



# PRE-MEETING AGENDA

ADRIAN CITY COMMISSION  
AGENDA  
PRE-MEETING STUDY SESSION  
NOVEMBER 1, 2010  
5:30 P.M.

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The City Commission will meet for a pre-meeting study session on Monday, November 1, 2010 at 5:30 p.m. at the City Chambers Building, 159 E. Maumee St., to discuss the following:

- I. Discussion of Ordinance Revisions
  - Refuse and Recycling
  - Fees for Weed Mowing, Snow Removal, Building Code & Rental Properties
  
- II. Other Items as Time Permits



# COMMISSION AGENDA

**AGENDA  
ADRIAN CITY COMMISSION  
NOVEMBER 1, 2010  
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 OCTOBER 18, 2010 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- I V. PRESENTATION OF ACCOUNTS
- V. PRESENTATION
  - 1. The Honorable James Meehling, Vice-Mayor of Dundee, will present a certificate in recognition of the assistance provided by City of Adrian employees during the storm event this summer in the Village of Dundee.
- V I. PROCLAMATION
  - 1. Proclamation presented to Gay Cundiff, representing Lenawee County Continuum of Care, proclaiming November as Homeless Awareness Month.
- V I I. COMMUNICATION
  - 1. City of Adrian - FY2010-11 First-Quarter Financial Forecast
  - 2. Downtown Development Authority – FY2010-11 First Quarter Financial Reports
  - 3. Multi-Year Capital Improvement Program Budget Schedule
  - 4. Communication from Comcast regarding a change in channel lineup and an increase in fees for a service call and "Other Install" (no home visit required).
- V I I I. PUBLIC COMMENTS
- I X. REGULAR AGENDA
  - A. ORDINANCE
    - 1. **Ord. 10-009.** Introduction of an Ordinance to repeal Sections 66-1 through 66-45 of Chapter 66 and to create new/amended Sections 66-1 through 66-10 of Article I (In General); Sections 66-11 through 66-20 of

Article II (Collection and Disposal) and Sections 66-21 through 66-26 of Article III (Rates and Charges) of Chapter 66 of the Adrian City Code. Amends regulations for refuse and recycling and authorizes fees for said services.

2. **Ord. 10-010.** Introduction of an Ordinance to amend Section 74-100 of the Adrian City Code by adding a late fee for delinquent charges for removal of snow & ice from private property and authorizing amount due to be collected as a special assessment against the premises if it remains unpaid.
3. **Ord. 10-011.** Introduction of an Ordinance to amend Section 98-72 of the Adrian City Code by adding a late fee to delinquent charges for cutting, removing and/or destroying of weeds, grass or other vegetation from private property and authorizing amount due to be collected as a special assessment against the premises if it remains unpaid.
4. **Ord. 10-012.** Introduction of an Ordinance to amend Section 10-33 of the Adrian City Code by adopting the fee schedule set by the State of Michigan for all applications, permits, inspections and plan examinations under the building, electrical, mechanical or plumbing codes. Fees for appeals and other services will be established by resolution.
5. **Ord. 10-013.** Introduction of an Ordinance to amend Section 10-96 (Certificate of Compliance) of the Adrian City Code, by amending (b) and (c) and deleting (d) and (e). Requires owners of rental dwelling units to schedule an inspection of the rental property before the current certification expires and authorizes a late fee if owners fail to do so.
6. **Ord. 10-014.** Introduction of an Ordinance to amend Section 10-98 (Fees) of the Adrian City Code by adding language to include late fees for delinquent rental unit(s) charges as a fee that can be established by resolution of the City Commission.

B. RESOLUTIONS

1. **R10-137. City Commission.** Resolution authorizing the City Administrator to enter into an Oil and Gas Lease with Savoy Energy, LP for the exploration of oil and gas on city-owned property at Heritage Park and land formerly known as the Witt Farm and Marvin Farm.
2. **R10-138. Public Works.** Resolution to award the bid for a one-ton dump truck with a stainless steel box and

snowplow. The dump truck will be used by the Parks and Forestry Department.

3. **R10-139. Police Department.** Resolution to make temporary traffic control orders permanent at the intersection of Budlong and Riverside by changing the "No Parking Here to Corner" signs to "No Parking" and "No Parking Here to Corner" north of the driveway approaches at 694 and 695 Budlong Street.
4. **R10-140. Community Development.** Resolution to accept a Community Development Block Grant from MEDC in the amount of \$135,968 for the purpose of partially funding downtown façade improvement projects located at 125 E. Maumee and 149 N. Main and approval of the resulting budget amendments.
5. **R10-141. City Commission.** Resolution to consider to continue or revoke the Renewable Energy Renaissance Zone status for Bio-Fuel Industries Group, LLC (BIG), located on M-34, as their operation has ceased.

X. PUBLIC COMMENTS

X I. COMMISSION COMMENTS



# MINUTES

**MINUTES  
ADRIAN CITY COMMISSION  
OCTOBER 18, 2010  
7:00 P.M.**

Official proceedings of the October 18, 2010 regular meeting of the City Commission, Adrian, Michigan.

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

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

ABSENT: Commissioner Carrico

Mayor McDowell in the Chair.

Commissioner DuMars moved to excuse Commission Carrico, seconded by Commissioner Warren, motion carried by a unanimous vote.

Commissioner DuMars moved to approve the minutes of the October 4, 2010 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 #3345 through #3348	\$121,385.46
General Fund Vouchers #20111 through #20126	\$277,413.43
Clearing Account Vouchers amounting to	<u>\$456,940.39</u>
TOTAL EXPENDITURES	<u>\$855,739.28</u>

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

**PRESENTATION**

1. Thomas Skrobola, representing the Government Finance Officers Association of the U.S and Canada, presented the GFOA Award for Excellence in Financial Reporting to the City of Adrian. This is the highest form of recognition for the provision of public financial information and is accorded to fewer than 5 (5%) percent of the almost 1,800 Michigan municipalities.

## COMMUNICATION

1. **C-1. Finance Department.** Report from Finance Director regarding the Michigan Government Finance Officers Association's 61<sup>st</sup> Annual Fall Training Institute.

## PUBLIC COMMENTS

1. Charles Moore, 677 Stonecrest Dr., introduced Cub Scouts Jeff Bailey and Nick Scott.

## CONSENT AGENDA

### RESOLUTION CR10-065

#### RE: PLANNING COMMISSION – Appointment to Planning Commission

WHEREAS, the resignation of Ken Tokarz from the Planning Commission has created a vacancy; and

WHEREAS, this vacancy must be filled in accordance with the Adrian City Charter; and

WHEREAS, Charles Jacobson, 204 Clinton Street, has expressed a willingness to serve on the Planning Commission if appointed; and

WHEREAS, the Adrian City Commission has given careful consideration to the appointment of Mr. Jacobson.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission does hereby approve the appointment of Charles Jacobson to fill the unexpired term on the Planning Commission, with the term to expire in 2012.

### RESOLUTION CR10-066

#### RE: ENGINEERING DEPARTMENT – Designation of Street Administrator in Transactions with MDOT

WHEREAS, Section 13(9) of Act 51, Public Acts of 1951, provided that each incorporated city and village to which funds are returned under the provisions of this section, that "the responsibility for street improvements, maintenance, traffic operations work, and the development, construction or repair of off-street parking facilities and construction or repair of street lighting shall be coordinated by a single administrator to be designated by the governing body who shall be responsible for and shall represent the municipality in transactions with the State Transportation Department pursuant to this act."

### RESOLUTION CR10-067

#### RE: UTILITIES DEPARTMENT – Water Meter Repair and Replacement

WHEREAS, the Adrian City Commission, by Resolution #R10-057 dated May 3, 2010, approved the FY2010-11 Budget and General Appropriations Act and

unspent carry-forward funds, which included \$30,000 (Acct. # 496-531.00-977.502) for ARB large meters and \$50,000 (Acct. #496-531.00-977.504) for the Meter Replacement Program; and

WHEREAS, bids were solicited and two (2) bids were received on September 23, 2010 by the City of Adrian Purchasing Office, summarized as follows:

<b><u>Vendor</u></b>	<b><u>Amount</u></b>
RIO Supply/Michigan Meter, Inc., Madison Heights, MI	\$63,584
SLC Meter Service, Inc., Davisburg, MI,	\$61,048

WHEREAS, the Utilities Director and City Administrator recommend that low bidder (SLC Meter Service, Inc., Davisburg, MI) be selected for acquisition of water meters at a cost not to exceed \$61,048; and

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the selection of SLC Meter Service, Inc., Davisburg, MI, for purposes of acquiring water meters to continue the City's replacement program at a cost not to exceed \$61,048.

On motion by Commissioner DuMars, seconded by Commissioner Steele, Consent Resolutions CR10-065 through CR10-067 were adopted by a unanimous vote.

## **REGULAR AGENDA**

### **SPECIAL ORDERS**

1. **SO-1. Community Development.** Public Hearing to hear and consider comments to an application for an Obsolete Property Rehabilitation Exemption Certificate for property at 125 E. Maumee St. owned by Al & Phyllis Wilkerson.
2. **SO-2. Community Development.** Public Hearing to hear and consider comments to an application for an Obsolete Property Rehabilitation Exemption Certificate for property at 149 N. Main St. owned by David & Kim Horstman.
3. **SO-3. Finance Department.** Public Hearing to hear and consider comments to approval of the Special Assessment District for downtown parking lots to partially defray the operating expenses of the lots.

Sue Sieler, 160 E. Maumee St., objected to the Special Assessment as she felt it was no benefit to her tenants.

Charles Moore, 110-112 N. Main; Joe Ann Steele, 128, 130 & 132 N. Main; Al Wilkerson, 125 E. Maumee and Judy LaPlant, 129 S. Main all supported the Special Assessment and the removal of the parking meters.

## RESOLUTIONS

### RESOLUTION R10-124

**RE: COMMUNITY DEVELOPMENT - APPROVAL OF AN OBSOLETE PROPERTY REHABILITATION ACT EXEMPTION CERTIFICATE FOR AL AND PHYLLIS WILKERSON, OWNERS OF 125 EAST MAUMEE STREET, CITY OF ADRIAN, LENAWEE COUNTY, MICHIGAN, PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE OBSOLETE PROPERTY REHABILITATION ACT, PA 146 OF 2000**

WHEREAS, Al and Phyllis Wilkerson, owners of real property at 125 East Maumee Street, Adrian, Michigan, have submitted an application for an Obsolete Property Rehabilitation Exemption Certificate for the rehabilitation consisting of renovations and modifications to the building located in downtown Adrian, including, façade improvements, upgrades to the mechanical and electrical services, improved interior appearance of the building and other physical changes required to restore the obsolete property to an economically efficient condition, under State of Michigan Act 146, Obsolete Property Rehabilitation Act of 2000; and

WHEREAS, the City of Adrian is a Qualified Local Governmental Unit; and

WHEREAS, pursuant to P.A. 146 of 2000, after a duly noticed public hearing held on the 16<sup>th</sup> day of October 2006, the Adrian City Commission, by resolution, established the City of Adrian Downtown Development District as an Obsolete Property Rehabilitation District; and

WHEREAS, before acting upon said application, the Adrian City Commission held a public hearing October 18, 2010 at the City Commission Chambers building, 159 East Maumee Street, Adrian, Michigan at 7:00pm, at which hearing, the applicant, the Assessor and a representative of the affective taxing units, having been given written notice, were afforded the opportunity to be heard on said application; and

WHEREAS, the City Commission finds and determines that the granting of this Obsolete Property Rehabilitation Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted and currently in force, exceeds 5% of the total taxable value of the City; nevertheless, it is herewith determined that it shall not have the effect of substantially impeding the operation of or impair the financial soundness of the local government or an affected taxing unit; and

WHEREAS, the applicant is not delinquent on any taxes related to the facility; and

WHEREAS, the subject property is determined to be an obsolete property (functionally obsolete) as defined by Section 2(h) of Public Act 146 of 2000 and upon completion of the rehabilitation, activities will constitute a rehabilitated facility with the on the meaning of P.A. 146 of 2000; and

WHEREAS, the applicant has supplied to the City of Adrian all of the items described on line 9 of the Application for Obsolete Property Rehabilitation Exemption Certificate, including the following: (a) general description of the obsolete facility;

(b) general description of the proposed use of the rehabilitated facility; (c) description of the general nature and extent of the rehabilitation to be undertaken; (d) a description list of the fixed building equipment that will be a part of the rehabilitated facility; (e) a time schedule for undertaking and completing the rehabilitation of the facility; (f) a statement of the economic advantages expected from the exemption; and

WHEREAS, commencement of the rehabilitation activities of the facility did not occur prior to the establishment of the Obsolete Property and Rehabilitation District; and

WHEREAS, the completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, retain/create employment and assist the City with their short and long-term revitalization goals.

NOW, THEREFORE, IT BE RESOLVED, that the application from Al and Phyllis Wilkerson for an Obsolete Property Rehabilitation Exemption Certificate with regard to the rehabilitation of real property with Tax ID #XA0-100-0164-00, 125 East Maumee Street, City of Adrian, Lenawee County, Michigan, within the previously established OPRA district is hereby approved for a period not to exceed nine (9) years per the City of Adrian OPRA Policy.

The City of Adrian Commission will require that Al and Phyllis Wilkerson complete the rehabilitation in its entirety.

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

#### **RESOLUTION R10-125**

**RE: COMMUNITY DEVELOPMENT - APPROVAL OF AN OBSOLETE PROPERTY REHABILITATION ACT EXEMPTION CERTIFICATE FOR DAVID AND KIM HORSTMAN, OWNERS OF 149 NORTH MAIN STREET, CITY OF ADRIAN, LENAWEE COUNTY, MICHIGAN, PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE OBSOLETE PROPERTY REHABILITATION ACT, PA 146 OF 2000**

WHEREAS, David and Kim Horstman, owners of real property at 149 North Main Street, Adrian, Michigan, have submitted an application for an Obsolete Property Rehabilitation Exemption Certificate for the rehabilitation consisting of renovations and modifications to the building located in downtown Adrian, including, façade improvements, upgrades to the mechanical and electrical services, improved interior appearance of the building and other physical changes required to restore the obsolete property to an economically efficient condition, under State of Michigan Act 146, Obsolete Property Rehabilitation Act of 2000; and

WHEREAS, the City of Adrian is a Qualified Local Governmental Unit; and

WHEREAS, pursuant to P.A. 146 of 2000, after a duly noticed public hearing held on the 16<sup>th</sup> day of October 2006, the Adrian City Commission, by resolution, established the City of Adrian Downtown Development District as an Obsolete Property Rehabilitation District; and

WHEREAS, before acting upon said application, the Adrian City Commission held a public hearing October 18, 2010 at the City Commission Chambers building, 159 East Maumee Street, Adrian, Michigan at 7:00pm, at which hearing, the applicant, the Assessor and a representative of the affective taxing units, having been given written notice, were afforded the opportunity to be heard on said application; and

WHEREAS, the City Commission finds and determines that the granting of this Obsolete Property Rehabilitation Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted and currently in force, exceeds 5% of the total taxable value of the City; nevertheless, it is herewith determined that it shall not have the effect of substantially impeding the operation of or impair the financial soundness of the local government or an affected taxing unit; and

WHEREAS, the applicant is not delinquent on any taxes related to the facility; and

WHEREAS, the subject property is determined to be an obsolete property (functionally obsolete) as defined by Section 2(h) of Public Act 146 of 2000 and upon completion of the rehabilitation, activities will constitute a rehabilitated facility with the on the meaning of P.A. 146 of 2000; and

WHEREAS, the applicant has supplied to the City of Adrian all of the items described on line 9 of the Application for Obsolete Property Rehabilitation Exemption Certificate, including the following: (a) general description of the obsolete facility; (b) general description of the proposed use of the rehabilitated facility; (c) description of the general nature and extent of the rehabilitation to be undertaken; (d) a description list of the fixed building equipment that will be a part of the rehabilitated facility; (e) a time schedule for undertaking and completing the rehabilitation of the facility; (f) a statement of the economic advantages expected from the exemption; and

WHEREAS, commencement of the rehabilitation activities of the facility did not occur prior to the establishment of the Obsolete Property and Rehabilitation District; and

WHEREAS, the completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, retain/create employment and assist the City with their short and long-term revitalization goals.

NOW, THEREFORE, IT BE RESOLVED, that the application from David and Kim Horstman for an Obsolete Property Rehabilitation Exemption Certificate with regard to the rehabilitation of real property with Tax ID #XA0-100-0191-00, 149 North Main Street, City of Adrian, Lenawee County, Michigan, within the previously established OPRA district is hereby approved for a period not to exceed nine (9) years per the City of Adrian OPRA Policy.

The City of Adrian Commission will require that David and Kim Horstman complete the rehabilitation in its entirety.

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

**RESOLUTION R10-126**

**RE: FINANCE DEPARTMENT – Downtown Parking Special Assessment**

WHEREAS, the City Administrator has recommended that downtown parking be partially maintained on a special assessment basis, has prepared and filed plans and specifications for the proposal, and has prepared and filed a report and recommendations relating thereto pursuant to the provisions of Article I, Section 70-6 of the Adrian City Code of Ordinances; and

WHEREAS, the Adrian City Commission, on October 4, 2010, adopted Resolution R10-123, Downtown Special Assessment – Notice of Intent, detailing the proposed Financial Plan and Proposed Special Assessment in the amount of \$60,000, establishing a Public Hearing in the City Commission Chambers at Adrian City Commission Chambers (159 E. Maumee Street) at 7:00 p.m. on Monday, October 18, 2010, and instructing the City Clerk to mail appropriate Notices of Intent to affected parties.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution:

1. Deems it necessary and declares its intention to maintain the downtown parking system;
2. Estimates the annual cost thereof to be \$72,000 (excluding accumulated fund balance to draw upon for future capital improvements) to be defrayed by revenue from over-night parking permits, parking enforcement, investment earnings, contributions from the Fee Estate, Downtown Development Authority and City General Fund, as well as a Special Assessment to downtown property owners in the amount of \$60,000;
3. Specifies that the Special Assessment District within the Downtown Development District shall include the following land and premises located within the following boundaries:

North of Church Street  
West of Broad Street  
South of Front Street  
West Side of Winter Street  
East of College Avenue
4. Authorizes the Special Assessment to partially defray the cost of the proposal shall be levied on the lands and premises within the proposed Special Assessment District according to zoning;
5. Directs that the report of the City Administrator be filed with the City Clerk forthwith for public examination.

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

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

NAYS: Commissioner Osborne

ABSTAINED: None

**RESOLUTION R10-127**

**RE: ENGINEERING DEPARTMENT – Approval of Metro Act Application from Merit Network, Inc.**

WHEREAS, Merit Network, Inc. has requested approval of their application for a METRO Act Telecommunications Right-of-Way Permit for a period of fifteen (15) years to allow them to work in certain City of Adrian right-of-ways; and

WHEREAS, the City Engineer and City Attorney have reviewed the application and recommend Merit Network, Inc.'s application be approved.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission does hereby approve Merit Network, Inc.'s METRO Act Permit application for a period of fifteen (15) years under the terms and conditions as outlined in the Right-of-Way Telecommunication Permit.

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

**RESOLUTION R10-128**

**RE: DEPARTMENT OF PUBLIC WORKS –Sidewalk Snow & Ice Removal Contract**

WHEREAS, the Adrian City Commission, by Resolution #10-057 dated May 3, 2010, adopted the FY2010-11 Budget and General Appropriations Act, which included \$6,000.00 in the Major Street Fund - Winter Maintenance account (202-478.000-801.111) for the City's Sidewalk Snow & Ice Removal Program; and

WHEREAS, bids were solicited by the Purchasing Office and three (3) bid proposals were submitted on Thursday, October 7, 2010, as follows:

Service	Slusarski Excavating Adrian, MI	Van Ert's Lawn Svc. Adrian, MI	F & S Landscape Tecumseh, MI
Labor, Equip & Material Per Sq. Ft.	\$ 0.39	\$ 0.40	\$ 0.50
Photos	\$ 5.00	\$ 3.00	\$ 5.50
13 Railroad Crossings & Misc. Properties	\$445.00	\$420.00	\$475.00

WHEREAS, snow removal from railroad crossings and miscellaneous city properties is the responsibility of the City; any work on private property snow removal will be assessed directly to property owners where the work is done; and

WHEREAS, the Finance Director indicates that sufficient funds are available in the FY2008-09 Major Street Fund – Winter Maintenance Budget (Account #202-478.00-801.111 Contract Services) for the railroad crossings; and.

WHEREAS, consistent with the City's Local Preference Policy, the City Engineer and City Administrator recommend acceptance of the bid from Slusarski Excavating, Adrian, MI at a price of \$0.39 per square foot, \$5.00 for photos and \$445.000 per event to remove snow from Railroad Crossings; and

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance of the bid from Slusarski Excavating, Adrian, MI at a price of \$0.39 per square foot, and \$5.00 for photos for the FY2010-11 City's Sidewalk Snow & Ice Removal Program and \$445.000 per event to remove snow from railroad crossings.

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

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

NAYS: Commissioner Osborne

ABSTAINED: None

Prior to voting on the above Resolution (R10-128), there was considerable discussion as to what constitutes a business being eligible for the Local Preference Policy.

#### **RESOLUTION R10-129**

**RE: DEPARTMENT OF PUBLIC WORKS – Beecher Street from Treat to City Limits – Design/Survey Services Contract**

WHEREAS, in conjunction with the Lenawee County Road Commission, the City of Adrian has been awarded grant funding by the Michigan Department of Transportation (MDOT) Office of Economic Development to reconstruct Beecher Street in FY2011-12 from Treat Street to the city limits and from the city limits to Parr Highway in Madison Township; and

WHEREAS, the design/survey services required for the proposed project are the financial responsibility of the local authorities, while the grant funding is intended for the actual reconstruction costs; and

WHEREAS, based on recently secured low bids for a similar project involving the reconstruction of Bent Oak Avenue from Siena Heights Drive to the city limits, both the County Road Commission and the City separately requested prices from Associated Engineers and Surveyors (AES) for engineering work on the Beecher Street Project; and

WHEREAS, AES has submitted a quote of \$17,900 to perform the necessary design services for the City's portion of the Beecher Street Project; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this project in the Major Street Fund (202) – Fund Balance account; and

WHEREAS, the City Administrator and City Engineer recommend approval of this resolution authorizing the engagement of Associated Engineers and Surveyors (AES) in the City’s Standard Professional Services Contract to perform engineering work on the City’s portion of the Beecher Street Project at a cost not to exceed \$17,900.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the engagement of Associated Engineers and Surveyors (AES) in the City’s Standard Professional Services Contract to perform engineering work on the City’s portion of the Beecher Street Project at a cost not to exceed \$17,900.

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 \$17,900 be appropriated from the Major Street Fund – Fund Balance Account (202-000.00-930.000) and that the FY2010-11 Budget be amended as follows:

**Major Street Fund (202)**

**Revenue:**

(202-000.00-697.000) Prior Years’ Revenue \$17,900

**Expenditures:**

(202-451.07-801.000) Street Construction – Contract Services 17,900  
Total \$ -0-

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

**RESOLUTION R10-130**

**RE: UTILITIES DEPARTMENT – Water Plant Boiler Replacement**

WHEREAS, the Adrian City Commission, by Resolution #R10-057 dated May 3, 2010, approved the FY2010-11 Budget and General Appropriations Act, which included \$10,000 (Acct. # 496-548.00-977.509) for boiler replacement at the Water Treatment Plant and \$10,000 (Acct. #496-549.00-975.513) for intake concrete repair, also at the Water Treatment Plant; and

WHEREAS, bids were solicited and three (3) bids were received on October 7, 2010 by the City of Adrian Purchasing Office for boiler installation at the Water Treatment Plant, with the following results:

<u>Vendor</u>	<u>Amount</u>
Adrian Mechanical, Adrian, MI	\$13,500
Noron, Inc., Toledo, OH	\$14,987

Thompson Plumbing, Petersburg, MI

\$16,950

WHEREAS, the Utilities Director and City Administrator recommend that low bidder (Adrian Mechanical, Adrian, MI) be selected and engaged in the City's Standard Professional Services Contract for purposes of installing a new boiler at the Water Treatment Plant; and

WHEREAS, the Finance Director indicates that funds are available for this purpose in the aforementioned accounts, due to economies achieved in the cost of the intake concrete repair, and recommends that the FY2010-11 Budget should be amended, moving \$3,500 from the intake concrete repair appropriation account to the boiler replacement account.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the selection and engagement of Adrian Mechanical, Adrian, MI in the City's Standard Professional Services Contract for purposes of installing a new boiler at the Water Treatment Plant MI in the amount of \$13,500.

BE IT, FURTHER, RESOLVED that the FY2010-11 Budget be amended as follows:

**WATER CAPITAL PROJECTS FUND (496)**

**Expenditures:**

(496-549.00-975.513) Intake Concrete Repair	\$(3,500)
(496-548.00-977.509) Boiler Replacement	<u>3,500</u>
Total	<u>\$ -0-</u>

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

**RESOLUTION R10-131**

**RE: RESOLUTION TO RESCIND RESOLUTION APPROVING THE  
INSTALLATION OF BUILDING ENTRANCE AWNING LOCATED AT 132 -  
140 SOUTH MAIN STREET**

WHEREAS, the owners of property at 132-140 South Main Street requested permission to install a 9' x 42'3" awning over the entrance to their new restaurant; and

WHEREAS, per the resolution passed on November 12, 1989, awnings or other projections that extend beyond four (4) feet into the public right-of-way will have to be heard and approved by the City Commission; and

WHEREAS, the Adrian City Commission approved the request, by resolution, on May 18, 1998; and

WHEREAS, the business has not been in operation for approximately ten (10) years; and

WHEREAS, the awning has become a visual nuisance and a detraction from surrounding businesses.

NOW, THEREFORE, IT BE RESOLVED, that Community Development requests that the City Commission rescind the approved resolution from May 18, 1998 to allow city staff to appropriately pursue the removal of the awning.

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

#### **RESOLUTION R10-132**

**RE: CITY COMMISSION – Use of City-Owned Property for Community Garden**

WHEREAS, the City Administrator has received a request from the Adrian Ecumenical Forum to utilize currently unused city-owned property as a space for community gardens; and

WHEREAS, the Adrian City Commission supports the concept of community gardens as a positive use of various parcels of city-owned property with no current use.

NOW, THEREFORE, IT IS RESOLVED that the City Administrator is authorized to enter into an agreement with the Adrian Ecumenical Forum to use city-owned parcels of real estate that are currently without any specific use for terms not to exceed one-year for community garden projects.

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

#### **RESOLUTION R10-133**

**RE: DEPARTMENT OF PUBLIC WORKS – Concrete Work – City Hall Parking Lot – Change Order #1**

WHEREAS, the Adrian City Commission, by Resolution #R10-098 dated August 2, 2010, authorized selection of low bidder, Smith Paving, Norwalk, OH for engagement in the City's Standard Professional Services Contract at a bid price of \$15,790.00 for concrete work, including sidewalk and curbs, in the south Toledo Street parking lot.; and

WHEREAS, the City Engineer indicated, at that time, there were several outstanding issues regarding the scope of work that would necessitate a subsequent cost increase; and

WHEREAS, the final scope of work has now been determined, as well as the related cost increases, including the following:

Additional Concrete behind City Hall	\$ 8,580.82
Additional Islands (3) on the East and West Side of the Lot	8,680.00
Cement Work for Flag Poles and Light Foundations	<u>3,430.00</u>
Total	<u>\$20,690.82</u>

WHEREAS, the City Engineer and City Administrator recommend approval of Change Order #1 for the contract with Smith Paving, Norwalk, OH in the amount of

\$20,690.82 to cover the cost of the additional work described above, bringing the final cost to a total \$36,480.82; and

WHEREAS, the Finance Director indicates that sufficient funds are available from the remaining funds appropriated for the Downtown Government Complex Project for this purpose included in the FY2010-11 General Fund (101) Budget (Account #101-836.00-801.000).

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves Change Order #1 for the contract with Smith Paving, Norwalk, OH in the amount of \$20,690.82 to cover the cost of the additional concrete work in the south Toledo Street parking lot, bringing the final cost to a total of \$36,480.82.

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

#### **RESOLUTION R10-134**

**RE: DEPARTMENT OF PARKS & RECREATION – Land Exchange Proposal to Meet Requirements of CMAQ Pedestrian Bridge Grant Project**

WHEREAS, the Adrian City Commission, by Resolution #R010-092 dated July 19, 2010, formally accepted a Congestion Mitigation Air Quality (CMAQ) grant award in the amount of \$398,120 to fund the construction of a pedestrian bridge, extending the Kiwanis Trail into Riverside Park; and

WHEREAS, as a normal part of the Michigan Department of Transportation (MDOT) grant administration process, the City must document outright ownership and control of the property designated as the project site; and

WHEREAS, due to the design requirements, which were influenced by a sanitary sewer project currently underway, it was determined that the project site infringed upon the land owned by the adjoining property owner at 513 Merrick Street; and

WHEREAS, the City has reached an agreement with the property owner to exchange ownership of adjoining land to enable successful implementation of both the pedestrian bridge project as presently designed, as well as the sanitary sewer project; and

WHEREAS, the Parks & Recreation Director and City Administrator recommend approval of the proposed land exchange between the City and the property owner located at 513 Merrick Street and authorization for the City Administrator to complete, sign and file all documents necessary to this proposed property exchange transaction, as well as the on-going grant administration process; and

WHEREAS, the Finance Director indicates that there are no budgetary implications associated with the foregoing proposed land exchange transaction.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves of the proposed land exchange between the City and the

property owner located at 513 Merrick Street and authorization for the City Administrator to complete, sign and file all documents necessary to this proposed property exchange transaction, as well as the on-going grant administration process with the Michigan Department of Transportation.

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

#### **RESOLUTION R10-135**

**RE: FINANCE DEPARTMENT – Modified Water Line Extension Special Assessment for Country Club Professional Park**

WHEREAS, the Adrian City Commission, by Resolution dated April 5, 2004, established a Water Line Extension Special Assessment District (W098) for Country Club Professional Park at 1136 Country Club Road (East 6 Acres of Southeast ¼ of Southwest ¼ Sec 27) for the purpose of funding a water line extension to the existing water line on Country Club Road; and

WHEREAS the original assessment to Country Club Professional Park amounted to \$40,892.00; and

WHEREAS, due to temporary office vacancies in 2009, interest-only payments have been made, leaving a current balance of \$27,315.40; and

WHEREAS the Country Club Professional Park has recently filled the aforementioned vacancies and has requested a modification to the existing amortization schedule; specifically, by making an immediate \$10,000 payment and amortizing the balance over a ten-year timeframe at the standard 6% interest rate; and

WHEREAS the Finance Director and City Administrator recommend approval of the modified special assessment and payment plan, provided that \$10,000 principal be paid by October 31, 2010 and annual payments of \$2,352.61 be paid against the remaining balance of \$17,315.40 by October 31 each year beginning October 31, 2011 and ending October 31, 2020.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the modified water line extension special assessment (W098) and payment plan described above for the Country Club Professional Park at 1136 Country Club Road (East 6 Acres of Southeast ¼ of Southwest ¼ Sec 27).

