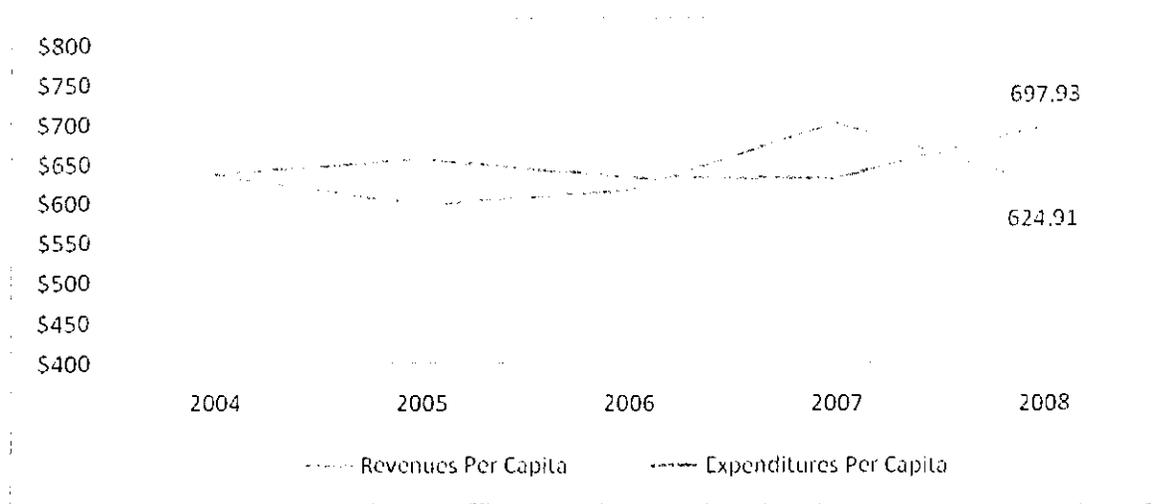
Description

Expenditures per capita reflect changes in expenditures related to changes in population. Increasing expenditures per capita may indicate population loss, or it may indicate that the government is spending more to support the same level of services.⁷

City Policy

No city policy related to expenditures per capita.

Figure 3. Revenues and Expenditures Per Capita



Analysis

Since 2004, real expenditures per capita have been on the rise in Adrian. Expenditures per capita outpace revenues per capita in all years examined except 2007. Revenues in 2007 were higher than planned due to a general fund surplus and a substantial private donation. 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. Comparing the City of Adrian’s expenditures per capita to the benchmark cities yields similar results. All six cities have largely stable or slightly increasing expenditures per capita.

Conclusion

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.

Indicator #4 – Expenditures By Function

City Trend: MIXEDRESULTS

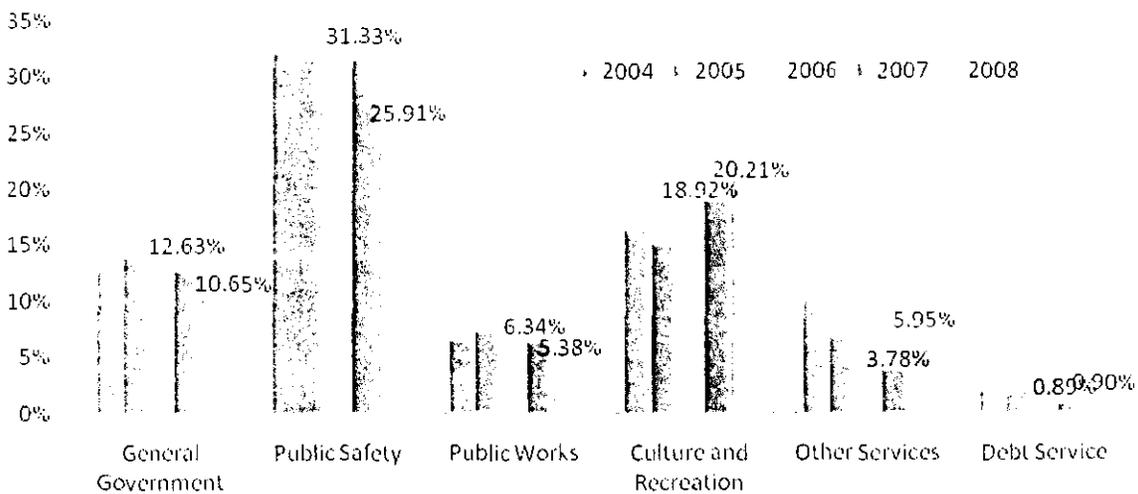
Description

Examining expenditures by function allows for a more detailed analysis of the city’s government spending. By examining expenditures for each function, analysts are able to more accurately determine where changes exist. Increasing operating expenditures for one function as a percentage of total net operating expenditures indicates a warning trend.⁸

City Policy

No city policy related to expenditures by function.

Figure 4. Percent of Total Expenditures by Function



Analysis

Since 2004, general government and public safety expenditures have decreased while culture and recreation expenditures have increased (see Figure 4). As stated in the description of this indicator, increased expenditures for individual functions signal a warning trend. While the other indicators have decreased, the functions with increased expenditures must be individually examined to determine what factors contribute to the spending.

Conclusion

This indicator yields mixed results for the City of Adrian. While General Government, Public Safety, and Public Works are shrinking, Culture and Recreation, Other Services and Debt Service are growing. Some of the decrease in Public Safety spending is related to increased use of homeland security funding to upgrade assets and the elimination of a clerical position in the police department, while the City’s stated mission and values directly support increased spending in Culture and Recreation. 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.

FINANCIAL AND ENVIRONMENTAL CONDITIONS ANALYSIS

Current Financial Position Indicators

Net Assets

Operating Deficit or Surplus

Fund Balance

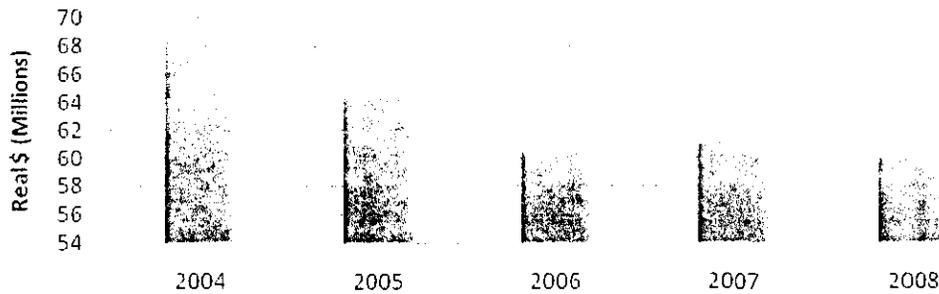
Indicator #5 – Net Assets

City Trend: MIXEDRESULTS

Description

Net assets reflect the government’s overall financial position. They are the difference between assets (what the government owns) and liabilities (what the government owes), and they should remain stable or grow. Net assets for total primary government will vary widely from municipality to municipality depending on size, demographics, and the number of business-type activities offered, and net assets within a municipality will vary depending on economic conditions, budgetary stability, and economic development projects, among other factors.

Figure 5. Net Assets for Total Primary Government



City Policy

No city policy related to net assets.

Analysis

Over the past five years, as Figure 5 shows, the real dollar value (dollars adjusted for inflation) for the City of Adrian’s net assets has declined by \$8 million or 12.0%. That means that the city’s overall financial position is getting worse. Net assets for governmental activities, consistently accounting for about half of the total, have declined by 10.0%. Furthermore, a comparison with five similarly sized Michigan cities reveals that Adrian’s net assets for governmental activities were relatively low to begin with – Adrian consistently falls between 25.0% and 48.0% below the average. Even when the outlier – Royal Oak – is removed from the comparison, Adrian falls as far as 34.0% below the average.

Conclusion

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. We face trying economic times, but liquid assets should be managed for growth, and new investments should be made in capital assets while old investments depreciate. Overall, this indicator yields mixed results for the City of Adrian. While nominal net assets have remained stable, the five-year trend reveals a declining real dollar value of net assets, and relatively smaller ownership after liabilities than similarly sized Michigan cities.

Indicator #6 – Operating Deficit or Surplus

City Trend: UNSTABLE

Description

The city's operating deficit or surplus reveals the sufficiency of revenues to cover expenses. According to ICMA, a one-year operating deficit is not necessarily cause for concern. However, if there is a trend of consistent or increasing deficits over several years, it may be an indication of broader structural problems – causing current expenditures to exceed current revenues – and it could be a warning sign of tougher problems ahead.⁹ This indicator can reveal a pattern of imbalance and a need for structural reform. More specifically, the bond-rating industry will regard this indicator as a negative factor if it observes: (1) two or more consecutive years of operating deficits; (2) a current deficit larger than that of the previous year; (3) two or more deficits over the course of five years; or (4) an uncharacteristically large deficit of five to ten percent or more.¹⁰

City Policy

No city policy related to operating deficit or surplus.

Figure 6. Operating Surplus or Deficit

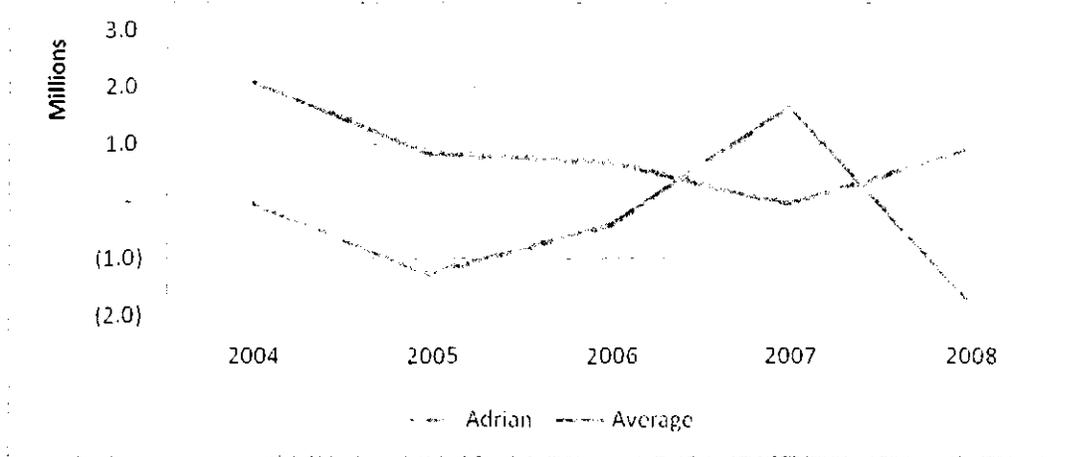
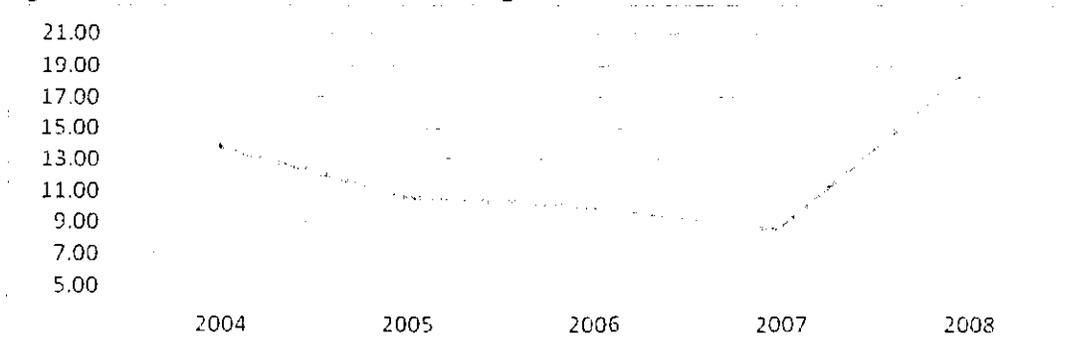


Figure 7. General Fund Deficit as a Percentage of General Revenues



Analysis

The City of Adrian's five-year trend meets several of the above negative bond rating criteria, and it is cause for concern. Between 2004 and 2006, as shown in Figure 6, 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. These data alone would be enough to convince Standard and Poor's, Moody's, and Fitch that there is a problem. 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. 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. During this same span, as seen in Figure 7, the general fund was consistently in deficit by 8.0% to 18.0% of general fund revenues, and the most recent budget marked the largest deficit of the period. 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.

Conclusion

The result of this five-year trend is a declining fund balance, but the causes are harder to perceive. The city's budget reports emphasize the negative economic climate – nationally, statewide, regionally, and locally – and, indeed, the city's second largest revenue source – the State of Michigan – has incrementally decreased its contribution to the city. Between 2004 and 2008, state aid declined by nearly \$150,000. During the same period, however, the city's largest revenue source – property and other tax dollars – actually increased by more than \$1.25 million. The more likely cause is the increasing cost of government in the face of fairly stable revenues. General fund expenditures have risen by more than \$3 million, or 22.0% in five years. Highways, streets, and bridges; and culture and recreation have accounted for the majority of that rise, with 37.0%, and 72.0% increases in expenditures, respectively. Potential solutions to improve the imbalance include increasing tax revenues, finding new revenue sources, or stemming the growth in expenditures. The city clearly recognized this need in its 2008 financial statement, which ranked as its number one priority "strengthening city finances" through increased revenues, cost sharing strategies, prudent investment strategies, and budget reduction contingency plans. Fiscal year 2007 – the only year in the last five in which there was a total governmental funds surplus – shows that a balanced operating budget is still possible.

Indicator #7 – Fund Balance

City Trend: UNSTABLE

Description

The fund balance is the city’s reserve in governmental, proprietary, and fiduciary funds. It can rise or fall depending on operating budget deficits or surpluses, success of investments, and capital and operational outlays, among other factors. It 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.¹¹ 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.¹² The city of Adrian maintains eleven separate governmental funds and several proprietary and fiduciary funds.

City Policy

To maintain the City of Adrian’s credit rating and meet seasonal cash flow shortfalls, the budget provides for an anticipated unreserved fund balance at least fifteen (15.0%) percent to twenty (20.0%) percent of annual budgeted operating expenditures for the general government and enterprise fund types. The fund balance is exclusive of all reserves not anticipated to be readily available for use in emergencies and contingencies. The adequacy of the fund balance is evaluated annually to consider minimum cash requirements prior to receipt of current year property tax collections.¹³

Figure 8. Total Governmental Fund Balance (Real Dollars)

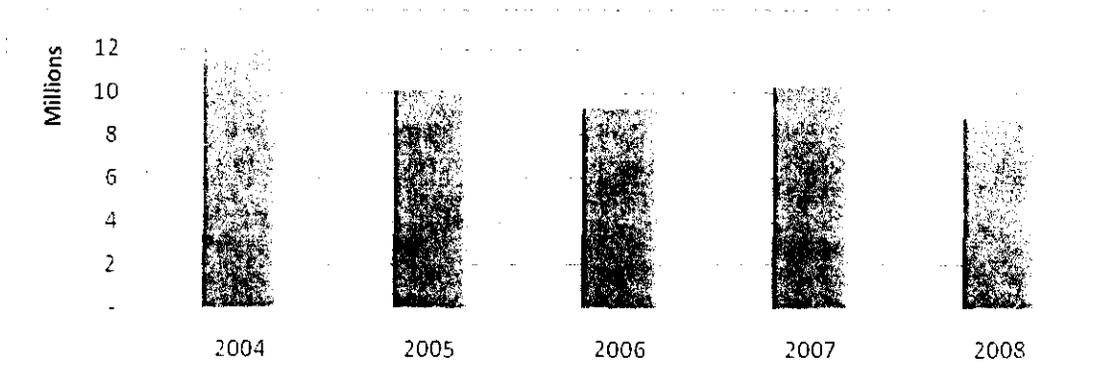


Figure 9. Unreserved Fund Balance

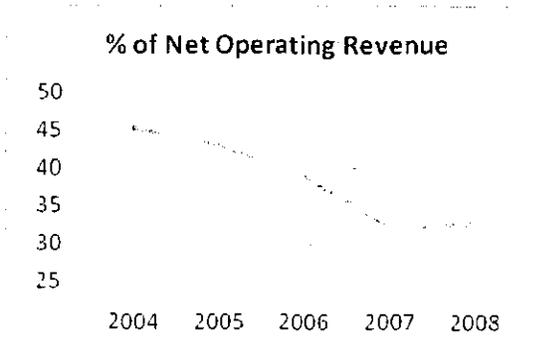
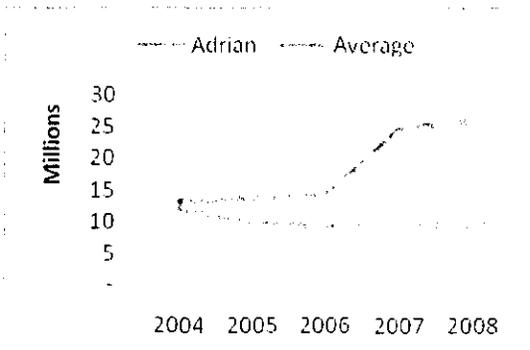


Figure 10. Fund Balance (Real Dollars)



Analysis

Ideally, the City of Adrian's fund balance should remain stable, or grow from year to year as a result of operating surpluses. This has not been the case in recent years. The city's total governmental fund balance, as shown in Figure 8, has decreased in three of the last four years, resulting in a 17.0% decline over the span. Although 2007 continues to be the exception that proves the rule – the fund balance actually grew that year – in each of the other years the balance dropped between 8.0% and 16.0%. 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. Perhaps more distressing than the real dollar decline, is that the unreserved fund balance has fallen as a percentage of net operating revenue from 45.4% to 32.7% since 2004, as illustrated in Figure 9. These unencumbered reserves are the primary source of stability during a financial emergency, such as the one we face today, and their decline leaves Adrian less equipped to manage the crisis than it would have been five years ago.

Disagreement exists as to the appropriate size of a city's fund balance. As such, it could be argued that Adrian can afford to reduce its reserves. However, a comparison to four of the five similarly sized Michigan cities (see Figure 10) shows that on average, fund balances have grown in the last five years by 97.0%. This excludes the outlier, Kentwood, whose fund balance is nearly double the size of the five-city average. Remove Adrian from the average, and the four other city reserves have grown by 125.0%. Considering this comparison, it is hard to argue that Adrian can afford to further shrink its fund balance.

Conclusion

This indicator yields a rating of unstable for Adrian. Going forward, the city should do everything in its power to balance its operating budget in the coming years and stem deficit draws on the fund balance, and it should consider reducing or eliminating all spending from reserve funds. This will be difficult to do in the midst of the current financial crisis, but it is a necessary goal.

FINANCIAL AND ENVIRONMENTAL CONDITIONS ANALYSIS

Financial Future Indicators

Ability to Pay

Solvency

Indicator #8 – Ability to Pay

City Trend: MIXEDRESULTS

Description

An organization’s ability to pay its bills in the near term is measured by calculating a liquidity ratio (current assets divided by current liabilities). Specifically, the ratio reveals how much funding, in cash and liquid assets, is on hand to cover short-term liabilities—those due in a year.. According to ICMA, a low or declining liquidity ratio is an indication that the government has overextended itself.¹⁴ A ratio for any given year lower than one is unfavorable, but a declining ratio over multiple years is sufficient to raise red flags. Ideally, the liquidity ratio will stay above one and will either increase or remain steady.

City Policy

The city of Adrian maintains that the investment portfolio remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.¹⁵

Figure 11. Current Liquidity Ratio

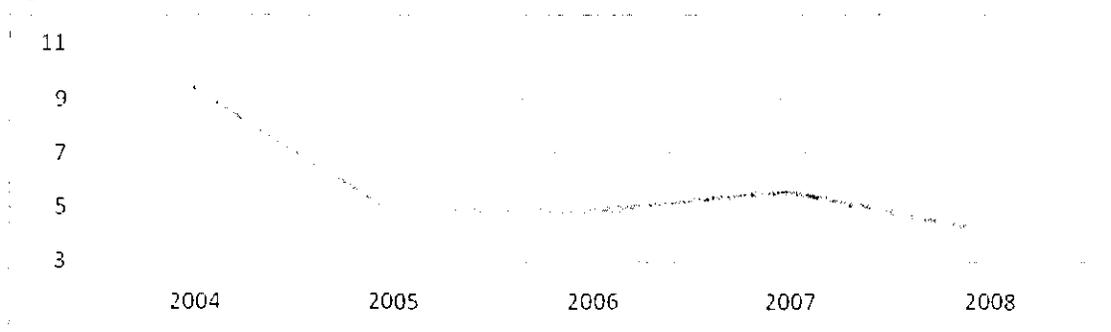


Figure 12. Ratio for Total Primary Government

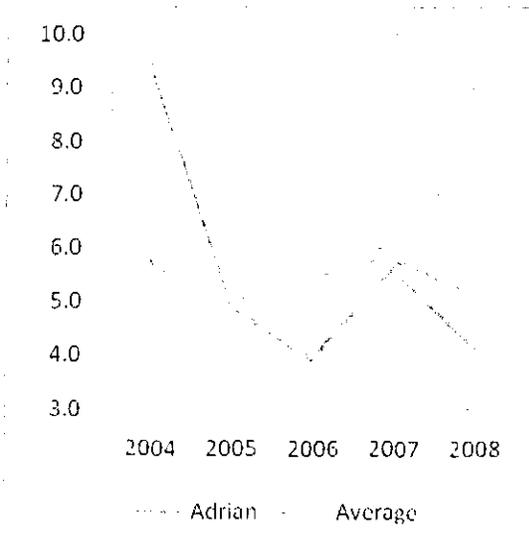
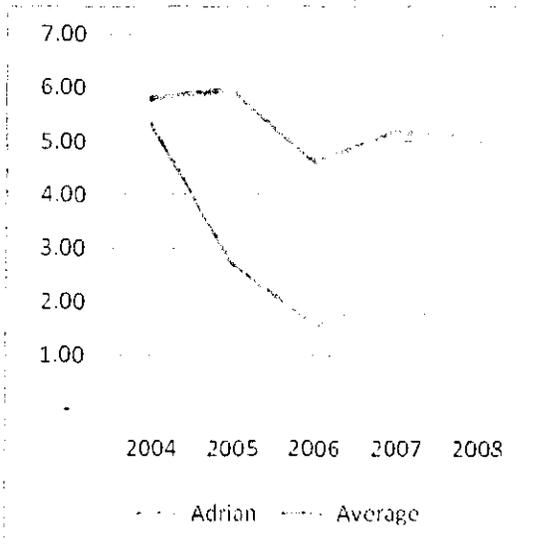


Figure 13. Ratio for Business Type Activities



Analysis

The City of Adrian has had high liquidity ratios over the last five years, but it is enduring 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, illustrated in Figure 11, 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. It is an indication that if the trend continues, the city will no longer have a large enough reserve of liquid assets to cover its current liabilities. In other words, its ability to sustain a strong financial position could continue to decline in coming years. The six-city comparison of similarly sized municipalities, illustrated in Figure 12, reveals that in 2004 Adrian had a relatively high current liquidity ratio for total primary government – the highest among the sample cities, in fact. By 2008, Adrian had fallen below the average. A primary contributor to Adrian's reduced liquidity was its business-type activity. Its current liquidity ratio for business type activities dropped nearly four points, from 5.3 to 1.6, while the five-city average, as shown in Figure 13, fell by less than one point.