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

#### **RESOLUTION R10-136**

**RE: FINANCE DEPARTMENT – Modified Sanitary Sewer Special Assessment for Country Club Professional Park**

WHEREAS, the Adrian City Commission, by Resolution dated April 5, 2004, established a Sanitary Sewer Special Assessment District (SS209) for Country Club Professional Park at 1136 Country Club Road (East 6 Acres of Southeast ¼ of

Southwest ¼ Sec 27) for the purpose of funding a sanitary line connection to the existing sanitary sewer on Riverside Drive; and

WHEREAS, the original assessment to Country Club Professional Park amounted to \$35,352.50; and

WHEREAS, due to temporary office vacancies in 2009, interest-only payments have been made, leaving a current balance of \$23,796.95; and

WHEREAS, the Country Club Professional Park has recently filled the aforementioned vacancies and has requested a modification to the existing amortization schedule; specifically, by making an immediate \$10,000 payment and amortizing the balance over a ten-year timeframe at the standard 6% interest rate; and

WHEREAS, the Finance Director and City Administrator recommend approval of the modified special assessment and payment plan, provided that \$10,000 principal be paid by October 31, 2010 and annual payments of \$1,874.56 be paid against the remaining balance of \$13,796.95 by October 31 each year beginning October 31, 2011 and ending October 31, 2020.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the modified sanitary sewer special assessment (SS209) and payment plan described above for the Country Club Professional Park at 1136 Country Club Road (East 6 Acres of Southeast ¼ of Southwest ¼ Sec 27).

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

#### **MISCELLANEOUS**

1. Departmental Report
2. Fire Department Report
3. Bohn Pool 10-Year Summary Comparison

#### **PUBLIC COMMENTS**

1. David Horstman, 149 N. Main, thanked the Mayor, Commission, and especially Chris Miller, Chris Atkin and Sue Laughlin for their help.

#### **COMMISSION COMMENTS**

1. Commissioner DuMars said he is looking forward to both businesses opening up and wished the Wilkerson's and Horstman's the best.

The next regular meeting of the Adrian City Commission will be held on Monday, November 1, 2010, at 7:00 p.m. in the Chambers Building located at 159 E. Maumee Street, Adrian, MI 49221.

Gary McDowell  
Mayor

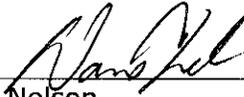
Pat Baker  
City Clerk



# CHECK REGISTER

November 1, 2010

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 #3349 through #3357.....	\$152,378.80
General Fund	
Vouchers #20127 through #20150	\$404,186.56
Clearing Account Vouchers	
amounting to.....	<u>\$229,718.78</u>
TOTAL EXPENDITURES .....	<u>\$786,284.14</u>

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

November 1, 2010

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
3349	City of Adfrian: Payroll	Payroll for Oct 15	\$ 63,802.95
3350	City of Adrian: General Fund	Sept Charges	\$ 45,235.37
3351	City of Adrian	IT & MVP Chrgs for Sept	\$ 4,508.24
3352	Citizens Gas Fuel Co	Various Heat Bills	\$ 318.15
3353	Frontier	Water O&M Phone	\$ 39.57
3354	City of Adrian: Utilities	Various Water Bills	\$ 146.85
3355	City of Adrian: Clearing Acct	Oct 18 Check Register	\$ 58,934.63
3356	Consumers Energy	Various Electric Bills	\$ 38,281.76
3357	Frontier	Water Plant Phone	\$ 45.91

**Total** \$ **211,313.43**

Less: CK #3355 \$ **58,934.63**

**TOTAL** \$ **152,378.80**

WW = \$ 105,003.42  
WAT= \$ 106,310.01

1-Nov-10

GENERAL FUND  
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
20127	\$ 216,760.97	City of Adrian: Payroll	Payroll for Oct 15
20128	\$ 16,216.36	First Federal Bank	Soc Security for Oct 15
20129	\$ 49.13	City of Adrian: Perp Care	Check Charges
20130	\$ 3,714.84	City of Adrian: Utilities	Toledo St Irrigation Line
20131		***VOID***	
20132	\$ 15.00	Wendy Rockwell	Recreation Refund
20133	\$ 150.00	Dawn Kuhl	Recreation Refund
20134	\$ 737.31	Citizens Gas Fuel Co	Various Heat Bills
20135	\$ 74.36	Frontier	Skate Park Phone
20136	\$ 2,721.83	City of Adrian: Utilities	Various Water Bills
20137		City of Adrian: Utilities	Transfer State MI Funds
20138	\$ 342,404.21	City of Adrian: Clearing Acct	Oct 18 Check Register
20139	\$ 4,665.45	Quick Service Transportation	Payroll W/E Oct 16
20140	\$ 15,309.68	Consumers Energy	Various Electric Bills
20141	\$ 15.00	Len Cty Register of Deeds	Filing Fee
20142	\$ 29,289.84	Lenawee Fuels Inc	Motor Pool Gasoline & Diesel
20143	\$ 368.41	Frontier	Various Phone Bills
20144	\$ 24.00	Kamil Henagan	Recreation Refund
20145	\$ 200.00	Aubrey Selaty	Recreation Refund
20146	\$ 200.00	Ogden Church	Recreation Refund
20147	\$ 200.00	Ryan Tester	Recreation Refund
20148	\$ 108,881.26	Blue Cross Blue Shield of MI	Nov Hospitalization Ins
20149		City of Adrian: Dart	Transfer State MI Funds
20150	\$ 4,593.12	Quick Service Transportation	Payroll W/E Oct 23

\$ 746,590.77  
\$ (342,404.21) Less: CK# 20138  
\$ 404,186.56

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ADRIAN FABRICARE CENTER INC.	1,340.00		
2. ADRIAN LOCKSMITH & CYCLERY	187.90		
3. ADRIAN MECHANICAL SERVICES C	10,332.00		
4. ADVANCE AUTO PARTS COMMERCIA	185.85		
5. AIRGAS GREAT LAKES	25.93		
6. ALL METALS INC.	1,905.12		
7. AMAZON CREDIT PLAN	98.08		
8. APEX SOFTWARE	430.00		
9. APOLLO FIRE EQUIPMENT	180.86		
10. APPLE MAT RENTAL	141.40		
11. APPLIED INDUSTRIAL TECHNOLOG	1,174.65		
12. ARCH WIRELESS	34.58		
13. ELIZABETH ARNOLD	36.43		
14. AUTO ZONE COMMERCIAL	46.38		
15. BADER & SONS CO	109.10		
16. BAKER & TAYLOR BOOKS	473.84		
17. BATTERY WHOLESALE	29.99		
18. GREG BELL CHEVROLET, INC	12.49		
19. BELL EQUIPMENT CO	588.00		
20. BLACK SWAMP EQUIPMENT	532.82		
21. THE BOOK FARM INC	16.94		
22. BUCK & KNOBBY EQUIP CO INC	691.19		
23. BULB DIRECT, INC.	76.23		
24. BWI	37.59		
25. CALIFORNIA CONTRACTORS SUPPL	179.70		
26. CASCADE FIRE SPRINKLER	710.00		
27. CHALLENGER TEAMWEAR	114.45		
28. CHAMBERS CONTROL COMPANY	1,354.00		
29. CLEAN CARE INC	4,179.00		
30. COLE-PARMER INSTRUMENT CO	78.05		
31. COMCAST	84.69		
32. COMPUTER CARE COMPANY, INC.	220.84		
33. CONSTRUCTION EQUIPMENT & SUP	119.50		
34. CONTINENTAL SERVICE	82.85		
35. COPELAND FURNITURE	18,607.75		
36. D&B	595.00		
37. D-P EQUIPMENT CO	490.14		
38. THE DAILY TELEGRAM	239.00		
39. DEXTER'S INC.	20.75		
40. JACK DOHENY SUPPLIES	602.26		
41. H. DOMINE ENTERPRISES INC	2,029.08		
42. DUKE'S ROOT CONTROL INC	8,964.42		
43. EAST JORDAN IRON WORKS INC	1,285.66		
44. STEVE EBERLE	107.00		
45. VINCENT EMRICK	192.00		
46. ENGLEWOOD ELECTRICAL SUPPLY	3,862.70		
47. EXECUTONE COMMUNICATIONS LLC	1,500.00		
48. FASTENAL COMPANY	188.58		
49. FEDERAL EXPRESS	136.55		
50. FIRST TOWING LLC	88.00		
51. FIRSTLAB	34.00		
52. FISHER SCIENTIFIC COMPANY LL	329.13		
53. FLINT TRADING INC	1,175.04		
54. GALL'S INC	429.50		
55. GALLANT & SON	135.92		
56. GERKEN MATERIALS INC.	2,126.08		
57. ELLIE HEREVA	50.00		
58. HUBBARD AUTO CENTER	867.02		
59. I.T. RIGHT	2,541.25		
60. ICMA RETIREMENT CORPORATION	155.76		
61. INJURED LIST	300.00		
62. JACKSON CITIZEN PATRIOT	248.05		
63. JACKSON TRUCK SERVICE INC.	99.56		
64. JONES & HENRY, ENGINEERS	13,663.15		
65. K & B ASPHALT SEALCOATING, I	325.00		
66. KIMBALL MIDWEST	59.00		
67. KONICA MINOLTA BUSINESS SOLU	26.51		
68. LANSING SANITARY SUPPLY INC	88.34		
69. LEGACY PRINTING	40.00		
70. LENAWEE COUNTY FAIR	850.00		
71. LENAWEE COUNTY PRINTER	164.00		
72. DUSTIN LENT	36.30		
73. LUBRICATION ENGINEERS, INC	872.20		
74. MANPOWER OF LANSING MI INC.	2,780.88		
75. MCGOWAN ELECTRIC SUPPLY INC	280.32		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. MICHIGAN BUILDING SPECIALTIE	98.00		
77. MICHIGAN CAT CORP	1,761.00		
78. MICHIGAN CHAMBER SERVICES I	157.50		
79. MICHIGAN DEPARTMENT OF	1,999.17		
80. MICHIGAN METER TECHNOLOGY GR	4,325.75		
81. MICHIGAN OFFICE SOLUTIONS	158.98		
82. STATE OF MICHIGAN	2,024.06		
83. MICHIGAN STATE UNIVERSITY	76.00		
84. MICROMARKETING LLC	749.91		
85. MIDWEST TAPE	30.18		
86. DEBRA MORRIS	10,047.50		
87. MUGS N' MORE IMAGING	428.75		
88. MULCH WHOLESALERS INC	839.40		
89. JOHN MULREADY	109.90		
90. OCE IMAGISTICS INC	152.35		
91. OFFICEMAX CONTRACT INC.	75.18		
92. PAIN ENTERPRISES, INC.	635.00		
93. DAVID PATE	399.70		
94. PEERLESS SUPPLY INC	187.83		
95. JOSH PERRY	52.81		
96. PEST PATROL	42.00		
97. PET'S SUPPLIES PLUS	64.98		
98. PINNACLE IRRIGATION INC.	5,050.00		
99. PLATINUM PLUS	3,118.37		
100. PURCHASE POWER	3,018.99		
101. QUICK SERVICE TRANSPORTATION	7,651.90		
102. QUILL CORPORATION	1,388.86		
103. R&R FIRE TRUCK REPAIR, INC.	600.00		
104. RECORDED BOOKS LLC.	198.00		
105. ROOFCON INC	39,104.99		
106. SANCHIN SYSTEMS INC	224.25		
107. CHARLES SCHMENK	72.00		
108. SCHUG CONCRETE CONSTRUCTION	5,114.00		
109. SJS INVESTMENT CONSULTING IN	750.00		
110. SKEELS AUTO BODY INC	53.42		
111. STADIUM TROPHY, INC.	56.00		
112. STAPLES CREDIT PLAN	179.94		
113. JO ANN STEELE	22,231.25		
114. SUMMIT SIGNS INC	20.00		
115. T-MOBILE	29.99		
116. TA INDUSTRIAL SOLUTIONS, INC	129.45		
117. TIME EMERGENCY EQUIPMENT INC	41.16		
118. TOPSOILS OF CLINTON	780.00		
119. TTB CLEANING LLC	140.00		
120. UNUM LIFE INSURANCE COMPANY	2,283.06		
121. USA BLUEBOOK	270.95		
122. VICTORY LANE QUICK OIL CHG	19.99		
123. WALKER PROCESS EQUIPMENT	2,177.71		
124. WARREN HOLDING CO LLC	1,370.00		
125. WENN SEAL COATING	5,282.00		
126. WEST GROUP PAYMENT CENTER	139.00		
127. WESTERN LIME CORPORATION	4,920.00		
128. WRIGHT TREE SERVICE, INC	6,491.20		
<b>**TOTAL ALL CLAIMS**</b>	<b>229,718.78</b>		



# COMMUNICATIONS



## MEMO

100 E. Church St . Adrian, Michigan 49221-2773

**DATE:** October 18, 2010

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

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

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

Please find attached the First-Quarter Financial Forecast for the City of Adrian for Fiscal Year 2010-11. As of September 30, 2010, actual General Fund revenue - \$7,406,115 - exceeded expenditures - \$2,750,871 by \$4,655,243. However, this favorable variance is due to the timing of the Summer tax collection, which will be drawn down during the balance of the fiscal year. Based on the 1<sup>st</sup> Quarter Report, estimated expenditures - \$12,668,005 - are expected to exceed forecasted revenues - \$12,625,005 - by (\$43,000).

The revenue unfavorability is primarily due to reduced revenue from State Revenue Sharing (\$121,000). Although the State Legislature has maintained budget appropriations at last year levels, the amount is less than the Governor's original budget recommendation, which was included in the City's FY2010-11 budget estimate. The amount budgeted for State Revenue Sharing does not reflect the reduction emanating from the Governor's Executive Order 2009-22, as this occurred subsequent to adoption of the City's FY2009-10 Budget. This reduction is partially offset by increased Personal Property Tax collections due to implementation of a new City policy and more aggressive collection effort. The reduction in revenue is further offset by savings related to the changes associated with the new refuse collection contract.

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

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

- 1) Both the Major Street Fund (\$100,000) and Local Street Fund (\$75,000) are experiencing lower Gas & Weight Tax revenue due to reduced state collections;
- 2) The financial forecast for the Auto Parking Fund reflects the revised financial plan adopted by the City Commission on October 4;
- 3) The Transportation Fund reflects the addition of the new fixed-route system, designed to transport student traffic downtown on Thursday and Friday nights.

4) The newly expanded Motor Vehicle Pool Fund is still evolving to reflect financial interaction with all user departments.

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

Major Street Fund	\$(121,589)	Local Match for Pedestrian Bridge Grant
Local Street Fund	(282,793)	Several Street & Sidewalk Construction Project
Fee Estate Fund	( 52,590)	Trestle Park Decking & Downtown Parking
Downtown Development Authority	( 5,711)	Façade Program
DDA-TIF Fund	( 3,400)	Façade Program
L DFA-GAIDC Fund	( 13,322)	Support Economic Development Activities
Vibrant Small Cities Grant	(24,187)	Blight Reduction
Capital Project Funds – Water	( 70,000)	Meter Replacement Program
Capital Project Funds – Sewer	(234,331)	Manhole Renovation Project
Sewer Fund	( 20,622)	Misc. Wastewater Treatment Plant Repairs
Water Fund	( 5,532)	Misc. Purification & Pump System Repairs
Storm Water Utility Fund	( 5,200)	Urban Tree Canopy Grant
Information Technology Fund	<u>(312,332)</u>	Planned draw down on Fund Balance
Total	<u><u>\$ (1,151,609)</u></u>	

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

**Future Considerations:**

In today's uncertain credit market, there is a legitimate concern regarding the custodial risk associated with over-concentration of cash balances and investments in a few financial institutions. To mitigate the custodial risk, the City's funds are held by a diverse group of financial institutions. The following is a summary of the City's nearly \$7 million portfolio as of August 31, 2010 and the balances in each bank or investment pool:

<u>Institution</u>	<u>Amount</u>
Huntington Bank	\$ 2,911,951
United Bank & Trust	641,900
Key Bank	477,380
First Federal Bank	799,618
Multi-Bank Securities	1,190,494
MBIA-Class Pool	<u>692,004</u>
Total	<u><u>\$ 6,713,347</u></u>

Effective October 3, 2008, the Federal Deposit Insurance Corporation (FDIC) increased the insured balances in each financial institution from \$100,000 to \$250,000. In addition, each of the investments in Multi-Bank Securities is held by a separately insured banking institution. Finally, United Bank & Trust is allocating a portion of the City's investments to their Washtenaw operation, which will double the insured portion of that deposit. In other words, the total insured portion of the aforementioned amount is \$2,440,494, equivalent to 36% percent.

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

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT GENERAL FUND REVENUE (101): Revenues	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE		
						FORECAST TO BUDGET AMOUNT	PERCENT EXPLANATION	
<b>Dept 101.00: CITY COMMISSION</b>								
489.000 Misc. City Promotions	\$200	\$200	\$0	\$0	\$200	\$0		
<b>Total - Dept 101.00</b>	<b>\$200</b>	<b>\$200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$200</b>	<b>\$0</b>		
<b>Dept 201.00: FINANCE DEPARTMENT</b>								
445.000 PENALTIES & INTEREST ON TAXES	\$60,000	\$60,000	\$0	\$6,939	\$60,000	\$0	0.0%	
480.000 DOG LICENSES	2,000	2,000	0	78	2,000	0	0.0%	
607.000 TAX COLLECTION FEES	220,000	220,000	0	142,441	220,000	0	0.0%	
664.000 INVESTMENT INCOME	150,000	150,000	0	16,386	150,000	0	0.0%	
685.000 SALE OF EQUIPMENT	3,000	3,000	0	437	3,000	0	0.0%	
696.000 CASH OVER/SHORT	0	0	0	125	0	0	0.0%	
<b>Total - Dept 201.00</b>	<b>\$435,000</b>	<b>\$435,000</b>	<b>\$0</b>	<b>\$166,406</b>	<b>\$435,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Dept 209.00: CITY ASSESSOR</b>								
444.000 PRINCIPLE RES. DENIAL PENALTY	\$1,000	\$1,000	\$0	\$1,145	\$2,000	\$1,000	100.0%	Enhanced Enforcement
488.000 CONTRACT SERVICES REVENUE	100	100	0	0	100	0	0.0%	
583.000 COBRA REIMBURSEMENT	1,505	1,505	0	1,365	1,505	0	0.0%	
<b>Total - Dept 209.00</b>	<b>\$2,605</b>	<b>\$2,605</b>	<b>\$0</b>	<b>\$2,510</b>	<b>\$3,605</b>	<b>\$1,000</b>	<b>38.4%</b>	
<b>Dept 210.00: CITY ATTORNEY</b>								
488.000 CONTRACT SERVICES	\$11,000	\$11,000	\$0	\$2,751	\$11,000	\$0	0.0%	
490.000 LEGAL SERVICES	500	500	0	0	500	0	0.0%	
<b>Total - Dept 210.00</b>	<b>\$11,500</b>	<b>\$11,500</b>	<b>\$0</b>	<b>\$2,751</b>	<b>\$11,500</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Dept 215.00: CITY CLERK</b>								
458.000 VENDORS-HAULERS & PEDDLERS	\$100	\$100	\$0	\$0	\$100	\$0	0.0%	
459.000 AMUSEMENTS	3,000	3,000	0	225	3,000	0	0.0%	
608.000 SCHOOL ELECTION FEES	9,000	9,000	0	0	9,000	0	0.0%	
695.000 OTHER	400	400	0	405	1,400	1,000	250.0%	
<b>Total - Dept 215.00</b>	<b>\$12,500</b>	<b>\$12,500</b>	<b>\$0</b>	<b>\$630</b>	<b>\$13,500</b>	<b>\$1,000</b>	<b>8.0%</b>	
<b>Dept 226.00: HUMAN RESOURCES</b>								
691.000 VENDING PROCEEDS-WELLNESS	\$100	\$100	\$0	\$27	\$100	\$0	0.0%	
693.000 WELLNESS PROCEEDS	200	200	0	0	200	0	0.0%	
<b>Total - Dept 226.00</b>	<b>\$300</b>	<b>\$300</b>	<b>\$0</b>	<b>\$27</b>	<b>\$300</b>	<b>\$0</b>	<b>0.0%</b>	

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE			
						FORECAST AMOUNT	FORECAST TO BUDGET PERCENT	EXPLANATION	
<b>Dept 276.00: CEMETERY</b>									
625.000 ENGRAVING	\$1,000	\$1,000	\$0	\$275	\$1,000	\$0	0.0%		
628.000 FOUNDATIONS - CEMETERY	10,000	10,000	0	2,881	10,000	0	0.0%		
629.000 GRAVE OPENINGS	40,000	40,000	0	6,120	40,000	0	0.0%		
630.000 UPKEEP OF CEM LOTS (NOT PC)	8,000	8,000	0	0	8,000	0	0.0%		
642.000 PET CEMETERY	1,000	1,000	0	0	1,000	0	0.0%		
643.000 CEMETERY LOTS	2,000	2,000	0	705	2,000	0	0.0%		
<b>Total - Dept 276.00</b>	<b>\$62,000</b>	<b>\$62,000</b>	<b>\$0</b>	<b>\$9,981</b>	<b>\$62,000</b>	<b>\$0</b>	<b>0.0%</b>		
<b>Dept 301.00: POLICE DEPARTMENT</b>									
455.000 PARKING	\$500	\$500	\$0	\$0	\$500	\$0	0.0%		
456.000 TAXI	250	250	0	0	250	0	0.0%		
508.000 TRAFFIC GRANT	2,000	2,000	0	0	2,000	0	0.0%		
513.000 BULLET PROOF VEST GRANT	500	500	0	0	500	0	0.0%		
515.000 OHSP TRAFFIC GRANT	7,000	7,000	0	0	7,000	0	0.0%		
534.000 NARCOTIC ENFORCEMENT GRANT	4,000	4,000	0	13,224	14,000	10,000	250.0%		
540.000 POLICE JAG GRANT - COMPUTER EQUIP.	20,000	34,024	14,024	10,000	34,024	0	0.0%		
543.000 POLICE TRAINING GRANT	7,000	7,000	0	0	7,000	0	0.0%		
576.000 LIQUOR LICENSES	13,000	13,000	0	12,940	13,000	0	0.0%		
624.000 LIVESCAN APPLICANT FINGERPRINTING	12,000	12,000	0	6,111	12,000	0	0.0%		
627.000 DUPLICATING & PHOTOSTATS	4,500	4,500	0	1,243	4,500	0	0.0%		
656.000 PARKING FINES	17,000	17,000	0	4,130	17,000	0	0.0%		
659.000 ORDINANCE FINES & COSTS	75,000	75,000	0	10,016	75,000	0	0.0%		
660.000 TOW & IMPOUND FEES	12,000	12,000	0	3,495	12,000	0	0.0%		
676.701 CONTRIB - TRUST FUND	31,643	31,643	0	0	31,643	0	0.0%		
684.000 SAFETY CITY	2,000	2,000	0	701	2,000	0	0.0%		
685.000 SALE OF EQUIPMENT	5,000	5,000	0	0	5,000	0	0.0%		
689.000 MOTORCYCLE SPONSORSHIP	2,000	2,000	0	0	1,000	(1,000)	-50.0%	Phase Out Program	
694.000 SEX OFFENDER REGISTRATION	900	900	0	35	900	0	0.0%		
695.000 OTHER	3,000	3,000	0	35	3,000	0	0.0%		
<b>Total - Dept 301.00</b>	<b>\$219,293</b>	<b>\$233,317</b>	<b>\$14,024</b>	<b>\$61,930</b>	<b>\$242,317</b>	<b>\$9,000</b>	<b>3.9%</b>		
<b>DEPT 336.00: FIRE DEPARTMENT</b>									
500.000 FIREFIGHTER'S ASSISTANCE GRANT	\$22,500	\$22,500	\$0	\$0	\$22,500	\$0	0.0%		
544.000 FIRE PROTECTION PAYMENT	17,000	17,000	0	7,867	17,000	0	0.0%		
<b>Total - Dept 336.00</b>	<b>\$39,500</b>	<b>\$39,500</b>	<b>\$0</b>	<b>\$7,867</b>	<b>\$39,500</b>	<b>\$0</b>	<b>0.0%</b>		

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	FORECAST	VARIANCE	
	ADOPTED	AMENDED	over/(under)		ADOPTED	ACTUAL	FORECAST
	BUDGET	BUDGET	ADOPTED	ACTUAL	AMOUNT	AMOUNT	EXPLANATION
<b>Dept 371.00: INSPECTION DEPARTMENT</b>							
454.000 JUNK DEALERS & SCAVENGERS	\$100	\$100	\$0	\$0	\$100	\$0	0.0%
458.000 VENDORS-HAULERS & PEDDLERS	800	800	0	20	800	0	0.0%
460.000 BOWLING & BILLIARD	100	100	0	0	100	0	0.0%
463.000 PERMITS-SIGNS & HANGERS	1,200	1,200	0	326	1,200	0	0.0%
477.000 BUILDING	100,000	100,000	0	23,937	100,000	0	0.0%
478.000 ELECTRICAL	30,000	30,000	0	8,235	30,000	0	0.0%
479.000 HEATING	24,000	24,000	0	7,042	24,000	0	0.0%
482.000 PLUMBING	10,000	10,000	0	2,499	10,000	0	0.0%
483.000 SEWER TAPPING	100	100	0	0	100	0	0.0%
485.000 ZONING PERMITS & FEES	4,000	4,000	0	750	4,000	0	0.0%
486.000 MISCELLANEOUS	400	400	0	0	400	0	0.0%
487.000 RENTAL HOUSING REGISTRATION	50,000	50,000	0	34,100	50,000	0	0.0%
<b>Total - Dept 371.00</b>	<b>\$220,700</b>	<b>\$220,700</b>	<b>\$0</b>	<b>\$76,909</b>	<b>\$220,700</b>	<b>\$0</b>	<b>0.0%</b>
<b>Dept 441.00: DEPARTMENT OF PUBLIC WORKS</b>							
481.000 SIDEWALK-CURB & EXCAVATING	\$1,000	\$1,000	\$0	\$631	\$1,000	\$0	0.0%
631.000 REFUSE COLLECTION	200	200	0	0	200	0	0.0%
690.000 SALE OF COMPOST	100	100	0	0	100	0	0.0%
<b>Total - Dept 441.00</b>	<b>\$1,300</b>	<b>\$1,300</b>	<b>\$0</b>	<b>\$631</b>	<b>\$1,300</b>	<b>\$0</b>	<b>0.0%</b>
<b>Dept 449.00: ENGINEERING DEPARTMENT</b>							
483.000 STORM SEWER TAPPING	\$0	\$0	\$0	\$349	\$1,000	\$1,000	#DIV/0!
671.000 RENTS	30,000	30,000	0	3,730	30,000	0	0.0%
671.588 RENT - LENAWEE TRANSPORTATION	4,000	4,000	0	1,014	4,000	0	0.0%
<b>Total - Dept 449.00</b>	<b>\$34,000</b>	<b>\$34,000</b>	<b>\$0</b>	<b>\$5,093</b>	<b>\$35,000</b>	<b>\$1,000</b>	<b>2.9%</b>

CITY OF ADRIAN  
 FY2010-11 FIRST QUARTER FINANCIAL FORECAST  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET			
						AMOUNT	PERCENT	EXPLANATION	
<b>Dept 691.00: RECREATION DEPARTMENT</b>									
651.053 USE/ADM FEES-REC-CONCESSIONS	\$26,000	\$26,000	\$0	\$13,652	\$26,000	\$0	0.0%		
651.054 USE/ADM FEES-REC-YOUTH SPORTS	10,000	10,000	0	4,471	10,000	0	0.0%		
651.055 USE/ADM FEES-REC-ADULT SPORTS	100,865	100,865	0	29,989	100,865	0	0.0%		
651.056 USE/ADM FEES-REC-YOUTH PROGRAM	16,500	16,500	0	5,368	16,500	0	0.0%		
651.058 USE/ADM FEES-REC-SPECIAL EVENT	23,000	23,000	0	1,973	23,000	0	0.0%		
651.059 USE/ADM FEES-REC-PIOTTER CENTER	38,500	38,500	0	6,283	38,500	0	0.0%		
651.060 USE/ADM FEES-REC-SKATE PARK	5,500	5,500	0	2,112	5,500	0	0.0%		
651.061 USE/ADM FEES-REC-AQUATICS	89,779	89,779	0	33,971	89,779	0	0.0%		
651.062 USE/ADM FEES-REC-ADULT CLASSES	22,260	22,260	0	3,129	22,260	0	0.0%		
651.070 USE/ADM FEES-REC-AMUSE TCKS	3,100	3,100	0	4,730	5,100	2,000	64.5%		
651.072 USE/ADM FEES-REC-SHELTER USE	6,920	6,920	0	3,972	6,920	0	0.0%		
675.000 DONATIONS-PRIVATE	5,000	5,000	0	0	5,000	0	0.0%		
<b>Total - Dept 691.00</b>	<b>\$347,424</b>	<b>\$347,424</b>	<b>\$0</b>	<b>\$109,650</b>	<b>\$349,424</b>	<b>\$2,000</b>	<b>0.6%</b>		
<b>Dept 691.01: ADRIAN AREA LITTLE LEAGUE</b>									
651.040 USE/ADM FEES-REC-TOURNAMENTS	\$200	\$200	\$0	\$385	\$1,200	\$1,000	500.0%		Increased Activity
651.041 USE/ADM FEES-REC-TBALL	4,500	4,500	0	0	4,500	0	0.0%		
651.042 USE/ADM FEES-REC-MACHINE PITCH	6,030	6,030	0	0	6,030	0	0.0%		
651.043 USE/ADM FEES-REC-MINORS	5,700	5,700	0	0	5,700	0	0.0%		
651.044 USE/ADM FEES-REC-MAJORS	3,900	3,900	0	0	3,900	0	0.0%		
651.045 USE/ADM FEES-REC-JUNIORS	4,980	4,980	0	0	4,980	0	0.0%		
675.000 DONATIONS - PRIVATE	6,150	6,150	0	0	6,150	0	0.0%		
<b>Total - Dept 691.01</b>	<b>\$31,460</b>	<b>\$31,460</b>	<b>\$0</b>	<b>\$385</b>	<b>\$32,460</b>	<b>\$1,000</b>	<b>3.2%</b>		
<b>Dept 697.00: PARKS &amp; FORESTRY DEPARTMENT</b>									
673.106 WEED MOWING	\$24,000	\$24,000	\$0	\$13,440	\$24,000	\$0	0.0%		
<b>Total - Dept 697.00</b>	<b>\$24,000</b>	<b>\$24,000</b>	<b>\$0</b>	<b>\$13,440</b>	<b>\$24,000</b>	<b>\$0</b>	<b>0.0%</b>		