Conclusion

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. Although the city's liquidity is still strong (over one), it has fallen precipitously over the past five years. The City may consider performing a regular cash-flow analysis, as recommended by ICMA, scheduling disbursement, collection, and deposits to maximize cash availability.¹⁶

Indicator #9 – Solvency

City Trend: UNSTABLE

Description

A government’s financial future, or solvency, is measured by calculating a series of debt ratios, including debt-to-asset ratio, debt-to-net asset ratio, debt per capita, and debt per \$1000 of assessed property values. The first two ratios allow government officials to monitor and compare what it owes to what it owns (assets) and its net worth (net assets). In addition, debt is compared to population and property values (as tax revenue is generated by these two factors) so the city can examine its ability to cover its liabilities.

City Policy

The City of Adrian only uses long-term debt for capital projects that cannot be financed out of current revenues within the Revenue Policy guidelines for rate increases. Long-term debt may also be issued when the specific situation dictates that it is financially in the best interests of the City (e.g., use of State revolving loan funds at strategically low interest rates). Further, debt financing is generally limited to one-time capital improvement projects and only under the following circumstances:

- When the project’s useful life will exceed the term of the financing;
- When the project revenue or specific resources will be sufficient to service the debt;
- When the project will benefit the citizens at large.

Debt financing is not appropriate for:

- Current operating and maintenance expenses (except for issuing short-term instruments such as revenue anticipation notes or tax anticipation notes);
- Any recurring purpose, except as indicated above.

Long-term borrowing is confined to capital improvements too large to be financed from current revenues. Capital projects financed through bond proceeds are financed for a period not to exceed the useful life of the project.¹⁷

Figure 14. Debt to Asset and Net Asset Ratios for Business-type Activities

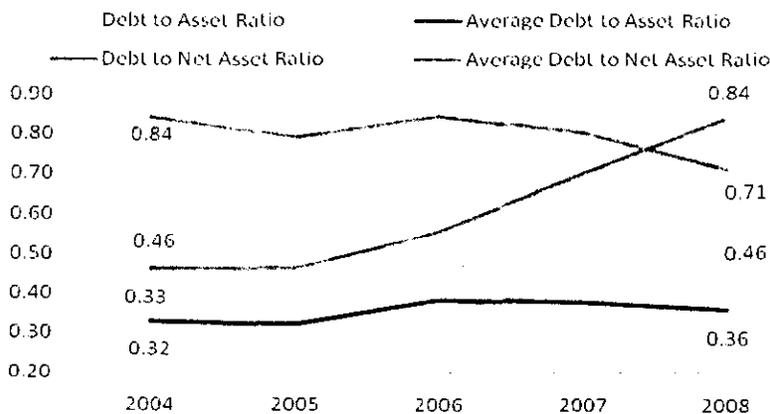
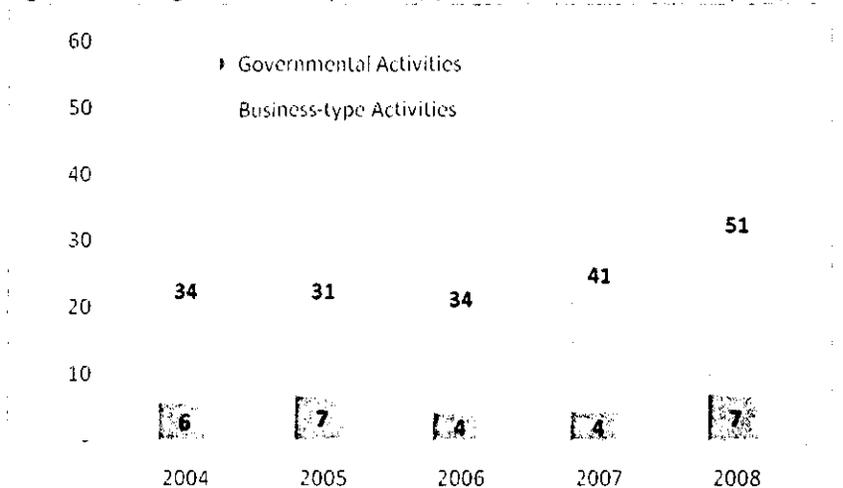


Figure 15. Debt Per Capita by Different Activities



Figure 16. Long-term Debt by Activity per \$1000 of Assessed Property Value



Analysis

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 (Figure 14) 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, (Figure 15), the debt per capita has increased each year, nearly doubling from 2004 to 2008. The city's short and long-term liabilities are the major factors that contribute to this trend. An analysis of the debt indicators suggests that the city may be relying increasingly on long-term debt to finance capital projects. Figure 16, which explores the city's assessed *property value*, suggests that the debt per \$1000 of assessed property values remained stable from 2004 through 2006 and then increased 53.6% over the next two years despite increases in the property values from 2004 to 2007 (see indicator 11).

Conclusion

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.

FINANCIAL AND ENVIRONMENTAL CONDITIONS ANALYSIS

Environmental Factors

Unemployment Rate

Assessed Property Value

City Trend: UNSTABLE

Indicator #10 – Unemployment

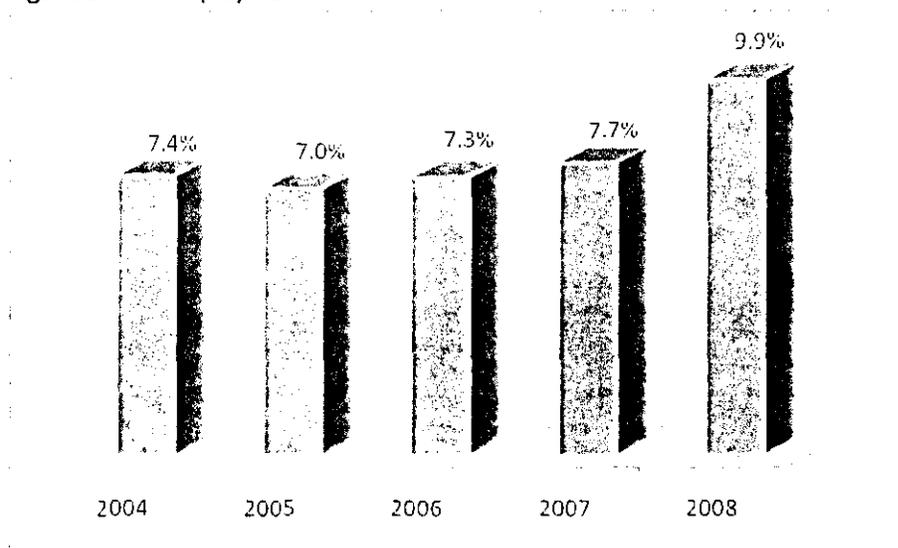
Description

The unemployment rate indicates the percentage of the labor force that is unemployed. Ideally, this indicator should be stable or declining. Employment is related directly to business activity and personal income, and is thus a measure of the community’s ability to support its business sector.¹⁸

City Policy

No city policy related to unemployment.

Figure 17. Unemployment



Analysis

Figure 17 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.

Conclusion

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. 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.

Indicator #11 – Assessed Property Value

City Trend: STABLE

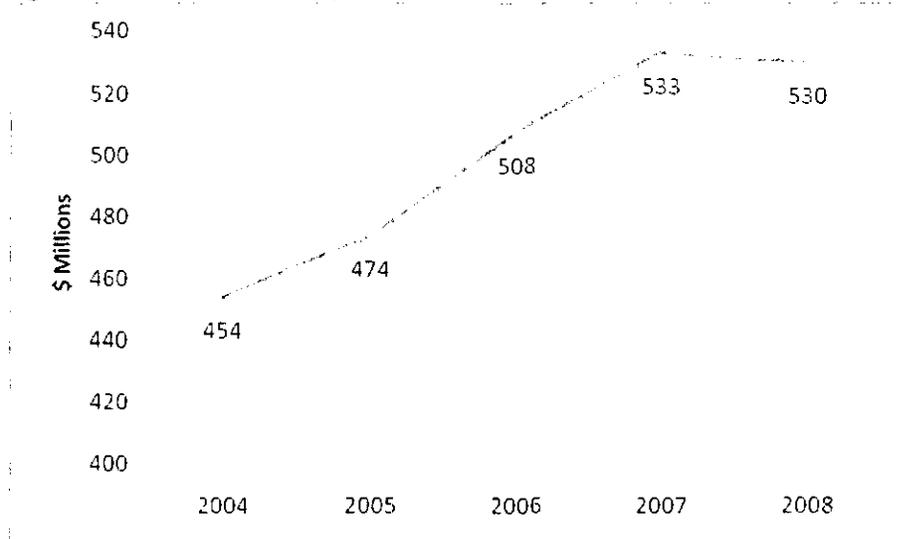
Description

The assessed property value is the sum total of all property within a municipality. It is used to calculate property tax rates. Changes in property value are important because most local governments depend on the property tax for a substantial portion of their revenues.¹⁹ Declining areas are more likely to see a decrease in the market value of properties.

City Policy

No city policy related to assessed property value.

Figure 18. Assessed Property Value



Analysis

The assessed property value in the City of Adrian provides the city with substantial revenue from the taxes levied on these properties. In Figure 18, the trend rises. This means that the value of property has also risen in the city. 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.

Conclusion

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.

CHALLENGES AND RECOMMENDATIONS

The financial position and environmental factors of the City of Adrian presents a series of challenges for the city and its residents. The city is operating in an environment of decreasing fund balances and liquidity and increasing operating deficits and debt, while population and property values are declining.

Adrian's expenditures are increasing while revenues are declining. The challenge will be to determine if the cause of the expenditure increase is an increase in the level of existing services or if there are indeed enough revenues to pay for services. If the increase cannot be explained by additional services used, personnel productivity and service inefficiency could be the culprit.²⁰ One solution would be to decrease spending and increase revenues; however, in this volatile economic condition, such a solution is easier said than done. Nevertheless, inefficiencies, unnecessary programming, and the like must be identified, analyzed, and controlled or eliminated to improve the financial position. In addition, we would recommend that the city consider forming coalitions with other cities to offer services that are interchangeable for the citizens of each municipality to utilize.

The city of Adrian faces multiple environmental challenges in the near and distant future. First, the city faces declining population and escalating unemployment that threatens the creation of new revenue streams, as well as taxes that are collected on a per capita basis. Since many governmental and intergovernmental revenues and grants are distributed according to population, this warrants the city's immediate attention.²¹ In order to offset these mitigating circumstances, the city will have to diversify its economic base to include the recruitment of new employers who are technologically on the cutting edge and who are willing to bring their servicing expertise into the municipality. Moreover, the city should continue to market its higher education facilities in an effort to attract students into the area to replace the citizens that have moved out. Adrian should utilize its universities as leverage to solidify new businesses and private capital investment.

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.

ENDNOTES

¹ Groves, S.M. and Godsey-Valente, M. (2003). Introduction. In K. Nollenberger (Ed.), *Evaluating financial condition: A handbook for local government* (p. 1). Washington, D.C.: International City/County Management Association.

² Ibid., p. 4.

³ Ibid., p. 1.

⁴ Ibid., p. 16.

⁵ Ibid., p. 17.

⁶ Pardee, J.C. (2004). *City of Adrian Financial Management Policies*. Retrieved March 30, 2009, from <http://ci.adrian.mi.us/index.aspx?nid=472>.

⁷ Groves, S.M. and Godsey-Valente, M. (2003), p. 45.

⁸ Ibid., p. 48.

⁹ Ibid., p. 62.

¹⁰ Ibid., p. 63.

¹¹ Ibid., p. 68.

¹² Ibid., p.68.

¹³ Pardee, J.C. (2004), <http://ci.adrian.mi.us/index.aspx?nid=472>.

¹⁴ Groves, S.M. and Godsey-Valente, M. (2003), p. 71.

¹⁵ Pardee, J.C. (2004), <http://ci.adrian.mi.us/index.aspx?nid=472>.

¹⁶ Groves, S.M. and Godsey-Valente, M. (2003), p. 72.

¹⁷ Pardee, J.C. (2004), <http://ci.adrian.mi.us/index.aspx?nid=472>.

¹⁸ Groves, S.M. and Godsey-Valente, M. (2003), p. 131.

¹⁹ Ibid., p. 120.

²⁰ Ibid., p. 46.

²¹ Ibid., p. 108.

COMMISSION AGENDA

**AGENDA
ADRIAN CITY COMMISSION
JULY 6, 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 JUNE 15, 2009 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- I V. PRESENTATION OF ACCOUNTS
- V. COMMUNICATIONS
 - 1. Communication from Comcast regarding channel additions to their Cable Latino service
 - 2. Communication from Comcast regarding a change in channel lineup
 - 3. Communication from Finance Director – FY2009-10 Finance Calendar
 - 4. State Revenue Sharing Update
- V I. CONSENT AGENDA
 - A. RESOLUTIONS
 - 1. CR09-039. Resolution authorizing the re-election of a trustee to the MML Workers' Compensation Board of Trustees for a two-year term.
 - 2. CR09-040. Resolution to award annual bid for precast concrete.
 - 3. CR09-041. Resolution to award bid for replacement lamps for the ultraviolet disinfection system at the Wastewater Plant.
- V I I. PUBLIC COMMENTS
- V I I I. REGULAR AGENDA
 - A. RESOLUTIONS
 - 1. R09-110. Resolution to approve the sale of 3.2 acres in Industrial Park, authorizing the City Administrator to execute the Buy and Sell Agreement and other closing documents and

authorizing the Mayor and City Clerk to execute the deed on said parcel.

2. R09-111. Resolution to retain Associated Engineers and Surveyors for design engineering services for the Division Street Rehabilitation Project, approve the waiving of the bid process and the resulting budget amendments.
3. R09-112. Resolution requesting that the Lenawee County Board of Commissioners designate the City of Adrian as a Recovery Zone for the purpose of issuing Recovery Zone Economic Development Bonds for financing various city projects.
4. R09-113. Resolution to retain Slusarski Excavating for paving the driveway and parking area at the Water Treatment Plant and that the bid process be waived.
5. R09-114. Resolution to award bid for construction of the two-way traffic conversion in downtown Adrian.
6. R09-115. Resolution to approve a change order to the contract with Jackson Automatic Sprinkler for additional work performed at the Parks & Forestry facility on Miles Drive.
7. R09-116. Resolution to accept donations and grants for library renovations for the teen room, library materials to support the career and college center & youth areas and power assisted doors for the south entrance of the library.
8. R09-117. Resolution to approve the acquisition and installation of book shelves, display and magazine units for the Adrian Public Library and that the bid process be waived.
9. R09-118. Resolution authorizing the Mayor and City Clerk to execute a Reimbursement Agreement with Madison Township for delinquent utility charges owed by Maple Woods, 1550 W. Beecher Street, that will be added to the City of Adrian's tax roll.

I X. PUBLIC COMMENTS

X. COMMISSION COMMENTS

MINUTES

**MINUTES
ADRIAN CITY COMMISSION
JUNE 15, 2009
7:00 P.M.**

Official proceedings of the June 15, 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 Pro-Tem DuMars, Commissioners Osborne, Valentine, Miller, Steele and Clegg

ABSENT: Mayor McDowell

Mayor Pro-Tem DuMars in the Chair.

Commissioner Steele moved to excuse Mayor McDowell, seconded by Commissioner Miller, motion carried by a unanimous vote.

Commissioner Steele moved to approve the minutes of the June 1, 2009 regular meeting of the Adrian City Commission, seconded by Commissioner Clegg, motion carried by a unanimous vote.

PRESENTATION OF ACCOUNTS

Utility Department Receiving Fund Voucher #3054 through #3065	\$136,670.75
General Fund Vouchers #19289 through #19312	\$303,755.38
Clearing Account Vouchers amounting to	<u>\$514,542.48</u>
TOTAL EXPENDITURES	<u>\$954,968.61</u>

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

COMMUNICATIONS

1. C-1. Grand Valley State University Financial Trend Monitoring Project
2. C-2. Grand Valley State University – Financial Trends Monitoring System Report for FY2004-08

CONSENT AGENDA

RESOLUTIONS

RESOLUTION CR09-029

RE: ANNUAL BID – PVC PIPE

WHEREAS, sealed bids were received May 28, 2009 for the annual PVC pipe requirements; 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 PVC pipe be awarded to Etna Supply of Grand Rapids, MI for the items and prices as listed in the bid tabulation below and under the terms and conditions as specified and as proposed in their sealed bid dated May 28, 2009.

<u>Item</u>	<u>Etna Supply Grand Rapids, MI</u>
Plastic PVC:	
4"	\$ 0.63
6"	\$ 1.31
8"	\$ 2.31
10"	\$ 3.66
12"	\$ 5.25
15"	\$ 7.95
18"	\$ 12.41
Minimum Order	20 feet
Delivery	10 days

RESOLUTION CR09-030

RE: ANNUAL BID – FLAKE CALCIUM CHLORIDE

WHEREAS, sealed bids were received May 28, 2009 for the annual Flake Calcium Chloride requirements; 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 Flake Calcium Chloride be awarded to Cutler Dickerson of Adrian, MI, for \$411.60 per ton in 50 lb. bags or \$400.00 per ton with a 35 ton purchase under the terms and conditions as specified and as proposed in their sealed bid dated May 28, 2009.

RESOLUTION CR09-031

RE: ADMINISTRATION – Recognizing Hope Community Center as a Nonprofit for the Purpose of Obtaining a Charitable Gaming License

WHEREAS, that a request from Hope Community Center of Adrian, County of Lenawee, asking that they be recognized as a nonprofit for the purpose of obtaining a charitable gaming license is hereby approved.

RESOLUTION CR09-032

RE: ANNUAL BID - ROCK SALT

WHEREAS, sealed bids were received May 21, 2009 for the annual rock salt requirements; and

WHEREAS, said bids have been tabulated below 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 rock salt be awarded to Morton Salt of Chicago, IL for the items and amounts as listed in the bid tabulation below and under the terms and conditions as specified and as proposed in their sealed bid dated May 21, 2009.

<u>Item</u>	<u>Morton Salt Chicago, IL</u>
#1 Bulk Salt FOB Pickup Site	\$58.34
#2 Bulk Salt FOB Alt. Site	\$ 58.34
#1 Bulk Salt FOB Adrian, MI	\$ 58.34
ALT BID - 2 YEARS	
#1 Bulk Salt FOB Pickup Site	No Bid
#2 Bulk Salt FOB Alt. Site	No Bid
#1 Bulk Salt FOB Adrian, MI Pickup Site	No Bid Detroit, MI
Delivery	1 - 5 days
Moisture Percent	1.5%
Terms	Net 30 days No minimums No maximums

RESOLUTION CR09-033

RE: ANNUAL BID - COLD PATCH

WHEREAS, sealed bids were received May 21, 2009 for the annual cold patch requirements; 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 cold patch requirements be awarded to Gerkin Materials of Napoleon, OH, at a cost of \$92.50 per ton under the terms and conditions as specified and as proposed in their sealed bid dated May 21, 2009.

RESOLUTION CR09-034

RE: ANNUAL BID – STREET CASTINGS

WHEREAS, sealed bids were received June 2, 2009 for the annual street casting requirements; 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 street castings be awarded to East Jordan Iron Works of Oak Park, MI, for the items and amounts as listed in the bid tabulation below and under the terms and conditions as specified and proposed in their sealed bid dated June 2, 2009.

<u>Item</u>	<u>EAST JORDAN IRON OAK PARK, MI</u>
MANHOLE CASTINGS:	
#1490 EJIW w/lid	Frame (F): \$ 81.81 Cover (C): \$ 103.45
#1180 EJIW w/lid	F: \$180.28 C: \$105.60
#1030 EJIW w/lid	F: \$143.16 C: \$105.60
#1060 EJIW w/lid	F: \$175.99 C: \$105.60
#1046 EJIW w/lid	F: \$144.61 C: \$118.96
#1040 EJIW w/lid	F: \$166.13 C: \$118.96
MANHOLE LIDS:	
Type A	\$ 118.96
Type M1	\$ 110.75
Type M2	\$ 110.75
Type 01	\$ 110.75
#1040AGS Manhole cover	\$ 142.57
#1040A Manhole cover	\$ 118.97
#1040APT Water Tight Assbly	2 part: \$ 296.38
CATCH BASIN	

CASTINGS:

#7045 w/adj back EJIW	F&B: \$ 279.44
	G: \$ 94.93
#7065 w/driveway back	F&B: \$284.77
	G: \$ 94.93

CATCH BASIN GRATES:

Type M1	\$ 94.93
Type M2	\$ 150.38
Type M3	\$ 94.93

MISCELLANEOUS:

#8560 Series EJIW	\$126.58 W/lid
#5BR250 EJIW	\$1,206.95

#8500 EJIW Valve Box

Riser:

1" high	\$ 15.20
1-1/2" high	\$ 18.40
2" high	\$ 20.80
2-1/2" high	\$ 23.20
3" high	\$ 26.40

Manufacturer:

EJIW

Delivery:

3 – 10 days

RESOLUTION CR09-035

RE: ANNUAL BID – PAVEMENT PATCHING

WHEREAS, sealed bids were received June 2, 2009 for the annual pavement patching requirements; 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 pavement patching be awarded to Belson Asphalt Paving of Reading, MI in the amount of \$3.10 per square foot and under the terms and conditions as specified and as proposed in their sealed bid dated June 15, 2009.