CITY OF ADRIAN  
 FY2010-11 FIRST QUARTER FINANCIAL FORECAST  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE			
						FORECAST AMOUNT	FORECAST TO BUDGET PERCENT	EXPLANATION	
<b>Dept 738.00: ADRIAN PUBLIC LIBRARY</b>									
567.000 LIBRARY STATE AID	\$8,000	\$8,000	\$0	(\$2,182)	\$8,000	\$0	0.0%		
627.000 DUPLICATING & PHOTOSTATS	2,000	2,000	0	596	2,000	0	0.0%		
651.000 APPLICATION FEE	4,100	4,100	0	290	4,100	0	0.0%		
655.000 SALES & CONCESSIONS	100	100	0	6	100	0	0.0%		
657.000 LIBRARY BOOK FINES	10,000	10,000	0	495	10,000	0	0.0%		
658.000 PENAL FINES	110,000	110,000	0	98,702	98,000	(12,000)	-10.9%	Reduced State Revenue	
671.000 RENTS	6,600	6,600	0	1,757	6,600	0	0.0%	Sharing	
675.073 DONATIONS-PRIVATE-LIBRARIES	8,000	8,000	0	0	8,000	0	0.0%		
676.702 CONTRIB-ENDOWMENT TRUST FUND	10,000	10,000	0	0	10,000	0	0.0%		
<b>Total - Dept 738.00</b>	<b>\$158,800</b>	<b>\$158,800</b>	<b>\$0</b>	<b>\$99,664</b>	<b>\$146,800</b>	<b>(\$12,000)</b>	<b>-7.6%</b>		
<b>Dept 990.00: NON-DEPARTMENTAL</b>									
404.000 CURRENT REAL PROPERTY TAX	\$5,139,151	\$5,139,151	\$0	\$5,008,371	\$5,139,151	\$0	0.0%		
405.000 CURRENT PERS PROP TAX	873,627	873,627	0	935,557	935,627	62,000	7.1%	Revised Collection Policy	
406.000 DELQ PERS PROP TAX	100	100	0	8,783	9,100	9,000	9000.0%	Aggressive Collections	
407.000 CURRENT REFUSE MILLAGE	441,167	441,167	0	436,184	441,167	0	0.0%		
425.000 PAYMENT IN LIEU OF TAXES	40,000	40,000	0	0	40,000	0	0.0%		
457.000 TRAILER	4,600	4,600	0	1,057	4,600	0	0.0%		
575.000 SALES & USE TAX	2,131,531	2,131,531	0	374,189	2,010,531	(121,000)	-5.7%	Reduced State Revenue	
644.000 PRINTED MATERIALS	100	100	0	0	100	0	0.0%		
661.000 CIVIL INFRACTIONS	1,000	1,000	0	0	1,000	0	0.0%		
671.000 RENTS	3,000	3,000	0	0	3,000	0	0.0%		
675.000 DONATIONS-PRIVATE	100	100	0	0	100	0	0.0%		
675.059 DONATIONS-PRIVATE-SENIOR CENTER	100	100	0	0	100	0	0.0%		
675.073 DONATIONS-PRIVATE-LIBRARIES	0	0	0	152	0	0	0.0%		
675.077 DONATIONS-PRIVATE-TV CABLE	190,000	190,000	0	54,618	190,000	0	0.0%		
675.080 DONATIONS-CITY WIDE CITY PRIDE	100	100	0	0	100	0	0.0%		
675.275 CONTRIBUTION-COMM DEVEL	3,000	3,000	0	750	3,000	0	0.0%		
675.276 CONTRIBUTION-ECON DEVEL	110,000	110,000	0	27,500	110,000	0	0.0%		
676.662 CONTRIB-DDA-MOTOR VEHICLE FUND	438,052	438,052	0	0	438,052	0	0.0%		
676.702 CONTRIB-ENDOWMENT TRUST FUND	100	100	0	3	100	0	0.0%		
676.711 CONTRIB-PERPETUAL CARE FUND	40,000	40,000	0	22	40,000	0	0.0%		
695.000 OTHER	160,000	160,000	0	1,055	160,000	0	0.0%		
697.000 PRIOR YEARS REVENUE	0	1,481,671	1,481,671	0	1,481,671	0	0.0%	Planned Use of Fund	
<b>Total - Dept 990.00</b>	<b>\$9,575,728</b>	<b>\$11,057,399</b>	<b>\$1,481,671</b>	<b>\$6,848,241</b>	<b>\$11,007,399</b>	<b>(\$50,000)</b>	<b>-0.5%</b>	Balance	
<b>Total Revenues</b>	<b>\$11,176,310</b>	<b>\$12,672,005</b>	<b>\$1,495,695</b>	<b>\$7,406,115</b>	<b>\$12,625,005</b>	<b>(\$47,000)</b>	<b>-0.4%</b>		

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT GENERAL FUND EXPENDITURES (101):	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET	
						AMOUNT	PERCENT
<b>101.00 CITY COMMISSION</b>							
SALARIES & FRINGE BENEFITS	\$32,365	\$32,365	\$0	\$7,541	\$32,365	\$0	0.0%
OPERATING	79,578	79,578	0	48,117	79,578	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
TOTAL	\$111,943	\$111,943	\$0	\$55,658	\$111,943	\$0	0.0%
<b>172.00 CITY ADMINISTRATOR</b>							
SALARIES & FRINGE BENEFITS	\$219,338	\$219,338	\$0	\$48,585	\$219,338	\$0	0.0%
OPERATING	6,341	6,341	0	3,417	6,341	0	0.0%
CAPITAL OUTLAY	10,000	14,500	4,500	4,434	14,500	0	0.0%
TOTAL	\$235,679	\$240,179	\$4,500	\$56,436	\$240,179	\$0	0.0%
<b>191.00 ELECTION DEPARTMENT</b>							
SALARIES & FRINGE BENEFITS	\$10,500	\$10,500	\$0	\$3,435	\$10,500	\$0	0.0%
OPERATING	13,000	13,000	0	2,105	13,000	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
TOTAL	\$23,500	\$23,500	\$0	\$5,540	\$23,500	\$0	0.0%
<b>201.00 FINANCE DEPARTMENT</b>							
SALARIES & FRINGE BENEFITS	\$447,122	\$447,122	\$0	\$96,599	\$447,122	\$0	0.0%
OPERATING	(70,638)	(53,963)	16,675	(6,761)	(53,963)	0	0.0%
CAPITAL OUTLAY	0	14,884	14,884	9,031	10,884	4,000	26.9% Convenience Copier
TOTAL	\$376,484	\$408,043	\$31,559	\$98,869	\$404,043	\$4,000	1.0%
<b>209.00 CITY ASSESSOR</b>							
SALARIES & FRINGE BENEFITS	\$68,688	\$68,688	\$0	\$13,081	\$68,688	\$0	0.0%
OPERATING	65,225	98,975	33,750	10,877	98,975	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
TOTAL	\$133,913	\$167,663	\$33,750	\$23,958	\$167,663	\$0	0.0%
<b>210.00 CITY ATTORNEY</b>							
SALARIES & FRINGE BENEFITS	\$153,691	\$153,691	\$0	\$32,008	\$153,691	\$0	0.0%
OPERATING	17,173	17,173	0	6,023	17,173	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
TOTAL	\$170,864	\$170,864	\$0	\$38,031	\$170,864	\$0	0.0%

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE	
						FORECAST AMOUNT	PERCENT EXPLANATION
<b>215.00 CITY CLERK</b>							
SALARIES & FRINGE BENEFITS	\$80,646	\$80,646	\$0	\$5,972	\$80,646	\$0	0.0%
OPERATING	15,573	15,573	0	13,240	15,573	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
TOTAL	\$96,219	\$96,219	\$0	\$19,212	\$96,219	\$0	0.0%
<b>226.00 HUMAN RESOURCES DEPARTMENT</b>							
SALARIES & FRINGE BENEFITS	\$94,676	\$94,676	\$0	\$19,810	\$94,676	\$0	0.0%
OPERATING	82,268	106,768	24,500	8,723	106,768	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
TOTAL	\$176,944	\$201,444	\$24,500	\$28,533	\$201,444	\$0	0.0%
<b>265.00 CITY HALL</b>							
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
OPERATING	93,500	93,500	0	17,224	93,500	0	0.0%
CAPITAL OUTLAY	0	1,533	1,533	0	1,533	0	0.0%
TOTAL	\$93,500	\$95,033	\$1,533	\$17,224	\$95,033	\$0	0.0%
<b>266.00 CITY CHAMBERS</b>							
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
OPERATING	27,000	27,000	0	859	27,000	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
TOTAL	\$27,000	\$27,000	\$0	\$859	\$27,000	\$0	0.0%
<b>267.00 POLICE FACILITY</b>							
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
OPERATING	54,400	54,400	0	6,688	54,400	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
TOTAL	\$54,400	\$54,400	\$0	\$6,688	\$54,400	\$0	0.0%
<b>276.00 CEMETERY</b>							
SALARIES & FRINGE BENEFITS	\$316,877	\$316,877	\$0	\$71,621	\$316,877	\$0	0.0%
OPERATING	64,311	64,372	61	15,140	64,372	0	0.0%
CAPITAL OUTLAY	11,200	27,875	16,675	16,675	27,875	0	0.0%
TOTAL	\$392,388	\$409,124	\$16,736	\$103,436	\$409,124	\$0	0.0%
<b>301.00 POLICE DEPARTMENT</b>							
SALARIES & FRINGE BENEFITS	\$2,558,048	\$2,558,048	\$0	\$581,183	\$2,558,048	\$0	0.0%
OPERATING	313,180	316,400	3,220	130,772	316,400	0	0.0%
CAPITAL OUTLAY	45,000	387,593	342,593	17,399	387,593	0	0.0%
TOTAL	\$2,916,228	\$3,262,041	\$345,813	\$729,354	\$3,262,041	\$0	0.0%
<b>336.00 FIRE DEPARTMENT</b>							
SALARIES & FRINGE BENEFITS	\$1,492,760	\$1,492,760	\$0	\$378,054	\$1,492,760	\$0	0.0%
OPERATING	200,759	214,207	13,448	39,335	214,207	0	0.0%
CAPITAL OUTLAY	6,000	6,000	0	0	6,000	0	0.0%
TOTAL	\$1,699,519	\$1,712,967	\$13,448	\$417,389	\$1,712,967	\$0	0.0%

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE		EXPLANATION
						FORECAST TO BUDGET AMOUNT	PERCENT	
<b>371.00 INSPECTION DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$261,910	\$261,910	\$0	\$62,557	\$261,910	\$0	0.0%	
OPERATING	61,775	61,775	0	14,425	61,775	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$323,685	\$323,685	\$0	\$76,982	\$323,685	\$0	0.0%	
<b>441.00 DEPARTMENT OF PUBLIC WORKS</b>								
SALARIES & FRINGE BENEFITS	\$592,709	\$592,709	\$0	\$73,565	\$592,709	\$0	0.0%	
OPERATING	(115,780)	(115,296)	484	11,382	(115,296)	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$476,929	\$477,413	\$484	\$84,947	\$477,413	\$0	0.0%	
<b>442.00 CENTRAL STORES SUPPLY</b>								
SALARIES & FRINGE BENEFITS	\$5,200	\$5,200	\$0	\$688	\$5,200	\$0	0.0%	
OPERATING	(5,200)	(5,200)	0	2,967	(5,200)	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$0	\$0	\$0	\$3,655	\$0	\$0		
<b>443.00 MOTOR VEHICLE POOL</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	0	0	0	140	0	0		
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$0	\$0	\$0	\$140	\$0	\$0		New Internal Service Fund Established
<b>449.00 ENGINEERING DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$215,048	\$215,048	\$0	\$46,469	\$215,048	\$0	0.0%	
OPERATING	(87,798)	(87,798)	0	(33,296)	(87,798)	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$127,250	\$127,250	\$0	\$13,173	\$127,250	\$0	0.0%	
<b>450.00 STREET LIGHTING</b>								
SALARIES & FRINGE BENEFITS	\$4,000	\$4,000	\$0	\$799	\$4,000	\$0	0.0%	
OPERATING	144,500	144,500	0	26,770	144,500	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$148,500	\$148,500	\$0	\$27,569	\$148,500	\$0	0.0%	
<b>528.00 WASTE COLLECTION &amp; DISPOSAL</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	601,500	601,500	0	143,509	441,500	160,000	26.6%	New Vendor
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$601,500	\$601,500	\$0	\$143,509	\$601,500	\$160,000	26.6%	
<b>550.00 FIXED EXPENSES</b>								
BOND INTEREST EXPENSE	\$449,492	\$449,492	\$0	\$0	\$449,492	\$0	0.0%	
TOTAL	\$449,492	\$449,492	\$0	\$0	\$449,492	\$0	0.0%	

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
<b>691.00 RECREATION DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$633,617	\$633,617	\$0	\$179,046	\$633,617	\$0	0.0%	
OPERATING	280,188	294,850	14,662	56,499	294,850	0	0.0%	
CAPITAL OUTLAY	18,500	34,226	15,726	9,149	34,226	0	0.0%	
TOTAL	\$932,305	\$962,693	\$30,388	\$244,694	\$962,693	\$0	0.0%	
<b>691.01 ADRIAN AREA LITTLE LEAGUE</b>								
SALARIES & FRINGE BENEFITS	\$6,680	\$6,680	\$0	\$2,744	\$6,680	\$0	0.0%	
OPERATING	23,314	23,314	0	2,355	23,314	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL	\$29,994	\$29,994	\$0	\$5,099	\$29,994	\$0	0.0%	
<b>696.00 PARKS &amp; FORESTRY GARAGE</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
OPERATING	16,000	16,590	590	2,224	16,590	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL	\$16,000	\$16,590	\$590	\$2,224	\$16,590	\$0	0.0%	
<b>697.00 PARKS &amp; FORESTRY DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$314,604	\$314,604	\$0	\$72,462	\$314,604	\$0	0.0%	
OPERATING	166,004	166,457	453	41,715	166,457	0	0.0%	
CAPITAL OUTLAY	53,000	59,032	16,032	0	59,032	0	0.0%	
TOTAL	\$533,608	\$550,093	\$16,485	\$114,177	\$550,093	\$0	0.0%	
<b>698.00 PARKS &amp; FORESTRY - HERITAGE PARK</b>								
SALARIES & FRINGE BENEFITS	\$100,228	\$100,228	\$0	\$19,176	\$100,228	\$0	0.0%	
OPERATING	47,615	47,615	0	8,316	47,615	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL	\$147,843	\$147,843	\$0	\$27,492	\$147,843	\$0	0.0%	
<b>700.00 ADRIAN FENCE PROPERTY</b>								
SALARIES & FRINGE BENEFITS	\$100	\$100	\$0	\$0	\$100	\$0	0.0%	
OPERATING	4,700	4,700	0	1,698	4,700	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL	\$4,800	\$4,800	\$0	\$1,698	\$4,800	\$0	0.0%	

**CITY OF ADRIAN  
 FY2010-11 FIRST QUARTER FINANCIAL FORECAST  
 September 30, 2010**

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
<b>738.00 ADRIAN PUBLIC LIBRARY</b>								
SALARIES & FRINGE BENEFITS	\$436,486	\$436,486	\$0	\$95,840	\$436,486	\$0	0.0%	
OPERATING	293,224	308,596	15,372	63,293	308,596	0	0.0%	
CAPITAL OUTLAY	12,500	209,702	197,202	10,064	209,702	0	0.0%	
TOTAL	\$742,210	\$954,784	\$212,574	\$169,197	\$954,784	\$0	0.0%	
<b>801.00 PLANNING COMMISSION</b>								
OPERATING	\$12,000	\$12,000	\$0	\$430	\$12,000	\$0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL	\$12,000	\$12,000	\$0	\$430	\$12,000	0	0.0%	
<b>836.00 OTHER PROJECTS</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
OPERATING	0	714,035	714,035	234,698	714,035	0	0.0%	
CAPITAL OUTLAY	0	49,300	49,300	0	49,300	0	0.0%	
TOTAL	\$0	\$763,335	\$763,335	\$234,698	\$763,335	\$0	0.0%	
<b>965.00 TRANSFERS OUT</b>								
CONTRIBUTION - AUTO PARKING	\$6,000	\$6,000	\$0	\$0	\$6,000	\$0	0.0%	
CONTRIBUTION - DIAL-A-RIDE	100,000	100,000	0	0	100,000	0	0.0%	
CONTRIBUTION - MVP	0	0	0	0	0	0	0.0%	
TOTAL	\$106,000	\$106,000	\$0	\$0	\$106,000	\$0	0.0%	
<b>990.00 NON-DEPARTMENTAL</b>								
CONTINGENCY	\$15,613	\$15,613	\$0	\$0	\$15,613	\$0	0.0%	
TOTAL	\$15,613	\$15,613	\$0	\$0	\$15,613	\$0	0.0%	
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$11,176,310</b>	<b>\$12,672,005</b>	<b>\$1,495,695</b>	<b>\$2,750,871</b>	<b>\$12,668,005</b>	<b>\$164,000</b>	<b>1.3%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,655,244</b>	<b>(\$43,000)</b>	<b>\$117,000</b>		

**CITY OF ADRIAN  
 FY2010-11 FIRST QUARTER FINANCIAL FORECAST  
 September 30, 2010**

	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL GENERAL FUND	VARIANCE	
					FORECAST	FORECAST TO BUDGET AMOUNT      PERCENT
<u>RECONCILIATION BETWEEN ADOPTED AND AMENDED BUDGET</u>						
ADOPTED BUDGET			\$11,176,310			
AMENDED BUDGET			\$12,672,005			
INCREASE/(DECREASE)			<u>\$1,495,695</u>	CONTINGENCY ACCOUNT		
Contingency - Beginning Balance				\$15,613		
Encumbrances & Carry Forwards			\$1,464,996			
Police JAG Grant-Forensic Equip & Training			\$14,024			
Cemetery Kubota Acquisition			16,675			
Total			<u>\$1,495,695</u>			
Contingency - Ending Balance						<u>\$15,613</u>

CITY OF ADRIAN  
 FY2010-11 FIRST QUARTER FINANCIAL FORECAST  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>MAJOR STREET FUND REVENUE (202):</b>								
546.000 GAS & WEIGHT TAX	\$900,000	\$900,000	\$0	\$184,050	\$800,000	(\$100,000)	-11.1%	Reduced State
547.000 STATE TRUNKLINE MAINTENANCE	60,000	60,000	0	(268)	60,000	0	0.0%	Collections
INTERGOVERNMENTAL REVENUE	\$960,000	\$960,000	\$0	\$183,782	\$860,000	(\$100,000)	-10.4%	
664.000 INVESTMENT INCOME	5,000	5,000	0	25	5,000	0	0.0%	
676.599 CONTRB.-CAPITAL PROJECT FUND	30,000	30,000	0	0	30,000	0	0.0%	
697.000 PRIOR YEARS' REVENUE	0	121,589	121,589	0	121,589	0	0.0%	Planned Use of Fund
<b>TOTAL MAJOR STREET FUND REVENUE</b>	<b>\$995,000</b>	<b>\$1,116,589</b>	<b>\$121,589</b>	<b>\$183,807</b>	<b>\$1,016,589</b>	<b>(\$100,000)</b>	<b>-9.0%</b>	<b>Balance</b>

**MAJOR STREET FUND EXPENDITURES (202):**

<b>STREET CONSTRUCTION</b>								
SALARIES & FRINGES	\$0	\$0	\$0	\$5,454	\$0	\$0	0.0%	
OPERATING	285,172	317,776	32,604	59,937	317,776	0	0.0%	
<b>SUBTOTAL</b>	<b>\$285,172</b>	<b>\$317,776</b>	<b>\$32,604</b>	<b>\$65,391</b>	<b>\$317,776</b>	<b>\$0</b>	<b>0.0%</b>	
<b>ROUTINE ROAD MAINTENANCE</b>								
SALARIES & FRINGES	\$51,800	\$51,800	\$0	\$7,913	\$51,800	\$0	0.0%	
OPERATING	177,250	177,250	0	18,946	177,250	0	0.0%	
CAPITAL EQUIPMENT	0	0	0	0	0	0	0.0%	
<b>SUBTOTAL</b>	<b>\$229,050</b>	<b>\$229,050</b>	<b>\$0</b>	<b>\$26,859</b>	<b>\$229,050</b>	<b>\$0</b>	<b>0.0%</b>	
<b>ROUTINE BRIDGE MAINTENANCE</b>								
SALARIES & FRINGES	\$1,000	\$1,000	\$0	\$0	\$1,000	\$0	0.0%	
OPERATING	17,500	17,500	0	0	17,500	0	0.0%	
<b>SUBTOTAL</b>	<b>\$18,500</b>	<b>\$18,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,500</b>	<b>\$0</b>	<b>0.0%</b>	
<b>TRAFFIC SERVICE MAINTENANCE</b>								
SALARIES & FRINGES	\$56,400	\$56,400	\$0	\$2,067	\$56,400	\$0	0.0%	
OPERATING	89,600	89,600	0	3,929	89,600	0	0.0%	
CAPITAL EQUIPMENT	0	0	0	0	0	0	0.0%	
<b>SUBTOTAL</b>	<b>\$146,000</b>	<b>\$146,000</b>	<b>\$0</b>	<b>\$5,996</b>	<b>\$146,000</b>	<b>\$0</b>	<b>0.0%</b>	

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST		VARIANCE FORECAST TO BUDGET		EXPLANATION
					FORECAST	AMOUNT	PERCENT	AMOUNT	
<b>WINTER MAINTENANCE</b>									
SALARIES & FRINGES	\$17,000	\$17,000	\$0	\$0	\$17,000	\$0	0.0%	\$0	0.0%
OPERATING	59,000	59,000	0	0	59,000	0	0.0%	0	0.0%
SUBTOTAL	\$76,000	\$76,000	\$0	\$0	\$76,000	\$0	0.0%	\$0	0.0%
<b>NON-MOTORIZED TRANSPORTATION</b>									
SALARIES & FRINGES	\$17,300	\$17,300	\$0	\$1,293	\$17,300	\$0	0.0%	\$0	0.0% Sidewalks
OPERATING	25,500	40,500	15,000	837	40,500	0	0.0%	0	0.0%
CAPITAL IMPROVEMENTS	0	0	0	0	0	0	0.0%	0	0.0%
SUBTOTAL	\$42,800	\$57,800	\$15,000	\$2,130	\$57,800	\$0	0.0%	\$0	0.0%
<b>STATE TRUNKLINE MAINTENANCE (US223)</b>									
SALARIES & FRINGES	\$1,400	\$1,400	\$0	\$35	\$1,400	\$0	0.0%	\$0	0.0%
OPERATING	12,500	12,500	0	1,165	12,500	0	0.0%	0	0.0%
SUBTOTAL	\$13,900	\$13,900	\$0	\$1,200	\$13,900	\$0	0.0%	\$0	0.0%
<b>STATE TRUNKLINE MAINTENANCE (M-52)</b>									
SALARIES & FRINGES	\$6,900	\$6,900	\$0	\$1,278	\$6,900	\$0	0.0%	\$0	0.0%
OPERATING	25,278	25,278	0	1,383	25,278	0	0.0%	0	0.0%
SUBTOTAL	\$32,178	\$32,178	\$0	\$2,661	\$32,178	\$0	0.0%	\$0	0.0%
<b>STATE TRUNKLINE MAINTENANCE (M-34)</b>									
SALARIES & FRINGES	\$1,200	\$1,200	\$0	\$281	\$1,200	\$0	0.0%	\$0	0.0%
OPERATING	8,700	8,700	0	406	8,700	0	0.0%	0	0.0%
SUBTOTAL	9,900	9,900	\$0	687	9,900	0	0.0%	0	0.0%
<b>ADMIN &amp; RECORD KEEPING</b>									
CONTRIBUTION - LOCAL STREET FUND	32,288	32,288	0	3,445	32,288	\$0	0.0%	\$0	0.0%
	100,000	100,000	0	0	100,000	0	0.0%	0	0.0%
<b>990.00 NON-DEPARTMENTAL</b>									
GRANT MATCH-KIWANIS TRAIL	\$0	\$73,985	\$73,985	\$11,188	\$73,985	\$0	0.0%	\$0	0.0%
CONTINGENCY	9,212	9,212	0	0	9,212	0	0.0%	0	0.0%
TOTAL	\$9,212	\$83,197	\$73,985	\$11,188	\$83,197	\$0	0.0%	\$0	0.0%
<b>TOTAL MAJOR STREET FUND EXP. (202)</b>	<b>\$995,000</b>	<b>\$1,116,589</b>	<b>\$121,589</b>	<b>\$119,557</b>	<b>\$1,116,589</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$0</b>	<b>0.0%</b>
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$64,250</b>	<b>(\$100,000)</b>	<b>(\$100,000)</b>			

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	VARIANCE		
	ADOPTED	AMENDED	over/(under)		FORECAST	FORECAST TO BUDGET	
	BUDGET	BUDGET	ADOPTED	ACTUAL	AMOUNT	PERCENT	EXPLANATION
<b>LOCAL STREET FUND REVENUE (203):</b>							
546.000 GAS & WEIGHT TAX	\$300,000	\$300,000	\$0	\$55,824	\$225,000	-25.0%	Reduced State
577.000 METRO ACT	60,000	60,000	0	0	60,000	0.0%	Collections
664.000 INVESTMENT EARNINGS	1,000	1,000	0	0	1,000	0.0%	
676.202 CONTRIBUTION - MAJOR STREET FUND	100,000	100,000	0	0	100,000	0.0%	
676.599 CONTRIBUTION - CAPITAL PROJ. REV. FUND	100,000	100,000	0	0	100,000	0.0%	
697.000 PRIOR YEARS' REVENUE	0	282,793	282,793	0	282,793	0.0%	Planned Use of Fund
699.204 TRANSFER IN - MUNICIPAL STREET FUND	431,856	431,856	0	0	431,856	0.0%	Balance
<b>TOTAL LOCAL STREET FUND REVENUE</b>	<b>\$992,856</b>	<b>\$1,275,649</b>	<b>\$282,793</b>	<b>\$55,824</b>	<b>\$1,200,649</b>	<b>-5.9%</b>	
<b>LOCAL STREET FUND EXPENDITURES (203):</b>							
<b>SIDEWALKS</b>							
SALARIES & FRINGES	\$6,500	\$6,500	\$0	\$1,838	\$6,500	0.0%	
OPERATING	38,000	63,000	25,000	484	63,000	0.0%	
SUBTOTAL	\$44,500	\$69,500	\$25,000	\$2,322	\$69,500	0.0%	
<b>STREET CONSTRUCTION</b>							
SALARIES & FRINGES	\$50,000	\$50,000	\$0	\$6,640	\$50,000	0.0%	
OPERATING	287,496	545,289	257,793	308,919	545,289	0.0%	
SUBTOTAL	\$337,496	\$595,289	\$257,793	\$315,559	\$595,289	0.0%	
<b>ROUTINE ROAD MAINTENANCE</b>							
SALARIES & FRINGES	\$119,450	\$119,450	\$0	\$5,919	\$119,450	0.0%	
OPERATING	288,250	288,250	0	12,753	288,250	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	#DIV/0!	
SUBTOTAL	\$407,700	\$407,700	\$0	\$18,672	\$407,700	0.0%	
<b>ROUTINE BRIDGE MAINTENANCE</b>							
SALARIES & FRINGES	\$100	\$100	\$0	\$0	\$100	0.0%	
OPERATING	1,300	1,300	0	0	1,300	0.0%	
SUBTOTAL	\$1,400	\$1,400	\$0	\$0	\$1,400	0.0%	
<b>TRAFFIC SERVICE MAINTENANCE</b>							
SALARIES & FRINGES	\$23,200	\$23,200	\$0	\$1,698	\$23,200	0.0%	
OPERATING	31,700	31,700	0	1,522	31,700	0.0%	
SUBTOTAL	\$54,900	\$54,900	\$0	\$3,220	\$54,900	0.0%	
<b>WINTER MAINTENANCE</b>							
SALARIES & FRINGES	\$13,000	\$13,000	\$0	\$0	\$13,000	0.0%	
OPERATING	47,510	47,510	0	0	47,510	0.0%	
SUBTOTAL	\$60,510	\$60,510	\$0	\$0	\$60,510	0.0%	
<b>ADMIN &amp; RECORD KEEPING</b>							
SALARIES & FRINGES	\$35,000	\$35,000	\$0	\$2,056	\$35,000	0.0%	
OPERATING	1,288	1,288	0	322	1,288	0.0%	
SUBTOTAL	\$36,288	\$36,288	\$0	\$2,378	\$36,288	0.0%	
<b>CONTINGENCY</b>							
SALARIES & FRINGES	\$0	\$0	\$0	\$0	\$0	0.0%	
OPERATING	50,062	50,062	0	0	50,062	0.0%	
SUBTOTAL	\$50,062	\$50,062	\$0	\$0	\$50,062	0.0%	
<b>TOTAL LOCAL STREET FUND EXP (203)</b>	<b>\$992,856</b>	<b>\$1,275,649</b>	<b>\$282,793</b>	<b>\$342,151</b>	<b>\$1,275,649</b>		
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$286,327)</b>	<b>(\$75,000)</b>		

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
<b>MUNICIPAL STREET FUND REVENUE (204):</b>								
402.000 PROPERTY TAXES - SPECIAL VOTED	\$429,856	\$429,856	\$0	\$373,866	\$429,856	\$0	0.0%	
664.000 INVESTMENT INCOME	2,000	2,000	0	297	2,000	0	0.0%	
695.000 OTHER	0	0	0	0	0	0	0.0%	
<b>TOTAL MUNICIPAL STREET FUND REVENUE</b>	<b>\$431,856</b>	<b>\$431,856</b>	<b>\$0</b>	<b>\$374,163</b>	<b>\$431,856</b>	<b>\$0</b>		
<b>MUNICIPAL STREET FUND EXPENDITURES:</b>								
CONTRIBUTION - LOCAL STREETS	\$431,856	\$431,856	\$0	\$0	\$431,856	\$0	0.0%	
<b>TOTAL MUNICIPAL ST. FUND EXP.(204)</b>	<b>\$431,856</b>	<b>\$431,856</b>	<b>\$0</b>	<b>\$0</b>	<b>\$431,856</b>	<b>\$0</b>		
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$374,163</b>	<b>\$0</b>	<b>\$0</b>		
<b>FEE ESTATE (205):</b>								
664.000 INVESTMENT INCOME	\$200	\$200	\$0	\$0	\$200	\$0	0.0%	
675.076 DONATIONS-PRIVATE-FEE ESTATE	800,758	820,508	19,750	209,976	820,508	0		
695.000 OTHER	100	100	0	0	100	0		
697.000 PRIOR YEARS REVENUE	0	52,590	52,590	0	52,590	0		
<b>TOTAL FEE ESTATE FUND REVENUE</b>	<b>\$801,058</b>	<b>\$873,398</b>	<b>\$72,340</b>	<b>\$209,976</b>	<b>\$873,398</b>	<b>\$0</b>		
<b>696.00 PARKS &amp; FORESTRY GARAGE</b>								
SALARIES & FRINGES	\$0	\$0	\$0	\$0	\$0	\$0	#DIV/0!	
OPERATING	16,000	16,590	590	2,224	16,590	0	0.0%	
SUBTOTAL	\$16,000	\$16,590	\$590	\$2,224	\$16,590	\$0	0.0%	
<b>699.00 FEE ESTATE MAINTENANCE</b>								
SALARIES & FRINGES	\$348,496	\$348,496	\$0	\$77,435	\$348,496	\$0	0.0%	
OPERATING	288,287	288,287	0	53,801	288,287	0	0.0%	
CAPITAL OUTLAY	86,000	157,750	71,750	(1,857)	157,750	0	0.0%	
SUBTOTAL	\$722,783	\$794,533	\$71,750	\$131,236	\$794,533	\$0	0.0%	
<b>965.00 TRANSFERS OUT</b>								
969.598 CONTRIB-STORM WATER	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$0	0.0%	
TOTAL	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$0	0.0%	
<b>990.00 NON-DEPARTMENTAL</b>								
CONTINGENCY	\$62,275	\$56,275	(\$6,000)	\$0	\$56,275	\$0	0.0%	
TOTAL	\$62,275	\$56,275	(\$6,000)	\$0	\$56,275	\$0	0.0%	
<b>TOTAL FEE ESTATE FUND</b>	<b>\$801,058</b>	<b>\$873,398</b>	<b>\$72,340</b>	<b>\$139,460</b>	<b>\$873,398</b>	<b>\$0</b>		
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,516</b>	<b>\$0</b>	<b>\$0</b>		

CITY OF ADRIAN  
 FY2010-11 FIRST QUARTER FINANCIAL FORECAST  
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FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	VARIANCE		
	ADOPTED	AMENDED	over/(under)		ACTUAL	FORECAST	FORECAST TO BUDGET
	BUDGET	BUDGET	ADOPTED		AMOUNT	PERCENT	EXPLANATION
<b>OMNI FUND REVENUE (267):</b>							
663.000 OMNI FORFEITURES	\$80,800	\$80,800	\$0	\$20,583	\$80,800		\$0
664.000 INVESTMENT INCOME	2,000	2,000	0	149	2,000		0
671.000 RENTS	4,000	4,000	0	0	4,000		0
695.000 OTHER	100	100	0	0	100		0
<b>TOTAL OMNI FUND REVENUE</b>	<b>\$86,900</b>	<b>\$86,900</b>	<b>\$0</b>	<b>\$20,732</b>	<b>\$86,900</b>		<b>\$0</b>
<b>OMNI FUND EXPENDITURES (267):</b>							
SALARIES & FRINGE BENEFITS	\$26,000	\$26,000	\$0	\$6,107	\$26,000		\$0
OPERATING	60,900	60,900	0	20,517	60,900		0
CAPITAL OUTLAY	0	0	0	0	0		0
<b>TOTAL OMNI FUND EXPENDITURES (267)</b>	<b>\$86,900</b>	<b>\$86,900</b>	<b>\$0</b>	<b>\$26,624</b>	<b>\$86,900</b>		<b>\$0</b>
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$5,892)</b>	<b>\$0</b>		<b>\$0</b>

CITY OF ADRIAN  
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FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
<b>COMMUNITY DEVELOPMENT FUND REV (275):</b>								
583.000 COBRA REIMBURSEMENT	\$0	\$0	\$0	\$1,046	\$0	\$0	0.0%	
632.000 ADMINISTRATIVE FEES	89,000	89,000	0	100	89,000	0	0.0%	
651.000 APPLICATION FEE	100	100	0	19	100	0	0.0%	
664.000 INVESTMENT INCOME	1,000	1,000	0	225	1,000	0	0.0%	
676.281 CONTRIB-DDA-TIF FUND	2,000	2,000	0	0	2,000	0	0.0%	
683.000 SALE OF PROPERTY	20,000	20,000	0	0	20,000	0	0.0%	HUD Foreclosure Sales
<b>TOTAL COMMUNITY DEVELOPMENT FUND REV</b>	<b>\$112,100</b>	<b>\$112,100</b>	<b>\$0</b>	<b>\$1,390</b>	<b>\$112,100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>COMMUNITY DEVELOPMENT FUND EXP (275):</b>								
<b>ADM CD BLOCK GRANT</b>								
SALARIES & FRINGE BENEFITS	\$69,370	\$69,370	\$0	\$14,246	\$69,370	\$0	0.0%	
OPERATING	23,685	23,685	0	3,707	23,685	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL CDBG GRANT	\$93,055	\$93,055	\$0	\$17,953	\$93,055	\$0	0.0%	
<b>PROPERTY ACQUISITION EXPENSES</b>								
CONTINGENCY	100	100	0	127	100	0	0.0%	
	18,945	18,945	0	0	18,945	0	0.0%	
<b>TOTAL COMM DEVLP FUND EXP (275)</b>	<b>\$112,100</b>	<b>\$112,100</b>	<b>\$0</b>	<b>\$18,080</b>	<b>\$112,100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$16,690)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
<b>ECONOMIC DEVELOPMENT FUND REV (276)</b>								
664.000 INVESTMENT INCOME	\$1,500	\$1,500	\$0	\$187	\$1,500	\$0	0.0%	
675.075 DONATIONS - PRIVATE	225,000	225,000	0	56,250	225,000	0	0.0%	
695.000 OTHER	100	100	0	0	100	0	0.0%	
<b>TOTAL ECONOMIC DEVELOPMENT FUND REV</b>	<b>\$226,600</b>	<b>\$226,600</b>	<b>\$0</b>	<b>\$56,437</b>	<b>\$226,600</b>	<b>\$0</b>	<b>0.0%</b>	<b>Balance</b>
<b>ECONOMIC DEVELOPMENT FUND EXP (276):</b>								
CONTRIBUTION - GENERAL FUND	\$ 110,000	\$ 110,000	\$0	\$ 27,500	\$ 110,000	\$ -	0.0%	
ECONOMIC DEVELOPMENT								
SALARIES & FRINGE BENEFITS	\$83,082	\$83,082	\$0	\$17,393	\$83,082	\$0	0.0%	
OPERATING	28,868	28,868	0	4,239	28,868	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL ECONOMIC DEVELOPMENT	\$111,950	\$111,950	\$0	\$21,632	\$111,950	\$0	0.0%	
CONTINGENCY	4,650	4,650	0	0	4,650	0	0.0%	
<b>TOTAL ECONOMIC DEVELOPMENT FUND EXP (276)</b>	<b>\$ 226,600</b>	<b>\$ 226,600</b>	<b>- \$</b>	<b>\$ 49,132</b>	<b>\$ 226,600</b>	<b>\$ -</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,305</b>	<b>\$0</b>	<b>\$0</b>		
<b>BROWNFIELD REDEVELOPMENT AUTHORITY (279):</b>								
404.000 CURRENT PROPERTY TAX	\$9,674	\$9,674	\$0	\$17,424	\$9,674	\$0	0.0%	
533.000 USEPA SITE ASSESSMENT GRANT	200,000	200,000	0	0	200,000	0	0.0%	
664.000 INVESTMENT EARNINGS	200	200	0	16	200	0	0.0%	
697.000 PRIOR YEARS REVENUE	0	0	0	0	0	0	#DIV/0!	
<b>TOTAL REVENUE</b>	<b>\$209,874</b>	<b>\$209,874</b>	<b>\$0</b>	<b>\$17,440</b>	<b>\$209,874</b>	<b>\$0</b>	<b>0.0%</b>	
<b>BROWNFIELD REDEVELOPMENT AUTHORITY (279):</b>								
ADMINISTRATION	\$209,874	\$209,874	\$0	\$0	\$209,874	\$0	0.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$209,874</b>	<b>\$209,874</b>	<b>\$0</b>	<b>\$0</b>	<b>\$209,874</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$17,440</b>	<b>\$0</b>	<b>\$0</b>		

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FUND/DEPARTMENT	FY2010-11		AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
	ADOPTED BUDGET	AMENDED BUDGET				AMOUNT	PERCENT	EXPLANATION
<b>DOWNTOWN DEVLPMNT AUTH REV (280):</b>								
404.000 CURRENT REAL PROPERTY TAX	\$31,589	\$31,589	\$0	\$31,564	\$31,589	\$0	0.0%	
664.000 INVESTMENT EARNINGS	300	300	0	7	300	0	0.0%	
695.000 OTHER	100	100	0	0	100	0	0.0%	
697.000 PRIOR YEAR'S REVENUE	3,411	5,711	2,300	0	5,711	0	0.0%	Planned Use of Fund
699.281 TRANSFER IN TIFA	2,000	2,000	0	0	2,000	0	0.0%	Balance
<b>TOTAL DOWNTOWN DEV AUTH. REV.</b>	<b>\$37,400</b>	<b>\$39,700</b>	<b>\$2,300</b>	<b>\$31,571</b>	<b>\$39,700</b>	<b>\$0</b>	<b>0.0%</b>	
<b>DOWNTOWN DEVLPMNT AUTH. EXP. (280):</b>								
SALARIES & FRINGE BENEFITS	\$5,600	\$5,600	\$0	\$1,151	\$5,600	\$0	0.0%	
OPERATING	31,800	31,800	0	6,080	31,800	0	0.0%	
CONTRIBUTION - AUTO PARKING	5,000	5,000	0	0	5,000	0	0.0%	
CAPITAL OUTLAY	5,000	7,300	2,300	0	7,300	0	0.0%	
<b>TOTAL DOWNTOWN DEVLPMNT AUTH EXP</b>	<b>\$37,400</b>	<b>\$39,700</b>	<b>\$2,300</b>	<b>\$7,231</b>	<b>\$39,700</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,340</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	

**CITY OF ADRIAN**  
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FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET			
						AMOUNT	PERCENT	EXPLANATION	
<b>DDA - TIF FUND REVENUE (281):</b>									
404.000 CURRENT REAL PROPERTY TAX	\$391,942	\$391,942	\$0	\$235,750	\$391,942	\$0	0.0%		
631.000 REFUSE COLLECTION	15,000	15,000	0	4,300	15,000	0	0.0%		
664.000 INVESTMENT EARNINGS	5,000	5,000	0	550	5,000	0	0.0%		
697.000 PRIOR YEAR'S REVENUE	0	3,400	3,400	0	3,400	0	0.0%	Planned Use of Fund BI	
699.279 CONTRIB - BROWNFLD REDEVELPMNT FUND	4,245	4,245	0	0	4,245	0	0.0%		
<b>TOTAL DOWNTOWN DEV AUTH. REV.</b>	<b>\$416,187</b>	<b>\$419,587</b>	<b>\$3,400</b>	<b>\$240,600</b>	<b>\$419,587</b>	<b>\$0</b>	<b>0.0%</b>		
<b>DDA-TIF FUND EXP. (281):</b>									
<b>290.00 ADMINISTRATION</b>									
SALARIES & FRINGE BENEFITS	\$31,415	\$31,415	\$0	\$6,213	\$31,415	\$0	0.0%		
OPERATING	65,192	65,192	0	10,658	65,192	0	0.0%		
CAPITAL OUTLAY	40,000	43,400	3,400	13,619	43,400	0	0.0%		
SUBTOTAL	\$136,607	\$140,007	\$3,400	\$30,490	\$140,007	\$0	0.0%		
<b>965.00 TRANSFERS OUT</b>									
CONTRIBUTION-COMMUNITY DEVELOP	\$2,000	\$2,000	\$0	\$0	\$2,000	\$0	0.0%		
CONTRIBUTION-DDA	6,000	6,000	0	0	6,000	0	0.0%		
TRANSFER OUT - DEBT	90,565	90,565	0	90,565	90,565	0	0.0%		
TRANSFER OUT - SCHOOLS	155,032	155,032	0	0	155,032	0	0.0%		
SUBTOTAL	\$253,597	\$253,597	\$0	\$90,565	\$253,597	\$0	0.0%		
<b>990.00 NON-DEPARTMENTAL</b>									
CONTINGENCY	\$25,983	\$25,983	\$0	\$0	\$25,983	\$0	0.0%		
TOTAL	\$25,983	\$25,983	\$0	\$0	\$25,983	\$0	0.0%		
<b>TOTAL DDA-TIF FUND EXP</b>	<b>\$416,187</b>	<b>\$419,587</b>	<b>\$3,400</b>	<b>\$121,055</b>	<b>\$419,587</b>	<b>\$0</b>	<b>0.0%</b>		
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$119,545</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>		

CITY OF ADRIAN  
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FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST		VARIANCE FORECAST TO BUDGET		
					FORECAST	AMOUNT	PERCENT	EXPLANATION	
<b>LDFA-GAIDC FUND REVENUE (282):</b>									
404.000 CURRENT REAL PROPERTY TAX	\$44,678	\$44,678	\$0	\$45,782	\$44,678	\$0	0.0%		
664.000 INVESTMENT INCOME	2,000	2,000	0	93	2,000	0	0.0%		
671.000 RENTS	4,000	4,000	0	0	4,000	0			
697.000 PRIOR YEARS' REVENUE	13,322	13,322	0	0	13,322	0	0.0%	Planned Use of Fund	
<b>TOTAL LDFA FUND REVENUE</b>	<b>\$64,000</b>	<b>\$64,000</b>	<b>\$0</b>	<b>\$45,875</b>	<b>\$64,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>Balance</b>	
<b>LDFA-GAIDC FUND - EXPENDITURES (282):</b>									
<b>290.00 ADMINISTRATION</b>									
SALARIES & FRINGE BENEFITS	\$45,091	\$45,091	\$0	\$15,816	\$45,091	\$0	0.0%		
OPERATING	7,872	7,872	0	926	7,872	0	0.0%		
CAPITAL OUTLAY	0	0	0	0	0	0			
SUBTOTAL	\$52,963	\$52,963	\$0	\$16,742	\$52,963	\$0	0.0%		
<b>965.00 TRANSFERS OUT</b>									
969.275 CONTRIBUTION-COMMUNITY DEVELOP	11,037	11,037	0	0	11,037	0	0.0%		
SUBTOTAL	\$11,037	\$11,037	\$0	\$0	\$11,037	\$0	0.0%		
<b>TOTAL LDFA FUND EXP (310)</b>	<b>\$64,000</b>	<b>\$64,000</b>	<b>\$0</b>	<b>\$16,742</b>	<b>\$64,000</b>	<b>\$0</b>	<b>0.0%</b>		
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,133</b>	<b>\$0</b>	<b>\$0</b>			

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FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
<b>VIBRANT SMALL CITIES GRANT FUND REVENUE (283)</b>								
519.001 VSCG-2 CDBG	\$0	\$24,188	\$24,188	\$0	\$24,188	\$0	0.0%	
519.004 VSCG-2 WAY TRFC GRNT-LOCAL	0	0	0	0	0	0	0.0%	
519.005 VSCG-2 WAY TRFC GRNT-SIGNALS	0	0	0	0	0	0	0.0%	
519.006 VSCG-2 WAY TRFC GRNT-ADA IMPRVMNNTS	0	0	0	0	0	0	0.0%	
519.007 VSCG-2 WAY TRFC GRNT-ADMIN	0	0	0	0	0	0	0.0%	
519.008 VSCG-LAND ASSEMBLY GRNT-LOCAL	0	0	0	0	0	0	0.0%	
519.009 VSCG-LAND ASSEMBLY GRNT-ACQSTN	0	0	0	0	0	0	0.0%	
519.010 VSCG-LAND ASSEMBLY GRNT-DEMO	0	0	0	0	0	0	0.0%	
519.011 VSCG-LAND ASSEMBLY GRNT-ADMIN	0	0	0	0	0	0	0.0%	
519.012 VSCG-DWNTWN FACADE GRNT-PVT	0	0	0	0	0	0	0.0%	
519.013 VSCG-DWNTWN FACADE GRNT-CDBG	0	0	0	0	0	0	0.0%	
519.014 VSCG-DWNTWN FACADE GRNT-LOCAL	0	0	0	0	0	0	0.0%	
519.015 VSCG-OTHER GRNT-LOCAL	0	0	0	0	0	0	0.0%	
664.000 INVESTMENT EARNINGS	0	0	0	0	0	0	0.0%	
697.000 PRIOR YEARS' REVENUE	0	24,187	24,187	0	24,187	0	0.0%	
<b>TOTAL VSCI GRANT FUND REVENUE (283)</b>	<b>\$0</b>	<b>\$48,375</b>	<b>\$48,375</b>	<b>\$0</b>	<b>\$48,375</b>	<b>\$0</b>	<b>0.0%</b>	

**VIBRANT SMALL CITIES GRANT FUND EXPENDITURES (283)**

TWO-WAY TRAFFIC	\$0	\$0	\$0	\$2,000	\$0	\$0	
NON-MOTORIZED TRANSPORTATION	0	0	0	230	0	0	
FAÇADE IMPROVEMENTS	0	0	0	800	0	0	
BLIGHT REDUCTION	0	48,375	48,375	908	48,375	0	0.0%
CONTINGENCY	0	0	0	0	0	0	0.0%
<b>TOTAL VSCI GRANT FUND EXPENDITURES (283)</b>	<b>\$0</b>	<b>\$48,375</b>	<b>\$48,375</b>	<b>\$3,938</b>	<b>\$48,375</b>	<b>\$0</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,938)</b>	<b>\$0</b>	<b>\$0</b>	

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FUND/DEPARTMENT	FY2010-11		AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
	ADOPTED BUDGET	AMENDED BUDGET				AMOUNT	PERCENT	EXPLANATION
<b>DDA DEBT FUND REVENUE (394):</b>								
664,000 INTEREST EARNINGS	\$100	\$100	\$0	\$11	\$100	\$0	0.0%	
699,000 APPROP TRANSFER IN	90,565	90,565	0	90,565	90,565	0	0.0%	
<b>TOTAL DDA DEBT FUND REVENUE</b>	<b>\$90,665</b>	<b>\$90,665</b>	<b>\$0</b>	<b>\$90,576</b>	<b>\$90,665</b>	<b>\$0</b>	<b>0.0%</b>	
<b>DDA DEBT FUND EXPENDITURES (394):</b>								
BOND INTEREST EXPENSE	\$10,240	\$10,240	\$0	\$0	\$10,240	\$0	0.0%	
PAYING AGENT FEES	425	425	0	0	425	0	0.0%	
CONTINGENCY	80,000	80,000	0	0	80,000	0	0.0%	
<b>TOTAL DDA DEBT FUND EXP (394)</b>	<b>\$90,665</b>	<b>\$90,665</b>	<b>\$0</b>	<b>\$0</b>	<b>\$90,665</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$90,576</b>	<b>\$0</b>	<b>\$0</b>		

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FUND/DEPARTMENT	FY2010-11		AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
	ADOPTED BUDGET	AMENDED BUDGET				AMOUNT	PERCENT	EXPLANATION
<b>WATER-CAPITAL PROJECTS FUND REVENUE (496)</b>								
676.591 CONTRIBUTION- WATER FUND	\$190,000	\$190,000	\$0	\$199	\$190,000	\$0	0.0%	Planned Use of Fund
697.000 PRIOR YEAR'S REVENUE	0	70,000	70,000	0	70,000	0	0.0%	Planned Use of Fund
<b>TOTAL DDA DEBT FUND REVENUE</b>	<b>\$190,000</b>	<b>\$260,000</b>	<b>\$70,000</b>	<b>\$199</b>	<b>\$260,000</b>	<b>\$0</b>	<b>0.0%</b>	<b>Balance</b>
<b>WATER-CAPITAL PROJECTS FUND EXPENDITURES (496)</b>								
ADMINISTRATION	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	
METER READING & MAINT.	35,000	85,000	50,000	0	85,000	0	0.0%	
OAKWOOD FACILITY	10,000	10,000	0	0	10,000	0	0.0%	
WATER PLANT CAPITAL EQUIP	26,000	36,000	10,000	488	36,000	0	0.0%	
WATER PLANT CAPITAL IMPRVMT	35,000	35,000	0	0	35,000	0	0.0%	
WATER DISTRB CAPITAL EQUIP	9,000	19,000	10,000	0	19,000	0	0.0%	
WATER DISTRB CAPITAL IMPRVMT	75,000	75,000	0	0	75,000	0	0.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$190,000</b>	<b>\$260,000</b>	<b>\$70,000</b>	<b>\$488</b>	<b>\$260,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$289)</b>	<b>\$0</b>	<b>\$0</b>		

<b>SEWER-CAPITAL PROJECTS FUND REVENUE (497)</b>								
676.590 CONTRIBUTION- WASTEWATER FUND	\$168,000	\$168,000	\$0	\$27,162	\$168,000	\$0	0.0%	Planned Use of Fund
697.000 PRIOR YEAR'S REVENUE	0	234,331	234,331	0	234,331	0	0.0%	Planned Use of Fund
<b>TOTAL SEWER-CAPITAL PROJECTS FUND REVENUE</b>	<b>\$168,000</b>	<b>\$402,331</b>	<b>\$234,331</b>	<b>\$27,162</b>	<b>\$402,331</b>	<b>\$0</b>	<b>0.0%</b>	<b>Balance</b>
<b>SEWER-CAPITAL PROJECTS FUND EXPENDITURES (497)</b>								
WWTP CAPITAL IMPROVEMENTS	\$58,000	\$68,500	\$10,500	\$10,500	\$68,500	\$0	0.0%	
WWTP CAPITAL EQUIPMENT	55,000	55,000	0	0	55,000	0	0.0%	
SEWER COLLECTION SYSTEM	55,000	278,831	223,831	27,162	278,831	0	0.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$168,000</b>	<b>\$402,331</b>	<b>\$234,331</b>	<b>\$37,662</b>	<b>\$402,331</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,500)</b>	<b>\$0</b>	<b>\$0</b>		

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FUND/DEPARTMENT AUTO PARKING FUND REVENUE (585):	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	VARIANCE		
	ADOPTED	AMENDED	over/(under)		ACTUAL	FORECAST	FORECAST TO BUDGET
	BUDGET	BUDGET	ADOPTED		AMOUNT	PERCENT	EXPLANATION
652.000 PARKING FEES	\$24,000	\$24,000	\$0	\$2,951	\$24,000	\$0	0.0%
656.000 PARKING FINES	5,000	5,000	0	2,510	5,000	0	0.0%
664.000 INVESTMENT EARNINGS	100	100	0	46	100	0	0.0%
697.000 PRIOR YEARS' REVENUE	0	5,000	0	0	5,000	0	0.0%
698.000 SALE OF BONDS/NOTES	2,735,000	2,735,000	0	0	0	(2,735,000)	-100.0% Pay-as-you-go
699.101 CONTRIBUTION - GENERAL FUND	6,000	6,000	0	0	60,000	54,000	900.0%
699.280 TRANSFER IN - DDA	10,000	10,000	0	0	60,000	50,000	500.0%
699.599 SPECIAL ASSESSMENT	30,000	30,000	0	7,717	60,000	30,000	100.0%
<b>TOTAL AUTO PARKING FUND REVENUE</b>	<b>\$2,810,100</b>	<b>\$2,815,100</b>	<b>\$0</b>	<b>\$13,224</b>	<b>\$214,100</b>	<b>(\$2,601,000)</b>	<b>-92.4%</b>
<b>AUTO PARKING FUND EXPENDITURES (585):</b>							
SALARIES & FRINGE BENEFITS	\$33,845	\$33,845	\$0	\$4,385	\$0	\$33,845	100.0%
OPERATING	105,255	110,255	5,000	8,971	34,100	76,155	69.1%
CAPITAL OUTLAY	2,671,000	2,671,000	0	0	180,000	\$2,491,000	
<b>TOTAL AUTO PARKING FUND EXP (585)</b>	<b>\$2,810,100</b>	<b>\$2,815,100</b>	<b>\$5,000</b>	<b>\$13,356</b>	<b>\$214,100</b>	<b>2,601,000</b>	<b>92.4%</b>
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$132)</b>	<b>\$0</b>	<b>\$0</b>	
<b>TRANSPORTATION SYSTEM FUND REV (588):</b>							
511.000 FEDERAL GRANTS	\$67,081	\$67,081	\$0	\$44,817	\$67,081	\$0	0.0%
571.000 STATE CAPITAL GRANT	284,190	284,190	0	47,730	284,190	0	0.0%
572.000 STATE ACT 51 OPERATING	147,118	147,118	0	33,606	147,118	0	0.0%
633.000 PASSENGER FARES	101,004	101,004	0	19,628	101,004	0	0.0%
671.000 RENTS	4,056	4,056	0	0	4,056	0	0.0%
675.000 DONATIONS-PRIVATE	0	0	0	15,400	20,000	20,000	
676.101 CONTRIBUTION - GENERAL FUND	100,000	100,000	0	0	100,000	0	0.0%
697.000 PRIOR YEARS' REVENUE	0	1,396	1,396	0	1,396	0	0.0%
<b>TOTAL TRANSPRTN SYSTEM FUND REV</b>	<b>\$703,449</b>	<b>\$704,845</b>	<b>\$1,396</b>	<b>\$161,181</b>	<b>\$724,845</b>	<b>\$20,000</b>	<b>2.8%</b>
<b>TRANSPORTATION FUND EXPENDITURES:</b>							
SALARIES & FRINGE BENEFITS	\$300,075	\$300,075	\$0	\$83,006	\$300,075	\$0	0.0%
OPERATING	119,184	120,580	1,396	29,618	120,580	0	0.0%
CAPITAL OUTLAY	284,190	284,190	0	59,988	284,190	\$0	0.0%
<b>TOTAL TRANSPORTATION FUND EXP (588)</b>	<b>\$703,449</b>	<b>\$704,845</b>	<b>\$1,396</b>	<b>\$172,612</b>	<b>\$704,845</b>	<b>\$0</b>	<b>0.0%</b>
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$11,431)</b>	<b>\$20,000</b>	<b>\$20,000</b>	

**CITY OF ADRIAN**  
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<u>FUND/DEPARTMENT</u>	<u>FY2010-11 ADOPTED BUDGET</u>	<u>FY2010-11 AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		
						<u>AMOUNT</u>	<u>PERCENT</u>	<u>EXPLANATION</u>
<b>SEWER FUND REVENUE (590):</b>								
647.000 CHARGES FOR SERVICES	\$4,194,000	\$4,194,000	\$0	\$1,049,596	\$4,194,000	\$0	0.0%	
653.000 PENALTIES	80,000	80,000	0	23,119	80,000	0	0.0%	
664.000 INVESTMENT EARNINGS	20,000	20,000	0	15,309	20,000	0	0.0%	
681.000 TAPS & SERVICE	25,000	25,000	0	2,300	25,000	0	0.0%	
695.000 OTHER	20,000	20,000	0	0	20,000	0	0.0%	
697.000 PRIOR YEARS' REVENUE	0	20,622	20,622	0	20,622	0	0.0%	Planned Use of Fund
<b>TOTAL SEWER FUND REVENUE</b>	<b>\$4,339,000</b>	<b>\$4,359,622</b>	<b>\$20,622</b>	<b>\$1,090,324</b>	<b>\$4,359,622</b>	<b>\$0</b>	<b>0.0%</b>	<b>Balance</b>
<b>SEWER FUND EXPENDITURES (590):</b>								
<b>WASTE WATER TREATMENT PLANT</b>								
SALARIES & FRINGE BENEFITS	\$623,859	\$623,859	\$0	\$113,758	\$623,859	\$0	0.0%	
OPERATING	896,800	908,303	11,503	149,156	908,303	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
<b>SUBTOTAL</b>	<b>\$1,520,659</b>	<b>\$1,532,162</b>	<b>\$11,503</b>	<b>\$262,914</b>	<b>\$1,532,162</b>	<b>\$0</b>	<b>0.0%</b>	
<b>ADMINISTRATION &amp; OVERHEAD</b>								
SALARIES & FRINGE BENEFITS	\$280,854	\$280,854	\$0	\$77,146	\$280,854	\$0	0.0%	
OPERATING	362,832	362,832	0	81,379	362,832	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
<b>SUBTOTAL</b>	<b>\$643,686</b>	<b>\$643,686</b>	<b>\$0</b>	<b>\$158,525</b>	<b>\$643,686</b>	<b>\$0</b>	<b>0.0%</b>	
<b>SANITARY SEWERS</b>								
SALARIES & FRINGE BENEFITS	\$146,000	\$146,000	\$0	\$20,431	\$146,000	\$0	0.0%	
OPERATING	129,050	138,169	9,119	14,956	138,169	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
<b>SUBTOTAL</b>	<b>\$275,050</b>	<b>\$284,169</b>	<b>\$9,119</b>	<b>\$35,387</b>	<b>\$284,169</b>	<b>\$0</b>	<b>0.0%</b>	
<b>BROAD STREET LIFT STATION</b>								
SALARIES & FRINGE BENEFITS	\$11,000	\$11,000	\$0	\$1,050	\$11,000	\$0	0.0%	
OPERATING	38,500	38,500	0	1,692	38,500	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
<b>SUBTOTAL</b>	<b>\$49,500</b>	<b>\$49,500</b>	<b>\$0</b>	<b>\$2,742</b>	<b>\$49,500</b>	<b>\$0</b>	<b>0.0%</b>	
<b>LIFT STATIONS</b>								
SALARIES & FRINGE BENEFITS	\$12,000	\$12,000	\$0	\$1,865	\$12,000	\$0	0.0%	
OPERATING	29,500	29,500	0	2,162	29,500	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
<b>SUBTOTAL</b>	<b>\$41,500</b>	<b>\$41,500</b>	<b>\$0</b>	<b>\$4,027</b>	<b>\$41,500</b>	<b>\$0</b>	<b>0.0%</b>	

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
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<u>FUND/DEPARTMENT</u>	<u>FY2010-11</u> <u>ADOPTED</u> <u>BUDGET</u>	<u>FY2010-11</u> <u>AMENDED</u> <u>BUDGET</u>	<u>AMENDED</u> <u>over/(under)</u> <u>ADOPTED</u>	<u>YEAR-TO-DATE</u> <u>ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE</u>	
						<u>FORECAST TO BUDGET</u> <u>AMOUNT</u>	<u>PERCENT</u> <u>EXPLANATION</u>
RETENTION BASIN							
SALARIES & FRINGE BENEFITS	\$3,000	\$3,000	\$0	\$310	\$3,000	\$0	0.0%
OPERATING	14,500	14,500	0	40	14,500	0	0.0%
SUBTOTAL	\$17,500	\$17,500	\$0	\$350	\$17,500	\$0	0.0%
DEPRECIATION EXPENSE	\$1,200,000	\$1,200,000	\$0	\$334,500	\$1,200,000	\$0	0.0%
BOND INTEREST EXPENSE	287,794	287,794	0	0	287,794	0	
INSTALLMENT PURCHASE DEBT SVC	117,884	117,884	0	25,845	117,884	0	
CONTRIBUTION - CAPITAL PROJECTS	168,000	168,000	0	27,162	168,000	\$0	
FIXED EXPENSES	\$1,773,678	\$1,773,678	\$0	\$387,507	\$1,773,678	\$0	0.0%
CONTINGENCY	17,427	17,427	\$0	\$0	17,427	\$0	0.0%
<b>TOTAL SEWER FUND EXPENDITURES (590)</b>	<b>\$4,339,000</b>	<b>\$4,359,622</b>	<b>\$20,622</b>	<b>\$851,452</b>	<b>\$4,359,622</b>	<b>\$0</b>	<b>0.0%</b>
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$238,872	\$0	\$0	

**CITY OF ADRIAN  
FY2010-11 FIRST QUARTER FINANCIAL FORECAST  
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FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
<b>WATER FUND REVENUE (591):</b>								
634.000 NEW ACCOUNT CHARGES	\$15,000	\$15,000	\$0	\$4,003	\$15,000	\$0	0.0%	
646.000 CHARGES FOR SERVICES - SALES	3,542,000	3,542,000	0	911,648	3,542,000	0	0.0%	
653.000 PENALTIES	75,000	75,000	0	19,975	75,000	0	0.0%	
664.000 INVESTMENT EARNINGS	20,000	20,000	0	4,116	20,000	0	0.0%	
667.000 HYDRANT RENTAL	50,000	50,000	0	11,918	50,000	0	0.0%	
680.000 MERCHANDISE	1,000	1,000	0	0	1,000	0	0.0%	
681.000 TAPS & SERVICE	25,000	25,000	0	0	25,000	0	0.0%	
695.000 OTHER	20,000	20,000	0	2,686	20,000	0	0.0%	
697.000 PRIOR YEARS' REVENUE	0	5,532	5,532	0	5,532	0	0.0%	Planned Use of Fund
<b>TOTAL WATER FUND REVENUE</b>	<b>\$3,748,000</b>	<b>\$3,753,532</b>	<b>\$5,532</b>	<b>\$954,346</b>	<b>\$3,753,532</b>	<b>\$0</b>	<b>0.0%</b>	<b>Balance</b>