RESOLUTION CR09-036

RE: UTILITIES DEPARTMENT –Annual Bids for Ductile Iron Pipe and Fittings

WHEREAS, on May 28, 2009, the Purchasing Office received a total of five (5) bids for ductile iron pipe and tapping Sleeves, and ductile iron pipe fittings and valves; and

WHEREAS, the Utilities Director and City Administrator recommend acceptance of the low bid for each product category, specifically:

Ductile Iron Pipe and Tapping Sleeves	Kuhlman Corporation, Maumee, OH
Ductile Iron Pipe Fittings and Valves:	Etna Supply, Grand Rapids, MI

WHEREAS, the Finance Director indicates that sufficient funds are available in the Sewer and Water Funds FY2009-10 Budget for this purpose.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the bid recommendations detailed above for the FY2009-10 Fiscal Year, specifically:

Ductile Iron Pipe and Tapping Sleeves	Kuhlman Corporation Maumee, OH
---------------------------------------	-----------------------------------

Ductile Iron Pipe Fittings and Valves	Etna Supply Grand Rapids, MI
---------------------------------------	---------------------------------

RESOLUTION CR09-037

RE: ANNUAL BID – LIMESTONE

WHEREAS, sealed bids were received May 28, 2009 for the annual requirements for limestone; and

WHEREAS, said bids have been tabulated and recommendations made by the 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 limestone be awarded to Van Brunt Transport of Onsted, MI and that Springville Truck of Hillsdale, MI be used as the backup supplier for the items and amounts as listed in the bid tabulation below and under the terms and conditions as specified and as proposed in their sealed bid dated May 28, 2009.

<u>Item</u>	<u>Van Brunt Transport Onsted, MI</u>	<u>Springville Truck Hillsdale, MI</u>
FOB City Storage:		
#1 Limestone	\$ 12.30 ton	\$12.90 ton
#2 Limestone	\$ 12.30 ton	\$12.90 ton
#4 Limestone	\$ 12.50 ton	\$12.90 ton
#6 Limestone	\$ 13.50 ton	\$13.25 ton
#411 Limestone	\$ 10.55 ton	\$10.50 ton
#304 Limestone	\$ 10.55 ton	\$10.50 ton
FOB Adrian Sites:		
#1 Limestone	\$ 12.30 ton	\$12.90 ton
#2 Limestone	\$ 12.30 ton	\$12.90 ton
#4 Limestone	\$ 12.50 ton	\$12.90 ton
#6 Limestone	\$ 13.50 ton	\$13.25 ton
#411 Limestone	\$ 10.55 ton	\$10.50 ton
#304 Limestone	\$ 10.55 ton	\$10.50 ton
FOB Pickup:		
#1 Limestone		\$12.90 ton
#2 Limestone		\$12.90 ton
#4 Limestone		\$12.90 ton
#6 Limestone		\$13.25 ton
#411 Limestone		\$10.50 ton
#304 Limestone		\$10.50 ton
Delivery	1 - 2 days	30-40 hours
	45T/truck	4-5 truck/day
		49T/truck
Discount	\$.10 per ton if	\$.20 per ton if Net 20

Misc Charges

Net 20
None

None

RESOLUTION CR09-038

RE: JANITORIAL SERVICES – Piotter Center, Adrian Public Library and New City Hall

WHEREAS, sealed bids were received May 21, 2009 for janitorial service at Piotter Center, Adrian Public Library and the new City Hall; and

WHEREAS, said services have been tabulated and recommendations made by the Assistant 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 bid for janitorial services at Piotter Center be awarded to TTB Cleaning of Tipton, MI in the amount of \$1,900 per month and to Clean Care of Toledo, OH for the new City Hall and the Adrian Public Library at a monthly cost of \$1,987 and \$1,969, respectively.

On motion by Commissioner Valentine, seconded by Commissioner Miller, Consent Resolutions CR09-029 through CR09-038 were adopted by a unanimous vote.

PUBLIC COMMENT

No comments

REGULAR AGENDA

RESOLUTION R09-101

RE: ADRIAN PUBLIC LIBRARY – Library Fees and Fines Schedule

WHEREAS, the Adrian Public Library, along with other city departments, recently conducted a thorough analysis of all fees and fines; and

WHEREAS, the Library Director recommends adoption of the following Schedule of Fees and Fines to be effective July 1, 2009:

<u>Description</u>	<u>Proposed</u>	<u>Current</u>
Non-Resident Library Card	\$40/year per family	\$25/year per family
Copies – Black	\$0.15 each	\$0.10 each
Copies – Color	\$0.25 each	\$1.00 each
Overdue Fines	\$0.10 per day (for books/magazines/books on CD/books on tape)	\$0.05 per day
Room Rental (For-Profit Organizations)	\$50/\$100 Four Hrs. or Less/More than Four Hours	\$25/\$50

Fees for Special Programs can be charged at the discretion of the Library Director

WHEREAS, the Finance Director indicates that the anticipated revenue resulting from the foregoing changes are reflected in the Library's estimated revenue for FY2009-10 and, therefore, no budget amendment is necessary; and

WHEREAS, the Library Director and City Administrator recommend approval of this resolution and adoption of the proposed Fee and Fine Schedule for the Adrian Public Library, effective July 1, 2009.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the adoption of the following Schedule for Adrian Public Library Fees and Fines, effective July 1, 2009:

<u>Description</u>	<u>Proposed</u>	<u>Current</u>
Non-Resident Library Card	\$40/year per family	\$25/year per family
Copies – Black	\$0.15 each	\$0.10 each
Copies – Color	\$0.25 each	\$1.00 each
Overdue Fines	\$0.10 per day (for books/magazines/books on CD/books on tape)	\$0.05 per day
Room Rental (For-Profit Organizations)	\$50/\$100 Four Hrs. or Less/More than Four Hours	\$25/\$50

Fees for Special Programs can be charged at the discretion of the Library Director

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

RESOLUTION R09-102

RE: DIAL-A-RIDE – GRANT AGREEMENT

WHEREAS, the City of Adrian desires to continue provisions of Dial-A-Ride service; and

WHEREAS, a Project Authorization has been proposed which provides financial assistance for such service, effective October 1, 2008 and expires September 30, 2009, not to exceed 16.0% of the estimated eligible costs or \$67,445; and

WHEREAS, the maximum amount to be paid will not exceed 16% of the audited costs unless additional funds become available, at which time, a grant amendment and revised project authorization will be prepared; and

WHEREAS, if Section 5311 operating assistance funds are insufficient to reimburse at 16% of audited costs, a new reimbursement percentage will be calculated for all participating agencies, now, therefore, be it

RESOLVED, that the City Commission of the City of Adrian does hereby approve the proposed Agreement No. 2007-0156, Authorization No. Z4/R1 for FY2009 Section 5311 Operating Assistance, and be it

FURTHER, RESOLVED that the monies from this grant be given to Adrian Dial-A-Ride in accordance with the terms of the Contract; and

HEREBY, authorizes the Mayor, Gary E. McDowell and City Clerk, Pat Baker, to execute Authorization #Z4/R1 for and on behalf of the City of Adrian.

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

RESOLUTION R09-103

RE: DEPARTMENT OF COMMUNITY DEVELOPMENT – Acceptance of Community Development Block Grant Award (CDBG Grant # MSC-2009-0486-HO) from Michigan State Housing Development Authority

WHEREAS the Adrian City Commission, by Resolution #R09-058 dated March 16, 2009, authorized the Community Development Department (CDBG) to submit a Community Development Block Grant application for \$300,000 to the Michigan State Housing Development Authority (MSHDA) for downtown rental rehabilitation; and

WHEREAS MSHDA has authorized a CDBG grant award (CDBG Grant # MSC-2009-0486-HO) in the amount of \$359,700, including \$64,700 for administrative costs, for the period June 1, 2009 through December 31, 2011; and

WHEREAS grant match requirements are in the form of private investment of participating property owners in the amount of \$232,700 for individual rehabilitation projects; there are no public funds grant match requirements; and

WHEREAS The City of Adrian will use the funds to assist landlords with the creation of seven (7) new rental units and rehabilitation of two (2) existing rental units located in downtown Adrian (Lenawee County); and

WHEREAS the City of Adrian commits to compliance with Local Program Guidelines (copy attached); and

WHEREAS The Community Development Director and City Administrator recommend approval of this resolution, including appropriate budget adjustments.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission hereby authorizes the acceptance of the CDBG grant award (CDBG Grant # MSC-2009-0486-HO) in the amount of \$359,700, including \$64,700 for administrative costs, for the period June 1, 2009 through December 31, 2011, and pledges compliance with Local Program Guidelines.

BE IT FURTHER RESOLVED that the FY2009-10 Budget and General Appropriations Act be amended as follows:

Community Development Fund (Fund #275)

Revenue:

(275-000.00-530.000)	CDBG Grant – Downtown Rental Rehab	\$359,700
(275-000.00-676.000)	CDBG Grant – Private Contributions	<u>232,700</u>
	Total	<u>\$592,400</u>

Expenditures:

(275-827.00-823.000)	CDBG Grant – Housing Rehabilitation	\$527,700
(275-827.00-956.000)	CDBG Grant – Admin. & Accounting	<u>64,700</u>
	Total	<u>\$592,400</u>

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

RESOLUTION R09-104

RE: AMENDED LIQUOR LICENSE – JR’s Hometown Grill, LLC

WHEREAS, that the request to transfer ownership of a 2008 Class C licensed business, located in escrow at 8421 Sports Park, Onsted, MI 49265, Cambridge Township, Lenawee County from Jimatwo, LLC to JR’s Hometown Grill, LLC to transfer location (governmental unit) MCL 436.1531(1) to 1368 Division, Adrian, MI 49221, Lenawee County, be considered for approval.

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

RESOLUTION R09-105

RE: CITY ADMINISTRATION – Property Demolition – 230 N. Main Street

WHEREAS, the City of Adrian has received a grant from the State of Michigan under the Vibrant Cities Grant Program, with a portion of said grant being designated for acquisition and demolition of blighted properties; and

WHEREAS, said grant program provides that grant proceeds may be used for seventy-five (75%) of the acquisition cost and fifty (50%) of the demolition cost of any structures approved by the State for such purpose; and

WHEREAS, the City Commission, by Resolution #R08-155 dated November 17, 2008, authorized the purchase of 230 N. Main Street, Adrian, MI; and

WHEREAS, the City Purchasing Office solicited and received fourteen (14) sealed bids on Thursday, May 28, 2009 for the demolition of the building located at 230 N. Main Street, Adrian, MI; and

WHEREAS, a summary of the bids follows:

<u>Bidder</u>	<u>Location</u>	<u>Amount</u>
Brady Sand & Gravel	Tecumseh, MI	\$109,000.00
Al’s Backhoe Service	Adrian, MI	\$ 99,185.00
Dept. of Public Works	City of Adrian, MI	\$ 87,997.96
Bierlein	Midland, MI	\$ 56,200.00
Pitsch Companies	Grand Rapids, MI	\$ 44,950.00
Beal, Inc.	Ann Arbor, MI	\$ 38,700.00
Wilson Backhoe, Inc.	Britton, MI	\$ 37,150.00
Advanced Wrecking	Riga, MI	\$ 36,000.00
Slusarski Excavating	Adrian, MI	\$ 28,605.00
Homrich, Inc.	Carleton, MI	\$ 27,700.00

Christopher Manning Constr	St. Johns, MI	\$ 27,620.00
Sherman Equipment	Grosse Ile, MI	\$ 26,745.00
Smalley Construction	Scottville, MI	\$ 26,500.00
H&M Demolition	Holland, MI	\$ 23,900.00

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the FY2009-10 Vibrant Cities Grant Budget, with 50% (\$11,950) paid by the grant (283-484.00-801.007) and 50% (\$11,950) paid by the local grant match (283-484.00-801.008); and

WHEREAS, the City Administrator recommends approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes engagement of the low bidder, H&M Demolition Companies, Holland, MI to perform demolition services on 230 N. Main Street at a cost not to exceed \$23,900.00.

BE IT, FURTHER, RESOLVED that one-half, or 50% (\$11,950), be charged to the CDBG portion of the Vibrant City Grant (283-484.00-801.007) and one-half, or 50% (\$11,950), be charged to the local grant match account (283-484.00-801.008).

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

RESOLUTION R09-106

RE: UTILITIES DEPARTMENT –Annual Bids for Treatment Chemicals at Water and Wastewater Plants

WHEREAS, the City Commission, by Resolution #R09-081 dated May 4, 2009, adopted the FY2009-10 Budget and General Appropriations Act, which included appropriations for treatment chemicals at the Water (\$300,000) and Wastewater (\$75,000) Plants; and

WHEREAS, on Tuesday, June 2, 2009, the Purchasing Office received a total of twenty-three (23) bids for the eight (8) chemicals used in the various treatment processes; and

WHEREAS, the Utilities Director recommends acceptance of the low bid in every case except for Liquid Phosphate, where the second-lowest bidder is recommended, due to the small differential in price and consistency of product and service rendered during the previous years; and

WHEREAS, a summary of the recommended vendors follows:

<u>Chemical</u>	<u>Recommended Supplier</u>	<u>Bid Price</u>	<u>% Change</u>
Ferric Chloride	PVS Technologies-Detroit, MI	\$0.3235	+36%
Ferric Sulfate	General Chemical-Pittsburgh, PA	\$0.127	-34%
Pebble Lime	Huron Lime – Huron, OH	\$120.80/ton	-0.6%
Flouride	PVS Nolwood - Detroit, MI	\$0.39	+17%
Powdered Carbon	Norit Americas, Inc.– Marshall, TX	\$0.97	No Bid
Sodium Hypochlorite	JCI Jones – Riverview, MI	\$0.0623	-27%
Phosphate	Carus Corp. – Belmont, NJ	\$0.69	-18%

Carbon Dioxide Continental Carbonic – Decatur, IL \$0.0365 -1.5%*

*Continental Carbonic also has a fuel surcharge of \$0.008 per 100 lb. if diesel fuel rises above \$2.74 per gallon. The next highest bidder was 85% higher per pound of product.

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 bid recommendations detailed above for the FY2009-10 Fiscal Year.

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

RESOLUTION R09-107

RE: UTILITIES DEPARTMENT –Downtown Brick Arch Sewer Lining Design Engineering

WHEREAS, the City Commission, by Resolution #R09-081 dated May 4, 2009, adopted the FY2009-10 Budget and General Appropriations Act, which included a \$35,0000 appropriation for Manhole and Line Renovation; and

WHEREAS, on May 29, 2009, the Utilities Department received a proposal from Associated Engineers and Surveyors, Inc, Adrian, MI to perform design engineering services for the Downtown Brick Arch Sewer Lining Project for a fee of \$28,100; and

WHEREAS, the City has submitted a grant application to the Michigan Economic Development Program (MEDC) for infrastructure improvements to cover the cost of construction; proceeding immediately with construction is dependent upon a grant award, otherwise will rely upon availability of funds from future budget appropriations; 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 familiarity of the specific sewer system and design specifications, 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 Associated Engineers and Surveyors, Inc, Adrian, MI, in the City's Standard Professional Services Contract to perform design engineering services for the Downtown Brick Arch Sewer Lining Project for a fee not to exceed \$28,100.

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 Valentine, seconded by Commissioner Miller, this resolution was adopted by a unanimous vote.

RESOLUTION R09-108

RE: PARKS & RECREATION – PIOTTER CENTER – Authorization to Use Swigert Estate Funds to Resurface Shuffle Board

WHEREAS, the City of Adrian is the beneficiary of a bequest in excess of \$500,000 (\$571,921.64 as of April 30, 2009) from the Thelma H. Swigert Estate (Probate Case #11-0149-010); and

WHEREAS, pursuant to Mrs. Swigert’s Final Will and Testament, the aforementioned funds were bequeathed to the City of Adrian to be used for “an adult community center...for the improvement or refurbishing of said center, or...in an endowment so that the income may be used for operating expenses”; and

WHEREAS, consistent with the intent of Mrs. Swigert’s wishes as expressed in her Last Will and Testament, the City of Adrian has established the Thelma H. Swigert Endowment Trust (Account # 702-000.00-329.000); and

WHEREAS, the Senior Citizens Advisory Committee has requested that \$3,800 be appropriated from the Swigert Endowment Trust Account for purposes of resurfacing the shuffleboard at the Piotter Center; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the aforementioned account; and

WHEREAS, the Parks & Recreation Director and City Administrator recommend approval of this resolution, appropriation of funds, and amendment of the FY2009-10 Budget.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the appropriation of \$3,800 from the Swigert Endowment Trust Account (Account # 702-000.00-329.000) for purposes of resurfacing the shuffleboard at the Piotter Center

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

General Fund (101)

Revenue:

(101-691.00-675.000)	Private Donations	\$3,800
----------------------	-------------------	---------

Expenditures:

(101-691.00-801.000)	Contract Services	<u>3,800</u>
	Total	<u>\$ -0-</u>

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

RESOLUTION R09-109

RE: CITY ADMINISTRATOR–FY2009-10 Revised Budget Recommendation – PHASE II

WHEREAS, the City Commission, by Resolution #R09-099 dated June 1, 2009, amended the FY2009-10 Budget and General Appropriations Act to compensate for the

anticipated reduction in State Revenue Sharing due to Governor Jennifer Granholm's Executive Order 2009-22 reducing the total State budget by \$349,337,200, including \$41,400,000 of State Revenue Sharing to local units of government; and

WHEREAS, a portion of the savings reflected in the aforementioned budget amendment was attributable to a change in the City's Health Care Program for all non-represented employees, which took the form of increased co-pays (effective July 1, 2009) and anticipated conversion to a Health Reimbursement Arrangement (HRA), effective January 1, 2010; and

WHEREAS, since the June 1 Commission meeting, the City's four (4) union employee groups, i.e., Patrol Officers, Sergeants, Firefighters and General Laborers (T-POAM), have been requested to voluntarily accept the same changes to the City's Health Care Program; all four (4) unions have rejected the proposal; and

WHEREAS due to the fact that the negative financial picture is expected to continue for at least two (2) more years in the best of circumstances and given the reductions in revenue due to the Governor's Executive Order, as well as the actuarial estimated increase in Employer's Retirement Contribution of \$160,000 beginning July 1, 2010, the City Administrator recommends the following steps to maintain a balanced budget:

- 1) Police Department – Eliminate one (1) Detective Sergeant position (No. 301-004), effective July 1, 2009 (Estimated Annual Savings – \$88,615);
- 2) Fire Department – Misc. Operating Budget reductions, including in-service training, overtime and firefighters' turnout gear (Estimated Annual Savings – \$16,000);
- 3) Water Fund-Maintenance & Operations – Eliminate one (1) PSE II position (No. 537-009), effective July 1, 2009 (Estimated Annual Savings – \$38,397);
- 4) Fee Estate Fund-Parks & Forestry Division – Eliminate two (2) seasonal positions (Effective July 1, 2009) and two (2) positions from tree trimming crew (Effective January 1, 2010), in favor of contracted service: PSE IV No. 699-003 and PSE III No. 699-004 (Estimated Annual Savings – \$51,302);
- 5) Motor Pool Fund-Parks & Forestry Division – Eliminate acquisition of aerial truck (Estimated Annual Savings – \$145,000);
- 6) Department of Public Works – Reduce seasonal employees working hours from 40 hrs/wk to 24 hrs/wk; don't fill current seasonal vacancy; don't fill anticipated August seasonal vacancy; if Engineering Aide position is filled with candidate from seasonal pool, don't fill resultant vacancy (Estimated Annual Savings – \$17,000); and

WHEREAS, the resultant estimated annual savings associated with the foregoing recommendations total \$356,314 (\$121,615 for the General Fund and \$234,600 for all other funds); and

WHEREAS, the Finance Director indicates that implementation of the recommended budget amendments would increase the Contingency Account in each of the following funds:

• (101) General Fund	\$121,705
• (591) Water Fund	38,397
• (205) Fee Estate Fund	32,650
• (662) Motor Pool Fund	<u>145,000</u>
• Total	<u>\$337,752</u>

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, adopts the foregoing recommended action plan and budget adjustments (see attached schedule) to the FY2009-10 Budget and General Appropriations Act in order to address the negative financial picture, which is expected to continue for at least two (2) more years in the best of circumstances and given the reductions in revenue due to the Governor's Executive Order, as well as the actuarial estimated increase in Employer's Retirement Contribution of \$160,000 beginning July 1, 2010.

On motion by Commissioner Osborne, seconded by Commissioner Valentine, this resolution was adopted by a 5-1-0 vote.

YEAS: Mayor Pro-Tem DuMars, Commissioners Osborne, Valentine, Steele and Clegg

NAYS: Commissioner Miller

ABSTAINED: None

Administrator Nelson explained the aspects of the revised budget and the reasoning behind it. After considerable discussion with the Commission, Administrator Nelson said that the layoffs are unfortunate but the budget must be balanced.

MISCELLANEOUS

1. D.A.R.T. Passenger Ridership Report
2. Departmental Report
3. Fire Department Report

PUBLIC COMMENTS

1. Leslie Keane, city employee, asked about the Commission's compensation and if the non-union employees received a raise. The response was that non-union employees received a 1% raise last year, but they will not receive a raise this year for non-union employees.

COMMISSION COMMENTS

Commissioner Valentine commented that on a recent site visit to the library, he received thanks from many contractors working there for keeping the work local.

Commissioner Steele moved to go into closed session to discuss a possible real estate transaction, seconded by Commissioner Osborne, motion carried by a unanimous vote.

The next regular meeting of the Adrian City Commission will be held on Monday, July 6, 2009 in the Commission Chambers on the 2nd floor of Adrian City Hall, 100 E. Church St., Adrian, MI 49221.

Greg DuMars
Mayor Pro-Tem

Pat Baker
City Clerk

C H E C K
R E G I S T E R

July 6, 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 #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 _____, seconded by
Commissioner _____, this resolution was
_____ by a _____ vote.

June 30, 2009

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
<u>Receiving</u>			
3066	City of Adrian: Payroll	Payroll for June 12	\$ 51,186.17
3067	City of Adrian: Clearing Acct	June 15 Check Register	\$ 97,506.24
3068	Citizens Gas Fuel Co	Various Heat Bills	\$ 526.62
3069	City of Adrian: Payroll	Payroll for June 19	\$ 16,309.82
3070	Consumers Energy	Various Electric Bills	\$ 18,958.01
3071	City of Adrian: Utilities	Various Water Bills	\$ 209.12
3072	Verizon North	Water Plant Phone	\$ 40.62
3073	City of Adrian: Payroll	Payroll for June 26	\$ 51,195.96
3074	Consumers Energy	Various Electric Bills	\$ 40,611.70
3075	Consumers Energy	Water Plant Electric	\$ 9,534.24
3076	Citizens Gas Fuel Co	Heat Bill Hamilton Hwy	\$ 25.98
Total			\$ 286,104.48
Less: CK# 3067			\$ 97,506.24
TOTAL			\$ 188,598.24

WW = \$ 127,361.89
WAT = \$ 158,742.59

30-Jun-09

GENERAL FUND
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
19313	\$ -	City of Adrian: Utilities	Transfer State MI Funds
19314	\$ 7,772.16	City of Adrian: WW Capital	Correct Expenses
19315	\$ 345.48	City of Adrian: Comm Devel	Correct Daily Telegram Exp
19316	\$ 230,137.87	City of Adrian: Payroll	Payroll for June 12
19317	\$ 15,698.64	First Federal Bank	Soc Security for June 12
19318	\$ 17.00	Linda Shavalier	Recreation Refund
19319	\$ 365,867.53	City of Adrian: Clearing Acct	June 15 Check Register
19320	\$ 4,071.20	Quick Service Transportation	Payroll W/E June 13
19321		City of Adrian: Utilities	Transfer State MI Funds
19322	\$ 639.68	Citizens Gas Fuel Co	Various Heat Bills
19323	\$ 16,268.34	City of Adrian: Payroll	Payroll for June 19
19324	\$ 2,714.70	First Federal Bank	Soc Security for June 19
19325	\$ 24,917.57	Consumers Energy	Various Electric Bills
19326	\$ 1,833.80	City of Adrian: Utilities	Various Water Bills
19327		City of Adrian: Utilities	Transfer State MI Funds
19328	\$ 24,892.18	Lenawee Fuels Inc	DPW Gas & Diesel Fuel
19329	\$ 152.45	Verizon North	Various Phone Bills
19330	\$ 40.00	Mike Davis	Recreation Refund
19331	\$ 60.00	Matthew Zellen	Recreation Refund
19332	\$ 20.00	Jason Syrek	Recreation Refund
19333	\$ 4,341.94	Quick Service Transportation	Payroll W/E June 20
19334		City of Adrian: Utilities	Transfer State MI Funds
19336	\$ 211.10	Verizon North	Various Phone Bills
19337	\$ 238,447.40	City of Adrian: Payroll	Payroll for June 26
19338	\$ 16,452.89	First Federal Bank	Soc Security for June 26
19339	\$ 100.00	Cary Carrico	Recreation Refund
19340	\$ 50.00	Beth Wood	Recreation Refund
19341	\$ 60.00	Glenn Preston	Recreation Refund
19342	\$ 60.00	Dan Helminiak	Recreation Refund
19343	\$ 33.00	Aimee Skiba	Recreation Refund
19344	\$ 200.00	Compass Rose Events	Recreation Refund
19345	\$ 1,955.76	City of Adrian: Utilities	Bohn Pool Water Bills
19346	\$ 891.60	Lenawee Fuels Inc	Cemetery Gasoline
19347	\$ 926.82	Consumers Energy	Heritage Park Electric
19348	\$ 1,977.85	Citizens Gas Fuel Co	Various Heat Bills
19349	\$ 4,773.24	Quick Service Transportation	Payroll W/E June 27
19350	\$ 210.88	Verizon North	Police Phone
19351	\$ 200.00	U.A.W. Local 2363	Recreation Refund
19352	\$ 40.00	Julie Crots	Recreation Refund
	\$ 966,381.08		
	\$ (365,867.53)	Less: CK# 19319	
	\$ 600,513.55		

JUL 6, 09

**GENERAL FUND
CHECK REGISTER**

CHECK#	AMOUNT	PAYEE	DESCRIPTION
19335	\$ 123,836.29	Blue Cross Blue Shield of MI	July Hospitalization

\$ 123,836.29

Less: CK#

\$ 123,836.29

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ACP OF LENAWEE	395.00		
2. ADRIAN COMMUNICATIONS	1,265.36		
3. ADRIAN DESIGN GROUP LLC	4,621.00		
4. ADRIAN LANDFILL	185.47		
5. ADRIAN LOCKSMITH & CYCLERY	752.59		
6. ADRIAN MECHANICAL SERVICES C	5,829.87		
7. ADRIAN PUBLIC SCHOOLS	1,050.00		
8. ADRIAN-TECUMSEH FENCE CO	3,796.13		
9. ADVANCED CLEANING SYSTEMS	447.20		
10. AIRGAS GREAT LAKES	72.08		
11. ALL METALS INC.	103.38		
12. AMERICAN OFFICE SOLUTIONS	54.85		
13. AMERICAN RED CROSS	108.00		
14. ARCH WIRELESS	31.48		
15. ELIZABETH ARNOLD	66.59		
16. ASSOCIATED ENGINEERS	3,100.00		
17. ASTI ENVIRONMENTAL SERVICES	2,200.00		
18. AUTO ZONE COMMERCIAL	8.49		
19. BADER & SONS CO	114.59		
20. BAEZ, JESUS	112.93		
21. BAKER & TAYLOR BOOKS	630.95		
22. BAKER TOWING	100.00		
23. BARRETT'S GARDEN CENTER	407.57		
24. BATTERY WHOLESALE	156.25		
25. BEAUBIEN INC.	1,368.00		
26. BIGSIGNS.COM	1,188.00		
27. BLACK SWAMP EQUIPMENT	1,319.60		
28. BLISSFIELD PARTS CO INC	56.64		
29. BOOK OF THE MONTH CLUB	39.44		
30. BRAZEE SAFETY & SECURITY INC	2,944.00		
31. BRODBECKS LLC	1,608.00		
32. BROTZMAN'S NURSERY INC	150.00		
33. BUCK & KNOBBY EQUIP CO INC	6,819.33		
34. CARPET ONE OF LENAWEE	70.00		
35. CHAMBERS CONTROL COMPANY	480.00		
36. CLIFT BUICK-PONTIAC-GMC	305.69		
37. COAST TO COAST DELI	80.50		
38. COIN-OP SPECIALISTS INC.	436.72		
39. COMMSPEC, INC.	2,185.93		
40. COMPUTER CARE COMPANY, INC.	49.95		
41. CONSTANT CONTACT	252.00		
42. CONTINENTAL CARBONIC PRODUCT	851.00		
43. CONTINENTAL SERVICE	1,553.86		
44. CUSTOM TRUCK REPAIR, L.L.C.	1,846.62		
45. CUTLER DICKERSON CO	311.10		
46. D & J SPORTS, INC.	2,325.00		
47. THE DAILY TELEGRAM	275.00		
48. DAN'S FARM SUPPLY INC	165.96		
49. DEWITT FENCE CO	2,635.00		
50. DEXTER'S INC.	58.68		
51. DLT SOLUTIONS INC.	565.27		
52. ECOSTEAM OF SE MICHIGAN INC	200.00		
53. ENGLEWOOD ELECTRICAL SUPPLY	707.41		
54. FASTENAL COMPANY	228.35		
55. FEDERAL EXPRESS	123.11		
56. JESSICA FISCHER	90.00		
57. FLORIDA MICRO LLC	1,205.72		
58. GALE	23.37		
59. GALL'S INC	111.71		
60. GALLANT & SON	3.50		
61. J.O. GALLOUP COMPANY	340.52		
62. GENTNER MATERIALS	1,661.82		
63. GENTNER TRUCKING CO	2,285.03		
64. GEOGRAPHIC INFORMATION SERVI	4,532.00		
65. GOEDERT REAL ESTATE	27.77		
66. GOODWILL INDUSTRIES	46.00		
67. GORDON & SONS WELL DRILLING	10,271.75		
68. GORDON FOOD SERVICE	2,435.54		
69. GRAINGER INC.			
70. GRAINGER PARTS OPERATIONS	1,641.10		
71. GRAPHICS UNLIMITED	139.25		
72. HACH COMPANY	667.27		
73. HERITAGE PLUMBING & HEATING	615.50		
74. HESCO	4,597.00		
75. HUBBARDS AUTO CENTER	1,770.04		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. HUFF, DAVID	25.00		
77. HURON LIME INC.	6,072.50		
78. I.T. RIGHT	4,995.00		
79. IMAGE GALLERY	25.00		
80. INDUSTRIAL MILL SUPPLY CORP	882.64		
81. INGRAM LIBRARY SERVICES	9.95		
82. J.E. JOHNSON DEVELOPMENT GRO	9,945.00		
83. JAMES DELIVERY SERVICE	190.00		
84. JONES & HENRY, ENGINEERS	1,417.17		
85. TIM JUDKINS	495.56		
86. KAPNICK INSURANCE GROUP	296.00		
87. KEMIRA WATER SOLUTIONS INC	7,807.17		
88. KERR PUMP & SUPPLY	4,989.00		
89. DAVE KNAPP FORD	218.85		
90. KONICA MINOLTA- ALBIN	91.41		
91. BRENT KUBALEK	163.86		
92. KUHLMAN CORP.	297.60		
93. LAKESHORE LEARNING MATERIAL	364.25		
94. LANSING SANITARY SUPPLY INC	837.46		
95. LEGACY PRINTING	314.05		
96. LEISURE PURSUITS INC.	1,551.00		
97. LENAWEE COUNTY COMMUNITY	80.00		
98. LENAWEE COUNTY EQUALIZATION	3,500.00		
99. LENAWEE COUNTY PRINTER	393.30		
100. LENAWEE INTERMEDIATE SCHOOL	896.68		
101. LENAWEE TIRE & SUPPLY CO	196.04		
102. LIBRARY DESIGN ASSOCIATES IN	12,762.47		
103. LUBRICATION ENGINEERS, INC	513.86		
104. LYDEN OIL COMPANY	176.22		
105. M B ELECTRIC LLC	197.50		
106. MANPOWER OF LANSING MI INC.	1,860.48		
107. MAPLE CITY GLASS INC.	26.32		
108. MC CRATE, KELLY	88.21		
109. MC SPORTS	212.40		
110. MCGOWAN ELECTRIC SUPPLY INC	57.09		
111. METROPOLITAN UNIFORM CO	404.94		
112. MICHIGAN DEPARTMENT OF	120.80		
113. MICHIGAN LIBRARY CONSORTIUM	39,001.52		
114. MICHIGAN OFFICE SOLUTIONS	260.40		
115. MICHIGAN PIPE & VALVE INC	1,730.64		
116. MICHIGAN POLICE TRAINING	790.00		
117. MICHIGAN STATE POLICE	850.00		
118. MIDWEST TAPE	45.98		
119. MOBILE MONUMENT SERVICES	700.00		
120. MUGS N' MORE IMAGING	1,514.45		
121. MUNICIPAL EMPLOYEES' RETIRE	64,063.90		
122. MUNICIPAL UNEMPLOYMENT COMP	4,560.04		
123. NATIONAL DIAGNOSTICS, INC.	38.00		
124. NELSON TRANE	1,252.46		
125. NEXTEL COMMUNICATIONS	1,079.56		
126. NORTH BRANCH NURSERY INC	260.00		
127. NORTHWEST POOLS, INC.	70.46		
128. OFFICEMAX CONTRACT INC.	130.28		
129. OHIO MI SUMMER SWIM LEAGUE	1,042.00		
130. OLIVER OF ADRIAN, INC.	56.00		
131. OMNIGRAPHICS INC.	161.78		
132. OSBURN ASSOCIATES INC	1,341.00		
133. OTIS ELEVATOR COMPANY	7,095.00		
134. PALMER ENVELOPE CO.	134.76		
135. PARAGON LABORATORIES INC	1,460.00		
136. PEERLESS SUPPLY INC	270.98		
137. PEST CONTROL	514.00		
138. PIONEER MANUFACTURING CO.	590.00		
139. PITNEY BOWES INC	191.22		
140. PLATINUM PLUS	1,062.23		
141. PRO-MED UNIFORM	73.79		
142. PRO-SEAL SERVICE GROUP	2,598.00		
143. PROMEDICA PHYSICIANS GROUP	2,660.00		
144. PVS TECHNOLOGIES INC	6,399.66		
145. QUALIFIED ABATEMENT SERVICES	5,450.00		
146. QUICK SERVICE TRANSPORTATION	484.16		
147. QUILL CORPORATION	1,609.84		
148. RACO INDUSTRIES	328.50		
149. RECORDED BOOKS LLC.	359.20		
150. RED PAINT PRINTING LLC	92.75		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
151. RIO SUPPLY MICHIGAN METER, I	6,204.52		
152. JIM RIVERA	70.00		
153. S N S CLEANING SERVICE	1,623.00		
154. SAFETY SYSTEMS INC.	111.00		
155. SCHAEFFER'S MANUFACTURING CO	1,672.80		
156. SERVICE ELECTRIC CO OF ADRIA	3,106.00		
157. SHINE'S AUTO CLEAN	60.00		
158. SLUSARSKI EXCAVATING & PAVIN	6,136.50		
159. SNYDER WIRELESS & SATELLITE	35.00		
160. RAYMUNDA SOLIS	25.00		
161. STAPLES	817.23		
162. LAD STRAYER	350.00		
163. SUPER LAUNDROMAT &	175.20		
164. CLAUDETTE J SWIFT	1,716.00		
165. SYNAGRO TECHNOLOGIES INC.	17,269.20		
166. T-MOBILE	29.99		
167. TDS SECURITY	850.50		
168. THOMAS SCIENTIFIC	1,917.30		
169. TIFFANEY MILLER	40.00		
170. TIME EMERGENCY EQUIPMENT INC	50.25		
171. TRACTOR SUPPLY COMPANY	611.39		
172. TRACY TIME SYSTEMS	908.88		
173. ULOTH FARMS & GREENHOUSE	4,976.00		
174. UNDERWOOD'S NURSERY LLC	4,764.00		
175. THE VAC SHOPPE	200.66		
176. VAN BRUNT TRANSPORT INC	22,763.84		
177. LAURENCE VANALSTINE	68.38		
178. WEED MAN	743.00		
179. WELSKOPF INDUSTRIES CORP	147.17		
180. LORRI WITTENKELLER	90.00		
181. WOLF CREEK GOLF CLUB	210.50		
182. ZURICH NORTH AMERICA	3,294.00		
TOTAL ALL CLAIMS	383,109.48		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ADRIAN MECHANICAL SERVICES C	222.84		
2. ADRIAN WATER CONDITIONING IN	19.50		
3. AIRGAS GREAT LAKES	56.29		
4. ALLIED WASTE SERVICES	49,094.90		
5. ALLIED WASTE SERVICES #259	4,115.52		
6. BLACK SWAMP EQUIPMENT	111.20		
7. COIN-OP SPECIALISTS INC.	121.92		
8. COMCAST	6.30		
9. COMPUTER CARE COMPANY, INC.	239.85		
10. DIXIE MEDICAL INC	3,015.00		
11. DONALD EMMONS	137.50		
12. ENVIRONMENTAL RESOURCE ASSOC	6,250.00		
13. GEAR UP INC	150.00		
14. GENTNER MATERIALS	1,400.38		
15. GENTNER TRUCKING CO	1,925.53		
16. GORDON FOOD SERVICE	269.32		
17. ELLIE HEREVA	50.00		
18. HUBBARDS AUTO CENTER	15.82		
19. HURON LIME INC.	3,072.69		
20. INDUSTRIAL MILL SUPPLY CORP	70.74		
21. INFO USA MARKETING INC.	5,000.00		
22. J.E. JOHNSON DEVELOPMENT GRO	227,896.00		
23. TIM JUDKINS	37.05		
24. KRIEGHOFF-LENAWEE COMPANY	568.00		
25. WALTER GREG LANFORD	133.74		
26. SUSAN LAUGHLIN	54.45		
27. LENAWEE COMMUNITY FOUNDATION	10.00		
28. LENAWEE COUNTY EQUALIZATION	3,500.00		
29. LENCO PAINTING, INC.	16,952.00		
30. M B ELECTRIC LLC	7,642.85		
31. GARY MCDOWELL	650.04		
32. MICHIGAN BUILDING SPECIALTIE	8,550.00		
33. NORON INC	863.10		
34. QUICK SERVICE TRANSPORTATION	1,939.16		
35. ROBERTSON, EATON & OWEN, PC	8,950.00		
36. SCHUG CONCRETE CONSTRUCTION	19,012.50		
37. TELOG INSTRUMENTS	1,232.19		
38. TIME EMERGENCY EQUIPMENT INC	74.75		
39. TRACY TIME SYSTEMS	908.88		
40. TTB CLEANING LLC	325.00		
41. UNITED PARCEL SERVICE	48.00		
42. UNUM LIFE INSURANCE COMPANY	2,353.85		
43. US POSTMASTER	440.00		
44. WATER ENVIRONMENT FED.	93.00		
TOTAL ALL CLAIMS	377,579.86		

COMMUNICATIONS

C-1



June 19, 2009

RECEIVED JUN 23 2009

Dane C. Nelson, City Administrator
City of Adrian
100 E. Church St.
Adrian, MI 49221

Dear Mr. Nelson:

As part of Comcast's commitment to keep you informed about important developments that affect our customers in your community, I am writing to notify you of channel additions to our Cable Latino service, effective on or about July 22, 2009. We are pleased to offer these new channels at no additional charge. Customers who subscribe to the Cable Latino service will be notified of these additions by postcard.

Gran Cine (ch. 620) – Contemporary, commercial-free network that provides edgy and avant-garde movie content from Latin America, Mexico and Spain.

Gol TV (ch. 622) – The best soccer matches, highlight shows and news from the Spanish, German, Brazilian and other top leagues in Latin America and the world.

Sur (ch. 628) – Sur is a 24/7 Spanish language programming service consisting primarily of newscasts, news shows and other news programming.

Please direct any customer calls about Comcast products, services and prices to 1-888-COMCAST. Our Customer Account Executives are available 24 hours a day, 7 days a week. As always, feel free to contact me directly at 734-254-1888 with any questions you may have.

Sincerely,

Frederick G. Eaton
Government Affairs Manager
Comcast, Michigan Region
41112 Concept Drive
Plymouth, MI 48170

cc. Comm

C-2



June 19, 2009

RECEIVED JUN 23 2009

Dane C. Nelson, City Administrator
City of Adrian
100 E. Church St.
Adrian, MI 49221

Dear Mr. Nelson:

As part of Comcast's commitment to keep you informed about important developments that affect our customers in your community, I am writing to notify you of channel changes, effective July 30, 2009. Customers will be notified of these changes by a newspaper advertisement.

WTVG Live Well will be added to Ch 295, WTVG Weather will be added to Ch 296 and both channels will only be available with a digital receiver, a digital TV (that can see unencrypted QAM Digital signals) or CableCARD-equipped device. A preview of these channels will begin immediately.

ESPN Classic Ch 725 will move to the Sports Entertainment Package, Business Class Sports Pack and Business Class Sports & Entertainment Package and will no longer be available with Digital Classic, Business Class Deluxe or Business Class Preferred. ESPN U Ch 735, NFL Network Ch 180/736, NFL Network HD Ch 181*, NHL Network Ch 737 and NBA TV Ch 733 will be added to Digital Classic, Business Class Deluxe and Business Class Preferred. ESPNews Ch 102, ESPNews HD Ch 257*, ESPN U Ch 735, MLB Network Ch 740 and MLB Network HD Ch 258* will be added to Sports Entertainment Package, Business Class Sports Pack and Business Class Sports & Entertainment Package.

Please direct any customer calls about Comcast products, services and prices to 1-888-COMCAST. Our Customer Account Executives are available 24 hours a day, 7 days a week. As always, feel free to contact me directly at 734-254-1888 with any questions you may have.

Sincerely,

Frederick G. Eaton
Government Affairs Manager
Comcast, Michigan Region
41112 Concept Drive
Plymouth, MI 48170

cc. Comm.

C-3



MEMO

Date: June 24, 2009

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

From: Jeffrey C. Pardee, Finance Director

A handwritten signature in cursive script that reads 'Jeffrey Pardee'.