**WATER FUND EXPENDITURES (591):**

<b>MERCHANDISE</b>	\$40,000	\$40,000	\$0	\$12,394	\$40,000	\$0	0.0%
<b>TAPS &amp; SERVICE</b>							
SALARIES & FRINGE BENEFITS	\$5,000	\$5,000	\$0	\$0	\$5,000	\$0	0.0%
OPERATING	3,000	3,000	0	0	3,000	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
SUBTOTAL	\$8,000	\$8,000	\$0	\$0	\$8,000	\$0	0.0%
<b>PURIFICATION &amp; PUMPING</b>							
SALARIES & FRINGE BENEFITS	\$443,415	\$443,415	\$0	\$84,313	\$443,415	\$0	0.0%
OPERATING	794,500	799,525	5,025	268,717	799,525	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
SUBTOTAL	\$1,237,915	\$1,242,940	\$5,025	\$353,030	\$1,242,940	\$0	0.0%
<b>OPERATIONS &amp; MAINTENANCE</b>							
SALARIES & FRINGE BENEFITS	\$343,500	\$343,500	\$0	\$69,064	\$343,500	\$0	0.0%
OPERATING	208,300	208,753	453	33,972	208,753	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
SUBTOTAL	\$551,800	\$552,253	\$453	\$103,036	\$552,253	\$0	0.0%
<b>CUSTOMER SERVICE &amp; OVERHEAD</b>							
SALARIES & FRINGE BENEFITS	\$601,832	\$601,832	\$0	\$151,186	\$601,832	\$0	0.0%
OPERATING	(65,804)	(65,750)	54	(27,035)	(65,750)	0	0.0%
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%
SUBTOTAL	\$536,028	\$536,082	\$54	\$124,151	\$536,082	\$0	0.0%

CITY OF ADRIAN  
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<u>FUND/DEPARTMENT</u>	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
DEPRECIATION EXPENSE	\$780,879	\$780,879	\$0	\$158,835	\$780,879	\$0	0.0%	
BOND INTEREST EXPENSE	246,988	246,988	0	0	246,988	0	0.0%	
CONTRIBUTION - CAPITAL PROJECTS	190,000	190,000	0	199	190,000	0	0.0%	
CONTINGENCY	156,390	156,390	0	0	156,390	0		
<b>TOTAL WATER FUND EXPENSES (591)</b>	<b>\$3,748,000</b>	<b>\$3,753,532</b>	<b>\$5,532</b>	<b>\$751,645</b>	<b>\$3,753,532</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$202,701</b>	<b>\$0</b>	<b>\$0</b>		

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
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FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE		
						FORECAST AMOUNT	FORECAST TO BUDGET PERCENT	EXPLANATION
<b>STORM WATER UTILITY FUND REV (598):</b>								
522.000 ILLICIT CONNECTION GRANT	\$100	\$100	\$0	\$0	\$100	\$0	0.0%	
545.000 URBAN TREE CANOPY GRANT	0	11,200	11,200	0	11,200	0	0.0%	
648.000 STORM SEWER CHARGES	260,000	260,000	0	255,993	260,000	0	0.0%	
664.000 INVESTMENT EARNINGS	100	100	0	106	100	0	0.0%	
676.205 CONTRIB-FEE ESTATE	0	6,000	6,000	6,000	6,000	0	0.0%	
697.000 PRIOR YEARS' REVENUE	0	5,200	5,200	0	5,200	0	0.0%	
<b>TOTAL STORM WATER UTILITY FUND REV.</b>	<b>\$260,200</b>	<b>\$282,600</b>	<b>\$22,400</b>	<b>\$262,099</b>	<b>\$282,600</b>	<b>\$0</b>	<b>0.0%</b>	
<b>STORM WATER UTILITY FUND EXP. (598):</b>								
<b>DRAINS - PUBLIC BENEFIT</b>								
SALARIES & FRINGE BENEFITS	\$53,900	\$53,900	\$0	\$3,611	\$53,900	\$0	0.0%	
OPERATING	185,700	185,700	0	9,060	185,700	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
SUBTOTAL	\$239,600	\$239,600	\$0	\$12,671	\$239,600	\$0	0.0%	
<b>ENGINEERING</b>								
SALARIES & FRINGE BENEFITS	\$4,000	\$4,000	\$0	\$2,725	\$4,000	\$0	0.0%	
OPERATING	600	600	0	3,345	600	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
SUBTOTAL	\$4,600	\$4,600	\$0	\$6,070	\$4,600	\$0	0.0%	
<b>CONTINGENCY</b>								
URBAN TREE CANOPY GRANT	0	22,400	22,400	10,200	22,400	0	0.0%	#DIV/0!
ADMIN. & RECORD KEEPING	16,000	16,000	0	1,204	16,000	0	0.0%	
<b>TOTAL STORM WATER UTILITY FUND EXP</b>	<b>\$260,200</b>	<b>\$282,600</b>	<b>\$22,400</b>	<b>\$30,145</b>	<b>\$282,600</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$231,954</b>	<b>\$0</b>	<b>\$0</b>		

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
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FUND/DEPARTMENT	FY2010-11		AMENDED over/(under)	YEAR-TO-DATE	VARIANCE			
	ADOPTED BUDGET	AMENDED BUDGET			ACTUAL	FORECAST	AMOUNT	PERCENT
<b>CAPITAL PROJECTS REVOLVING FUND REVENUE (599)</b>								
408.203 SPECIAL ASSESSMENTS	\$130,000	\$130,000	\$0	\$0	\$130,000	\$0	0.0%	
664.000 INVESTMENT EARNINGS	30,000	30,000	0	11,511	30,000	0	0.0%	
<b>TOTAL REVENUE</b>	<b>\$160,000</b>	<b>\$160,000</b>	<b>\$0</b>	<b>\$11,511</b>	<b>\$160,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>CAPITAL PROJECTS REVOLVING FUND EXPENDITURES (599)</b>								
<b>TRANSFERS OUT</b>								
CONTRIB - MAJOR STREET	\$30,000	\$30,000	\$0	\$0	\$30,000	\$0	0.0%	
CONTRIB - LOCAL STREET	100,000	100,000	0	0	100,000	0	0.0%	
<b>SUBTOTAL</b>	<b>\$130,000</b>	<b>\$130,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$130,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>NON-DEPARTMENTAL</b>								
CONTINGENCY	\$30,000	\$30,000	\$0	\$0	\$30,000	\$0	0.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$160,000</b>	<b>\$160,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$160,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,511</b>	<b>\$0</b>	<b>\$0</b>		

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11 ADOPTED BUDGET	FY2010-11 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
<b>INFORMATION TECHNOLOGY FUND REVENUE (661)</b>								
636.000 INFO TECH SERVICES	\$119,075	\$119,075	\$0	\$31,306	\$119,075	\$0	0.0%	
637.000 GIS/CAD SERVICES	25,767	25,767	0	5,922	25,767	0	0.0%	
695.000 OTHER	0	0	0	20	100	100		
697.000 PRIOR YEARS' REVENUE	241,944	312,332	70,388	0	312,332	0	0.0%	Planned Use of Fund
<b>TOTAL REVENUE</b>	<b>\$386,786</b>	<b>\$457,174</b>	<b>\$70,388</b>	<b>\$37,248</b>	<b>\$457,274</b>	<b>\$100</b>	<b>0.0%</b>	<b>Balance</b>
<b>INFORMATION TECHNOLOGY FUND EXPENDITURES (661)</b>								
<b>GIS SERVICES</b>								
SALARIES & FRINGE BENEFITS	\$22,545	\$22,545	\$0	\$4,522	\$22,545	\$0	0.0%	
OPERATING	44,300	49,300	5,000	106	49,300	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>SUBTOTAL</b>	<b>\$66,845</b>	<b>\$71,845</b>	<b>\$5,000</b>	<b>\$4,628</b>	<b>\$71,845</b>	<b>\$0</b>	<b>0.0%</b>	
<b>TELECOMMUNICATIONS</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	14,000	14,203	203	4,920	14,203	0	0.0%	
CAPITAL OUTLAY	0	595	595	595	595	0	0.0%	
<b>SUBTOTAL</b>	<b>\$14,000</b>	<b>\$14,798</b>	<b>\$798</b>	<b>\$5,515</b>	<b>\$14,798</b>	<b>\$0</b>	<b>0.0%</b>	
<b>ADMINISTRATION</b>								
SALARIES & FRINGE BENEFITS	\$70,502	\$70,502	\$0	\$15,463	\$70,502	\$0	0.0%	
OPERATING	175,439	239,315	63,876	33,727	239,315	0	0.0%	
CAPITAL OUTLAY	60,000	60,714	714	6,079	60,714	0	0.0%	
<b>SUBTOTAL</b>	<b>\$305,941</b>	<b>\$370,531</b>	<b>\$64,590</b>	<b>\$55,269</b>	<b>\$370,531</b>	<b>\$0</b>	<b>0.0%</b>	
<b>TOTAL EXPENDITURES</b>	<b>\$386,786</b>	<b>\$457,174</b>	<b>\$69,590</b>	<b>\$65,412</b>	<b>\$457,174</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$28,164)</b>	<b>\$100</b>	<b>\$100</b>		

**CITY OF ADRIAN**  
**FY2010-11 FIRST QUARTER FINANCIAL FORECAST**  
 September 30, 2010

FUND/DEPARTMENT	FY2010-11	FY2010-11	AMENDED	YEAR-TO-DATE	VARIANCE	
	ADOPTED BUDGET	AMENDED BUDGET	over/(under) ADOPTED	ACTUAL	FORECAST AMOUNT	FORECAST PERCENT
<b>MOTOR VEHICLE POOL FUND REVENUE (662)</b>						
635.000 VEHICLE RENT	\$649,561	\$649,561	\$0	\$151,907	\$649,561	0.0%
638.000 EQUIPMENT RENT	4,690	4,690	0	0	4,690	0.0%
675.101 CONTRIBUTION - GENERAL FUND	12,300	12,300	0	0	12,300	0.0%
676.001 CONTRIBUTION - ADRIAN SCHOOLS	84,000	84,000	0	3,432	84,000	0.0%
676.002 CONTRIBUTION - LISD	4,000	4,000	0	361	4,000	0.0%
676.003 CONTRIBUTION - LENAWEE TRANSPORTATION	60,000	60,000	0	9,647	60,000	0.0%
676.202 CONTRIBUTION - MAJOR STREET FUND	132,600	132,600	0	13,460	132,600	0.0%
676.203 CONTRIBUTION - LOCAL STREET FUND	153,100	153,100	0	9,282	153,100	0.0%
676.205 CONTRIBUTION - FEE ESTATE	0	0	0	4,133	16,000	0.0%
676.267 CONTRIBUTION - OMNI	300	300	0	0	300	0.0%
676.585 CONTRIBUTION - AUTO PARKING	6,000	6,000	0	0	6,000	0.0%
676.588 CONTRIBUTION - TRANSPORTATION FUND	41,000	41,000	0	0	41,000	0.0%
676.590 CONTRIBUTION - WASTEWATER FUND	22,000	22,000	0	0	22,000	0.0%
676.591 CONTRIBUTION - WATER FUND	23,500	23,500	0	0	23,500	0.0%
676.598 CONTRIBUTION - STORM WATER UTILITY	0	0	0	1,957	7,000	0.0%
685.000 SALE OF EQUIPMENT	0	0	0	4,110	4,100	0.0%
<b>TOTAL FIRE DEPARTMENT - MOTOR POOL FUND REV</b>	<b>\$1,193,051</b>	<b>\$1,193,051</b>	<b>\$0</b>	<b>\$198,289</b>	<b>\$1,220,151</b>	<b>2.3%</b>
						Planned Use of Fund Balance
<b>FIRE DEPARTMENT - MOTOR POOL FUND EXPENSES (662)</b>						
<b>ADMINISTRATION</b>						
SALARIES & FRINGE BENEFITS	\$114,345	\$114,345	\$0	\$20,887	\$114,345	0.0%
OPERATING	64,603	64,603	0	13,031	64,603	0.0%
CAPITAL OUTLAY	5,000	5,000	0	0	5,000	0.0%
<b>SUB-TOTAL</b>	<b>\$183,948</b>	<b>\$183,948</b>	<b>\$0</b>	<b>\$33,918</b>	<b>\$183,948</b>	<b>0.0%</b>
CEMETERY VEHICLES	16,318	16,318	0	2,382	16,318	0.0%
POLICE DEPT VEHICLES	142,859	142,859	0	21,604	142,859	0.0%
FIRE DEPT VEHICLES	101,593	101,593	0	8,454	101,593	0.0%
INSPECTION DEPT VEHICLES	12,723	12,723	0	477	12,723	0.0%
DPW VEHICLES	170,123	170,123	0	21,717	170,123	0.0%
ENGINEERING DEPT VEHICLES	12,109	12,109	0	648	12,109	0.0%
RECREATION DEPT VEHICLES	5,687	5,687	0	1,602	5,687	0.0%
PARKS & FORESTRY DIV VEHICLES	60,624	60,624	0	5,839	60,624	0.0%
HERITAGE PARK VEHICLES	6,325	6,325	0	952	6,325	0.0%
FEE ESTATE VEHICLES	42,690	42,690	0	4,789	42,690	0.0%
CONTRIBUTION - GENERAL FUND	438,052	438,052	0	0	438,052	0.0%
<b>TOTAL EXPENDITURES</b>	<b>\$1,193,051</b>	<b>\$1,193,051</b>	<b>\$0</b>	<b>\$102,382</b>	<b>\$1,193,051</b>	<b>0.0%</b>
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$95,907</b>	<b>\$27,100</b>	<b>\$27,100</b>

**CITY OF ADRIAN  
FY2010-11 FIRST QUARTER FINANCIAL FORECAST  
September 30, 2010**

FUND/DEPARTMENT	FY2010-11		AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE		
	ADOPTED BUDGET	AMENDED BUDGET				FORECAST TO BUDGET AMOUNT	PERCENT	EXPLANATION
<b>PERPETUAL CARE FUND REVENUE (711)</b>								
664,000 INVESTMENT EARNINGS	\$40,000	\$40,000	\$0	\$18,531	\$40,000	\$0	0.0%	
<b>TOTAL REVENUE</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$18,531</b>	<b>\$40,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>PERPETUAL CARE FUND EXPENDITURES (711)</b>								
CONTRIBUTION - GENERAL FUND	\$40,000	\$40,000	\$0	\$0	\$40,000	\$0	0.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$40,000</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$40,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,531</b>	<b>\$0</b>	<b>\$0</b>		
<b>TOTAL REVENUES - ALL FUNDS</b>	<b>\$29,639,392</b>	<b>\$32,095,553</b>	<b>\$2,451,161</b>	<b>\$11,508,620</b>	<b>\$29,319,753</b>	<b>(\$2,775,800)</b>	<b>-8.6%</b>	
<b>TOTAL EXPENDITURES - ALL FUNDS</b>	<b>29,639,392</b>	<b>32,095,553</b>	<b>2,455,363</b>	<b>5,619,995</b>	<b>29,490,553</b>	<b>2,765,000</b>	<b>8.6%</b>	
<b>NET OF REVENUE AND EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>5,888,625</b>	<b>(170,800)</b>	<b>(10,800)</b>		

C-2



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**MEMO**

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Date: October 19, 2010

To: Christopher Atkin, Director  
Christopher Miller, Coordinator  
Downtown Development Authority

Mayor Gary McDowell  
City Commission  
Dane C. Nelson, City Administrator

From: Jeffrey C. Pardee, Finance Director

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

Re: **Downtown Development Authority - FY 2010-11 First Quarter Financial Reports**

Please find attached the FY2010-11 First Quarter Financial Reports, i.e., Comparative Balance Sheets and Comparative Statements of Revenues, Expenditures and Changes in Fund Balance, for the following funds:

- DDA Two-Mill Fund (Fund No. 280)
- DDA Tax Increment Finance Authority (Fund No. 281)
- DDA Debt Service Fund (Fund No. 394)

Financial highlights of the reporting period, for each fund, are provided as follows:

DDA Two-Mill Fund (Fund No. 280)

Revenues exceeded Expenditures by \$24,340, resulting in a net increase in Fund Balance from \$112,243 to \$136,583. The favorability is primarily attributable to the fact that Property Taxes are collected at the beginning of the Fiscal Period and expenditures are incurred throughout the balance of the year.

Major expenditures included \$2,500 for Contract Services - Art-A-Licious, and a \$2,853 for advertising, such as: WepPhoto, LLC for services rendered in May and Wright Sigs for street banners. Because of adoption of the new Downtown Parking Financial Plan, the \$5,000 budgeted for transfer to the Auto Parking Fund for operations and maintenance will not be necessary.

DDA Tax Increment Finance Authority (Fund No. 281)

Revenues exceeded Expenditures by \$119,595, resulting in a net increase in Fund Balance from \$258,910 to \$378,505. The favorability is primarily attributable to the fact

that Property Taxes are collected at the beginning of the Fiscal Period, whereas expenditures and other commitments are incurred throughout the balance of the year. Although the Transfer to DDA Debt Service Fund (\$90,565) has been made to ensure payment on 1992 DDA Bonds (\$1,025,000), which will be retired in 2012, a remaining commitment is the estimated \$155,032 Transfer to Schools for taxes captured in excess of debt requirements. Other significant expenses incurred include \$9,752 for Contract Services - Allied Waste Services for refuse collection.

DDA Debt Service Fund (Fund No. 394)

Actual Debt Service is recorded in this Fund, which reflects anticipated principal payment of \$80,000 and interest and fees of \$10,465. This obligation is on track with sums included in the FY2010-11 Budget.

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

CITY OF ADRIAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
Two-Mill Fund  
(FUND #280)

COMPARATIVE BALANCE SHEETS  
As of September 30, 2010

	<u>June 30</u> <u>2007</u>	<u>June 30</u> <u>2008</u>	<u>June 30</u> <u>2009</u>	<u>June 30</u> <u>2010</u>	<u>Sept. 30</u> <u>2010</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$116,849	\$108,637	\$97,340	\$115,752	\$135,090
Investments	15,053	15,820	16,027	16,065	16,072
Taxes Receivable	0	0	0	0	6,695
Loans Receivable	0	2,268	2,267	2,267	2,267
Accounts Receivable	4,683	1,125	1,125	1,525	1,025
Due from the Primary Government	0	50	0	0	0
<b>Total assets</b>	<b><u>\$136,585</u></b>	<b><u>\$127,900</u></b>	<b><u>\$116,759</u></b>	<b><u>\$135,609</u></b>	<b><u>\$161,149</u></b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Vouchers Payable	\$1,298	\$1,511	\$38	\$646	\$2,266
Due to Primary Government	5,020	0	10,000	20,000	20,000
Accrued Sick & Vacation	0	0	325	0	0
Accrued Payroll	406	194	458	420	0
Total Liabilities	\$6,724	\$1,705	\$10,821	\$21,066	\$22,266
Fund Balance:					
Reserved for:					
Downtown Development Projects					
Encumbrances	<u>2,292</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,300</u>
Subtotal Reserved Fund Balance	\$2,292	\$0	\$0	\$0	\$2,300
Net of Revenue vs Expenditures	\$779	(\$3,666)	(\$20,257)	\$8,605	\$24,340
Unreserved/Undesignated Fund Balance	<u>126,790</u>	<u>129,861</u>	<u>126,195</u>	<u>105,938</u>	<u>112,243</u>
Total Fund Balance	\$129,861	\$126,195	\$105,938	\$114,543	\$136,583
<b>Total Liabilities and Fund Balance</b>	<b><u>\$136,585</u></b>	<b><u>\$127,900</u></b>	<b><u>\$116,759</u></b>	<b><u>\$135,609</u></b>	<b><u>\$161,149</u></b>

**CITY OF ADRIAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
Two-Mill Fund  
(FUND #280)**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
As of September 30, 2010**

	June 30 <u>2007</u>	June 30 <u>2008</u>	June 30 <u>2009</u>	June 30 <u>2010</u>	FY2009-10		
					Amended <u>Budget</u>	Actual thru <u>Sept. 30</u>	Remaining <u>Budget</u>
<b>REVENUES:</b>							
Property taxes	\$32,212	\$33,720	\$35,420	\$32,473	\$31,589	\$31,564	(\$25)
Investment Earnings	616	767	207	38	300	7	(293)
Rents	1,900	0	0	0	0	0	0
Other	6,482	4,288	6	80	100	0	(100)
Other - Art's Festival	0	3,505	9,201	0	0	0	0
Winter Fest	0	0	0	725	0	0	0
Summer Intern Funding	0	0	0	8,000	0	0	0
Prior Year's Revenue	0	0	0	0	5,711	0	(5,711)
Transfer-In - DDA-TIF	<u>0</u>	<u>6,600</u>	<u>2,000</u>	<u>6,000</u>	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
<b>Total Revenues</b>	<b>\$41,210</b>	<b>\$48,880</b>	<b>\$46,834</b>	<b>\$47,316</b>	<b>\$39,700</b>	<b>\$31,571</b>	<b>(\$8,129)</b>
<b>EXPENDITURES:</b>							
<u>Administration</u>							
Wages	\$0	\$0	\$0	\$6,049	\$0	\$987	(\$987)
Social Security	0	0	0	431	0	108	(108)
Unemployment Comp	0	0	0	223	0	0	0
Office Supplies	2,203	1,463	46	457	500	8	492
Printing & Binding	14	123	0	130	0	0	0
Postage	1,101	525	0	0	500	0	500
Shipping Charges	0	0	83	0	0	13	(13)
Contract Services	9,492	5,120	5,498	1,445	0	0	0
Audit Fees	0	0	400	400	400	0	400
Memberships & Dues	239	239	450	0	500	0	500
Medical Services	0	0	90	0	0	0	0
Telephone	721	668	535	569	700	91	609
Transportation	365	1,401	90	54	500	90	410
Advertising	4,943	5,245	4,960	6,033	5,000	2,187	2,813
Liability Insurance	87	94	94	107	100	100	0
Building Rental	1,000	1,000	1,000	1,000	1,000	250	750
Admin. & Accounting	500	500	500	500	500	125	375
Refunds & Rebates	108	29	82	29	100	30	70
Contributions	75	5,686	0	0	0	0	0
Fascade Grant Program	<u>8,463</u>	<u>5,935</u>	<u>13,625</u>	<u>2,687</u>	<u>7,300</u>	<u>0</u>	<u>7,300</u>
<b>Total Administration</b>	<b>\$29,311</b>	<b>\$28,028</b>	<b>\$27,453</b>	<b>\$20,114</b>	<b>\$17,100</b>	<b>\$3,989</b>	<b>\$13,111</b>

CITY OF ADRIAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
Two-Mill Fund  
(FUND #280)

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
As of September 30, 2010

	June 30 2007	June 30 2008	June 30 2009	June 30 2010	FY2009-10		
					Amended Budget	Actual thru Sept. 30	Remaining Budget
<b>Other Projects</b>							
Wages	\$5,080	\$5,241	\$6,287	\$1,880	\$5,000	\$0	\$5,000
Fringe Benefits	1,899	3,228	3,021	1,523	2,600	56	2,544
Operating Supplies	1,559	297	445	0	500	0	500
Supplies-Maple City Fest	95	98	182	232	0	20	(20)
Supplies-Art-a-licious Fest	0	6,469	19,116	0	6,000	0	6,000
Contract Services-Winterfest	1,830	606	482	1,962	0	0	0
Contract Services - Art-A-Licious	0	0	0	3,000	0	2,500	(2,500)
Advertising	0	129	0	0	0	666	(666)
Vehicle Rental	42	1,198	0	0	1,000	0	1,000
Wages-Solid Waste	584	0	48	0	1,000	0	1,000
Overhead-Solid Waste	280	0	23	0	500	0	500
Operating Supplies-Solid Waste	0	0	0	0	500	0	500
Vehicle Rental-Solid Waste	223	0	34	0	500	0	500
<b>Total Other Projects</b>	<b>\$11,592</b>	<b>\$17,266</b>	<b>\$29,638</b>	<b>\$8,597</b>	<b>\$17,600</b>	<b>\$3,242</b>	<b>\$14,358</b>
<b>Total Operating Expenses</b>	<b>\$40,903</b>	<b>\$45,294</b>	<b>\$57,091</b>	<b>\$28,711</b>	<b>\$34,700</b>	<b>\$7,231</b>	<b>\$27,469</b>
<b>Excess of Revenue over Expenditures</b>	<b>\$307</b>	<b>\$3,586</b>	<b>(\$10,257)</b>	<b>\$18,605</b>	<b>\$5,000</b>	<b>\$24,340</b>	<b>\$19,340</b>
<b>Other Financing Sources/(Uses):</b>							
Transfer from TIF Fund	\$5,472	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Major Street Fund	0	0	0	0	0	0	0
Transfer from General Fund	0	2,748	0	0	0	0	0
Transfer to Auto Parking Fund	(5,000)	(10,000)	10,000	10,000	5,000	0	5,000
<b>Total Transfers</b>	<b>\$472</b>	<b>(\$7,252)</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$5,000</b>	<b>\$0</b>	<b>\$5,000</b>
<b>Net Change in Fund Balance</b>	<b>\$779</b>	<b>(\$3,666)</b>	<b>(\$20,257)</b>	<b>\$8,605</b>	<b>\$0</b>	<b>\$24,340</b>	<b>\$24,340</b>
<b>Fund Balance - Beginning of Period</b>	<b>126,782</b>	<b>127,561</b>	<b>123,895</b>	<b>103,638</b>	<b>112,243</b>	<b>112,243</b>	
<b>Fund Balance - End of Period</b>	<b>\$127,561</b>	<b>\$123,895</b>	<b>\$103,638</b>	<b>\$112,243</b>	<b>\$112,243</b>	<b>\$136,583</b>	

**CITY OF ADRIAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
TAX INCREMENT FINANCING FUND  
(FUND #281)**

**COMPARATIVE BALANCE SHEETS  
As of September 30, 2010**

	<u>June 30</u> <u>2007</u>	<u>June 30</u> <u>2008</u>	<u>June 30</u> <u>2009</u>	<u>June 30</u> <u>2010</u>	<u>Sept. 30</u> <u>2010</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$90,832	\$126,085	\$377,575	\$276,307	\$372,577
Investments	261,520	146,969	148,892	149,243	149,308
Taxes Receivable	0	0	0	0	22,171
Taxes Receivable-DDA Trash	0	0	0	0	1,975
Accounts Receivable	0	870	1,200	1,275	0
Loan Receivable - Barley House	0	0	0	6,710	6,710
Due from Brownfield Fund	7,800	0	0	10,781	0
<b>Total assets</b>	<b><u>\$360,152</u></b>	<b><u>\$273,924</u></b>	<b><u>\$527,667</u></b>	<b><u>\$444,316</u></b>	<b><u>\$552,741</u></b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Vouchers Payable	\$108,476	\$94,900	\$6,041	\$0	\$2,612
TIF Payable	0	0	309,893	153,511	153,512
Due to Primary Government	2,000	1,853	1,391	283	134
Due to Vibrant Small Cities Fund	0	0	0	12,695	0
Due to DDA Debt Fund	0	14,385	14,385	14,385	14,385
Due to IT Fund	0	0	0	853	193
Accrued Payroll	<u>0</u>	<u>0</u>	<u>203</u>	<u>278</u>	<u>0</u>
Total Liabilities	\$110,476	\$111,138	\$331,913	\$182,005	\$170,836
FUND BALANCE:					
Reserved for:					
Encumbrances	<u>\$45,692</u>	<u>\$0</u>	<u>\$0</u>	<u>\$3,401</u>	<u>\$3,400</u>
Subtotal Reserved Fund Balance	\$45,692	\$0	\$0	\$3,401	\$3,400
Net of Revenue vs Expenditures	\$3,974	(\$86,890)	\$32,968	\$66,557	\$119,595
Unreserved/Undesignated Fund Balance	<u>200,010</u>	<u>249,676</u>	<u>162,786</u>	<u>192,353</u>	<u>258,910</u>
Total Fund Balance	\$249,676	\$162,786	\$195,754	\$258,910	\$378,505
<b>Total Liabilities and Fund Balance</b>	<b><u>\$360,152</u></b>	<b><u>\$273,924</u></b>	<b><u>\$527,667</u></b>	<b><u>\$444,316</u></b>	<b><u>\$552,741</u></b>

**CITY OF ADRIAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
TAX INCREMENT FINANCING FUND  
(FUND #281)**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
As of September 30, 2010**

	June 30 <u>2007</u>	June 30 <u>2008</u>	June 30 <u>2009</u>	June 30 <u>2010</u>	FY2009-10		
					Amended Budget	Actual thru Sept. 30	Remaining Budget
<b>REVENUES:</b>							
Property taxes	\$367,893	\$406,748	\$229,274	\$252,589	\$391,942	\$235,750	(\$156,192)
Contract Services (Refuse Collection)	0	14,842	19,381	16,350	15,000	4,350	(10,650)
Investment Earnings	14,416	12,776	7,126	2,874	5,000	550	(4,450)
Contribution - General Fund	7,800	0	0	0	0	0	0
Prior Year's Revenue	0	0	0	0	3,400	0	(3,400)
Sale of Bonds/Notes	0	0	0	0	0	0	0
Contrib.-Brownfield Redev. Fund	0	0	0	10,781	4,245	0	(4,245)
<b>Total Revenues</b>	<b>\$390,109</b>	<b>\$434,366</b>	<b>\$255,781</b>	<b>\$282,594</b>	<b>\$419,587</b>	<b>\$240,650</b>	<b>(\$178,937)</b>
<b>EXPENDITURES:</b>							
Wages	\$46,859	\$43,366	\$25,815	\$17,788	\$24,985	\$5,089	\$19,896
Fringe Benefits	13,163	11,048	7,750	4,113	6,430	1,124	5,306
Office Supplies	0	0	0	0	1,500	0	1,500
Operating Supplies	4,007	4,458	3,625	1,100	5,000	0	5,000
Contract Services	4,550	26,916	31,333	39,224	35,178	9,752	25,426
Consultant Fees	19,667	3,425	11,030	3,445	5,000	0	5,000
Transportation	25	161	0	0	200	0	200
Advertising	4,926	4,308	5,551	16,514	15,000	0	15,000
Liability Insurance	586	818	895	352	1,000	328	672
Info-Tech Services	13,339	10,997	10,237	10,237	2,314	578	1,736
Property Acquisition	0	0	0	0	0	0	0
Capital Improvements	0	0	0	0	0	0	0
Capital Equipment	0	574	0	0	0	0	0
Façade Program	37,264	24,340	22,097	19,479	43,400	13,619	29,781
<b>Operating Expenses</b>	<b>\$144,386</b>	<b>\$130,411</b>	<b>\$118,333</b>	<b>\$112,252</b>	<b>\$140,007</b>	<b>\$30,490</b>	<b>\$109,517</b>
<b>Excess of Revenue over Expenditures</b>	<b>\$245,723</b>	<b>\$303,955</b>	<b>\$137,448</b>	<b>\$170,342</b>	<b>\$279,580</b>	<b>\$210,160</b>	<b>(\$69,420)</b>

**CITY OF ADRIAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
TAX INCREMENT FINANCING FUND  
(FUND #281)**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
As of September 30, 2010**

	June 30 <u>2007</u>	June 30 <u>2008</u>	June 30 <u>2009</u>	June 30 <u>2010</u>	FY2009-10		
					Amended Budget	Actual thru Sept. 30	Remaining Budget
Other Financing Sources/(Uses):							
Transfer to Primary Government	(\$10,000)	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to Community Development	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	0	2,000
Transfer to Auto Parking Fund	0	(50,000)	0	0	0	0	0
Transfer to DDA	(5,472)	(6,600)	(2,000)	(6,000)	(6,000)	0	6,000
Transfer to Vibrant City Grant-Local Match	0	(125,000)	0	0	0	0	0
Transfer to Schools	(107,917)	(94,900)	0	0	(155,032)	0	155,032
Transfer to DDA Debt Service	(116,360)	(112,345)	(100,480)	(95,785)	(90,565)	(90,565)	0
Total Transfer-Out	(241,749)	(390,845)	(104,480)	(103,785)	(253,597)	(90,565)	\$163,032
Contingency					25,983	0	25,983
Net Change in Fund Balance	\$3,974	(\$86,890)	\$32,968	\$66,557	\$0	\$119,595	\$119,595
Fund Balance - Beginning of Period	<u>242,301</u>	<u>246,275</u>	<u>159,385</u>	<u>192,353</u>	<u>258,910</u>	<u>258,910</u>	
<b>Fund Balance - End of Period</b>	<b><u>\$246,275</u></b>	<b><u>\$159,385</u></b>	<b><u>\$192,353</u></b>	<b><u>\$258,910</u></b>	<b><u>\$258,910</u></b>	<b><u>\$378,505</u></b>	

**NOTES -**

- 1) Operating Expenses reflect shared Salaries and Fringe Benefits for Economic/Downtown Development Coordinator.  
(Effective 1/1/10, 50% DDA-TIF and 50% Economic Development Fund)
- 2) Transfer to Auto Parking Fund reflects contribution for infrastructure improvements.
- 3) Transfer to DDA and Community Development represent proportional share of clerical support.
- 4) Transfer to Schools reflects tax collections in excess of debt requirements.
- 5) Transfer to DDA Debt Service reflects payment against 1992 DDA Bonds (\$1,025,000; 6.4%) to be retired in 2012.
- 6) Transfer to Vibrant Cities Grant - Local Match - Resolution #R07-210 dated Dec. 3, 2007 to provide matching funds for Two-Way Street Project

CITY OF ADRIAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
DEBT SERVICE FUND  
(FUND #394)

COMPARATIVE BALANCE SHEETS  
As of September 30, 2010

	<u>June 30</u> <u>2007</u>	<u>June 30</u> <u>2008</u>	<u>June 30</u> <u>2009</u>	<u>June 30</u> <u>2010</u>	<u>Sept. 30</u> <u>2010</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$15,950	\$2,670	\$2,268	\$2,360	\$87,816
Due from DDA-TIF Fund	0	14,385	14,385	14,385	14,385
Amount for Debt Principal	<u>405,000</u>	<u>320,000</u>	<u>240,000</u>	<u>160,000</u>	<u>160,000</u>
<b>Total assets</b>	<b><u>\$420,950</u></b>	<b><u>\$337,055</u></b>	<b><u>\$256,653</u></b>	<b><u>\$176,745</u></b>	<b><u>\$262,201</u></b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accrued Interest Payable	\$15,855	\$16,762	\$7,120	\$7,973	\$2,853
Bonds Payable	<u>405,000</u>	<u>320,000</u>	<u>240,000</u>	<u>160,000</u>	<u>160,000</u>
Total Liabilities	\$420,855	\$336,762	\$247,120	\$167,973	\$162,853
FUND BALANCE:					
Net of Revenue vs Expenditures			\$89,239	\$79,239	\$90,576
Reserved For Debt Retirement	\$95	\$293	0	(80,000)	0
Unreserved/Undesignated Fund Balance	<u>0</u>	<u>0</u>	<u>(79,706)</u>	<u>9,533</u>	<u>8,772</u>
Total Fund Balance	\$95	\$293	\$9,533	\$8,772	\$99,348
<b>Total Liabilities and Fund Balance</b>	<b><u>\$420,950</u></b>	<b><u>\$337,055</u></b>	<b><u>\$256,653</u></b>	<b><u>\$176,745</u></b>	<b><u>\$262,201</u></b>

**DOWNTOWN DEVELOPMENT AUTHORITY  
DEBT SERVICE FUND  
(FUND #394)**

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
As of September 30, 2010**

	<u>June 30 2007</u>	<u>June 30 2008</u>	<u>June 30 2009</u>	<u>June 30 2010</u>	<u>FY2009-10</u>		
					<u>Amended Budget</u>	<u>Actual thru June 30</u>	<u>Remaining Budget</u>
<b>REVENUES:</b>							
Investment Earnings	\$151	\$105	\$23	\$92	\$100	\$11	(\$89)
<b>Total Revenues</b>	\$151	\$105	\$23	\$92	\$100	\$11	(\$89)
<b>EXPENDITURES:</b>							
Principal Retirement	\$85,000	\$85,000	\$80,000	\$80,000	\$80,000	\$0	\$80,000
Bond Interest Expense	33,000	26,827	10,838	16,213	10,240	0	10,240
Paying Agent Fees	425	425	425	425	425	0	425
<b>Total Expenditures</b>	\$118,425	\$112,252	\$91,263	\$96,638	\$90,665	\$0	\$90,665
Deficiency of Revenues (Under) Expenditures	(\$118,274)	(\$112,147)	(\$91,240)	(\$96,546)	(\$90,565)	\$11	\$90,576
Other Financing Uses:							
Transfer from DDA - Special Revenue	116,360	112,345	100,480	95,785	90,565	90,565	0
<b>Net Change in Fund Balance</b>	(\$1,914)	\$198	\$9,240	(\$761)	\$0	\$90,576	\$90,576
Fund Balance - Beginning of Period	2,009	95	293	9,533	8,772	8,772	
<b>Fund Balance - End of Period</b>	<b>\$95</b>	<b>\$293</b>	<b>\$9,533</b>	<b>\$8,772</b>	<b>\$8,772</b>	<b>\$99,348</b>	

C-3 **MULTI-YEAR CAPITAL IMPROVEMENT PROGRAM**

**CAPITAL BUDGET REQUESTS**

**DECEMBER 11/13, 2010**

**CITY COMMISSION CHAMBERS**

**(Participants: City Commission, Planning Commission, Downtown Development Authority, Brownfield Redevelopment Authority, Department Heads, and Employee Representatives)**

Saturday, December 11, 2009	8:00 a.m.	City Administrator/Finance Director
	8:45 a.m.	Parks & Recreation (Including: Cemetery, Parks & Forestry, and Fee Estate)
	9:30 a.m.	Department of Public Works (Including Engineering, Major Streets and Local Streets, Motor Vehicle Pool, Auto Parking and Storm Water Utility)
	10:30 a.m.	Community Development (Including DDA and BRA)
	11:15 a.m.	Utilities Department - Water Plant and Water Distribution System - Wastewater Plant and Wastewater Collection System
	12:00 p.m.	Police Department
Monday December 13, 2009	5:30 p.m.	Transportation (Dial-A-Ride System)
	6:00 p.m.	Adrian Public Library
	6:45 p.m.	Fire Department/Information Technology - Computer Systems - Geographic Information System



October 14, 2010

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 changes to the channel lineup effective December 14, 2010. Customers will be notified of these changes via bill message.

The Inspiration Network will be added to Basic channel 391 and will require a Comcast digital adapter, digital receiver or CableCard-equipped device to view.

The following international channels will be added to our premium services offerings: TV Asia (ch. 665), Zee TV (ch. 666), TV Japan (ch. 674), RAI (ch. 679) and ART (ch. 684).

Halogen on Digital Preferred channel 394 will no longer be available.

Additionally, due to changes in business costs, the following one-time charges will be adjusted effective January 1, 2011: Customer Service Call will increase from \$50.00 to \$60.00 & Other Install (no home visit required) will increase from \$2.99 to \$3.99.

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: City Comm.



# REGULAR AGENDA

0-1

ORDINANCE 10-009

AN ORDINANCE TO REPEAL SECTIONS 66-1, 66-2, 66-3, 66-4, 66-5, 66-41, 66-42, 66-43, 66-44 AND 66-45 OF CHAPTER 66 AND TO CREATE NEW/AMENDED SECTIONS 66-1 THROUGH 66-10 OF ARTICLE I (IN GENERAL); SECTIONS 66-11 THROUGH 66-20 OF ARTICLE II (COLLECTION & DISPOSAL) AND SECTIONS 66-21 THROUGH 66-26 OF ARTICLE III (RATES & CHARGES) OF CHAPTER 66 OF THE ADRIAN CITY CODE, WHICH SHALL READ AS FOLLOWS:

(Additions in bold italics)

ARTICLE I. IN GENERAL

*Sec. 66-1. Purpose and Intent*

- (a) *It is the intent of the City Commission that this chapter be liberally construed for the purpose of providing a sanitary and satisfactory method of preparation, collection and disposal of solid waste and recyclable materials, as well as the maintenance of public and private property in a clean, orderly and sanitary condition, for the health, safety and welfare of the community, and to provide for a reasonable system of user fees to defray the cost incurred by the city in collecting and administering waste removal and recycling programs.*
  
- (b) *The City Administrator is hereby authorized to make such rules and regulations as, from time to time, appear to be necessary to carry out this intent provided, however, that such rules are not in direct conflict with this Code or the laws of the state.*

**Sec. 66-2. Definitions.**

The following words, terms and phrases, when used in this chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

**Bag (refuse bag)** means a polyethylene or similar plastic bag of not less than two-mills thickness, designed to store refuse and secured in a manner to prevent spillage, leakage or other release of its contents by the use of wire, string or ties appropriate for this purpose. The total weight of a bag and its contents shall not exceed 50 pounds.

**Brush** means yard wastes such as shrub clippings, twigs, tree trimmings and branches. Such term shall not include tree stumps, Christmas trees or roots.

**Bulk items** shall include, but shall not be limited to, furniture, mattresses, box springs, storm doors, windows, metal furniture, toilets, bathtubs, sinks, carpets and pads, fencing, properly bundled building materials, stoves, washers, dryers, refrigerators (certified Freon-free), air conditioners (certified Freon-free), televisions, other similar household items and appliances, and other said items that weigh more than 50 pounds when placed in a plastic bag no larger than 3 feet in height and or width.

**City Contractor** shall mean a person or legal entity with whom the city has entered into a contract for the collection, transportation and disposal of refuse from residential premises within the city.

**Commercial-Industrial** means any use of a property, other than a residential use.

**Department** means the department of engineering of the city.

**Engineer** means the City Engineer.

**Garbage** means all waste animal, fish, fowl, fruit or vegetable matter incidental to the use, preparation and storage of food for human consumption. This term does not include food-processing wastes from canneries, slaughterhouses, packinghouses or similar industries, which shall be classified as industrial refuse or hazardous waste

**Hazardous Waste** means any material that has been identified by state or federal regulations to be unsuitable for disposal in a Type II sanitary landfill.

Owner means the person whose name is on file with the city assessor for taxation purposes.

Recyclable means items that have been identified by the City Engineer as material that can be accepted by local recycling programs, including, but not limited to, certain glass, aluminum, steel, certain varieties of paper and certain plastics.

Refuse means rubbish or garbage, or any combination thereof, as defined in this section.

Residential includes dwellings occupied by single-family units, duplexes, *condominiums*, apartments of four units or less and adult foster care homes, and shall not include motels, hotels, limited care facilities, *transitional homes*, hospitals, nursing homes, halfway houses, *licensed mobile or manufactured home parks*, *campgrounds* or any other property used for commercial purposes.

*Rubbish* means *miscellaneous waste material resulting from housekeeping, including items such as boxes, magazines, tin or aluminum cans, bottles, glassware, dishes, rags, paper discarded clothing and plastics. It shall not include hazardous waste, motor oil, pesticides, insecticides, tires, auto parts, yard clippings or liquids of any kind.*

Yard clippings means leaves, grass clippings, sticks and twigs less than one-fourth inch in diameter, and vegetable or other garden debris. Such term does not include stumps, agricultural waste, animal waste, roots, Christmas trees, sewage, sludge or garbage.

### **Sec. 66-3. Penalties.**

- (a) *General penalty. Whenever, in this chapter or in any rule, regulation or order promulgated or made under authority of any provision of this chapter, or under authority of state law, an act is prohibited, or whenever the doing of any act is required or the failure to do any act is declared to be unlawful, where no*

*specific penalty is otherwise provided, whoever violates or fails to comply with any such provision shall be responsible for a municipal civil infraction. A separate offense shall be deemed committed each day during or on which a violation or noncompliance occurs or continues.*

- (b) Expenses; equitable remedies. The imposition of any penalty provided for in this section shall be in addition to any expense levied for a violation of or noncompliance with a provision of this chapter, or a rule, regulation or order promulgated or made under authority of either, or of a state law, and shall be in addition to any equitable remedy provided by a provision of this chapter, or provided by state law, including the enforced removal of prohibited conditions.*

**Sec. 66.4. Responsibilities of owners.**

- (a) Every owner of any premises in the city is required to have refuse removed and disposed of in accordance with this chapter and in accordance with all rules and regulations promulgated under this chapter. The city shall provide for certain refuse removal services for residential premises and there shall be paid to the city charges specified by the City Commission for such services. Every owner of residential premises shall be responsible for the storage, collection and disposal of refuse on and from the premises, as authorized, required and as prohibited by this chapter, or federal, state or local laws, rules and regulations.*
- (b) It shall be the duty of every occupant of property and the owner of such property to, at all times, maintain the premises occupied or owned by such person in a clean and orderly condition, permitting no deposit or accumulation of garbage , rubbish or refuse upon such premises, unless stored or accumulated as permitted by this chapter.*
- (c) No owner, occupant, tenant or lessee of any building, structure, property or premises in the city shall store, collect, transport or dispose of any refuse,*

*garbage, rubbish or other rejected, unwanted or discharged waste materials, except in compliance with this chapter and applicable state, federal and local laws, rules and regulations.*

- (d) No person in charge of a residential dwelling unit, commercial establishment or industrial facility shall permit the accumulation of refuse, rubbish or garbage upon their premises for a period that would pose a health hazard, subject adjacent property occupants to an unreasonably offensive odor, or become a public nuisance. The accumulation of refuse, rubbish or garbage in excess of seven days shall be prima facie evidence of posing a health hazard and creating a public nuisance.*
- (e) Leaves, yard clippings and vegetable waste may be stored for composting purposes in a manner which will not harbor rodents, subject adjacent property owners to an unreasonably offensive odor, or become a public nuisance.*
- (f) It shall be unlawful for any person to burn refuse at any place in the city, whether owned or occupied by such person or not, or upon any alley, street or other public place within the city.*
- (g) In order to comply with the requirements of this chapter and the rules and regulations adopted under this chapter, no person shall use the services of a collector of residential refuse unless the collector has been approved by the city as its contractor for such services.*

*Sec. 66-5. Unauthorized dumping, littering.*

- (a) It shall be unlawful for any person, without the written consent of the city, to enter into the city for the purpose of disposing, depositing or leaving any refuse of any kind, unacceptable items, unacceptable bulk items, discarded bulk refuse of any kind, yard clippings or construction waste.*

- (b) *It shall be unlawful for any person to throw, deposit or leave, or cause or permit the throwing, depositing or leaving of refuse or yard clippings of any kind, directly or indirectly, on public or private property or waters, other than property lawfully designated and set aside for such purposes by a public authority having jurisdiction.*
- (c) No person shall deposit, place or throw any refuse or other waste material into the public right-of-way for collection when such waste material was not generated directly by the private premises immediately adjacent to such public right-of-way.
- (d) No person shall give permission for another individual to place *refuse or other* waste material in the public right-of-way for collection when such waste material was not generated by the private premises immediately adjacent to such private right-of-way.
- (e) *Materials placed on the public right-of-way or other private areas approved for collection of residential refuse are subject to being searched or analyzed by the city or the city contractor.*
- (f) *In any proceeding for violation of this chapter involving littering from a motor vehicle, proof that the particular motor vehicle described in the citation, complaint or warrant was used in the violation, or proof that the defendant named in the citation, complaint or warrant at the time of the violation, shall give rise to a presumption and the prima facie evidence that the registered owner or person in charge of the vehicle at the time of the violation was responsible therefor.*
- (g) *The owner or person in charge of a motor vehicle in which there are other occupants shall be presumed to be responsible for littering on public or private property or waters until the contrary is established by competent evidence.*

**Sec. 66-6. Nuisances.**

**(a) Removal or abatement.**

*Any unauthorized accumulated refuse, any scattered or uncontained refuse or any bag placed in front of a residence contrary to any collection procedure referred to in this chapter, any unacceptable items, or any unacceptable bulk item or appliance placed in front of a residence contrary to this chapter, is hereby declared to be a public nuisance and is subject to removal or abatement. The city or a city contractor may enter any premises for the purpose of removing or abating the nuisance.*

**(b) Expenses.**

**(1)** *Any expense, including the administration costs to the city, incurred in the removal or abatement of the nuisance, shall be the responsibility of the owner of the property on which or in front of which the condition existed and shall be paid by the owner in whose name the property appears on the city's real property tax assessment records.*

**(2)** *Any expense incurred shall be a lien against the real property and shall be reported to the City Finance Department, which shall assess the expense against the property on which or in front of which the nuisance was located.*

**(3)** *The owner or party in interest in whose name the property appears upon the last local tax assessment records shall be notified on the amount of such cost by first class mail at the address shown on the tax records. If the owner or party in interest fails to pay the amount within thirty (30) days after mailing of a notice of the amount thereof, the amount due shall be collected as a single lot special assessment under Section 70-12 of this Code. Late charges in the amount of ten (10%) percent shall be assessed on all payments received after the due date.*

***Sections 66-7 – 66-10***

***RESERVED***

## ARTICLE II. COLLECTION AND DISPOSAL\*

### Sec. 66-11. Refuse collection service.

The refuse collection service of the city shall be under the supervision and direction of the City Engineer who, along with the City Administrator, shall be responsible for enforcement of all ordinances pertaining to the collection of all refuse in the city.

### Sec. 66.12. Residential collection.

- (a) The city will provide once a week curbside refuse collection to the *residential* property owners or occupants. The weekly schedule shall be determined by the city engineer. The regular pickup schedule shall be kept on file with the engineering department for review.
- (b)
  - (1) Refuse shall be set out for pickup on the city right-of-way on city streets only. No refuse shall be set out for pickup prior to 6:00 p.m. the evening before the scheduled day of pickup.
  - (2) In the event the residential property does not abut or is not on a city right-of-way or a city street, refuse collection may be provided by the city, subject to the following conditions:
    - (a) The use of the property must meet the definition of “residential” as set forth in this chapter.
    - (b) The city engineer must determine, at the sole discretion of the engineer, that there is suitable and safe access to the property for vehicles being utilized for the collection by the city provider.

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\*State law reference – Authority to provide garbage disposal system, MCL 123.362

- (c) The owner of any private street or drive which is approved for such pickup must execute a waiver and release of liability to the city and its contracted provider for collection services for any damage that may result to any such private street or drives caused by the vehicles utilized for collection.
- (d) If the city engineer determines that access is not suitable or safe, a suitable collection point on an adjacent city right-of-way may be considered for curbside collection, with such arrangement to be approved at the sole discretion of the city engineer.
- (c) ***While on private property, any refuse stored outside shall be placed in a container constructed of rodent-proof material. Any refuse stored in such containers shall be in an airtight container or bag that shall be tied.***
- (d) No refuse, baled papers or baled cardboard containers shall be placed on the sidewalk or street in a manner to congest either pedestrian or vehicular traffic.
- (e) ***All refuse shall be set out for collection in bags as defined in this article***
- (f) ***No single bag set out for collection shall weigh more than 50 pounds.***
- (g) There shall be no collection at any time by the city ***of hazardous waste ( as defined by the Natural Resources Act and Environmental Protection Act), industrial waste, liquids, tires, batteries, barrels, motor oil, pesticides, insecticides, auto parts, yard clippings*** or other items that are not accepted at the landfill or landfills used by the city ***or its contractor.***
- (h) The city shall not collect or pay for any pickup of refuse placed in dumpsters.. However, if a dumpster is used for collection by a private service, grease, garbage and other such types of material shall be placed in another airtight case, tied

plastic bag or carton before being placed in the dumpster. Dumpsters must be placed on private property or on a location approved by the engineer.

- (i) *Each year, the City Engineer shall designate two (2) dates for collection of Christmas trees from residential properties.*
- (j) *Companies providing services for commercial, industrial or other properties not receiving residential curbside collection of refuse shall follow all city regulations and shall not pick up or collect refuse of other solid waste before 7:00 a.m. or later than 7:00 p.m. Monday through Friday.*
- (k) *City contractors must report all weights and/or volumes of materials collected to the City Engineer on a yearly basis.*

**Sec. 66-13. Recycling.**

- (a) Recycling of materials commonly accepted and marketable is strongly encouraged. *Those eligible for residential refuse collection* may participate in recycling programs *offered by the city or by a city contractor. Companies providing services for commercial and industrial entities shall follow all city regulations and shall not pick up or collect such items before 7:00 a.m. or later than 7:00 p.m., and shall only be collected Monday through Friday.*
- (b) Collection of recyclables by persons other than contractors approved by the City Commission is prohibited (anti-scavenging).
- (c) Bins shall be placed at the curb for pickup no earlier than 6:00 p.m. of the day preceding service and shall be removed from the curb no later than 8:00 p.m. on the day of service.

- (d) Contractors collecting recyclables must report all weights and/or volumes of materials that have been recycled to the City Engineer on a yearly basis.

**66-14. Anti-Scavenging.**

*No person shall take, collect, scavenge, rifle or transport refuse or recyclable materials from any street right-of-way, alley, refuse or garbage dumpster or refuse bags without city authorization for such activity.*

**Sec. 66.15. Curbside Collection of Yard Clippings.**

- (a) *From the first Monday in April of each year through the last Friday of April, residents in areas approved for residential refuse collection may place yard clippings generated from their residence on their curb for collection. All yard clippings must be placed in clear or translucent plastic bags and not weight over fifty (50) pounds.*
- (b) *From the first Monday in October of each year through November 15, or as extended by the City Administrator, residents in areas approved for residential refuse collection may place yard clippings generated from their residence on their curb for collection. All yard clippings must be placed in clear or translucent plastic bags and must not weigh more than fifty (50) pounds.*
- c. *No resident may place yard clippings on the curb for collection in an unapproved container other than a clear or translucent plastic bag nor place them on a curb for collection on a date other than during the periods set forth above. Any such yard clippings may be picked up or collected by city personnel or by a city contractor and the owner will be charged for all labor, material, equipment and a reasonable administrative cost. If not paid, the charge shall constitute a lien against the property and may be collected as a single lot*

*assessment as set forth in Section 70-12 of this code. A late charge of ten (10%) percent of said bill shall be added to all bills not paid within 30 days.*

***Sec. 66-16. Compost Site Operation***

- (a) From the first Saturday in May of each year through November 15 of that year, or as extended by the City Administrator, the Adrian compost site, located on Oakwood Road, shall be open for use on Saturdays at times set by the City Administrator.*
- (b) Use of the compost site shall be limited to residents of the City of Adrian eligible for residential refuse collection.*
- (c) Eligible residents may deposit yard clippings and brush as defined in this Article at the compost site during scheduled times.*
- (d) All yard clippings and brush deposited at the compost site must be loose, with no bags or containers being deposited with the yard clippings or brush and shall be deposited where directed by city personnel.*
- (e) City employees shall have the right to verify the eligibility to use the compost site and shall have the authority to refuse access to the site if eligibility is not able to be confirmed.*
- (f) If, in the opinion of the City Engineer, there is excess compost, compost may be made available to residents eligible to use the compost site. Excess compost may also be sold under terms and conditions approved by the City Engineer, Finance Director and City Administrator.*

***Sec. 66-17. Bulk Items.***

- (a) Bulk items, as defined in this Article, shall not be placed on the curb for collection unless its collection has been scheduled and for which payment has been made in advance to the city contractor. Any appliances containing Freon shall not be placed for bulk collection unless the Freon has been removed by a certified Freon removal facility. Proof of Freon removal shall be affixed to the item by the removal facility.*

***(b) No person shall transport bulk items or household appliances to public property for the purpose of depositing the bulk items in trash receptacles or dumpsters located within public property.***

*Sections 66-18 – 66-20*

***RESERVED***

### **ARTICLE III. RATES AND CHARGES**

#### ***Sec. 66-21. Fees Established.***

*The City Commission shall establish, by resolution, all fees for residential refuse collection, curbside recycling collection, late charges, operation of the city compost site and administrative costs. Such fees shall be subject to revision by the City Commission, from time to time. Owners of each residential unit shall be charged and responsible for the payment of the applicable fees.*

#### ***Sec. 66-22. Manner of Billing.***

*In the case of residential premises containing more than one dwelling unit, fees will be charged for each dwelling unit in the premises. The owner of the property shall be responsible for payment of all dwelling units located in the residential premises.*

#### ***Sec. 66-23. Change of occupancy.***

*Collection of refuse and appropriate charges shall continue, regardless of the customer's payment of billings.*

#### ***Sec. 66-24. Waiver of Charges.***

*In the event that a residential unit becomes uninhabitable due to condemnation, fire damage, code violations or other similar reasons, the owner may request a waiver from payment of refuse charges. The owner shall submit documentation to the City Engineer, who may determine to waive said charges during the period of vacancy, commencing on the verification of the documentation provided by the owner.*

**Sec. 66-25. Billing procedures for residential refuse collection.**

*The following billing procedures shall be controlling as to city refuse collection service:*

- (a) Statements shall be rendered quarterly and in advance of service.*
- (b) The billing statement shall be payable on or before the due date shown on the statement. The payment date shall constitute the date upon which payment is received at the appropriate office. Late charges shall be assessed on all payments received after the due date in the amount of ten (10%) percent of the payment that is due.*

**Sec. 66-26. Lien for charges.**

- (a) Charges for city refuse collection shall constitute a lien on such premises.*
- (b) In addition to the methods for collecting fees imposed by or pursuant to this chapter, the Finance Department shall certify all unpaid charges for refuse collection services to any premises which have remained unpaid. Such unpaid charges shall be certified to the Finance Department and shall be collected as a single lot assessment under Section 70-12 of this Code.*

INTRODUCTION .....November 1, 2010  
SUMMARY PUBLISHED .....  
ADOPTION .....  
COMPLETE PUBLICATION .....  
EFFECTIVE DATE .....

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

02

# Memo

**To:** Jeff Pardee, Finance  
**From:** Glenn Preston, Code Enforcement Officer  
**CC:** Sarah Osburn, City Attorney  
**Date:** 10/12/2010  
**Re:** Weed mowing, snow removal & trash pickup fees

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## **Weed mowing, snow removal and trash pickup fees**

Jeff,

Our current billing procedures for private weed mowing, snow removal and enforcement boulevard trash pickup has no provisions for late payments. Once an invoice for payment is issued to the owner of a property where the violation was corrected by the city, there is no recourse to make the payment for services until special assessments are placed as a lien on the property.

For example, we can mow a private property in May of one year, bill the owner for the service, and if the owner fails to pay it, it will not be placed as a lien on the property until the following May.

The above services are not intended to generate funding for the city but are unfortunate necessities to keep our city looking clean and in the case of snow removal, our sidewalks safe. However, there are cost associated with each service that have to be paid for at the time of service. It is my opinion that the city should not have to cover those expenses for a lengthy time, as in my example above of one full year.

I am recommending that we implement late fees and or penalties for unpaid invoices involving these three enforcement services. To be consistent I am requesting that we add a onetime late fee of \$50 to all three enforcement categories if not paid within thirty (30) days.

Respectfully

Glenn Preston

Code Enforcement Officer

0-2

ORDINANCE 10-010

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF ADRIAN, SECTION 74-100, REMOVAL OF SNOW OR ICE.

Section 74-100, of the Adrian Code is hereby amended to read as follows:

Sec. 74-100. Removal of snow or ice.

- (a) The occupant of every lot or parcel of land adjoining any sidewalk or the owner of such lot or parcel of land, if not occupied, shall clear all ice and snow from sidewalks adjoining such lot or parcel of land within the time required in this subsection. When any snow shall fall or drift upon any sidewalk, the owner or occupant of the lot or parcel of land adjacent to such sidewalk shall remove such snow as shall have fallen or accumulated during the nighttime by 12:00 noon, and snow falling or drifting during the day shall be removed before 12:00 noon of the following day. When any ice shall form on any sidewalk, the owner or occupant of the lot or parcel of land adjoining such sidewalk shall, if practicable, immediately remove the ice, and when immediate removal is impracticable, the owner or occupant shall immediately cause sand or salt to be spread upon the ice in such a manner, and in such quantity, as to prevent the sidewalk from being slippery and dangerous to pedestrians, and shall thereafter remove the ice as soon as shall be practicable.
- (b) If any occupant or owner shall neglect or fail to clear ice or snow from the sidewalk adjoining his lot or parcel of land within the time limited in subsection (a) of this section, and allow such ice or snow to accumulate on such sidewalk, he shall be guilty of a violation of this Code and, in addition, the city engineer may cause such ice or snow to be cleared and the expense of removal **will be billed to the owner. If payment in full is not received within 30 days from the due date, a late fee in the amount of \$50.00 will be charged. If full payment is not received, the amount owed to the City shall be collected as a special assessment against the premises as provided in Section 70-12.** ~~shall become a debt to the city from the occupant or owner of such lot or parcel of land and may be collected as a single lot assessment under section 70-12 of this Code.~~

INTRODUCTION .....November 1, 2010

SUMMARY PUBLISHED .....

ADOPTION .....

COMPLETE PUBLICATION.....

EFFECTIVE DATE.....

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

0-3

ORDINANCE 10-011

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF ADRIAN, SECTION 98-72, WORK DONE BY CITY.

Section 98-72, of the Adrian Code is hereby amended to read as follows:

Sec. 98-72. Work done by city.

- (a) If the provisions of section 98-71 are not complied with, and if any weeds, grass or other vegetation described in section 98-71(a) are permitted to attain a height of eight inches on any property described in such subsection, the city administrator may cause such weeds, grass or other vegetation to be cut, removed or destroyed and a minimum cutting fee to cover the costs associated with enforcement of \$160.00 or the actual costs, whichever is greater shall be **billed to the owner of the property. If payment in full is not received within 30 days from the due date, a late fee in the amount of \$50.00 shall be charged. If full payment is not received, the amount owed to the City shall be collected as a special assessment against the premises as provided in section 70-12.** ~~collected as a special assessment against the premises as provided in section 70-12.~~
- (b) Notice of the provisions of this section shall be published in a newspaper circulating within the city once each month during the months of May--September of each year, which notice is deemed and declared to be adequate and sufficient notice to all persons affected hereby.

INTRODUCTION .....November 1, 2010

SUMMARY PUBLISHED.....

ADOPTION.....

COMPLETE PUBLICATION.....

EFFECTIVE DATE.....

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

D-4

ORDINANCE 10-012

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF ADRIAN, SECTION 10-33, FEE SCHEDULES.

Section 10-33, of the Adrian Code is hereby amended to read as follows:

**Sec. 10-33. Fee Schedules.**

~~The fees for appeals, permits, inspections and services under the building, electrical, mechanical and plumbing codes shall be as established by resolution.~~

**The City of Adrian shall follow the fee schedule set by the State of Michigan for all applications, permits, inspections, and plan examinations under the building, electrical, mechanical and plumbing codes. The fees for appeals and other services shall be established by resolution.**

INTRODUCTION .....November 1, 2010

SUMMARY PUBLISHED .....

ADOPTION .....

COMPLETE PUBLICATION .....

EFFECTIVE DATE .....