Re: **FY2009-10 Finance Calendar**

The following is the finance events for Fiscal Year 2009-10:

- | | |
|-------------------|---|
| July 1, 2009 | Beginning of FY2009-10 Fiscal Year |
| July 26, 2009 | FY2008-09 Audit Begins |
| August 3, 2009 | Presentation of Unaudited FY2008-09 Financial Report |
| October 19, 2009 | Presentation of FY2009-10 First Quarter Financial Forecast and Recommended Budget Amendments |
| October 31, 2009 | Michigan Department of Transportation (MDOT) deadline for submission of Act 51 Street Financial Report for Municipalities |
| November 3, 2009 | Issue FY2010-16 Capital Improvement Program (CIP) Instructions to Department Heads |
| November 16, 2009 | Presentation of Audited FY2008-09 Comprehensive Annual Financial Report (CAFR) |
| December 12, 2009 | City Commission and Planning Commission Joint Work Session to Update City's Strategic Plan and Review Departmental Requests for FY2010-16 Capital Improvement Program |

December 31, 2009	State Department of Treasury Deadline for submission of F-65 Local Government Financial Report and Audited Comprehensive Annual Financial Report (CAFR)
December 31, 2009	Government Finance Officers Association (GFOA) of the United States and Canada deadline for submission of Audited Comprehensive Annual Financial Report (CAFR) for consideration of the Award for Excellence in Financial Reporting
January 18, 2010	Presentation of FY2009-10 Second Quarter Financial Forecast and Recommended Budget Amendments
January 27, 2010	Issue FY2010-11 Budget Instructions to Department Heads
February 1, 2010	Presentation of FY2010-11 Preliminary Revenue Estimates
February 2, 2010	Planning Commission Approval of Updated Strategic Planning Document for the City of Adrian and Adoption of FY2010-16 Capital Improvement Program (CIP) and FY2010-11 Capital Budget Recommendation
February 15, 2010	City Commission Approval of Updated Strategic Planning Document for the City of Adrian and Adoption of FY2010-16 Capital Improvement Program (CIP) and FY2010-11 Capital Budget Recommendation
February 26, 2010	Deadline for submission of FY2010-11 Departmental Budget Requests to Finance Department
March 8, 2010 through March 12, 2010	Departmental Budget Presentations to City Administration
April 5, 2010	Presentation of City Administrator FY2010-11 Recommended Budget to Mayor and City Commission
April 17, 2010 (Tentative)	Budget Review and Work-Session for the Mayor and City Commission
April 19, 2010	City Commission Finalization of Proposed Balanced Budget and Authorization of Notice of Public Hearing
April 19, 2009	Presentation of FY2009-10 Third Quarter Financial Forecast and Recommended Budget Amendments

April 23, 2010	Publication of Public Notice for Budget Hearing and FY2010-11 Proposed Budget Summary
May 3, 2010	City Commission holds Public Hearing and Adopts FY2010-11 Budget and General Appropriations Act (Including Tax Rates and Utility Charges)
May 17, 2010	Preliminary meetings with Independent Auditors
June 30, 2010	End of FY2009-10 Fiscal Year

C-4

MEMO

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

From: Jeffrey C. Pardee, Finance Director



Re: State Revenue Sharing - Update

Date: July 2, 2009

Actual Revenue Sharing payments for August, October, December, February, April and June have been received and recorded. A comparison between estimated and actual is provided as follows:

	State		Variance	
	<u>Estimated</u>	<u>Actual</u>	<u>Amount</u>	<u>Percent</u>
August	\$451,452	\$451,452	\$ -0-	-0 %
October	438,024	443,973	5,949	1.4%
December	423,826	435,448	11,622	2.7%
February	414,050	414,573	523	0.1%
April	303,646	265,137	(38,509)	(12.7)%
June	321,373	327,520	6,147	1.9%

A comparison of FY2008-09 Budget and actual receipts through December and estimated receipts for the balance of the year follows:

	Original	Actual/Estimated Receipts*			Variance	
	<u>Budget</u>	<u>Constitutional</u>	<u>Statutory</u>	<u>Total</u>	<u>Amount</u>	<u>Percent</u>
August	\$451,452	\$250,941	\$200,511	\$ 451,452	\$ -0-	0.0 %
October	434,993	260,678	183,295	443,973	8,980	2.1 %
December	420,893	272,982	162,466	435,448	14,555	3.5 %
February	411,185	254,658	159,915	414,573	3,388	0.8 %
April	301,545	197,603	67,534	265,137	(36,408)	(12.1)%
June	<u>319,149</u>	<u>234,431</u>	<u>93,089</u>	<u>327,520</u>	<u>8,371</u>	<u>2.6%</u>
Total	<u>\$2,339,217</u>	<u>\$1,471,293</u>	<u>\$866,810</u>	<u>\$2,338,103</u>	<u>\$ (1,114)</u>	<u>(0.0) %</u>

The August through June payments reflect actual amounts received to date compared with the Adopted Budget. It should be noted that the anticipated reduction based on the Governor's Executive Order issued on May 5, 2009, which indicates that the Statutory portion of Revenue Sharing will be reduced by 33% for the last payment of the City's current fiscal year and the first payment of the City's next fiscal year, did not materialize. However, caution must be exercised in that one more payment is due, August, in the State's current fiscal year, and that may include the anticipated reduction.

Furthermore, an additional eight (8%) percent reduction of the Statutory portion of Revenue Sharing is anticipated for the balance of the FY2009-10. The following schedule compares the City's FY2009-10 Adopted Budget with the latest State Department of Treasury estimates for the same time period. These figures do not incorporate actions of the State legislature in late June regarding adoption of the general government appropriations bills, which may aggravate the situation even more.

**CITY OF ADRIAN
FY2009-10**

	Original Budget	Estimated Receipts		Total	Variance	
		Constitutional	Statutory		Amount	Percent
August	\$396,537	\$243,703	\$129,910	\$ 373,613	\$ (22,924)	(5.8)%
October	462,643	260,606	175,292	435,898	(26,745)	(5.8)%
December	418,195	238,647	155,372	394,019	(24,176)	(5.8)%
February	422,571	254,722	143,421	398,143	(24,428)	(5.8)%
April	300,296	219,194	63,742	282,936	(17,360)	(5.8)%
June	<u>340,933</u>	<u>241,545</u>	<u>79,678</u>	<u>321,223</u>	<u>(19,710)</u>	<u>(5.8)%</u>
Total	<u>\$2,341,174</u>	<u>\$1,458,417</u>	<u>\$747,415</u>	<u>\$2,205,832</u>	<u>\$(135,343)</u>	<u>(5.8)%</u>

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

CONSENT AGENDA

CR-1
CR09-039

July 6, 2009

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

RESOLUTION

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.

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



michigan municipal league

Workers' Compensation Fund

► 1675 Green Road
PO Box 1487
Ann Arbor, MI 48106-1487

TEL 734.662.3246 800.653.2483
FAX 734.741.1774
WEB www.mml.org

to	Members of the MML Workers' Compensation Fund	from	Michael J. Forster, Fund Administrator
cc		date	June 16, 2009
		subject	2009 Fund Trustee Election

Dear Fund Member:

Enclosed is your ballot for this year's Board of Trustees election. Incumbent trustee Larry Nielsen, who has served on the board since 2006, is eligible for re-election. You also may write in one or more candidates if you wish.

A brief biographical sketch of the candidate is provided for your review.

I hope you will affirm the work of the Nominating Committee by returning your completed ballot in the enclosed return envelope, no later than August 18. You may also submit your ballot online by going to www.mml.org. Click on *Insurance*, then *Workers' Compensation Fund*; the official ballot is located in the left navigation bar under *Online Forms*.

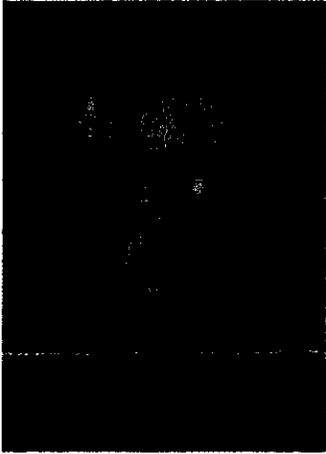
Thank you for your membership in the Worker's Compensation Fund, and for participating in the election of your governing board.

Sincerely,

Michael J. Forster

Fund Administrator

THE CANDIDATES
Two-year terms beginning October 1, 2009



Larry Nielsen, Manager, Village of Paw Paw

Larry has served on the MML Workers' Compensation Board since 2006. He has nineteen years of experience as a municipal official. Larry has been village manager in Paw Paw since August 2007 and was Bangor's city manager for the previous seven years. He is currently chairman of the local chapter of the Michigan Local Government Management Association, has received Michigan Rural Water Association's Manager of the Year award and has been involved with community theatre for more than twenty-five years.

Michigan Municipal League
Workers' Compensation Fund

OFFICIAL BALLOT - 2009

Vote for one Trustee by marking the line to the left
of the name for two year terms beginning October 1,
2009.

Larry Nielsen, Incumbent
Manager, Village of Paw Paw

Write-in Candidate

I hereby certify that:

(Municipality/Agency)

by action of its governing body, has authorized its
vote to be cast for the above persons to serve as
Trustees of the Michigan Municipal League Workers'
Compensation Fund.

Official Signature

Date:

**Ballot deadline:
August 18, 2009**

CR-2

DATE: July 24, 2009
TO: Honorable Mayor and City Commissioners
FROM: Dane C. Nelson, City Administrator
SUBJECT: Annual Bid - Precast Concrete

I concur with the recommendation of the Asst. Finance Director to award the annual bid for precast concrete to Kerkstra Precast, Inc. of Grandville, MI, for the items and amounts as listed in the attached bid tabulation.

Four firms were invited to bid with Kerkstra Precast being the sole bidder. Kerkstra Precast has also agreed to hold their prices for next year. There are sufficient funds budgeted for this annual purchase.



Dane C. Nelson
City Administrator

DCN:bjw

SUBJECT: Precast Concrete

June 8, 2009

TO: Dane C. Nelson

City Administrator

FROM: Cindy L Prue

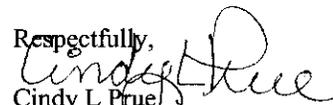
Assistant Finance Director

Sealed bids were received until 2:00 p.m. EDT on Thursday, May 28, 2009, for the city's annual Precast Concrete needs. The following bids were received:

ITEM	Kerkstra Precast Inc Grandville, MI	East Jordan Iron Works Oak Park, MI	Current Pricing
Manhole Accessories:			
2' base 6"x 44" (cookie)	\$51.30 ea	No Bid	\$51.30 ea
2' base 8"x 48" (cookie)	\$51.30 ea	No Bid	\$51.30 ea
4' base 8"x 72" (cookie)	\$79.20 ea	No Bid	\$79.20 ea
4' base 8" x 58" (donut)	\$132.30 ea	No Bid	\$132.30 ea
Adjusting Rings:			
2" x 24"	\$ 16.00 ea	No Bid	\$ 16.00 ea
3" x 24"	\$ 20.00 ea	No Bid	\$ 20.00 ea
4" x 24"	No Bid	No Bid	No Bid
6" x 24" (w/lifting holes)	\$ 40.00 ea	No Bid	\$ 40.00 ea
Manhole Sumps:			
48"ID x 48" deep w/steps	\$306.00 ea	No Bid	\$306.00 ea
24" ID x 24" deep, 6" walls	\$130.05 ea	No Bid	\$130.05 ea
48"ID x 24" deep	\$192.60 ea	No Bid	\$192.60 ea
Barrel Block:			
24" x 6" high	\$ 1.50 ea	No Bid	\$ 1.50 ea
48" x 6" high	\$ 1.50 ea	No Bid	\$ 1.50 ea
Load Charge	\$200 for less than a truckload		
Minimum order			
Conditions	Net 30		

I recommend the bid for the upcoming fiscal years precast concrete products needs be awarded to Kerkstra Precast. Kerkstra has provided this product in the past and are holding their current pricing the same for the next year.

Respectfully,


Cindy L Prue
Assistant Finance Director

CR09-040

July 6, 2009

RE: ANNUAL BID – Precast Concrete Requirements

RESOLUTION

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.

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

MEMORANDUM – UTILITIES DEPARTMENT

DATE: June 29, 2009
TO: Dane C. Nelson, City Administrator
FROM: Shane A. Horn, Utilities Director 
SUBJECT: Bids for Replacement Lamps for Ultraviolet Disinfection System

I concur with the recommendation of the Utilities Director to award the bid for 216 replacement lamps for the Wastewater Plant's ultraviolet disinfection system to American Air & Water of Hilton Head, SC at a cost of \$21,336.48. The original bid was for 166 lamps, but the additional lamps will be a full set for this system.

Six firms responded to the offer to bid. There are sufficient funds budgeted in the Sewer Fund Capital account for this expense. I urge your favorable consideration to award the bid for replacement lamps to American Air & Water of Hilton Head, SC at a cost of \$21,336.48.



Dane C. Nelson
City Administrator

Sealed bids were received by the purchasing department on Tuesday June 16, 2009 at 2:00 pm for the purchase of replacement lamps for our ultraviolet disinfection system at the wastewater treatment plant. American Air & Water of Hilton Head, SC was the low bidder with a bid of \$98.78 per bulb for a total of \$16,397.48 for 166 bulbs. Due to the competitive prices we received, I respectfully recommend that we proceed with the low bidder and increase our purchase quantity to 216 lamps which is a full set for our system. The vendor has confirmed that they will honor their price for the additional quantity. The total for the 216 lamps @ \$98.78 is \$21,336.48. We have budgeted \$25,000.00 for this purchase in the sewer fund capital budget (497-554.00-975.144).

cc: Jeff Pardee, Finance Director
Ken Wesley, Wastewater Plant Superintendent

DEPARTMENTAL CORRESPONDENCE

Date: 6/25/2009

Subject: Ultraviolet Lamp Bid

To: Shane Horn

Dept.: Utilities

From: Kenneth P. Wesley

Dept.: Wastewater Plant

After reviewing the bids received for ultraviolet lamps, I recommend that the bid be awarded to the low bidder American Air & Water Inc. of Hilton Head, SC. I further recommend that we increase the purchase quantity to 216 lamps (full set), as the bid price was less than expected.

The WWTP has \$25,000 budgeted for this purchase and with a purchase of 216 lamps @ \$98.78 ea, the purchase would total \$21,336.48.


Kenneth P. Wesley

WWTP Superintendent

CITY OF ADRIAN, MICHIGAN
 UV LAMPS
 DUE DATE: JUNE 16, 2009

BIDDER	AMOUNT	DELIVERY
American Air & Water Inc Hilton Head, SC	\$ 98.78 each \$ 16,397.48	45 days
UV Doctor Lamps LLC Newport WA	\$ 107.00 each \$ 17,762.00	30 days
Emperor Aquatics Inc Pottstown, PA	\$ 111.50 each \$ 18,509.00	30 days
First Light Technologies Inc Poultney VT	\$ 125.00 each \$20,750.00	45 days
Flier's Quality Water Systems Portage, MI	\$ 155.00 each \$ 26,034.00 (incl. shipping)	Est. 7-8 weeks
Atlantic Ultraviolet Corp Hauppauge NY	\$ 155.25 each \$ 25,771.50	45-60 days

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

RESOLUTION

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.	Poulthey, 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; and

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

REGULAR

AGENDA

R-1

R09-110

July 6, 2009

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

RESOLUTION

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



ADDENDUM TO BUY AND SELL AGREEMENT
LENAWEE COUNTY ASSOCIATION OF REALTORS



WITH REFERENCE TO A CERTAIN SALES AGREEMENT dated 5-22-2009 between City of Adrian (Seller) and Evergreen Grease Service Inc. (Purchaser) for the property commonly known as 3.2 Acre parcel Adrian Industrial park

SAID SALES AGREEMENT IS AMENDED / SUPPLEMENTED AS FOLLOWS:

All items in contract to purchase are agreed to along with Counter offer except for:

- 1- Seller to pay Real estate commission of a reduced amount of 2,500 this is half of the amount that was originally stated.

WITNESS:

Witness signature lines and DATE labels

WITNESS:

Witness signature lines and DATE labels

**PURCHASE AGREEMENT
COUNTER OFFER**

28. The price and the other terms are acceptable except for the following items which are set forth as follows:
- (1) The structure to be built on the lot must comply with the requirements set forth in the Schedule of Regulations in the City of Adrian's Zoning Ordinance.
 - (2) Plans for the structure to be constructed on the parcel must be approved by the City prior to closing. If not approved, the deposit shall be returned and the contract shall terminate without liability to either party. A building with only steel siding will not be acceptable, as a brick façade is preferred.
 - (3) Any operations conducted at the parcel will fully comply with the discharge of permit requirements of the City Wastewater Plant, as well as comply with all other City regulations and ordinances.
 - (4) The real estate commission shall be paid for by the purchaser or its builder.
 - (5) This counter offer is subject to the approval of the Adrian City Commission at its regular meeting to be held on July 6, 2009.

Purchaser gives the seller until July 6, 2009 at 11:00 a.m. to accept this counter offer.

CITY OF ADRIAN
A Michigan Municipal Corporation

Dane C. Nelson
ITS: City Administrator

WITNESS:

DATE: _____



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®



25. RECEIPT IS ACKNOWLEDGED BY PURCHASER OF A COPY OF THIS PURCHASE AGREEMENT.

X [Signature] X 5-22-09
(Note: Please sign as you wish your name to appear on final papers)

Witness: [Signature] Date: 5-22-09
(Salesperson)

SELLER'S ACCEPTANCE:

26. IT IS AGREED by the Broker and Seller or lessor, parties to this agreement, that as required by law, discrimination because of race, creed, color, sex, marital or familial status, national origin, age or disability by said parties in respect to the sale or lease of the subject property is prohibited.

27. APPROVAL OF CONTRACT by Seller's attorney within _____ business days from date of acceptance of this contract. If this contingency is not removed in writing by said date, it shall be considered waived by the Seller.

28. THE ABOVE OFFER IS HEREBY: Accepted as Written See Addendum Attached Countered as Follows: _____
See attached

29. RESPONSE TIME: Seller gives the Purchaser until (Date) JUNE 15 (Time) 11:00 AM PM, to accept any counter offer. Receipt is acknowledged by Seller of a copy of this Purchase Agreement.

X [Signature] X _____
SELLER SELLER

Witness: _____ Date: _____

30. PURCHASER'S RECEIPT OF ACCEPTANCE: Receipt is acknowledged by Purchaser of the Seller's acceptance of offer. If acceptance was subject to counter offer, Purchaser agrees to accept counter offer, all other terms and conditions remain unchanged.

X _____ X _____
PURCHASER PURCHASER

Witness: _____ Date: _____

31. RECEIPT: Is acknowledged by Seller of a copy of the Purchaser's acceptance of this counter offer.

X _____ X _____
SELLER SELLER

Witness: _____ Date: _____

Received from Purchaser deposit monies in the form of _____ by _____ on _____ (date)

Note: CLOSING COSTS: Unless otherwise provided in this Purchase Agreement, it is agreed that Seller shall pay all State and County transfer taxes and costs required to convey clear title and preparation of deed. Unless otherwise provided in this Purchase Agreement, Purchaser shall pay the cost of recording the deed and/or security interests and all mortgage closing costs required by mortgagee.

EXECUTION OF FACSIMILE COUNTERPART OF THIS AGREEMENT SHALL BE DEEMED EXECUTION OF THE ORIGINAL AGREEMENT. FACSIMILE TRANSMISSION OF AN EXECUTED COPY OF THIS PURCHASE AGREEMENT SHALL CONSTITUTE ACCEPTANCE OF THIS AGREEMENT.

Property Address: _____
Buyers Initials [Signature] Date 5-22-09 Sellers Initials _____ Date _____



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®



Listing Office City of Adrian
 Office Address _____
 Telephone _____ Fax _____
 Listing Agent _____
 Telephone _____ Fax _____
 E-mail _____

Selling Office Coedent Real Estate
 Office Address _____
 Telephone _____ Fax _____
 Selling Agent Steve BRANDT
 Telephone _____ Fax _____
 E-mail _____

Agency Status:
 Seller's Dual Transaction Coordinator

Agency Status:
 Seller's Buyers's Dual Transaction Coordinator

THIS CONTRACT is dated 5-22-2009

1. THE PROPERTY COMMONLY KNOWN AS _____ 3.2 Acres Parcel
 (Street, City, Zip Code) Attached driveway from city
 TAX / PARCEL ID _____ LEGAL DESCRIPTION _____

PURCHASER Evenbmen Grace Service INC.
 Address _____

SELLER City of Adrian
 Address _____

Seller agrees to sell and convey, subject to easements and restrictive covenants of record, and subject to the lien of taxes not yet due and payable at time of closing, and Purchaser agrees to purchase the property situated in the City Twp. of Adrian County of LenaWee, Michigan, as identified above.

SALE PRICE: July Forward 700,000 DOLLARS (\$ 50,000)

2. THE TERMS OF THE SALE SHALL BE as indicated by "x" below: (either unmarked terms of purchase do not apply). Payment of such purchase money shall be in cash or certified check or bank money order.

CASH - The full purchase price upon execution and delivery of Warranty Deed.

NEW MORTGAGE - Contingent upon Purchaser's ability to obtain a _____ year _____ mortgage, which Purchaser agrees to apply for such mortgage loan within _____ days from the date of acceptance of this offer at his own expense and accept promptly if tendered. This financing contingency is to be removed in writing by _____

OTHER - _____

3. IMPROVEMENTS AND APPURTENANCES: This contract includes all fixtures, improvements, landscaping and appurtenances attached to the property as of this date, including but not limited to all lighting and plumbing fixtures, ceiling fans, window hardware and blinds, wall-to-wall carpeting, attached shelving, purchased water softener, automatic garage door equipment, storm windows and doors, screens, awnings and antennas, including rotor equipment, if any, as well as the following personal property for which a bill of sale will be given, namely: _____

EXCLUSIONS: _____

4. TAXES: Real Estate taxes billed before close of sale are to be paid by the Seller. All real estate taxes billed on or after close of sale shall be paid by Purchaser. FOR PURPOSES OF THIS AGREEMENT, taxes are to be prorated as indicated by an "x" below, the amount to be based on latest tax figures and 365 days in a year.