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

0-5  
**ORDINANCE 10-013**

**AN ORDINANCE TO AMEND THE CODE OF THE CITY OF ADRIAN, SECTION 10-96, CERTIFICATE OF COMPLIANCE.**

Section 10-96, of the Adrian Code is hereby amended to read as follows:

**Sec. 10-96. Certificate of compliance.**

- (a) No person shall lease or rent a rental dwelling unit unless there is a valid certificate of compliance issued by the housing inspector in the name of the owner for the specific rental dwelling unit. The certificate of compliance shall be issued after registration and inspection by the housing inspector to determine that each rental dwelling unit complies with the provisions of the codes and ordinances of the city. ~~The only exception to such requirement is during the first certification period during which all rental dwelling units will be inspected over a three year period.~~
- ~~(b) The housing inspector shall attempt to inspect the premises before the certificate of compliance is initially issued. Upon failure of the housing inspector to conduct an inspection prior to occupancy, the owner may rent the property until the housing inspector has conducted an inspection, and the owner will not be deemed in violation during such time. If, however, the housing inspector's failure to inspect the premises is due to the owner's or owner's representative's action, failure to act or refusal to permit an inspection after reasonable notice of the intent to inspect, the owner or owner's representative shall not rent the property without a current certificate of compliance as required in this section.~~
- (b) A certificate of compliance shall expire three years from the date of issuance, unless a longer term is approved by the housing inspector.**
- (c) The owner shall schedule an inspection before the current certification expires. The fee for the inspection shall be established from time to time by the resolution by the city commission. The failure to schedule an inspection before expiration of the current certification will result in a late fee to be set from time to time by resolution of the city commission.**
- ~~(c) A certificate of compliance shall expire three years from the date of issuance, unless a longer term is approved by the housing inspector.~~
- ~~(d) Between 30 and 60 days before the expiration date of the certificate of compliance, the city will notify the owner of the inspection date and time and the fee amount due. Notice shall be given by first class mail to the address as provided by the owner.~~
- ~~(e) The housing inspector shall attempt to inspect the premises before the certificate of compliance expires. Upon failure of the housing inspector to conduct an inspection prior to expiration of the certificate of compliance, the owner may rent the property until the housing inspector has conducted an inspection, and the owner will not be deemed in violation during such time. If, however, the housing inspector's failure to inspect is due to~~

~~the owner's or owner's representative's action, failure to act or refusal to permit an inspection after reasonable notice of the intent to inspect, the owner or owner's representative shall not rent the property without a current certificate of compliance as required by this section.~~

INTRODUCTION .....November 1, 2010

SUMMARY PUBLISHED.....

ADOPTION .....

COMPLETE PUBLICATION.....

EFFECTIVE DATE.....

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

0-6

**ORDINANCE 10-014**

**AN ORDINANCE TO AMEND THE CODE OF THE CITY OF ADRIAN, SECTION 10-98, FEES.**

Section 10-98, of the Adrian Code is hereby amended to read as follows:

**Sec. 10-98. Fees.**

Fees for registration of rental units, inspections, re-inspections, ~~and~~ certificates of compliance **and late fees** shall be as established from time to time by resolution of the city commission. The fee schedule shall be available to the public from the city clerk. Any unpaid inspection fees shall become a lien on the property and collected as provided by **Section 70-12.**

INTRODUCTION .....November 1, 2010

SUMMARY PUBLISHED .....

ADOPTION .....

COMPLETE PUBLICATION.....

EFFECTIVE DATE.....

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

R-1

# MEMO

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DATE: October 25, 2010  
TO: Honorable Mayor and City Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: Oil & Gas Lease

Several weeks ago, I was contacted by William Sperry, President of Savoy Energy, LP. Within the past several months, Savoy has discovered and produced oil in certain areas in Lenawee County and has entered into a number of leases with certain property owners and local government units.

Mr. Sperry and I have had several discussions regarding his desire to lease certain parcels of real estate from the city to explore for oil and gas. They have focused on three parcels, being the Witt Farm, Marvin Farm and Heritage Park properties. These three parcels involve approximately 684 acres.

The proposed lease includes a 3-year term, due to City Charter limitations, for the lease of city property. Savoy will pay \$150.00 per acre for the first term of three years. The lease includes the right of first refusal for an eighteen-month period after the expiration of the lease. If oil is indeed produced, the city would receive a one-sixth royalty.

The lease indicates that no well would be drilled nearer than 300 feet from a house, barn, ball diamond or recreational field, primarily due to my concern about a well location at Heritage Park.

While there is a concern about the lease of public lands in this fashion, the potential for immediate revenue plus long-term funds, if oil is indeed found, make it a legitimate policy issue for the Commission to consider. The proposed lease is attached for your consideration.

Respectfully submitted,

  
Dane C. Nelson  
City Administrator

DCN:bjw

**OIL AND GAS LEASE  
(PAID UP)**

THIS AGREEMENT is made as of the \_\_\_\_\_ day of \_\_\_\_\_ 2010, by  
CITY OF ADRIAN, a Michigan Municipal Corporation of  
135 E. MAUMEE ST., ADRIAN, MI 49221  
hereinafter called Lessor (whether one or more), and Savoy Energy, L.P., P.O. Box 1560, Traverse City, MI 49685-1560,  
hereinafter called Lessee.

1. Lessor, for and in consideration of \$10.00 and other valuable consideration, the receipt of which is hereby acknowledged, and the covenants and agreements of the Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land described below, including all interests therein Lessor may acquire by operation of law, reversion or otherwise, (herein called "said land"), exclusively for the purposes of exploring by geophysical and other methods, drilling, mining, operating for and producing oil and/or gas, together with all rights, privileges and easements useful or convenient in connection with the foregoing and in connection with treating, storing, caring for, transporting and removing oil and/or gas produced from said land or any other land adjacent thereto, including but not limited to rights to lay pipelines, build roads, drill, establish and utilize wells and facilities for disposition of water, brine or other fluids, and for enhanced production and recovery operations, and construct tanks, power and communication lines, pump and power stations, and other structures and facilities. Said Land is in the County of Lenawee, State of Michigan, and is described as follows:

See "Exhibit A" attached hereto and made a part hereof.

Containing 684.00 acres, more or less, and all lands and interests therein contiguous or appurtenant to the land specifically described above that are owned or claimed by Lessor, or to which Lessor has a preference right of acquisition, including but not limited to all lands underlying all alleys, streets, roads or highways and all riparian or submerged lands along and/or underlying any rivers, lakes or other bodies of water. The term "oil" when used in this lease shall mean crude oil and other hydrocarbons, regardless of gravity, produced at the well in liquid form by ordinary production methods, including condensate separated from gas at the well. The term "gas" when used in this lease shall mean hydrocarbons produced in a gaseous state at the well (not including condensate separated from gas at the well), helium, nitrogen, carbon dioxide and other commercial gases.

3. Lessee covenants and agrees to pay the following royalties: (a) To deliver to the credit of the Lessor into tank reservoirs or into the pipeline to which Lessee may connect its wells, one-eighth of the oil produced and saved from said land, Lessor's interest to bear one-eighth of the cost of treating oil to render it marketable pipeline oil, or from time to time, at the option of Lessee, Lessee may sell the oil produced and saved from said land and pay Lessor one-eighth of the net amount realized by Lessee computed at the wellhead, whether the point of sale is on or off said land. (b) To pay Lessor on gas produced from said land (1) when sold by Lessee, whether the point of sale is on or off said land, one eighth of the net amount realized by Lessee computed at the wellhead, or (2) when used by Lessee, for purposes other than those specified in Paragraph numbered 7 of this lease, the market value, at the wellhead, of one-eighth of said gas. Prior to payment of royalty, Lessor shall execute a Division Order setting forth his interest in production. Lessee may pay all taxes and fees levied upon the oil and gas produced, including, without limitation, severance taxes and privilege and surveillance fees, and deducts a proportionate share of the amount so paid from any monies payable to Lessor hereunder.

4. If any well, capable of producing oil and/or gas, whether or not in paying quantities, located on said land or on lands pooled or unitized with all or part of said land, is at any time shut in and production there from is not sold or used off the premises, nevertheless such shut-in well shall be considered a well producing oil and/or gas and this lease will continue in force while such well is shut in, notwithstanding expiration of the primary term. In lieu of any implied covenant to market, Lessee expressly agrees to market oil and/or gas produced from Lessee's wells located on said land or on land pooled or unitized therewith, but Lessee does not covenant or agree to re-inject or recycle gas, to market such oil and/or gas under terms, conditions or circumstances which in Lessee's judgment are uneconomic or otherwise unsatisfactory or to bear more than Lessee's revenue interest share of the cost and expense incurred to make the production marketable. If all wells on said land, or on lands pooled or unitized with all or part of said land, are shut in, then within 60 days after expiration of each period of one year in length (annual period) during which all such wells are shut in, Lessee shall be obligated to pay or tender, as royalty, to Lessor at the address hereinabove written, shut-in royalties or other money, the sum of \$1.00 multiplied by the number of acres subject to this lease, provided, however that if production from a well or wells located on said land or on lands pooled or unitized therewith is sold or used off the premises before the end of any such period or if at the end of any such annual period this lease is being maintained in force and effect other than solely by reason of the shut-in well(s), Lessee shall not be obligated to pay or tender said sum of money for that annual period. This shut-in royalty payment may be made in currency, draft or check, at the option of Lessee, and the depositing of such payment in any post office, with sufficient postage and properly addressed to Lessor within 60 days expiration of the annual period shall be deemed sufficient payment as herein provided.

5. If Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall give written notice to Lessee specifically describing Lessee's non-compliance. Lessee shall have 90 days from receipt of such notice to commence, and shall thereafter pursue with reasonable diligence, such action as may be necessary or proper to satisfy such obligation of Lessee, if any, with respect to Lessor's notice. Neither the service of said notice nor the doing of any act by Lessee in response thereto shall be deemed an admission or create a presumption that Lessee has failed to perform all its obligations hereunder. No judicial action may be commenced by Lessor for forfeiture of this lease or for damages until after said 90-day period. Lessee shall be given a reasonable opportunity after a final court determination to prevent forfeiture by discharging its express or implied obligation as established by the court. If this lease is canceled for any cause, it shall, nevertheless remain in force and effect as to (a) sufficient acreage around each well as to which there are operations, so as to constitute a drilling or maximum allowable unit under applicable governmental regulations, such acreage to be designated by Lessee in such shape as then existing spacing rules permit and (b) any part of said land included in a pooled or unitized unit on which there are operations, Lessee shall also have such easements on said land as are necessary or convenient for operations on the acreage so retained.

6. If this lease covers less than the entire undivided interest in the oil and gas in said land (whether Lessor's interest is herein specified or not), then the royalties, shut-in royalties and any extension payment pursuant to Paragraph numbered 17 below shall be paid to Lessor only in the proportion which the interest in oil and gas covered by this lease bears to the entire undivided interest therein.

7. Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operations hereunder, except water from the wells of Lessor. When requested by Lessor, Lessee shall bury Lessee's pipelines below plow depth. No well shall be drilled nearer than **300 feet from any house, barn, ball diamond or recreational field now** on said land without written consent of Lessor. Lessee shall pay for damages caused by Lessee's operations to growing crops on said land. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing and any other down hole equipment and fixtures.

8. Lessee is hereby granted the rights to pool or unitize said land, or any part of said land, with other lands, as to any or all minerals or horizons, to establish units containing not more than approximately 640 acres as to gas and oil, or separately for the production of either. If units larger than those permitted above, either at the time

9. In addition to the rights to pool or unitize granted to the Lessee in Paragraph numbered 8 above, for the purpose of promoting the development of hydrocarbon production from shallow formations, as hereinafter defined, Lessee is granted the right to pool or unitize the shallow formations in said land, or any part of said land with other lands, to establish a unit or units of any size and shape for the drilling and operation of multiple wells. The unit shall consist of any number of contiguous tracts or parcels of land. The exercise of this right shall be effective only if the required well density (at least one well drilled into the pooled or unitized shallow formation for each 240 acres of the unit) is attained no later than two (2) years after recording of the written declaration of the unit. As used herein, the term "shallow formation" shall mean formations between the surface of the earth and the top of the Traverse Limestone Formation. All provisions of Paragraph numbered 8, including those regarding Lessee's identification of a unit, the effect of operations conducted thereon and the allocation of production from wells thereon, shall apply in the same manner to a unit formed pursuant to this paragraph for production from shallow formations, except to the extent inconsistent with this paragraph. Lessee may expand the unit to include additional lands, provided that the required well density (one well drilled for every 240 acres) is maintained, or is attained by the drilling of an additional well or wells within one (1) year after each such expansion.

10. This lease is subject to laws and to rules, regulations and orders of any governmental agency having jurisdiction, from time to time in effect, pertaining to well spacing, pooling, unitization, drilling or production units, or use of material and equipment.

11. If, after the date hereof, the leased premises shall be conveyed in severalty or in separate tracts, the premises shall, nevertheless, be developed and operated as one lease, except that royalties as to any producing well shall be payable to the owner or owners of only those tracts located within the drilling unit designated by the state regulatory agency for such well and apportioned among said tracts on a surface acreage basis; provided, however, if a portion of the leased premises is pooled or unitized with other lands for the purpose of operating the pooled unit as one lease, this paragraph shall be inoperative as to the portion so pooled or unitized.

12. If Lessee is prevented from, or delayed in commencing, continuing, or resuming, operations, or complying with its express or implied obligations hereunder by circumstances not reasonably within Lessee's control, this lease shall not terminate and Lessee shall not be liable in damages so long as said circumstances continue (the "period of suspension"). These circumstances include, but are not limited to the following: conflict with federal, state or local laws, rules, regulations and executive orders; acts of God; strikes; lockouts; riots; wars; improper refusal or undue delay by any governmental agency in issuing a necessary approval, license or permit applied for by Lessee; equipment failures; and inability to obtain materials in the open market or to transport said materials. If the period of suspension commences more than 90 days prior to the end of the primary term of this lease, then that period of suspension shall be added to the primary term. If the period of suspension commences less than 90 days prior to the end of the primary term or at any time after the primary term, then this lease shall not terminate if Lessee shall commence or resume operations within 90 days after the end of the period of suspension.

13. If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants and provisions of this lease shall extend to such party's heirs, devisees, legal representative, successors or assigns. Notwithstanding any other actual or constructive knowledge of Lessee, no change in the ownership of land or assignment of royalties or other monies, or any part thereof, shall be binding on Lessee until 45 days after Lessee has received, by certified mail, written notice of such change and the originals or certified copies of those instruments that have been properly filed for record and that shall be necessary in the opinion of Lessee to establish the validity of such change of ownership or division of interest. No change or division in the ownership of said land, royalties or other monies, or any part thereof, however accomplished, shall increase the obligation or diminish the rights of Lessee, including, but not limited to, rights and obligations relating to the location and drilling of wells and the measurement of production. Upon assignment by Lessee, its successors or assigns, the assignor shall be released from, and the assignee shall assume, the responsibility to fulfill the conditions and to perform the covenants of this lease, express or implied, with regard to the interest assigned. Breach of any covenant or failure to fulfill any condition by an owner of any part of the leasehold interest created by this lease shall not defeat or affect the rights of the owner(s) of any other part.

14. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee may at any time pay all or part of any land contract, mortgage, taxes, or other liens or charges with respect to said land, either before or after maturity and be subrogated to the rights of the holder thereof, and that Lessee shall be entitled to reimbursement out of any royalty or other monies payable to Lessor hereunder. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

15. Lessee may at any time surrender this lease as to all or part of said land, or as to any depths or formations therein, by delivering or mailing a release to Lessor if the lease is not recorded or by placing a release of record in the proper county if the lease is recorded. If this lease is surrendered only as to part of said land, any shut-in royalties which may thereafter be payable hereunder shall be reduced proportionately.

16. All written notices permitted or required by this lease to be given Lessor and Lessee herein shall be at their respective addresses listed hereinabove, shall be by certified United States mail, and shall identify this lease by dated, parties, description and recording date; provided that either party may change such notice address by giving written

18. At the expiration of the term of this lease, Lessee shall have a "First Right of Refusal" to lease any or all of the herein described lands at the price and terms of any other acceptable offer to lease. This "First Right of Refusal" shall continue for a period of eighteen months after the expiration of this lease.

19. Wherever the fraction one eighth appears in this lease it shall mean one sixth.

WITNESSES:

LESSOR:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

STATE OF Michigan )  
                                  ) ss  
COUNTY OF Lenawee )

(Corporate Acknowledgement)

On this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, appeared \_\_\_\_\_

\_\_\_\_\_ the \_\_\_\_\_ and \_\_\_\_\_

\_\_\_\_\_ the \_\_\_\_\_ of the corporation that executed the within

instrument, and acknowledged to me that such corporation executed the same.

My commission expires: 9/25/12

\_\_\_\_\_  
Stephen C. Dupuie Notary Public  
Oakland County, State of Michigan  
Acting in Lenawee County, MI

Prepared by: Steve Dupuie, 844 Van Dyke, Almont, MI 48003

Producers "88" Revised 1997 MMBJ (Michigan Paid-Up Form)

When Recorded Return to: Lessee

**ORDER FOR PAYMENT FOR OIL AND GAS LEASE**

Lease # \_\_\_\_\_

Lessee shall, subject to its approval of title, make payment as indicated herein by check within 45 days of Lessee's receipt of this Order For Payment and the executed Oil and Gas Lease associated herewith. No default shall be declared for failure to make payment until 10 days after written notice from payee of intention to declare such default. The right to receive this payment shall not be assigned, whether as collateral or otherwise.

If the oil and gas lease referenced herein covers less than the entire undivided interest in the oil and gas or other rights in such land, then the dollar amount listed herein shall be paid to the payee only in the proportion which the interest in said lands covered by the Oil and Gas Lease bears to the entire undivided interest therein. Further, should Lessor own more or less than the net interest defined herein, Lessee shall increase or reduce the dollar amount payable hereunder proportionately.

For collection, the original copy herein must be submitted along with the Oil and Gas Lease. A copy is to be retained by payee. This Order For Payment is hereby recognized by Lessor as consideration paid by Lessee for the Oil and Gas Lease described below.

PAYEE (Lessor): CITY OF ADRIAN, a Michigan Municipal Corporation  
Address: , ADRIAN, MI 49221 Phone:

This payment is for a Three (3) years, Paid Up, Oil and Gas Lease dated \_\_\_\_\_ which covers property located in the County of Lenawee, State of Michigan described as follows:

See "Exhibit A" attached hereto and made a part hereof.

Estimated Gross Ac: 684.00                      Estimated Net Ac: 684.00                      \$ Per Net Acre: \$150.00

**THE TOTAL PAYMENT SHALL BE BASED UPON THE NET ACRES OWNED AND NOT SUBJECT TO AN EXISTING LEASE AS DETERMINED BY A SEARCH OF RECORDS AT REGISTER OF DEEDS IN Lenawee COUNTY MULTIPLIED BY THE BONUS \$ PER ACRE STATED ABOVE**

Completed by: \_\_\_\_\_ Accepted the \_\_\_\_\_ of \_\_\_\_\_, 2010 by:

Stephen C. Dupuie  
586-484-9492  
Lessor: \_\_\_\_\_

SS#/TaxID: \_\_\_\_\_

Lessor: \_\_\_\_\_

**Lessee: Savoy Energy, L.P. Post Office Box 1560 Traverse City, MI 49685-1560 Ph: 231-941-9552**

**NOTE: Under the (1987) U.S. Tax Code, we are required by Law to issue I.R.S. Form #1099 (Miscellaneous Income) to you for the consideration above, by January 31st of next year. In order to comply with the law we need to obtain the Federal Tax Identification or Social Security Number of the Lessor that the income is to be credited. Please fill in the information requested. "Payments you receive will be subject to backup withholding if you do not furnish your TIN to the requester." This amount is 28% of such payments.**

## Exhibit A

Attached to and made a part of a certain Oil & Gas Lease dated \_\_\_\_\_ by and between CITY OF ADRIAN, a Michigan Municipal Corporation of , ADRIAN, MI 49221 as Lessor and Savoy Energy L.P., P.O. Box 1560, Traverse City, MI 49685 as Lessee covering land in the County of Lenawee State of Michigan, described as follows:

### TOWNSHIP 6 SOUTH, RANGE 3 EAST (City of Adrian)

SECTION 25: ALL THAT PART OF SEC 25 T6S-R3E LYING N OF RIVER RAISIN DESC AS COMM AT W 1/4 COR SEC 25 TH N 89 DEG 31'44"E 841.50 FT FOR POB RUNN TH N 89 DEG 31'44"E 513.22 FT TH S 1 DEG 18'58"E 2075.69 FT TO RIVER RAISIN TH DOWNSTREAM MORE OR LESS ALG N'LY BANK OF RIVER RAISIN N 64 DEG 22'30"E 167.62 FT TH N 26 DEG 1'7"E 254.41 FT TH N 18 DEG 39'19"W 233 FT TH N 1 DEG 47'34"W 391.92 FT TH N 52 DEG 32'13"E 188.03 FT TH N 68 DEG 46'54"E 365.16 FT TH N 76 DEG 58'45"E 328.42 FT TH N 54 DEG 16'46"E 254.57 FT TH N 49 DEG 36'14"E 286.47 FT TH N 80 DEG 22'54"E 229.33 FT TH S 55 DEG 14'32"E 200.59 FT TH S 86 DEG 29'19"E 216.52 FT S 83 DEG 7'13"E 127.91 FT TH S 81 DEG 24'38"E 211.47 FT TH S 76 DEG 13'12"E 168.85 FT TH N 79 DEG 45'19"E 247.86 FT TO E LI OF W 1/2 OF SE 1/4 SEC 25 TH N 0 DEG 41'45"W 662.16 FT TH S 89 DEG 31'44"W 1446.43 FT TO CTR SEC 25 TH S 89 DEG 31'44"W 390.75 FT TH N 0 DEG 55'39"W 784.08 FT TH N 89 DEG 46'20"E 1121.53 FT TH N 2 DEG 14'12"W 1363.86 FT TH S 79 DEG 30'4"W 693.47 FT TH N 34 DEG 0'0"W 105.37 FT TO CTR LI HWY M-52 TH ALG CURVE LEFT CHD BRG & DIST S 45 DEG 35'11"W 458.55 FT TH S 41 DEG 27'21"W 540.26 FT TH CURVE RIGHT CHD BRG & DIST S 43 DEG 15'43"W 361.17 FT TH S 50 DEG 6'34"E 413.66 FT TH S 2 DEG 25'35"E 68 FT TH S 88 DEG 58'51"W 205.90 FT TH N 54 DEG 22'20"W 327.61 FT TH ALG CURVE RIGHT CHD BRG & DIST S 48 DEG 29'4"W 261.80 FT TH S 49 DEG 47'37"W 673.60 FT TH S 0 DEG 28'16"E 381.18 FT TO POB TAX ID XA0-100-0318-01 118.48 AC+-

### TOWNSHIP 7 SOUTH, RANGE 3 EAST (City of Adrian)

SECTION 4: ALL THAT PART W 1/2 OF SW 1/4 SEC 4 T7S-R3E BEG 1697.07 FT S 86 DEG 53'20"W 1696.07 FT FROM S 1/4 COR SE 4 RUNN TH N 86 DEG 53'20"W 100 FT TH N 3 DEG 6'40"E 350 FT TH N 86 DEG 53'20"W 234.32 FT TH N 3 DEG 6'40"E 100.06 FT TH N 86 DEG 58.51"W 450.17 FT TO SE COR PLAT OF HICKORY LANE TH N 3 DEG 4'56"E 1312.73 FT TH N 86 DEG 51'5"W 182.84 FT TO W LI SEC 4 TH N 3 DEG 5'24"E 100 FT TH S 86 DEG 51'5"E 642.59 FT TH N 2 DEG 56'32"E 969.53 FT TH S 85 DEG 13'8"E 330.93 FT TH S 3 DEG 38'0"W 175.64 FT TH S 87 DEG 11'11"E 365.99 FT TO NE COR OF W 1/2 OF SW 1/4 SEC 4 TH S 3 DEG 9'40"W 2297.91 FT TH N 86 DEG 53'20"W 364.83 FT TH S 3 DEG 6'40"W 350 FT TO POB TAX ID XA0-104-3155-01 53.97 AC+-

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### TOWNSHIP 6 SOUTH, RANGE 4 EAST (Raisin Township)

SECTION 19: All that part of the Southwest 1/4 of Section 19, Town 6 South, Range 4 East, described as commencing at the Southwest corner of Section 19, aforesaid, thence South 88 degrees 07'19" East 33.00 feet; thence North 02 degrees 45'43" East 129.00 feet for a further place of beginning, and running thence North 02 degrees 45'43" East 98.05 feet; thence South 88 degrees 07'19" East 342.00feet; thence North 02 degrees 45'43'East 130.00feet; thence South 88 degrees 07'19"East parallel with the South line of the Southwest 1/4 of said Section 19 417.02 feet; thence South 02 degrees 45'43' West 357.06 feet to the South line of said Southwest 1/4 of Section 19: thence North 88 degrees 07'19" West along said line 391.95 feet; thence North 02 degrees 45'43" East 129.00 feet; thence North 88 degrees 07'19" West 367.00feet to the further place of beginning. 4.11 AC+-

SECTION 30: All that part of Section 30, Town 6 South, Range 4 East, described as commencing at the West line of said Section 30 at a point located South 2671, 19 feet from the Northwest corner of said Section; thence South 821.53 feet on the West line of said Section; thence East 698.94 feet; thence South 628.32 feet to the River Raisin; thence running Easterly along the River Raisin to the East line of the West 1/2 of the Southeast 1/4 of said Section; thence North on said line to' a point 2671.19 feet South of the North line of said Section; thence West parallel to the North line of said Section to the point of beginning 87 AC+-

SECTION 30: All that part of Section 30, Town 6 South, Range 4 East, described as commencing in the North line of Section 30 at a point located 96.76 feet West of the North 1/4 post; thence South on a line parallel to the East line of the West 1/2 of the Northeast 1/4 of said Section 2671.19 feet; thence West 1418.74 feet on a line parallel to the North line of said Section; thence North on a line parallel to the East line of the West 1/2 of the Northeast 1/4 of the said Section 2671.19 feet to the North line of said Section; thence East 1418.74 feet on the North line of said Section to the POB

## Exhibit A

Attached to and made a part of a certain Order for Payment dated \_\_\_\_\_ by and between CITY OF ADRIAN, a Michigan Municipal Corporation of , ADRIAN, MI 49221 as Lessor and Savoy Energy L.P., P.O. Box 1560, Traverse City, MI 49685 as Lessee covering land in the County of Lenawee, State of Michigan, described as follows:

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**R10-137**

November 1, 2010

**RE: CITY COMMISSION – Approval of Oil & Gas Lease with Savoy Energy, LP**

**RESOLUTION**

WHEREAS, Savoy Energy, LP of Traverse City, MI has been in contact with the City Administrator to negotiate an oil and gas lease for certain parcels of real estate owned by the City of Adrian; and

WHEREAS, the company has indicated a desire to enter into such lease for properties commonly known as the Witt Farm, Marvin Farm and Heritage Park, collectively being approximately 684 acres; and

WHEREAS, the proposed lease, a copy being attached hereto, is for an initial term of three (3) years at a price of \$150.00 per acre and which includes a one-sixth (1/6) royalty for oil and gas produced, among other terms.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the terms of the proposed lease with Savoy Energy, LP are hereby approved and that the City Administrator is hereby authorized to execute said Lease Agreement on behalf of the City of Adrian.

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

R-2

# MEMO

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DATE: October 27, 2010  
TO: Honorable Mayor and City Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: Purchase of 1-Ton Dump Truck

I concur with the recommendation of the City Engineer to award the bid for a 1-ton dump truck with plow and stainless steel box to Varsity Ford of Ann Arbor, MI in the amount of \$40,436.00. The truck will be used by Parks and Forestry staff.

Four firms responded to the offer to bid. There were no local bidders that met the Local Preference Policy. Sufficient funds were budgeted in the FY2010-11 Motor Vehicle Pool Fund for this expense.

Respectfully submitted,

  
Dane C. Nelson  
City Administrator

DCN:bjw

R-2

October 25, 2010



## MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

CC: Mark Bishop, Superintendent DPW

SUBJECT: 1-Ton dump Truck with Plow

We received bids on October 12, 2010 for a one (1) ton dump truck with snow plow. Below is a tabulation of the bids received by the City:

BIDDER	CHASSIS	BODY & BOX	PLOW	TOTAL	DELIVERY
Varsity Ford Ann Arbor, MI	\$22,915.00 Ford F350 4X4	\$10,097.00 Henderson Mark III Plus: \$2,225 stainless steel body	\$5,199.00 Western Plow Pro Plus	\$40,436.00	90-120 days
Dave Knapp Ford Adrian, MI	\$23,368.10 Ford F350	\$13,466.00 Crysteel LB510	\$5,513.00 Western Proplus	\$42,347.10	90 days
Adrian Dodge Adrian, MI	\$23,922.00 Dodge 3500 ST	\$13,164.00 Galion 100u	\$5,375.00 Western Proplus	\$42,461.00	120-150 days
Dave White Chev Sylvania OH	\$25,200.00 Chev CK31003	\$13,164.00 Galion 100u	\$5,375.00 Western Proplus	\$43,739.00	60-120 days
Varsity Ford Ann Arbor, MI	\$29,165.00 Ford F350 4X4 6.7L Diesel V8	\$10,097.00 Henderson Mark III Plus \$2,225 stainless steel body	\$5,199.00 Western Plow	\$44,461.00	90-120 days

I concur with the recommendation of the DPW Superintendent to purchase the truck bid by Varsity Ford of Ann Arbor, MI for \$40,436.00. This bid includes a stainless steel box (an upgrade from our specifications) and met all other requested specifications. No local bidders met the requirements of the Local Preference Policy.

Funds for this purchase are available in the 2010-11 Fiscal Year budget: 662-000.00-001.000 Motor Vehicle Fund. This purchase was as planned during our capitol budget process for the 2010-11 fiscal year.

**RE: DEPARTMENT OF PUBLIC WORKS – MOTOR VEHICLE POOL – PURCHASE OF ONE-TON DUMP TRUCK WITH PLOW FOR PARKS & FORESTRY DIVISION**

**RESOLUTION**

WHEREAS, the Adrian City Commission included \$42,000 in the FY2010-11 Motor Vehicle Pool Adopted Budget for the Parks & Forestry Division of the Department of Parks & Recreation to acquire a new replacement vehicle: a one-ton dump truck with plow; and

WHEREAS, the Department of Public Works, in conjunction with the Office of Purchasing, has solicited and received quotations on October 12, 2010 from various vendors with the following results:

<u>Vendor</u>	<u>Vehicle</u>	<u>Amount</u>
Varsity Ford, Ann Arbor, MI	Ford 350 4X4	\$40,436
Dave Knapp Ford, Adrian, MI	Ford 350	\$42,347
Adrian Dodge, Adrian, MI	Dodge 3500 ST	\$42,461
Dave White Chevy, Sylvania, OH	Chevy CK31003	\$43,739
Varsity Ford, Ann Arbor, MI	Ford 350 4X4	\$44,461

WHEREAS, application of the Local Preference Policy in this case does not result in a financial advantage for local vendors; and

WHEREAS, the City Engineer and City Administrator recommend selection of the lowest qualified bidder meeting bid specifications, Varsity Ford, Ann Arbor, MI, and acquisition of a one-ton dump truck with plow at a cost not to exceed \$40,436; and

WHEREAS, the Finance Director indicates that sufficient funds for this purpose are available in the FY2010-11 Motor Vehicle Pool Fund-Working Capital Account (662-000.00-001.000).

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission by this resolution hereby authorizes selection of the lowest qualified bidder meeting bid specifications, Varsity Ford, Ann Arbor, MI, and acquisition of a one-ton dump truck with plow at a cost not to exceed \$40,436 for purposes of replacing a similar truck in the Parks & Forestry Division of the Parks & Recreation Department.

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

R-3

R10-139

November 1, 2010

**RESOLUTION**

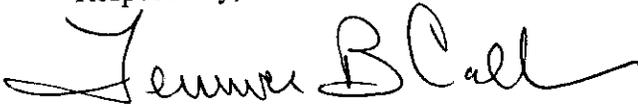
**10-4**

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

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

Change "No Parking Here to Corner" signs near the intersection of Budlong at Riverside to "No Parking" and "No Parking Here to Corner" signs shall be added north of the driveway approaches for 694 and 695 Budlong Street. (See the attached drawing.)