Taxes to be prorated in ADVANCE, with July bill covering July 1 thru June 30; December bill covering December 1 thru November 30.

No Tax Proration

Other TAX BASE TO BE SCRATCHED FROM STATE OR PROPERTY THEN TAX TO BE PRORATED FROM DAY OF CLOSE FORWARD

Buyers Initials AAA

Date 5-22-09

Sellers Initials _____

Date _____



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®



5. **ALL MATTERS RELATED** to but not limited to zoning, soil borings, franchising, matters of survey, use permits, drain easements, rights of way, etc...are to be secured and paid for by the Purchaser unless otherwise specified. Seller will obtain and pay for a confirmation of driveway access as required by Lenawee County Road Commission, if applicable to subject property herein.

6. **PRORATIONS.** Rent, fuel, association dues, interest on any existing land contract, mortgage or other lien assumed by Purchaser shall all be adjusted to the date of closing of the sale. Sellers are responsible for fire and extended coverage insurance until sale is closed. \$_____ will be retained from: Seller Purchaser for _____ and be held in escrow by _____ Any balance remaining will be remitted to Seller Purchaser and any balance DUE will be paid by the responsible party.

7. **ASSESSMENTS** which are or become a lien on the property on or before the date of closing of this sale shall be paid as follows: before closing, the Seller shall pay all installment assessment billings; and after closing, the Purchaser shall pay all installment assessment billings. Assessments for any improvements, now installed, but not yet a tax lien, shall be assumed by the Purchaser. Seller has no knowledge of any pending assessments and/or benefit charges that have not been disclosed in writing to the Purchaser in this agreement. Any exceptions shall be disclosed to Purchaser in writing.

8. **SELLER'S DISCLOSURE STATEMENT:** Purchaser acknowledge that a Sellers Disclosure Statement has been provided to Purchaser. Seller shall provide Purchaser with a Seller Disclosure Statement with Seller's acceptance of this offer. Pursuant to Public Act 92 of 1993, Purchaser will have 72 hours after hand-delivery of the disclosure statement (or 120 hours after delivery by registered mail) to terminate this contract by delivery of a written notice to Seller or Seller's Agent. Property exempt from Sellers Disclosure Statement.

9. **LEAD-BASED PAINT DISCLOSURE/INSPECTION:** (For residential housing built prior to 1978) PURCHASER ACKNOWLEDGES THAT PRIOR TO SIGNING THIS PURCHASE AGREEMENT, PURCHASER HAS RECEIVED AND REVIEWED A COPY OF THE LEAD-BASED PAINT SELLER'S DISCLOSURE FORM COMPLETED BY THE SELLER ON _____, THE TERMS OF WHICH ARE INCORPORATED HEREBY BY REFERENCE.

Property exempt from Lead based Paint Disclosure.

Initials _____

Check One:

Purchaser shall have a _____ day(s) opportunity after the date of this Agreement to conduct an inspection of the property for the presence of lead-based paint and/or lead-based paint hazards. (Federal regulations require a 10 day period or other mutually agreed upon period of time.) If Purchaser is not satisfied with the results of this inspection, upon notice from Purchaser to Seller within this period, this agreement shall terminate and any deposit shall be refunded to Purchaser.

Purchaser hereby waives his/her opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

10. **PROPERTY INSPECTION:** Purchaser requests the following inspections checked to be performed and to meet Purchaser's approval. If any of the inspections are not acceptable to the Purchaser, the Purchaser may rescind the purchase agreement and the purchaser's deposit be returned. If this contingency is not removed in writing by said date, it shall be considered waived by the Purchaser.

Seller grants Purchaser permission to come on the property, by appointment, to complete inspection(s) and Purchaser agrees to return premises to pre-inspection condition.

NOTE: The intention of the inspection(s) is not to create a list of repairs for the Seller to correct. It is the Seller's position that the negotiated price fairly reflects the present "AS IS" condition of the property.

					Waiver	To be removed in writing on or before
<input type="checkbox"/>	Contractor/Home Inspection	PAID BY	Purchaser	Seller	<input type="checkbox"/>	_____
<input type="checkbox"/>	Pest Inspection	PAID BY	Purchaser	Seller	<input type="checkbox"/>	_____
<input type="checkbox"/>	Well/Water Inspection	PAID BY	Purchaser	Seller	<input type="checkbox"/>	_____
<input type="checkbox"/>	Septic/Drainfield Inspection	PAID BY	Purchaser	Seller	<input type="checkbox"/>	_____
<input type="checkbox"/>	Radon Inspection	PAID BY	Purchaser	Seller	<input type="checkbox"/>	_____
<input type="checkbox"/>	Lead Base Paint Inspection	PAID BY	Purchaser	Seller	<input type="checkbox"/>	_____
<input type="checkbox"/>	Mold Inspection	PAID BY	Purchaser	Seller	<input type="checkbox"/>	_____
<input type="checkbox"/>	Other	PAID BY	Purchaser	Seller	<input type="checkbox"/>	_____

Property Address: _____

Buyers Initials ATR

Date 5-22-09

Sellers Initials _____

Date _____



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®



Purchase waives Inspections. Purchaser has personally inspected the property, and accepts it in its AS IS present condition and including the possible existence of unknown latent defects and agrees that there are no additional written or oral understandings except as otherwise provided in this contract.

11. HOME WARRANTY PROGRAM: Purchaser and Seller have been advised of the availability of a Home Warranty Program.

Said Home Warranty Plan to be provided by _____ through the Listing Office Selling Office
Not to exceed \$ _____

Purchaser waives Home Warranty.

12. WALK-THROUGH: Purchaser requests Purchaser waives, a walk-through prior to closing only to determine that the premises are in the same condition as when the Purchase Agreement was executed, and that the personal property specifically listed in the Purchase Agreement remains on the premises. Seller is liable to Purchaser for damage caused to property after closing and before vacating. Property to be left in broom-clean condition.

13. LAND DIVISION ACT: (For unplatted land only.) Seller and Purchaser agree that the following statements shall be included in the deed at the time of delivery:

(a) The grantor grants to the grantee the right to make ALL (insert "zero", "all" or a specific number, as appropriate) division(s) under section 168 of the land division act, Act No. 288 of the Public Acts of 1967 as amended.

(b) This property may be located within the vicinity of farm land or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

CAUTION: If the space contained in paragraph (a) above is left blank, the deed will NOT grant Purchaser the right to any divisions.

14. PRIVATE ROAD DISCLOSURE:

The property abuts a private road which has not been accepted as a public road and is not required to be maintained by the County Road Commission or other public or municipal body

The property does not abut a private road.

15. TITLE INSURANCE: Seller shall provide to Purchaser, at Seller's expense, an owner's policy of title insurance with standard exceptions in the amount of the sales price. Seller will apply for a commitment for title insurance upon removal of all contingencies by the Purchaser on this agreement. Upon receipt of the commitment, Purchaser shall have 5 days to provide Seller with written notice to any objections. Seller will then have 30 days after receiving written notice to remedy the claimed defects. If Seller is unable to remedy the defects within 30 days, this Agreement shall terminate at Purchaser's option, and any deposit shall be refunded to Purchaser.

16. FORM OF CONVEYANCE: Seller agrees to grant and convey, as above required, by warranty deed land contract or Other _____, a marketable title to the property. Seller will pay transfer taxes when title passes. Any condominium/cooperative transfer fee will be paid by: Seller Purchaser

17. SELLER/PURCHASER HAS BEEN ADVISED TO SEEK LEGAL COUNSEL TO: Insure the details of the purchase agreement are being adhered to; that title is marketable and Purchase Agreement complies with or is not affected by the Land Division Act #288, PA of 1967, as amended. SELLER AND PURCHASER ACKNOWLEDGE THAT BROKER IS NOT ACTING AS AN ATTORNEY, TAX ADVISOR, SURVEYOR, APPRAISER, ENVIRONMENTAL EXPERT, OR STRUCTURAL OR MECHANICAL ENGINEER FOR EITHER PARTY AND ADVISED THAT PROFESSIONALS SHOULD BE CONTACTED ON THESE MATTERS. AK (Buyers Initials) _____ (Sellers Initials)

APPROVAL OF CONTRACT by Purchaser's attorney within _____ business days from date of acceptance of this contract. If this contingency is not removed in writing by said date, it shall be considered waived by Purchaser.

18. CLOSING: Close of sale shall be no sooner than _____ and no later than June 20/2009. Any extensions on closing date shall be in writing and agreed to by both Seller and Purchaser. **TIMR IS OF THE ESSENCE.**

19. POSSESSION to be given no later than At close after close of sale, subject to Tenants Rights, if any, without payment of rent, or with payment of rent of \$ _____ per day, including the day of closing through the day keys are delivered. Rent in the sum of \$ _____ will be withheld from Seller at closing and held in escrow by _____ Within 7 days after delivery of keys by Seller, the funds will be distributed according to the terms of this Purchase Agreement. Sellers will be responsible for utilities, lawn care/snow removal during occupancy.

Other provisions: _____

Property Address: _____

Buyers Initials AK

Date 5-22-09

Sellers Initials _____

Date _____



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®



Seller is liable to Purchaser for damage caused to property after closing and before vacating. Property to be left in broom-clean condition.

20. **EARNEST MONEY:** Purchaser will deposit \$ 1,000.00 upon acceptance evidencing Purchaser's good faith. Said deposit to be held by Tithe Presque Isle and may apply as part of the purchase price or purchaser's closing costs. If title is not marketable, or insurable or if the terms of purchase are contingent upon ability to obtain a new mortgage or if sale is on contract, subject to sale of such contract, or any other contingencies as specified, which cannot be met, this deposit to be refunded forthwith. In the event of default by Purchasers, all deposits made hereunder may be forfeited as liquidated damages at Seller's election, or alternatively, Seller may retain such deposits as part payment of the purchase price and pursue his legal or equitable remedies hereunder against Purchaser.

21. **SELLER RESPONSE TIME:** Purchaser gives the Seller to and including (Date) 5/27/2008 (Time) 5 AM PM for written acceptance of this offer and agrees that this offer, when accepted binds the Purchaser, Seller, their heirs and personal representatives and anyone succeeding to their interest in the property. Purchaser will not assign this contract without Seller's prior written permission. Unless modified or waived in writing, all covenants, warranties and representations contained herein will survive the closing.

22. **ARBITRATION:** Any claim or demand of Seller or Buyer arising out of the Agreement but limited to any dispute over the disposition of any earnest money deposits or arising out of or related to the physical condition of any property covered by this Agreement, included without limitation, claims of fraud, misrepresentation, warranty and negligence, shall be settled in accordance with the rules, then in effect, adopted by the endorsed provider of arbitration services for the Michigan Association of REALTORS®. This is a voluntary agreement between the Buyer and Seller. Failure to agree to arbitrate does not affect the validity of the Agreement. A judgment of any circuit court shall be rendered on the award or determination made pursuant to this Agreement. This Agreement is specifically made subject to and incorporates the provisions of Michigan law governing arbitrations, MCL 600.5001, as amended, and the applicable court rules, MCR 3.602, as amended. This Agreement is enforceable as to all parties and brokers/agents who have agreed to arbitrate as acknowledged by their signatures below. The terms of this provision shall survive the closing.

Initial to agree to arbitrate: Seller _____ Buyer _____ Listing Broker _____ Selling Broker _____

23. **RELEASE:** Buyer and Seller acknowledge that the real estate brokers and agents have made no representations concerning the condition of the property covered by this Agreement and the marketability of title, and Buyer(s) and Seller(s) release the Listing broker and Selling Broker, and their respective agents, employees, attorneys and representatives, with respect to all claims arising out of or related to this Buy and Sell Agreement, any addendums or counter-offers; all claims arising from any purported representations as to the physical and environmental condition of the property covered by this Agreement or the marketability of title; and all claims arising from any special assessments and/or utility bills which have been or may in the future be charged against the property covered by this Agreement and, in addition, agree to indemnify and hold harmless the Listing Broker and Selling Broker from any and all claims related to those matters.

LIMITATION: Buyer and Seller agree that any and all claims or lawsuits which they may have against the Listing Broker and its agents and Selling Broker and its agents relating to their services must be filed no more than six (6) months after the date of closing on the transaction described in this Agreement. Buyer and Seller waive any statute of limitations to the contrary.

MERGER: Buyer and Seller agree that this is the entire agreement between the parties and that there are no other written or oral understandings. Buyer and Seller further agree that this Agreement supersedes any and all prior agreements, understandings or representations made by the parties or their agents.

24. SEE ATTACHED ADDENDUM FOR ADDITIONAL TERMS.

1) Land to be able to be used for Purchasers Business (defense within 3 days from city OK)

2) city to provide legal description of 3.2 acres site also survey of such site.

Property Address: _____

Buyers Initials [Signature] Date 5-22-08 Sellers Initials _____ Date _____



Exclusive Buyer Agency Contract (SHORT FORM)

“U”

Broker: Goidura ("Broker")
Broker's Address:
Client: Gordon George Senn ("Client")
Client's Address:

- 1. PURPOSE Client has employed the services of Broker as Client's exclusive agent to assist Client in purchasing real estate.
2. Client acknowledges that Broker is not acting as an attorney, tax advisor, surveyor, appraiser, environmental expert or structural or mechanical engineer, and that Client should contact professionals on these matters.
3. TERM/CANCELLATION This Agreement is entered into this 5-22, 20 09 This Agreement shall expire on 7-22, 20 09. This Agreement may be cancelled only by the mutual consent of the parties in writing.
4. COMPENSATION Broker shall be compensated by the seller or the listing broker. S
5. CONFIDENTIAL INFORMATION Broker will preserve any confidential information obtained during any agency relationship and shall not disclose it to Client.
6. CONFLICT OF INTEREST (PURCHASERS) Client acknowledges that Broker may represent other clients or customers desirous of purchasing property similar to the desired property. Client acknowledges and agrees that Broker may show more than one client or customer the same property, and may prepare offers on the same property for more than one client or customer.
7. CONFLICT OF INTEREST (SELLERS) In the event Client elects to make a bona fide offer on real property listed by Broker, Broker shall act as disclosed dual agent of both Client and the owner of the real property listed by Broker pursuant to a written agreement between Broker, Client and the owner of the listed real property.
8. NON-DISCRIMINATION It is agreed by Broker and Client, parties to this Agreement, that as required by law, discrimination because of religion, race, color, national origin, age, sex, disability, familial status, marital status, height or weight by said parties in respect to the purchase of the desired property is prohibited.
9. ENTIRE AGREEMENT This Agreement constitutes the entire agreement between the parties, and any prior agreements, whether oral or written, have been merged and integrated into this Agreement.
10. OTHER Paid By Builder on city
11. RECEIPT Client has read this Agreement and acknowledges receipt of a completed copy of this Agreement.

BROKER:
Accepted By:

CLIENT:
[Signature]

For:
Date:

Date: 5-22-09

Disclaimer: This form is provided as a service of the Michigan Association of REALTORS®. Please review both the form and details of the particular transaction to ensure that each section is appropriate for the transaction. The Michigan Association of REALTORS® is not responsible for use or misuse of the form for misrepresentation or for warranties made in connection with the form.

Notice of Buyer Agency

M



TO THE SELLER OR SELLER'S AGENT:

Please note that my company and I are representing the buyer identified below as that buyer's exclusive agent, pursuant to a written agency contract, and with respect to the potential purchase of the property described below.

As the agent for the buyer, our allegiance extends to the buyer and not to the seller. Because we will be attempting to act in the best interest of our buyer, we are rejecting your offer of subagency (if any), and requesting that you not disclose any information to us that you do not want us to convey to our buyer.

We also _____ are accepting _____ are not accepting the compensation offered to cooperating brokers of _____ or _____ % of the purchase price of the property. Seller to pay 10% of sales Price to Broker

BUYER: Evergreen Grease Service INC.

PROPERTY: 3.2 Acre Parcel @ Industrial Park

Broker:

Goodhart REAL ESTATE
Firm

Steve INAWIT
Agent

ACKNOWLEDGMENT AND ACCEPTANCE:

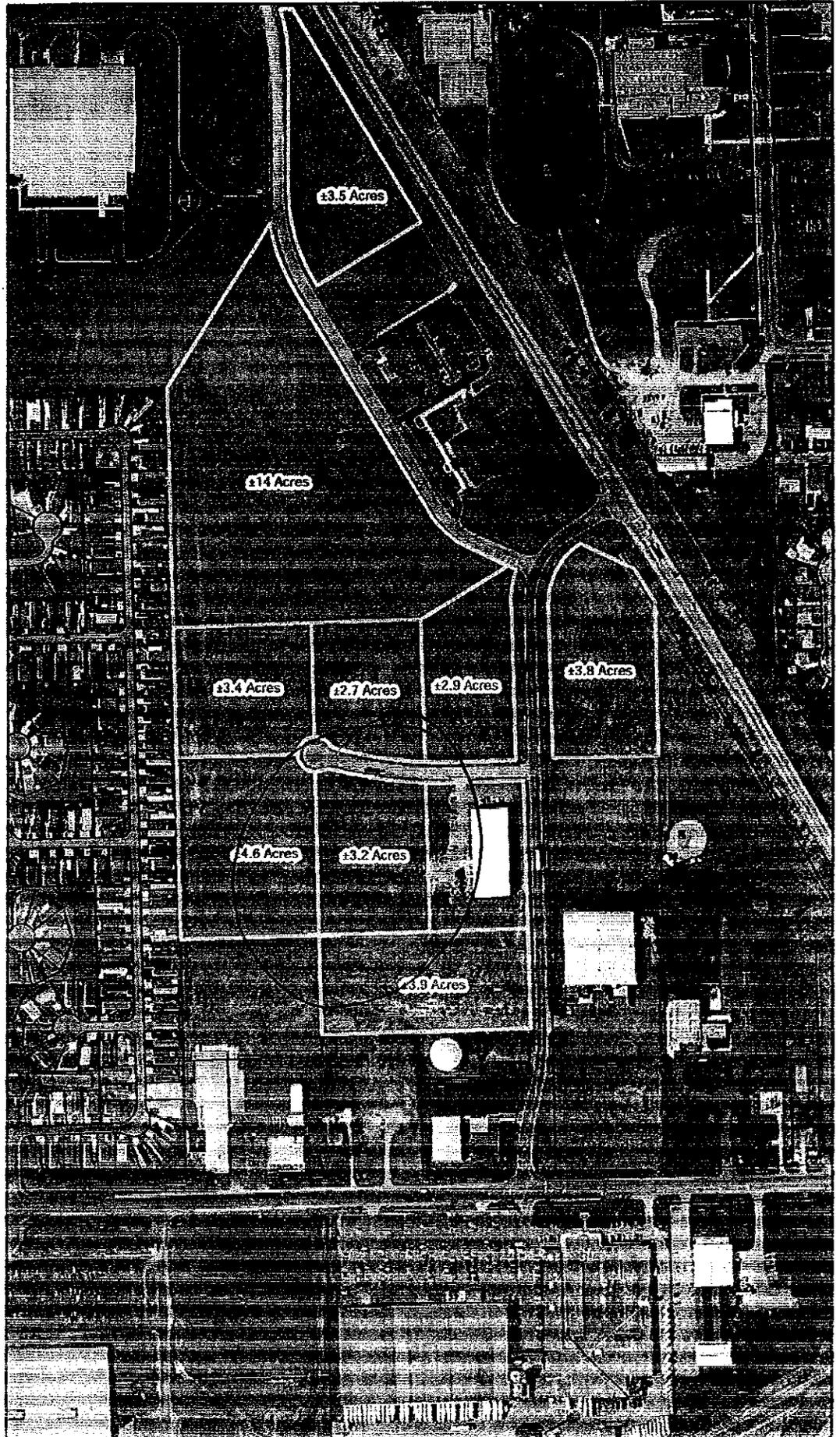
I (We) hereby acknowledge that I (we) were presented with this Notice on _____, 19 _____, and prior to entering into negotiations for the sale of the above-mentioned property.

Seller or Seller's Agent

Seller



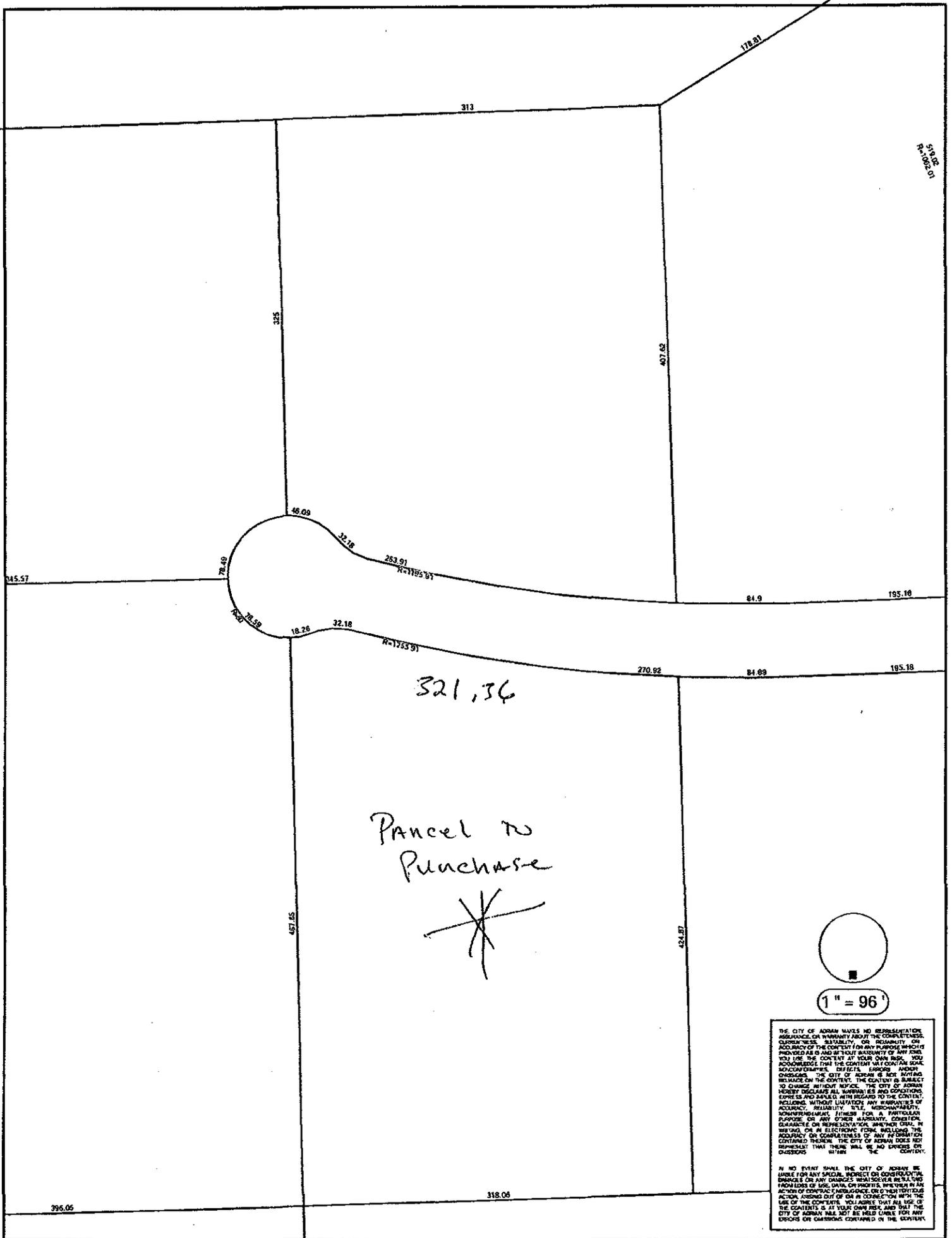
100 E. Church St.
Adrian, Michigan 49221



THE CITY OF ADRIAN MAKES NO REPRESENTATION, ASSURANCE, OR WARRANTY ABOUT THE COMPLETENESS, CURRENTNESS, SUITABILITY, OR RELIABILITY OR ACCURACY OF THE CONTENT FOR ANY PURPOSE WHICH IS PROVIDED AS IS AND WITHOUT WARRANTY OF ANY KIND. YOU USE THE CONTENT AT YOUR OWN RISK. YOU ACKNOWLEDGE THAT THE CONTENT MAY CONTAIN SOME TYPOGRAPHICAL, DEFECTS, ERRORS AND/OR OMISSIONS. THE CITY OF ADRIAN IS NOT INVITING RELIANCE ON THE CONTENT. THE CONTENT IS SUBJECT TO CHANGE WITHOUT NOTICE. THE CITY OF ADRIAN HEREBY DISCLAIMS ALL WARRANTIES AND CONDITIONS, EXPRESS AND IMPLIED, WITH REGARD TO THE CONTENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF ACCURACY, RELIABILITY, TITLE, MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, CONDITION, GUARANTEE OR REPRESENTATION, WHETHER ORAL, IN WRITING, OR IN ELECTRONIC FORM, INCLUDING THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED THEREIN. THE CITY OF ADRIAN DOES NOT REPRESENT THAT THERE WILL BE NO ERRORS OR OMISSIONS WITHIN THE CONTENT.

IN NO EVENT SHALL THE CITY OF ADRIAN BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES WHATSOEVER RESULTING FROM LOSS OF USE, DATA, OR PROFITS, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, OR OTHER TORTIOUS ACTION, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THE CONTENTS. YOU AGREE THAT ALL USE OF THE CONTENTS IS AT YOUR OWN RISK, AND THAT THE CITY OF ADRIAN WILL NOT BE HELD LIABLE FOR ANY ERRORS OR OMISSIONS CONTAINED IN THE CONTENT.

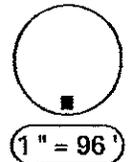
"respect for the individual voice, service for the common good"



51.98.26
14.108.10

321.36

Parcel to
Purchase
✱



THE CITY OF ADRIAN MAKES NO REPRESENTATION, ASSURANCE OR WARRANTY ABOUT THE COMPLETENESS, CURRENTNESS, AVAILABILITY, OR RELIABILITY, OR ACCURACY OF THE CONTENT / OR ANY PURPOSE WHICH IS PROVIDED AS IS AND WITHOUT ASSURANCE OF ANY KIND. YOU USE THE CONTENT AT YOUR OWN RISK. YOU KNOWLEDGE THAT THE CONTENT MAY CONTAIN SOME ADVISORY MATTER, DEFECTS, ERRORS, AND/OR DISCREPANCIES. THE CITY OF ADRIAN IS NOT BEING HELD LIABLE ON THE CONTENT. THE CONTENT IS SUBJECT TO CHANGE WITHOUT NOTICE. THE CITY OF ADRIAN HEREBY DISCLAIMS ALL WARRANTIES AND CONDITIONS, EXPRESS AND IMPLIED, WITH REGARD TO THE CONTENT, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF ACCURACY, RELIABILITY, TITLE, MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTY, CONDITION, GUARANTEE OR REPRESENTATION, WHETHER MADE, IN WRITING OR IN ELECTRONIC FORM, INCLUDING THE ACCURACY OR COMPLETENESS OF ANY INFORMATION CONTAINED THEREIN. THE CITY OF ADRIAN DOES NOT REPRESENT THAT THERE WILL BE NO ERRORS OR OMISSIONS.

IN NO EVENT SHALL THE CITY OF ADRIAN BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES WHATSOEVER RESULTING FROM LOSS OF USE, DATA OR PROFITS, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, OR OTHER TORTIOUS ACTION, ARISING OUT OF OR IN CONNECTION WITH THE USE OF THE CONTENT. YOU AGREE THAT ALL USE OF THE CONTENT IS AT YOUR OWN RISK, AND THAT THE CITY OF ADRIAN WILL NOT BE HELD LIABLE FOR ANY ERRORS OR OMISSIONS CONTAINED IN THE CONTENT.

R-2

June 17, 2008

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer 

SUBJECT: Division Street Engineering Services



We have requested \$250,000 in American Recovery and Reinvestment Act (ARRA) monies. The monies from the ARRA program come with many Michigan Department of Transportation (MDOT) and Federal Highway Administration (FHWA) requirements. They include specific drawing submittals, grade inspections and coordination with State offices before final approval and obligation of funds can occur. In researching the requirements for this money, we have determined that this process can take several months and be cumbersome to work through at the State level.

For several years we have had issues with the road and sub-grade on Division Street, from Dawes Avenue to Parkview Lane. Due to the required MDOT schedules, construction of this project is not practical in 2009. As such, we have patched the worst areas of Division Street and plan for this project to occur when weather turns favorable in the spring of 2010.

Due to the extent of the requirements for MDOT, I have requested a quote from Scott Merillat of Associated Engineers and Surveyors, Inc. (AES) to perform the engineering and drawing requirements. Some of this work will require soil borings, by a sub-contract, to AES. It is our intent to work toward reduction of the difficulties we seem to continually have in this area. AES has worked on these types of projects in the past and are well versed in MDOT's process.

I recommend we wave competitive bid and award design service to AES in the lump sum of \$8,800. Additionally, I recommend award of an additional amount, not to exceed \$5,500 to AES for the use of TTL Associates, Inc. as a sub-contractor for geotechnical and subsurface work.

Funds for these services are available in the FY 2009-10 budget in the Major Street contingency fund (202-990.00-990.00).



Associated Engineers and Surveyors, Inc.

CIVIL ENGINEERS ♦ LAND SURVEYORS

237 North Main Street
Adrian, Michigan 49221
Phone : (517) 263-4515
Fax : (517) 263-4535

Steven A. Young, P.S.
Scott A. Merillat, P.E.
Kevin L. Pickford, P.S.

June 4, 2009

Ms. Kristin Bauer, P.E.
City of Adrian
100 E. Church Street
Adrian, MI 49221

RE: Request for proposal for engineering services for the survey and design of
Division Street from Dawes Avenue to Parkview Lane.

Dear Kristin:

Associated Engineers and Surveyors, Inc. is pleased to provide the City of Adrian with the following proposal for engineering and surveying services for Division Street.

Associated Engineers and Surveyors, Inc. (AES) will prepare plans, specifications, special provisions and cost estimates in accordance with the Michigan Department of Transportation (MDOT) 3R requirements for improvements to Division Street from Dawes Avenue to the Parkview Lane a distance of approximately 1800 feet. The scope of services we propose to complete for the design of this project is summarized as follows:

Predesign Meeting

AES, in cooperation with the City of Adrian, will coordinate a predesign meeting to identify the specifics of the project. Prior to the completion of the topographic survey and prior to initiating any preliminary design tasks, the City staff will meet with AES on site to mark project limits, pavement removal areas, and any other items that need to be included in the topographic survey.

Field Survey

AES will dispatch a survey crew to the site to obtain the field survey including the following:

- Locate all physical features from back of curb to back of curb and spot existing drive approaches.
- Benchmarks will be established every 500 feet.
- All visible utilities within the project area shall be located.

All survey information will be collected using fully electronic survey equipment and shall be entered into a Computer Aided Drafting (CAD) system to generate drawings of an appropriate scale. No boundary survey of the Division Street right of way will be completed, and no underground utilities will be surveyed.

Traffic Counts

The City will provide the existing 24-hour traffic counts for use in the pavement appraisal.

Pavement Appraisal

We will utilize a subconsultant, TTL Associates, to conduct the subsurface investigation and complete the pavement appraisal. We have attached a copy of their proposal as part of this submittal.

Programming

AES will prepare and submit to the City of Adrian all required MDOT programming forms for the project.

Preliminary Design

Preliminary plans shall represent the 80 percent plan submittal. The preliminary plans shall be submitted to the City of Adrian, MDOT and any other affected agency or utility for review. All required design exceptions shall be noted and sent to the City of Adrian for approval.

The project will be designed as typical mill and resurfacing project with subbase undercutting and replacement at various locations.

Preliminary Cost Estimates

A preliminary cost estimate will be prepared using MERL software.

Utility Coordination

All site utilities will be invited to the Grade Inspection Meeting to review the preliminary plans.

Meeting and Consultation

AES will be in attendance at the grade inspection and pre-construction meetings, and will be available regularly throughout the design process.

Final Plans

AES will proceed with the development of the final plan set following receipt of comments relating to the preliminary design submittal and the Grade Inspection Meeting. All conflicts between agencies, utilities or interested parties shall be resolved prior to the development of the final plan set. The City of Adrian and MDOT shall determine final decisions on such conflicts jointly. The final plans shall meet MDOT plan submittal standards, and they shall include complete plans, details, special provisions, supplemental specifications, and final quantities ready for bid letting by MDOT. A final engineer's cost estimate, using MERL software, will be submitted with the final plans.

Schedule

We propose the following tentative schedule for completion of the preliminary plans:

Authorization to proceed	July 15, 2009
Pre-design meeting	July 21, 2009
Completion of field survey	August 21, 2009
Completion of preliminary pavement recommendations	August 28, 2009
Preliminary plan submittal for Grade Inspection	October 14, 2009
MDOT Grade Inspection Meeting	November 17, 2009
Final Plan Submittal	December 17, 2009
Tentative Letting Date	March 5, 2010

Fee

We are prepared to complete the engineering and surveying design services as outlined in this proposal for a lump sum fee of \$8,800. The geotechnical subsurface investigation shall be completed for an estimated fee of \$5,500. The actual fee charged will be the invoiced amount from the subcontractor plus 10%.

The project schedule identifies several milestone events. Payment for services rendered shall be based on attaining these milestone events according to the following payment schedule:

Pavement appraisal submittal	Fee plus 10%
Preliminary plan submittal	\$ 5,950
Final plan submittal	\$ 2,850

We appreciate the opportunity to provide this proposal to the City of Adrian. If there should be any questions regarding the content of the document, please do not hesitate to call.

Sincerely,
Associated Engineers and Surveyors, Inc.


Scott A. Merillat, P.E.



44265 Plymouth Oaks Blvd.
Plymouth, Michigan 48170
T 734-455-8600
F 734-455-8608
www.tlassoc.com

May 15, 2009

Proposal No. 5424.01

Mr. Scott Merillat, P.E.
Associated Engineers and Surveyors, Inc.
237 North Main Street
Adrian, Michigan 49221

**Geotechnical Subsurface Investigation
Proposed Division Street Rehabilitation
Adrian, Michigan**

Dear Mr. Merillat:

TTL Associates, Inc. (TTL) is pleased to submit this proposal to Associated Engineers and Surveyors, Inc. (Associated Engineers) to perform a geotechnical subsurface investigation for the referenced project. This proposal has been developed based on discussions between you and Mr. Jeff Elliott of TTL, as well as a site reconnaissance by Mr. Elliott.

PROJECT DESCRIPTION

We understand that the project consists of reconstruction of an approximately 3,000 lineal foot portion of Division Street, between US 223 and Dawes Avenue, in Adrian, Michigan. It was indicated that portions of the roadway had experienced distress such that rehabilitation was performed approximately 6 years ago. The rehabilitation consisted of milling, repairing, and reconstruction of portions of the roadway. Those areas which had previously shown signs of distress are again showing signs of distress.

SCOPE OF WORK

TTL proposes to conduct a geotechnical subsurface investigation to evaluate the properties of the underlying soils with respect to design and construction of the proposed pavements at the above referenced location. A drill rig and crew will be utilized to investigate the thickness of the existing pavement cross-sections, as well as advance test borings into the underlying soils for the purpose of collecting soil samples and performing in-situ tests. Laboratory testing will be conducted on the collected soil samples to provide physical properties and characteristics of the underlying materials. Geotechnical design and construction recommendations for pavements will be developed based on information obtained from the drilling and laboratory testing.

The proposed scope of work has been divided into the following three tasks.

Task 1 – Mobilization, Drilling and Sampling

Based on the provided information, ten test borings are proposed for this investigation to explore existing pavement cross-sections and evaluate subgrade soil conditions. The borings will be extended through the existing pavements. Six borings will be performed in areas of observed distress and extended to a depth of 10 feet below top of pavement. Four borings will be performed in areas of pavements in generally good condition and extended to a depth of 5 feet below top of pavement. The thickness of the pavement cross-section will be measured along the side of the borehole. If coring of pavements is required, an add-price is provided in the “Estimated Cost” section of this proposal.

TTL will mobilize a drill rig and crew to the site, perform the test borings, and return the collected soil samples to our laboratory for testing. The test borings will be located in the field by TTL, with direction from Associated Engineers. The borings will be located by taping or pacing methods. TTL will notify the governing utility protection service (MISS DIG) for utility markings and clearances. If obstructions, overhead power lines, or underground utilities are encountered, the test borings may have to be relocated. The relocation distance shall be kept to a minimum.

The test borings will be performed in general accordance with ASTM D 1586 and D 5434. In the 10-foot deep borings, soil samples will be collected continuously using a split-spoon sampler and 24-inch sample drives. In the 5-foot deep borings, soil samples will be collected at 2½-foot intervals using a split-spoon sampler and 18-inch sample drives. Standard Penetration Tests will be performed at the same intervals. Upon completion of the drilling operations, each test boring will be backfilled with a mixture of auger cuttings and bentonite chips. Where borings are extended through existing asphalt pavements, the surface will be patched using asphalt cold patch.

We have budgeted for traffic control consisting of two flaggers for traffic maintenance, as well as signs, cones, and an arrowboard. We have provided a breakout of this cost, should the City of Adrian be able to provide police or city personnel to assist with the flagging requirements.

Task 2 - Laboratory Testing

Design and construction recommendations pertaining to pavements will be evaluated using soil index properties and engineering parameters determined from laboratory tests performed on the recovered samples. These tests will include the following:

- Moisture content determinations (ASTM D 2216)
- Atterberg limits tests (ASTM D 4318)
- Particle size analyses (ASTM D 422)

All recovered soil samples will be tested for moisture content and visually or manually classified in accordance with the Michigan Department of Transportation (MDOT) Uniform Field Soil Classification System. Unconfined compressive strength estimates will be obtained for the intact cohesive samples using a calibrated hand penetrometer. Additionally, an Atterberg limits test and a particle size analysis will be performed on two representative soil samples to evaluate soil

classification and index properties, as well as to provide a correlation to evaluate a California Bearing Ratio (CBR) design value for the pavement subgrade.

Task 3 - Engineering Analysis, Recommendations and Report Preparation

A geotechnical engineer will take the information from the driller's field logs and prepare engineering logs describing each encountered stratum. Geotechnical-related design and construction recommendations will be prepared under the direction of a licensed professional engineer. The recommendations will address soil conditions, as well as pavement support characteristics. In addition, general recommendations will be addressed in the report regarding pavement construction, site subgrade preparation, and engineered fill placement. Using information obtained from the index property testing, a subgrade CBR will be evaluated and utilized with traffic loads and volumes to provide a flexible (asphalt) pavement cross-section.

The final report will contain the field investigation and laboratory test data, state our findings and observations, and include a site plan and log identifying each test boring. The final report will also include the recommendations for pavements prepared under the direction of a licensed professional engineer.

ESTIMATED COST

TTL proposes to conduct the investigation described herein for a lump sum fee of **\$4,995.00**. This fee includes \$1,800 for drilling and sampling of subsoils not exceeding 80 lineal feet, \$920 for traffic control, \$520 for laboratory testing, and \$1,755 for engineering analysis and report preparation. As indicated, traffic control (including two flaggers) comprises approximately 20 percent of the total fee, but the \$920 amount would not be invoiced if the City of Adrian can provide the traffic control personnel.

Additional drilling and sampling of overburden soils, if deemed necessary by subsurface conditions and authorized by the client prior to demobilization, would be performed on an add basis of \$25.00 per lineal foot. If pavement cores are required, they would be provided on an add basis of \$75.00 each. Delays incurred by the drilling crew due to circumstances beyond our control will be billed at the rate of \$211.00 per hour.

The engineering fee includes analysis and consultation through submittal of the final report. Any project meetings, as well as additional analysis and consultation services, will be invoiced in accordance with the following unit rates:

- Project Engineer for additional analysis and engineering evaluation, per hour \$105.00
- Chief Geotechnical Engineer (P.E.) for meetings and consultation, per hour \$139.00

TERMS AND CONDITIONS

Work shall be performed in accordance with the attached TTL Agreement for Services. Please execute both copies of the agreement form, and return one copy to our office as our written authorization to proceed. Alternatively, this work may be authorized by your purchase order, referencing this proposal by number and date.

TTL will exercise reasonable care to avoid underground structures and utilities, including notification of MISS DIG prior to the field work to obtain clearances within its jurisdiction. The client shall furnish TTL with plans identifying on-site underground structures and utilities, and shall notify TTL of those structures and utilities not shown on the furnished plans. Any claims resulting from damage to structures/utilities not identified or mismarked by MISS DIG locaters and/or the client are not the responsibility of TTL, regardless if such damages are direct, indirect, or consequential.

SCHEDULE

TTL is prepared to begin work on this project upon receipt of written authorization to proceed. Based on our current drilling schedule, we anticipate that the field work can be completed within one to two weeks of receipt of written authorization and site plans showing existing on-site underground structures and utilities. Three copies of our final report will be available approximately two weeks after completion of the drilling operations. Prior to submittal of the final report, draft boring logs and preliminary recommendations could be provided in order to facilitate design.

TTL Associates, Inc. appreciates this opportunity to provide Associated Engineers and Surveyors, Inc. with our quality geotechnical services, and we look forward to working with you on this project. Should you have any questions regarding this proposal, please do not hesitate to contact our office.

Respectfully submitted,

TTL Associates, Inc.



Christopher P. Iott, P.E.
Geotechnical Engineer



Jeffrey S. Elliott, P.E.
Vice President

Attachments - Agreement for Services
- Terms and Conditions

R.2

R09-111

July 6, 2009

RE: DEPARTMENT OF PUBLIC WORKS –Division Street Engineering Services

RESOLUTION

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 _____, seconded by Commissioner _____, this resolution was adopted by a _____ vote.



MEMO

Date: June 18, 2009

To: Hon. Gary McDowell, Mayor
City Commission

cc: Dane C. Nelson, City Administrator

From: Jeffrey C. Pardee, Finance Director

A handwritten signature in cursive script that reads 'Jeffrey C. Pardee'.

Re: **American Recovery & Reinvestment Act of 2009**

On Monday, March 30, 2009, City Administrator Dane C. Nelson and I attended a seminar at Schoolcraft College-VistaTech Center regarding the American Recovery & Reinvestment Act of 2009 sponsored by the Michigan Economic Development Corporation.

President Obama signed into law the "American Recovery and Reinvestment Act of 2009" (the "Recovery Act") on February 17, 2009. The Recovery Act creates a new category of bonds called Recovery Zone Bonds which are broken into two types:

- Recovery Economic Development Bonds, and
- Recovery Zone Facility Bonds

Recovery Zone Economic Development Bonds (RZEDBs) are governmental bonds to be used for governmental purposes that will allow the county/large municipality to **borrow at a lower cost than the traditional tax-exempt financing**. RZEDBs may be issued for purposes of promoting economic development or other economic activity, including public infrastructure and **construction of public facilities** (emphasis added) or job training and educational facilities, in **an area that has been designated by the county/large municipality** as a recovery zone. The Recovery Act earmarks \$10 billion for RZEDBs.

Recovery Zone Facility Bonds (RZFBs) permit counties/large municipalities to provide tax-exempt financing for projects which historically would not qualify (e.g., large manufacturing plants, distribution centers, hotels, research parks, etc.) The Recovery Act earmarks \$15 billion for RZFBs.

A Recovery Zone is any area that has been designated by a county/large municipality (>100,000 population) as having significant poverty, unemployment, home foreclosure or general distress, or any area affected by military realignment, or any area that has been designated as an empowerment zone or a renewal community. Under the Recovery Act, the Federal government will allocate each category of Recovery Zone Bonds to the states based on each state's decrease in employment compared to the national decrease in employment. Each state shall then distribute its allocation to counties/large municipalities based on their decrease in employment compared to the state's decrease in employment.

RZEDBs are taxable bonds; the interest earned by the holders of the bonds is subject to taxation and the rate of interest paid by the county/large municipality would presumably be higher than that on tax-exempt bonds. However, the federal government would reimburse the county/large municipality for 45 percent of the interest paid; thus making the true cost of the interest paid lower than that paid on tax-exempt bonds.

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

I respectfully recommend that the City of Adrian take advantage of this newly authorized investment vehicle in order to minimize the financing cost associated with both the Downtown Government Complex Project (including the Adrian Public Library renovations) and refinancing of the Marvin Farm, Parks & Forestry Maintenance Facility and the Land Contract on the Taxi Building (250 W. Church Street). A proposed resolution has been prepared for consideration by the Adrian City Commission at its July 6, 2009 regularly scheduled meeting that would request that Lenawee County designate the entire City of Adrian as a Recovery Zone for purposes of issuing Recovery Zone Economic Development Bonds.

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

ADMINISTRATION - Recovery Zone Economic Development Bonds

RESOLUTION

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 _____, seconded by
Commissioner _____, this resolution was adopted by a
_____ vote.

MEMORANDUM – UTILITIES DEPARTMENT

DATE: June 29, 2009
TO: Dane C. Nelson, City Administrator
FROM: Shane A. Horn, Utilities Director 
SUBJECT: Water Plant Access Drive Paving

I concur with the recommendation of the Utilities Director to retain Slusarski Excavating of Adrian MI, for paving the Water Plant driveway and parking area at a cost of \$65,000.00. Slusarski, who was recently awarded the bid for the Summit Street paving project, has agreed to extend that project's asphalt prices for the Water Plant project.

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, recommend that Slusarski Excavating be retained for the Water Plant paving project at a cost of \$65,000 and that the bid process be waived.


Dane C. Nelson
City Administrator

The access drive at the Water Plant has continued to degrade over a period of many years and through several construction projects. Slusarski Excavating and Paving received the bid to reconstruct Summit Street and has agreed to hold their asphalt prices for the paving at the Water Plant. We are estimating the total project cost at \$65,000.00 to complete the entire drive and parking area. We have \$85,000.00 in the water plant capital budget for this project. I respectfully recommend that we complete this project using Slusarski Excavating and Paving and utilize their exiting bid from the Summit Street project.

cc: Jeff Pardee, Finance Director
Tim Ritchie, Water Plant Superintendent

R09-113

July 6, 2009

RE: PAVING – Water Plant Access Drive & Parking Area

RESOLUTION

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

K-5

DATE: July 1, 2009

TO: Honorable Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

SUBJECT: Construction Bids – Two-Way Traffic Conversion

I concur with the recommendation of the City Engineer to award the bid for construction of the two-way traffic conversion in downtown Adrian to Slusarski Excavating & Paving of Adrian, MI, in the amount of \$1,375,431.84.

Four firms responded to the offer to bid. There are sufficient funds from the Major Street Fund and Vibrant Small Cities Grant for this work.



Dane C. Nelson
City Administrator

DCN:bjw

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

RESOLUTION

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 _____, seconded by Commissioner _____, the above resolution was _____ by a _____ vote.

R-5

July 1, 2009



MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Two Way Traffic Conversion Construction

We received bids on June 26, 2009 for construction of the two-way traffic conversion in downtown Adrian. Below are the tabulations for the bids received:

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

I recommend this bid be awarded to Slusarski Excavating and Paving of Adrian, Michigan for \$1,375,431.84.

Funds for this project are available in the Vibrant Small Cities Grant Funds:

(283-480.00-801.012) Two-Way Street Circulation – (LOCAL)	\$ 893,125.00
(283-480.00-801-013) Two-Way Street Circulation – (SIGNALS)	\$ 315,000.00
(283-480.00-801.014) Two-Way Street Circulation – (ADA)	\$ 175,000.00
Total	<u>\$1,383,125.00</u>

R-6

DATE: July 1, 2009

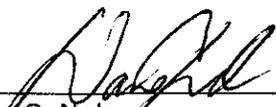
TO: Honorable Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

SUBJECT: Change Orders to Contract with Jackson Automatic Sprinkler

On February 2, 2009, the Adrian City Commission approved Resolution R09-039 to retain Jackson Automatic Sprinkler for the purchase and installation of a fire suppression system at the Parks & Forestry facility on Miles Drive. After testing the sprinkler system and fire pump, it was determined that repairs needed to be made on the fire pump, the jockey pump needed replacing and there were numerous leaks throughout the overhead lines.

The aforementioned repairs have been completed and the system has passed the pressure test to the satisfaction of our Inspection Department. I, therefore, urge your favorable consideration to approve the change order to Jackson Automatic Sprinkler's contract in the amount of \$7,481.64.



Dane C. Nelson
City Administrator

DCN:bjw

MEMO

TO: Dane C. Nelson, City Administrator
FROM: Mark K. Gasche, Parks and Recreation Director
DATE: July 1, 2009
SUBJECT: Recommendation to Approve Change Orders to the Parks and Forestry Maintenance Facility Renovation – Fire Suppression Work

Due to the long vacancy of the former Adlante building, now the Parks and Forestry Maintenance Facility, most of the mechanical systems were damaged, including the fire suppression system. With this in mind, an individual pricing schedule of fees was requested at the time of bidding. Jackson Automatic Sprinkler of Jackson, Michigan was awarded the work for a base bid of \$13,705.

Once the base work on the sprinkler system and fire pump performance testing was completed, then pressure testing began to determine the extent of damage. At this point, it was determined that the fire pump needed repairs (\$2,312) and the jockey pump needed to be replaced (\$1,660). It was only after this work was completed that pressure testing was attempted to determine, what would be numerous, non-visible leaks throughout the overhead lines (\$3,509.64).

The total amount of the change order is \$7,481.64, which is over the 4% allowed without further approval. Even with the change orders, the total cost for this bid package is \$21,186.64, which is still less than the next lowest bidder at \$25,000. Any of the contractors would have had to go through the same process to determine the extent of repairs needed and would have had similar additional costs.

The work is now complete and has passed a 200psi pressure test to the satisfaction of our Inspection Department. I respectfully request these change orders be approved in the amount of \$7,481.64 to Jackson Automatic Sprinkler.

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

RESOLUTION

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> and

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



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

Adrian Public Library

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

July 1, 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 – Donations for Library Renovation Project and Cruikshank Memorial

The Adrian Public Library has received several generous donations and grants to support the creation and furnishing of our new teen room, career and college center and to finance the installation of power assisted doors for the south entrance. In addition to the donations for the Library's renovated areas on the south side of the building several memorial donations in memory of Julia Cruikshank, a beloved former children's librarian, have been received. The Julia Cruikshank donations have been ear marked to support children's services at the bequest of the donors and to honor Mrs. Cruikshank. Mrs. Cruikshank touched many lives throughout her career. The enclosed letter from children's librarian Mary Beth Reasoner shares the impact Mrs. Cruikshank had on her life. **Donations and grants for the renovated areas of \$33,116.00 and Cruikshank Memorial Donations of \$1,310.00 have been received to date.** Additional donations and grants are expected to be forthcoming. The Library is pleased to help support the renovation project and ongoing services through these donations and grants.

The Maurice and Dorothy Stubnitz Foundation approved my request to support the Adrian Public Library Teen Room with a \$25,000 donation. The teen room will become a magnet for local teens to gather and provide them with resources, assistance and support to thrive. These funds will be used to purchase furnishing and technology for their educational and entertainment needs. I will be working with Karen Caine, Stubnitz Foundation director, to facilitate this donation. The Maurice & Dorothy Stubnitz Foundation was created by Dorothy Stubnitz, a woman of uncommon community awareness and generosity, in memory of her husband.

Kappa, Kappa Epsilon, a local organization in its 109th year of service to our community, continues to support the Adrian Public Library as part of their mission to assist in civic welfare work with an emphasis on children's needs and literacy. KKE's donation of



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

Adrian Public Library

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

\$2,916.00 will be used to purchase wooden magazine and mobile book display units for the teen room.

The Lenawee Youth Council has approved our request to support the new Career and College Collection with a grant of \$1,000. This collection will serve youth making college and career decisions and adults transitioning careers. This collection will be located between the Teen Room and the general library collection. Andrew Studnicka, a student at Adrian High School, is our youth coordinator for this grant and will be working with Mrs. Chesher, our children's librarian, to facilitate this resource center. We are also working closely with the Upward Bound program of Adrian High School and our own Teen Advisory Board to best meet the informational needs of teens through this collection.

A private donation of \$4,200, by a long time library supporter, who wishes to remain anonymous, has been received to help finance the installation of power assisted doors for the south entrance. These funds along with additional monetary donations from Library staff will be used to install and support maintenance of these automatic doors.

I request permission from the City Commission to accept these donations and grants, as well as any forthcoming donations to the Cruikshank Memorial. In accordance with the Gift and Donation Policy adopted by the City Commission (Resolution #R04-182, dated November 1, 2004) the purpose of this communication is to appropriately notify the City Commission of the donation and the fact that there is no matching requirement for the eventual expenditure. The attached resolution has been prepared for consideration by the City Commission at their meeting of July 6, 2009. If you have any questions or need for further information, please contact my office.

Cathy Chesher
Youth Services Librarian
Adrian Public Library
143 E. Maumee St.
Adrian, MI 49221

April 26, 2009

Dear Cathy –

Enclosed is a check for \$1,000.00 in memory of Mrs. Julia Cruikshank.

Mrs. Cruikshank was my beloved Children's Librarian at the old Adrian Public Library (the castle with the Children's Department in the lower level) all through the late 50's, 60's and early 70's.

She could always find me a great book to read when I just couldn't find an interesting one to check out; she knew her collection well and would eagerly tell me about new titles.

Daddy would drive me to the library whenever I wanted to go, especially when I had to check out an encyclopedia volume overnight for a class assignment. On one of those drives we were talking about what I wanted to be when I grew up. He said to take a look around at the adults in my life who I respected and whom I would want to be like; Mrs. Cruikshank was my immediate choice.

I would often interview her for career assignments all through my elementary, junior high and high school years; she was very encouraging all along the way.

It is because of her that I grew up wanting to work with children and books and in libraries; my fondest wish and aspiration has always been to be a "Mrs. Cruikshank" to my young patrons. I was lucky enough as an adult to be able to tell her more than once what an influence she had been in my life and to thank her for her graciousness.

It would please me if this donation could be used to purchase circulating picture books for the APL Children's Collection, non-circulating picture books and other storytelling books for your APL professional staff collection, as well as non-circulating puppets and/or other realia for your APL storytelling programs and class visits.

Warm regards,



Mary Beth Reasoner
Children's Services Librarian
Tecumseh District Library

Home:
732 Waskin Drive
Tecumseh, Michigan 49286
517-423-7993
mbreasoner@verizon.net

THE MAURICE AND DOROTHY STUBNITZ FOUNDATION

4196 W. Maple Avenue, Adrian, MI 49221
(517) 263-5788

DIRECTORS:

William A. Benz
Karen Caine
James L. Feeney
Betty Gross
Charles E. Gross
Michael Kapnick
Hildreth Spencer

June 30, 2009

Carol Souchock
Adrian Public Library Director
Adrian Public Library
143 E. Maumee Street
Adrian, MI 49221

Dear Carol Souchock,

The foundation directors have met and agreed to your request of April 2009 to help fund the teen room to the extent of \$25,000.

We look forward to seeing it upon completion and it being as successful as you expect.

Sincerely,



Charles E. Gross

Enclosed: Check for \$25,000

Note: Our director Karen Caine will visit you in the fall to observe the use of these funds.

Kappa Kappa Epsilon Sorority

3177 Windmill Drive
Adrian, MI 49221

June 5, 2009

Cathy Chesher, Youth Services Librarian
Adrian Public Library
143 E. Maumee Street
Adrian, MI 49221

Dear Cathy,

The members of Kappa Kappa Epsilon Sorority recently met to review our annual contributions to various community organizations. Kappa Kappa Epsilon, a local organization in its 109th year of service to the community, continues to work in support of the sorority's main mission to aid and assist in civic welfare work with an emphasis on children's needs and literacy.

We are pleased to support your efforts with a contribution of \$2,916 this year. We would ask that these funds be used for the Wooden Magazine Display and the Octagon Mobile Display Unit for the Teen Corner. Kappa Kappa Epsilon hopes that this support will assist you in achieving your goals during the coming year.

Good luck in the coming year.

Sincerely,



Jill Milani Adams
Corresponding Secretary

***Founded in 1900
...a charitable organization with emphasis on children's needs***



Lenawee Youth Council

Sponsored by the Lenawee Community Foundation

Lenawee Community Foundation
P.O. Box 142
603 North Evans Street
Tecumseh, MI 49286
phone: (517) 423-1729
fax: (517) 424-6579

June 9, 2009

Cathy Chesher
Adrian Public Library
143 E. Maumee
Adrian, MI 49221

RE: Careers and College

Dear Cathy:

The Lenawee Youth Council and Lenawee Community Foundation Board of Directors have approved a grant in the amount of \$1000.00 to be used towards the Careers and College program of Adrian Public Library.

Enclosed is an agreement for the appropriate signatures. Please bring your signed agreement on Friday, June 19 at 2:00 p.m. or on Wednesday, June 24 at 10:00 a.m. at the Lenawee Community Foundation office. Checks will be presented at that time and photos will be taken on a first come, first served basis. Youth representatives are invited to be part of the photos. Please note that checks will not be released without a signed agreement.

Please note that final reports must be submitted and mid-point reports may be requested. Notification and report forms will be sent to you approximately one month prior to due dates. A sample report form is enclosed. Please note that failure to submit final reports will preclude your organization from further grant funding.

If for any reason you or a representative of your organization is unable to be present to receive your grant check, please contact Paula Trentman at 424-6569 or ptrentman@ubat.com.

I'm looking forward to receiving your agreement, so the grant can be paid and services in our community can begin. My best wishes for success!

Sincerely,

we should partner on this!

Paula L. Trentman, Lenawee Youth Council Advisor
Lenawee Community Foundation

Encl.

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

RESOLUTION

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

R-8



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

Adrian Public Library

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

July 1, 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 Book Shelves and Display Units

As previously communicated, due to our ongoing renovation we are ready to move 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 book shelves, display units and magazine units from Library Design with the funds donated by Kappa, Kappa Epsilon and the Stubnitz Foundation.

Library Design is the premier Michigan distributor for Library shelving units and the exclusive Michigan distributor of many library shelving 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 book shelves, at a cost of \$4,582.44 exclusive of shipping and the display and magazine units, at a cost of \$2916.50, for a total cost of \$7,500.00 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 6, 2009.

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



**LIBRARY
DESIGN
ASSOCIATES,
INC.**

1149 South Main Street
Post Office Box 700080
Plymouth, Michigan 48170-0942

Telephone (734) 459-5000
Telefax (734) 459-6971

PROPOSAL

Date 06/17/09
Proposal No. P-7787
Page 1

To
Adrian Public Library
Attn: Carol Souchock, Director
143 East Maumee Street
Adrian MI 49221

S tubnitz

Item	Qty.	Catalog No.	Description	Unit Price	Total
1	1	Estey/LDA	In accord with our recent meeting, I am pleased to submit the following pricing for Teen Area shelving. Shipping charges to be prepaid and added. (2) 48" High x 10/20 x 9' long rows shelving. Each row comprised of (3) 3' sections. Each section with double face integral back base, (4) integral back adjustable shelves. Each row equipped with plastic laminate top with oak edges and (2) oak or plastic laminate slatwall style end panels with oak edges.	3,962.44	3,962.44 *
2	1	LDA	Installation by Library Design Associates personnel.	620.00	620.00 *
3	1	Worden	Oak Marlborough style single face stand-up workstation for catalog computer and express internet access. 72" Long x 30" deep with 48" high side and back panel. Adjustable work surface with continuous cord drop for wire passage. (Electrical and wire management to be discussed.)	1,913.37	1,913.37
4	1	LDA	Installation by Library Design Associates personnel for workstation above.	105.00	105.00

We propose to furnish the material specified above at the prices quoted under the conditions stated here and on the reverse side. Subject to our credit department approval, this quotation is made for immediate acceptance and is subject to change without notice. Deliveries are subject to delays from fire, strikes, other causes beyond our control.

Shipping Point (Freight Additional)

Christopher J. de Bear

Delivery F.O.B.

By Library Design Associates, Inc.

This quotation is being submitted in duplicate for your convenience. To order the items listed, merely sign and return one copy signifying your acceptance. For payment terms, see item 6 on the reverse side.

Accepted by/Title/Date



**LIBRARY
DESIGN
ASSOCIATES,
INC.**

1149 South Main Street
Post Office Box 700080
Plymouth, Michigan 48170-0942

Telephone (734) 459-5000
Telefax (734) 459-6971

PROPOSAL

Date 06/10/09
Proposal No. P-7708
Page 1

To
Adrian Public Library
Attn: Carol Souchock, Director
143 East Maumee Street
Adrian MI 49221

IKKE

Item	Qty.	Catalog No.	Description	Unit Price	Total
			In accord with our meeting with Cathy Chesher on Wednesday, I am pleased to submit the following budgetary information. Shipping charges to be prepaid and added as indicated below. Shipping costs will vary depending on how many of the items are purchased at the same time.		
3	1	LDA	Oak mobile octagon display unit, 48" high x 30" diameter. (4) Sides with slatwall display, (4) sides with (2) adjustable shelves plus base. Plastic laminate top with oak edges. Wood finish to match existing. (Shipping estimate - \$150.00) ✕	1,658.00	1,658.00 ✕
4	1	LDA	Installation for mobile displayer.	83.00	83.00 ✕
5	1	LDA	16-Pocket 2-sided oak magazine display unit, 54" high x 21" x 15". Oak construction to match existing. (Shipping estimate -\$125.00) ✕	817.50	817.50 ✕
6	1	LDA	Installation by Library Design Associates personnel.	83.00	83.00 ✕

We propose to furnish the material specified above at the prices quoted under the conditions stated here and on the reverse side. Subject to our credit department approval, this quotation is made for immediate acceptance and is subject to change without notice. Deliveries are subject to delays from fire, strikes, other causes beyond our control.

Shipping Point (Freight Additional)

Christopher J. de Bear

Delivery F.O.B.

By Library Design Associates, Inc.

This quotation is being submitted in duplicate for your convenience. To order the items listed, merely sign and return one copy signifying your acceptance. For payment terms, see item 6 on the reverse side.

Accepted by/Title/Date

R09-117

July 1, 2009

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

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

R-9
MEMO

DATE: July 2, 2009
TO: DANE NELSON
FROM: SARAH OSBURN
RE: Reimbursement Agreement with Madison Township for Utility Charges to Maple Woods

The Township of 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, which is located at 1550 W. Beecher Street in the City of Adrian.

We have been informed that Maple Woods has failed to pay the utility charges from the use of sewer from Madison Township. As Maple Woods Estates is located in the City of Adrian, Madison Township is unable to apply Maple Woods delinquent utility charges to their tax roll, and have requested that the City of Adrian add the charges to its tax roll.

According to the City Treasurer, the City has assisted Madison Township in this manner in the past, however as this outstanding utility charge is for \$56,730.21, we have requested that Madison Township enter into a reimbursement agreement with the City. The proposed reimbursement agreement provides that Madison Township acknowledges and agrees that any money collected from Maple Woods will be reported to Adrian for adjustment of its tax rolls and further, should Adrian be required to reimburse Lenawee County for any taxes paid to the City through the revolving fund for the assessment related to Maple Woods, Madison will reimburse the City for those funds.

A resolution authorizing the Mayor and the City Clerk to sign the reimbursement agreement with Madison Township is attached.

Reimbursement Agreement

THIS REIMBURSEMENT AGREEMENT (hereinafter referred to as "Agreement") made and entered into this _____ day of July, 2009, by and between the Charter Township of Madison, ("Madison") a municipal corporation, and the City of Adrian ("Adrian").

RECITALS

- A. Madison operates a municipal sewer agreement that supplies sewer service to certain areas of Adrian.
- B. In particular Madison provides sewer service to Maple Woods Partners Limited Partnership ("Maple Woods") who owns and operates a manufactured housing community under the name Maple Woods Estates located at 1550 West Beecher Street, with in the boundaries of Adrian.
- C. Maple Woods has failed to pay the utility charges for the use of Madison Township's sewer system.
- D. Adrian has agreed to apply \$56,730.21 of Maple Woods delinquent utility charges to the tax roll.

NOW, THEREFORE, in consideration of the foregoing recitals (which recitals are hereby incorporated hereinafter as covenants, representations and warranties) and the promises, representations, warranties, covenants, and agreements hereinafter set forth, the parties agree as follows:

- 1. **Adjustment of Assessment.** Madison acknowledges and agrees that any money collected from Maple Wood will be reported to Adrian for adjustment of its tax rolls.
- 2. **Reimbursement to the County.** Madison acknowledges and agrees that should Adrian be required to reimburse Lenawee County for any taxes paid to the City through the revolving fund for the assessment relating to Maple Woods, Madison will reimburse the City for those funds.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date above written.

City of Adrian

Charter Township of Madison

By:
Its:

By: Larry Richardson
Its: Supervisor

By:
Its:

By: Arnold Harper
Its: Clerk

RESOLUTION

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 revolving 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 of Commissioner _____, supported by Commissioner _____, the above Resolution was _____ by a _____ vote.