Respectfully,

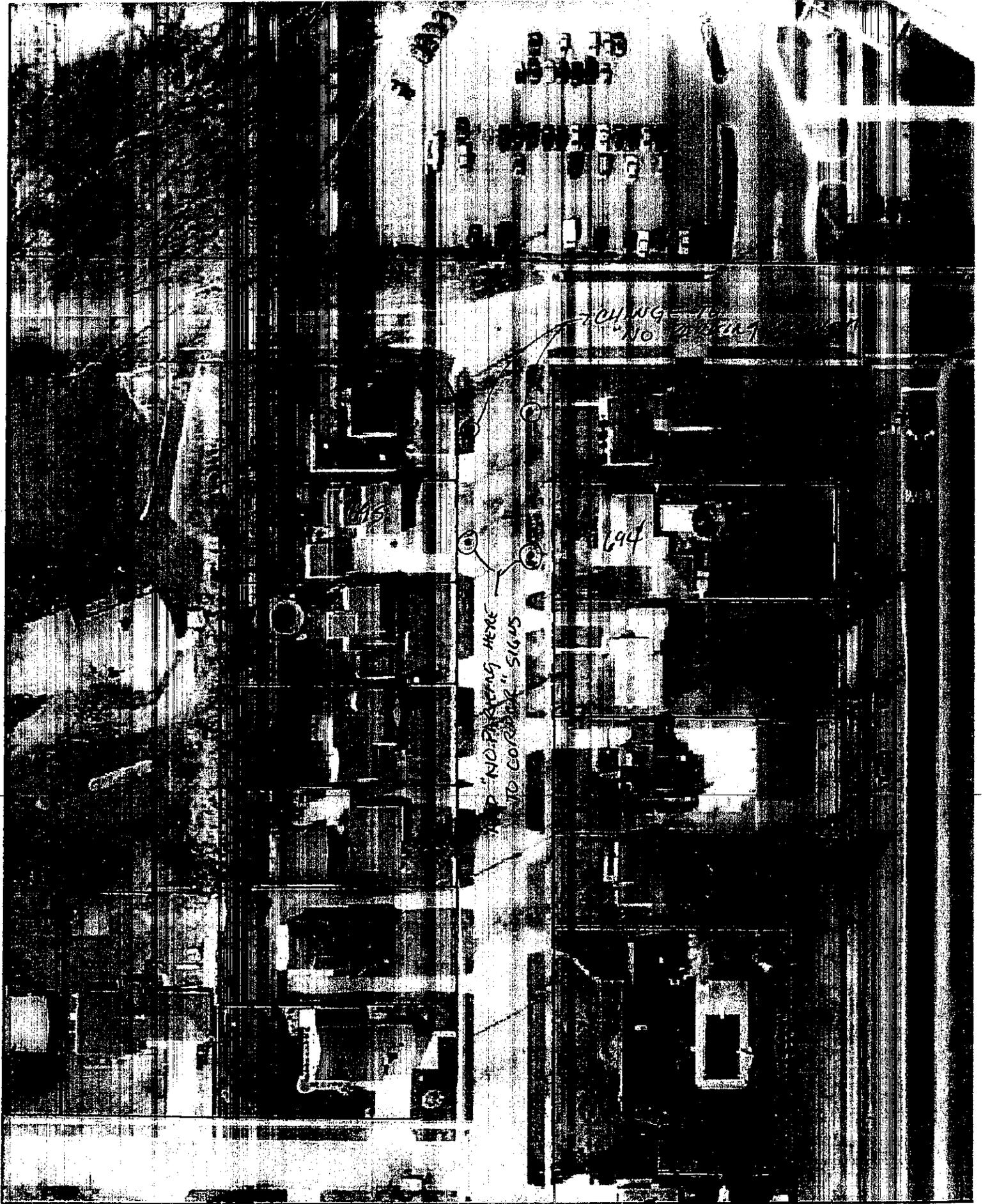


TERRENCE B. COLLINS,  
Chief of Police

TBC/skj

DATED: 10-26-2010

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



UNIT 1

NO. 10

NO. 10

185

NO PARKING HERE  
TO CORRECT SIGNS

194

NO. 10

R-4

# MEMO

---



DATE: October 28, 2010  
TO: Honorable Mayor and City Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: CDBG Facade Grant MSC209196

The City of Adrian was recently awarded a CDBG Facade Grant from the Michigan Economic Development Corporation in the amount of \$135,968. The grant will be used for two projects; namely, Governor Croswell Tea Room, 125 E. Maumee, and Sauce Italian Grill & Pub, 149 N. Main Street. A city match is not required; however, the businesses participating in the projects will be required to invest \$247,933 to qualify for the grant reimbursement.

I urge your favorable consideration to accept the CDBG Facade Grant in the amount of \$135,968 and approving the resulting budget amendments.

Respectfully submitted,

  
Dane C. Nelson  
City Administrator

DCN:bjw



## MEMO

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

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**DATE:** October 26, 2010

**TO:** Jeff Pardee, Finance Director

**FROM:** Sue Laughlin  
Community Development/Housing

**SUBJECT:** Resolution to accept CDBG façade grant MSC 209196 CDF from Michigan Economic Development Corporation

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The Community Development Department would like to request a resolution to accept the CDBG façade grant # MSC 209196 CDF awarded to the City from the Michigan Economic Development Corporation. The grant will be used to restore two (2) buildings in the downtown. The grant is in the amount of \$135,968 with owner match of \$247,933. A minimum of 7 new jobs will be created.

Sue Laughlin  
Community Development / Housing

Received 8/4/2010



**MICHIGAN STRATEGIC FUND**

August 2, 2010

300 N. WASHINGTON SQ.  
LANSING, MI 48913

The Honorable Gary McDowell  
Mayor  
City of Adrian  
135 E. Maumee Street  
Adrian, Michigan 49221

**MSF BOARD**  
D. GREGORY MAIN  
President and Chair  
Michigan Economic  
Development Corporation

LINDA EWING  
United Auto Workers

JAMES HERBERT  
Neogen Corporation

PAUL E. HODGES, III

GEORGE W. JACKSON, JR.  
Detroit Economic  
Growth Corporation

ROBERT KLEINE  
Michigan Department  
of Treasury

MITCHELL A. MONDRY  
M Group, LLC

JAMES G. PETCOFF  
JPFS, LLC

STANLEY PRUSS  
Michigan Department  
of Energy, Labor &  
Economic Growth

RICHARD E. RASSEL  
Butzel Long

CHARLES ROTHSTEIN  
Beringea LLC

Re: Downtown Façade Improvement Project  
MSC 209196-CDF

Dear Mayor McDowell:

On behalf of the Michigan Strategic Fund, I am pleased to inform you that a Michigan Community Development Block Grant (CDBG) has been awarded to the City of Adrian in the amount of \$135,968. The project will allow for façade improvements and the creation of seven (7) full-time equivalent jobs in your community.

Enclosed are two copies of the grant agreement. The grant agreement governs the performance of an approved grant. Any modification to the grant agreement must have the prior written approval of the Michigan Strategic Fund. I urge you not to make any commitments or enter into negotiations relative to the grant until the grant agreement has been carefully reviewed and executed.

If the grant agreement is acceptable, please sign both copies of the grant offer. Please note that the acknowledgment is to be signed by; Maumee Street Tea Company, Inc. d/b/a Governor Crowell Tea Room, Inc., Delega Investments, LLC, and Sauce Italian Grill & Pub, LLC. Return one set of documents within 30 days from the date of this letter to Jennifer Rigterink, Program Administration, 300 North Washington Square, 3rd Floor, Lansing, Michigan 48913. Ms. Rigterink may be contacted at (517) 241-3995. Keep the other set for your files. If you do not return the documents within 30 calendar days, the grant offer may be terminated.

Again, let me congratulate you on the selection of your project for a CDBG program grant. My best wishes for a successful project.

Sincerely,

  
Michael Pohnl  
Fund Manager  
Michigan Strategic Fund

Enclosures



**MICHIGAN STRATEGIC FUND**

August 9, 2010

300 N. WASHINGTON SQ.  
LANSING, MI 48913

Mr. Dane Nelson  
City Administrator  
City of Adrian  
135 E. Maumee Street  
Adrian, Michigan 49221

**MSF BOARD**

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Butzel Long

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Beringea LLC

Dear Mr. Nelson:

The Michigan Economic Development Corporation has received the Request for Release of Funds and Certification as required by federal environmental review regulations 24 CFR Part 58 under the City of Adrian's Michigan Community Development Block Grant (CDBG) MSC 209196-CDF, the Downtown Façade Improvement Project.

No formal objections have been received by our office and the Request for Release of Funds and Certification is hereby approved. The city is authorized to incur CDBG costs and other project costs as of the date of this letter. The city previously received permission to incur costs for architectural expenses as of May 26, 2010.

Should any questions arise, please contact me at (517) 241-3995.

Sincerely,

Jennifer Rigterink  
CDBG Project Manager

cc: Sue Laughlin  
CDBG File

STATE OF MICHIGAN

ECONOMIC DEVELOPMENT GRANT AGREEMENT

BETWEEN THE

MICHIGAN STRATEGIC FUND

AND THE

CITY OF ADRIAN

STATE OF MICHIGAN

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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Development Block Grant Job Classifications

I. GRANT OFFER FOR MICHIGAN CDBG NO. MSC 209196-CDF

The Fund Manager of the Michigan Strategic Fund (the "Grantor"), acting pursuant to Resolution 2010-073 of the Michigan Strategic Fund Board, hereby offers to the City of Adrian (the "Grantee"), grant assistance subject to the Grant Agreement.

The maximum amount of grant assistance hereby offered is \$135,968 (the "Grant"), for exterior façade improvements and project administration financed with the Grant and private matching funds, but in no event shall the amount of the grant assistance exceed more than thirty-six (36%) percent of the total project costs. If the actual cost is less than shown in the Total Authorized Budget (see Section II(A)(1)), the amount of the Grant shall be reduced on a proportional basis. The Grantee shall be responsible for any cost overruns.

The term of work performance shall be twenty-four (24) months from May 1, 2010 through April 30, 2012 (the "Term"), plus additional time to meet reporting or other procedural requirements. The Grant will only be made available for the Grantee's eligible expenses, which occur during the Term in accordance with the Grant Agreement. The Grant is dependent upon the Grantor's continued receipt of Community Development Block Grant funds and the availability of adequate funds.

This Grant Offer does not commit the Grantor to approve requests for additional funds during or beyond this grant.

The signatories below warrant that they are empowered to enter into this Agreement.

Dated this 2<sup>ND</sup> day of AUGUST, 2010



Michael Pohnl  
Fund Manager  
Michigan Strategic Fund

The Grantee hereby certifies that there has been no known adverse material change in the business, property, financial or other conditions of; Maumee Street Tea Company, Inc. d/b/a Governor Croswell Tea Room, Inc., Delega Investments, LLC, and Sauce Italian Grill & Pub, LLC (collectively referred to as the "Companies") since the date of the grant application, unless expressly acknowledged in writing to the Grantor.

The foregoing Grant Offer is hereby accepted and it is agreed that the funds made available will be used only as set forth herein and in the attached Special and General Terms and Conditions.

Dated this 4<sup>th</sup> day of August, 2010

WITNESSED BY:

  
Dane Nelson  
City Administrator, City of Adrian

II. SPECIAL TERMS AND CONDITIONS  
For Michigan CDBG under Title I of  
the Housing and Community Development Act  
of 1974, as amended.  
CFDA #: 14.228

EFFECTIVE DATE: May 1, 2010

GRANT NO.: MSC 209196-CDF

TITLE: Downtown Façade Improvement Project

GRANTEE / ADDRESS: City of Adrian  
135 E. Maumee Street  
Adrian, Michigan 49221

GRANT ADMINISTRATOR /  
ADDRESS: Grant Administrator  
300 North Washington Square  
Third Floor  
Lansing, Michigan 48913  
Phone: (517) 241-3995

A. TOTAL AUTHORIZED BUDGET

1. Sources of funds for the project under this Grant Agreement consist of:

State Cash Contributions	\$135,968
Private Cash Contributions	<u>\$247,933</u>
TOTAL	\$383,901

2. Application of funds to the project supported under this Grant Agreement consists of:

PLEASE REFER TO ATTACHMENT A FOR THE AUTHORIZED BUDGET FOR THIS PROJECT.

B. SCOPE OF WORK

The Scope of Work of the Grantee under this grant shall be to undertake and complete the following activities, as furthered detailed in the City of Adrian's Grant Application received May 26, 2010, as amended, subject to the limitations set forth in the Grant Agreement and applicable federal and state laws, rules and regulations:

1. Prior to the commitment of any project funds, incurring any project costs, and Grantor disbursement of the Grant, the Grantee shall submit to the Grant Administrator a copy of the complete Environmental Review Record (including the Environmental Assessment), and secure written approval by the Grant Administrator for the Request for Release of Funds and Certification. The Request for Release of Funds and Certification represents local completion of the environmental review procedures and requirements as set for in 24 CFR Part 58, "Environmental Review Procedures for Title I Community

Development Block Grant Program,” issued by the U.S. Department of Housing and Urban Development. Project costs include costs to be paid by the Grant or other local, public or private funds.

2. If the project involves construction activities using the Grant, the Grantee shall provide for approval by the Grant Administrator a copy of all bidding documents or other evidence of compliance with federal labor standards for all construction activities financed in whole or in part with the Grant. Such approval must be secured prior to Grantor disbursement of the Grant for relevant construction activities.
3. If the project involves acquisition of private real estate, permanent easements or right-of-ways, or the relocation of persons, families or farms, the Grantee shall provide for approval by the Grant Administrator documentation of compliance with the Uniform Relocation and Real Property Acquisition Policies Act of 1970. Such approval must be secured prior to Grantor disbursement of the Grant.
4. If the project involves the demolition or conversion of an occupied dwelling unit or a vacant dwelling unit that may be occupied, the Grantee shall provide for approval by the Grant Administrator, documentation of compliance with Section 104(d) of the Housing & Community Development Act of 1974. Such approval must be secured prior to Grantor disbursement of the Grant.
5. If the Grant is used to acquire or improve real property, the Grantee shall provide a Real Property Management Report (RPMR) for approval by the Grant Administrator prior to Grantor disbursement of the Grant, annually, at close out, and when the property is no longer needed for its original purpose.

If the real property acquired or improved with the Grant is no longer needed for its original purpose at any time during the project and up to five years from close out, the Grantee shall request disposition instructions from the Grantor prior to disposing of the real property acquired or improved in whole or in part with the Grant. Depending on the disposition request, the Grantee may be required to return a portion of the Grant to the Grantor.

6. If the Grant is used to acquire personal property, the Grantee shall submit a Personal Property Management Report for approval by the Grant Administrator prior to Grantor disbursement of the Grant, annually, at close out and when the property is no longer needed for its original purpose.

If the personal property acquired with the Grant is no longer needed for its original purpose at any time during the project and after project close out, the Grantee shall request disposition instructions from the Grantor prior to disposing of the personal property acquired in whole or in part with the Grant. Depending on the current per unit fair market value of the personal property, the Grantee may be required to return a portion of the Grant to the Grantor.

7. Grantee shall comply with the procurement process required by 24 CFR Part 85. Among other things, this regulation applies to all CDBG funded engineering and consultant contracts as well as all CDBG funded construction contracts.
  - a. For supplies and service contracts such as engineering and consulting less than or equal to \$100,000, the Small Purchase Procedures as provided in 24 CFR Part 85 may be used. In accord with this regulation and prior to Grantor disbursement of the Grant, Grantee must provide documentation that price or rate quotations were obtained from an adequate number of qualified sources and a copy of the executed contract.
  - b. For supplies and service contracts such as engineering and consulting greater than \$100,000, Grantee must use competitive negotiation through a Request for Proposal (RFP) or Request for Qualifications (RFQ) process as provided in 24 CFR Part 85. In accord with this regulation and prior to Grantor disbursement of the Grant, Grantee must submit a copy of the RFP / RFQ, a list of respondents to the RFP / RFQ, Grantee's evaluation and recommendation for the award of the contract(s), and the executed contract(s).
  - c. For construction related contracts, Grantee must use the procurement by Sealed Bids Process as provided in 24 CFR Part 85. In accord with this regulation and prior to Grantor disbursement of the Grant, Grantee must submit a copy of the advertisement for bids and the bid tabulations.
8. Prior to disbursement of the Grant, the Grantee shall submit:
  - a. the Grantee's DUNS Number;
  - b. an updated Community Development Plan to include a summary list of possible long-term activities and short-term activities to address the community's needs and problems;
  - c. Estimated Employment Creation and/or Retention Forms, Attachment 3 from the Grant Application signed by both businesses;
  - d. Employment Plans for both businesses;
  - e. Documentation of the commitment of private matching funds in the amount of \$247,933; and
  - f. Documentation that the work specifications for 125 E. Maumee Street were submitted to the State Historic Preservation Office for review.
9. The Grantee shall expend up to \$130,968 of the Grant for the project activities as further described in Attachment B.
10. The Grantee shall expend up to \$5,000 for administration.

11. The project is expected to create a total of seven (7) new full-time equivalent (FTE) jobs as defined on page 3 of Attachment C. Four (4) new FTE jobs are to be created by Maumee Street Tea Company, Inc. These four (4) FTE jobs to be created will pay an hourly rate of at least \$2.65 plus tips. Three (3) new FTE jobs are to be created by Delega Investments, LLC and Sauce Italian Grill & Pub, LLC. These three (3) jobs to be created will pay an hourly rate of at least \$7.40. At least 51 percent of the seven (7) new FTE jobs or four (4) new FTE jobs shall be held by low and moderate-income persons. If the project results in more new jobs than expected, then the 51 percent requirement shall apply to the higher job number.

The Grantee and the Companies are expected to use their best efforts to achieve the jobs commitment. If the project does not result in the number of new jobs identified above, the Grantor retains the right to require the Grantee and the Companies to repay the full amount of the Grant. If the project does not meet the 51 percent requirement and the project cannot be qualified under any other national objective (imminent public health threat or prevention of slum or blight), then the project does not qualify under a national objective and all of the Grant must be repaid. In all cases when the number of new jobs is not achieved, the Grantee and / or the Companies shall be required to provide an explanation and documentation satisfactory to the Grant Administrator.

In order to demonstrate that the new jobs are held by low and moderate-income persons, the Grantee agrees that it shall use, and cause the Companies to use, copies of the **Income Certification Form**, which is attached as Attachment C. The Companies and the Grantee shall continue to document new jobs and collect the **Income Certification Forms** until the project is formally closed out by the Grantor. Low and moderate-income figures (Section 8 Income Limits) are updated each year by the U.S. Department of Housing and Urban Development. The **Income Certification Form** may be updated by the Grantee to include the latest low and moderate-income figures.

12. The Grantor may, in its sole discretion, after discussion with representatives of the Grantee, modify or reduce the total amount of grant assistance offered under this Agreement or terminate this Agreement and demand full repayment of disbursed grant proceeds if the Grantee violates, fails, or refuses to comply with any term, condition, or provision of this Agreement.
13. The Grantee shall provide the Grant Administrator for approval a Job Creation Summary Report, along with the corresponding Income Certification Forms, on an annual basis during the Term.
14. The Grantee shall provide Program Progress Reports beginning October 15, 2010, and every six (6) months thereafter.
15. The Grantee shall provide a Final Program Progress Report 60 days after completion of the Term.

16. The Grantee shall provide documentation that at least one public hearing was held after grant award and prior to formal grant closeout. Such documentation shall be provided prior to formal grant closeout.
17. During each of the Grantee's fiscal years in which a disbursement of the Grant is made under this Agreement, the Grantee shall file an Audit Report. This Audit Report must be prepared by an independent auditor, and be in compliance with the requirements of OMB Circular A-133, or as required by the Grant Administrator. This Audit Report shall be filed with the Grant Administrator within 30 days after completion of the audit, but not later than nine months after the close of the Grantee's fiscal year.

### III. GENERAL TERMS AND CONDITIONS

1. Applicability to Sub Recipients and Contractors: Where performance of the grant project is carried out by any sub recipient or contractor of the Grantee, the provisions of the Grant Agreement shall be made binding on such sub recipient or contractor by the Grantee. This shall be accomplished by a written agreement or contract between the Grantee and sub recipient or contractor. Where the term "Grantee" appears in this Grant Agreement it shall be read to include any sub recipient or contractor of the Grantee.

The ultimate legal responsibility for insuring compliance with requirements of the Grant Agreement is that of the Grantee designated in the Grant Offer.

2. Compliance by the Grantee: The Grantee shall comply with all applicable provision of the "Statement of Assurances" as included in the Grant Application.
3. Maintenance of Records: The Grantee shall maintain records which will allow assessment of the extent of Grantee performance of the Scope of Work and which allow for the comparison of actual outlays with budgeted amounts. The Grantee's overall financial management system must ensure effective control over, and accountability for, all funds received. Accounting records must be supported by source documentation such as time sheets and invoices.
4. Retention of Records: The Grantee shall retain all financial records, supporting documents, statistical records, and all other pertinent records for a period of three years, unless otherwise specified in the Grant Agreement. The retention period starts from the date of the Grantee's accepted and approved final audit report.
5. Amendments. The Grantee must obtain prior written approval of the Grant Administrator for grant amendments as follows:
  - a. changes of substance in the Scope of Work including new activities or alterations of existing approved activities;
  - b. extensions to the term of work performance for completion of project activities;
  - c. for Grants of less than \$100,000, cumulative changes amount approved CDBG funded budget items which exceed \$5,000 or five (5) percent of the Grant, whichever is the lesser amount; and
  - d. for Grants of \$100,000 or more, cumulative changes among approved CDBG funded budget items which exceed \$10,000 or five (5) percent of the Grant, whichever is the lesser amount.

The amendment request must be submitted by an authorized local official of the Grantee.

6. Suspension of Grant: When the Grantee has failed to comply with the grant award stipulations, standards, or conditions, the Grantor may, on reasonable notice to the

Grantee, suspend the grant and withhold further payments, or prohibit the Grantee from incurring additional obligations of grant funds, pending corrective action by the Grantee or a decision to terminate in accordance with these Terms and Conditions. The Grantor will allow all necessary and proper costs, which the Grantee could not reasonably avoid during the period of suspension, provided they meet the provisions of OMB Circular A-87.

7. Termination for Cause: The Grantor may terminate this grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the conditions of the grant. The Grantor will promptly notify the Grantee in writing of the determination and the reasons for the termination, together with the effective date. Payments made to recipients, or recoveries by the Grantor, will be in accordance with the legal rights and liabilities of the parties.
8. Termination for Convenience: The Grantor or the Grantee may terminate this grant in whole, or in part, when both parties agree that the continuation of the project would not produce beneficial results commensurate with the further expenditure of the Grant. The two parties shall agree upon the termination conditions, including the effective date and, in the case of partial terminations, the portion to be terminated. The Grantee shall not incur new obligation for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The Grantor will allow full credit to the Grantee for the Grantor's share of the noncancelable obligations that were properly incurred by the Grantee prior to termination.
9. The Grantee and political subdivisions, agencies, and instrumentalities thereof, when engaged in letting contracts or procuring products or services which involved funds obtained from the Grantor shall ensure that bid specifications, project agreements, other controlling documents, and any other local requirements do not:
  - a. require bidders, offerors, contractors, or subcontractors to enter into or adhere to agreements with one or more labor organizations on the same or related projects;
  - b. discriminate against bidders, offerors, contractors or subcontractors for refusing to become or remain signatories or otherwise adhere to agreements with one or more labor organizations on the same or related construction projects; or
  - c. require any bidder, offeror, contractor, or subcontractor to enter into, adhere to or enforce any agreement that requires its employees as a condition of employment to:
    - i. become members of or become affiliated with a labor organization; or
    - ii. pay dues or fees to a labor organization, over an employee's objection, in excess of the employee's share of labor organization costs relating to collective bargaining, contract administration or grievance adjustment.

IV. ACKNOWLEDGMENT AND CERTIFICATION OF BENEFICIARY

Maumee Street Tea Company, Inc. d/b/a Governor Croswell Tea Room, Inc. (the "Company") acknowledges receipt of a copy of the Grant Agreement MSC 209196-CDF, together with all attachments. It is understood that the CDBG financed portion of the project will directly benefit the Company by providing funding for façade improvements.

It is understood and acknowledged by all parties, including the Company, that the investment and creation of jobs was an essential factor in persuading the Grantor that this project is economically viable, and further, in absence of this commitment by the Company, this grant would not have been awarded.

Therefore, recognizing that it will derive a real and substantial benefit from this grant, the Company agrees to abide by the terms of the Grant Agreement. The Company agrees that this project is expected to result in:

Private investment of at least \$106,361 for façade and interior building improvements;

Upon completion of the project (at time of project closeout) the Company shall have created at least four (4) permanent full-time equivalent jobs at a minimum hourly rate of \$2.65 plus tips;

At least 51% of the created jobs shall be held by low and moderate income people; and

To use the Income Certification Form (Attachment C) to document low and moderate income benefit.

The Company further acknowledges that should the private investment and job creation goals for this project not be met, the Grantor may require the repayment of the Grant up to \$77,218 from the Company.

The Company certifies that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time the Agreement is signed that would result in significant job loss as defined in 24 CFR 570.482. If the project described in the Grant Application does result in the relocation of any industrial or commercial plant, facility or operation, the Company will notify the MEDC of the number of jobs being relocated. The Company shall provide for reimbursement to the Grantee if any assistance is provided to, or expended on behalf of, the Company in the event that assistance results in a relocation prohibited under this section.

The signatory below warrants that he is empowered to enter into this Agreement.

Dated this 9<sup>th</sup> day of August, 2010

Witnessed By:

Maumee Street Tea Company, Inc. d/b/a  
Governor Croswell Tea Room, Inc.

Susan Daughlin

Alan Wilkerson  
Alan Wilkerson  
President

V. ACKNOWLEDGMENT AND CERTIFICATION OF BENEFICIARY

Delega Investments, LLC and Sauce Italian Grill & Pub, LLC (collectively the "Company"), acknowledge receipt of a copy of the Grant Agreement MSC 209196-CDF, together with all attachments. It is understood that the CDBG financed portion of the project will directly benefit the Company by providing funding for façade improvements.

It is understood and acknowledged by all parties, including the Company, that the investment and creation of jobs was an essential factor in persuading the Grantor that this project is economically viable, and further, in absence of this commitment by the Company, this grant would not have been awarded.

Therefore, recognizing that it will derive a real and substantial benefit from this grant, the Company agrees to abide by the terms of the Grant Agreement. The Company agrees that this project is expected to result in:

Private investment of at least \$141,572 for façade and interior building improvements;

Upon completion of the project (at time of project closeout) the Company shall have created at least three (3) permanent full-time equivalent jobs at a minimum hourly rate of \$7.40;

At least 51% of the created jobs shall be held by low and moderate income people; and

To use the Income Certification Form (Attachment C) to document low and moderate income benefit.

The Company further acknowledges that should the private investment and job creation goals for this project not be met, the Grantor may require the repayment of the Grant up to \$58,750 from the Company.

The Company certifies that neither it, nor any of its subsidiaries, has plans to relocate jobs at the time the Agreement is signed that would result in significant job loss as defined in 24 CFR 570.482. If the project described in the Grant Application does result in the relocation of any industrial or commercial plant, facility or operation, the Company will notify the MEDC of the number of jobs being relocated. The Company shall provide for reimbursement to the Grantee if any assistance is provided to, or expended on behalf of, the Company in the event that assistance results in a relocation prohibited under this section.

The signatories below warrant that they are empowered to enter into this Agreement.

Dated this 9<sup>th</sup> day of August, 2010

Witnessed By:

Susan Zaughn

Witnessed By:

Susan Zaughn

Delega Investments, LLC

David Horstman  
David Horstman  
Owner

Sauce Italian Grill & Pub LLC  
Kim Horstman  
Kim Horstman  
Owner

**PROJECT BUDGET**  
**MICHIGAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

**MICHIGAN ECONOMIC DEVELOPMENT CORPORATION**

1. Applicant: City of Adrian (MSC 209196-CDF)		2. Project Title: Downtown Façade Improvement Project			
3. Project Cost Elements		4. Project Funding Sources (Identify all other funding sources)			
Activities	CDBG	Private			TOTAL
<b>125 East Maumee Street:</b>					
Façade Improvements	\$74,718	\$31,274			\$105,992
Interior Improvements	\$0	\$73,087			\$73,087
Preliminary architect fees	\$0	\$2,000			\$2,000
<b>149 North Main Street:</b>					
Façade Improvements	\$56,250	\$0			\$56,250
Interior Improvements	\$0	\$140,072			\$140,072
Preliminary architect fees	\$0	\$1,500			\$1,500
Administration	\$5,000	\$0			\$5,000
<b>TOTAL</b>	<b>\$135,968</b>	<b>\$247,933</b>			<b>\$383,901</b>

### Section 3 Project Description – 125 E Maumee St

1) Describe History of proposed project:

The owners are both successful retired educators (Alan Wilkerson– high school principal, Phyllis Wilkerson– high school teacher and currently an adjunct professor at Eastern Michigan University).

In 2008, the Wilkerson's purchased the Sweet Afton Tea Room and immediately resurrected the restaurant. In August 2009, Tea Map named the tearoom to the Top 100 in the United States. The business model is to develop the same success in the Adrian location.

As the business progressed in Plymouth, they were able to create more employment opportunities and expand from 6 employees to 14 employees.

In Adrian, they will begin the business with at least 4 employees and as the business develops and expands, will create more jobs to respond to the additional business and extended hours. The employment opportunities will include kitchen, hostess, server and dishwasher positions all of which have the potential to benefit low and moderate income persons.

2) Describe the work activities:

The owners recently purchased the property in December 2009 with the purpose of constructing a tearoom and restaurant similar to their successful Sweet Afton Tea Room in Plymouth, Michigan ([www.sweetaftontearoom.com](http://www.sweetaftontearoom.com)). This historic Hoefler Building was built in 1910 and became a world-class millinery shop from 1910 (1910 -1923 Louise Burger Millinery and Leone Kaufmann Millinery 1923- 1965) until 1965. It was often a retail destination for famous actresses Mary Pickford, Maude Adams, and numerous others whom were performing next door at the Crowell Opera House. In 1965, another of Adrian's 100-year-old businesses, Judge's Fine Jewelry, moved to this location. It continued to be a jewelry store until 1989.

Major renovations are needed to bring this historic landmark building to its glory. The owners will use the façade grant to restore a badly neglected exterior façade.

The owners will contribute the financial resources to bring the current electrical and plumbing systems up to required State and City of Adrian code. A Michigan Department of Health certified kitchen must also be constructed, as well as two bathrooms and a dining room compliant with ADA Accessibility Guidelines for Buildings and Facilities.

- 3) Identify the private company involved.

Name: Maumee Street Tea Company, Inc  
DBA: Governor Croswell Tea Room  
Address: 125 E. Maumee St.  
Adrian, Michigan 49221

Expansion Plans: No plans to expand at this time.

- 4) Describe location of project: See attached map (S3 4)
- 5) Provide estimated timeline: June 2010 – December 2011
- 6) Identify CDBG Program Income: none
- 7) Describe status of engineering/architectural plans or specification:  
Architects from ADG design group have preliminary documents  
identifying scope of work – see attached (S3 5-10)
- 8) Describe status of state federal or local permits required for  
implementation of project: Required Building permits will be pulled  
prior to construction on project
- 9) List any special fees: None - Letter attached (S3 11)
- 10) Identify if activities will be located in a designated flood plain or will impact  
wetlands: Project will not be located in a flood plain and will not impact  
wetlands.
- 11) Indicate if project involves leasing, acquiring and or donating property and  
or easements: Project does not involve leasing, acquiring and/or donating  
property and or easement.
- 12) Describe any intended temporary or permanent relocation: There will be  
no temporary or permanent relocation of businesses, non-profit  
organizations, homeowners, or tenants as part of the proposed project.
- B. National Objective: Identify jobs to be created by each company and  
explain how proposed project will meet the national objective requirement  
of providing benefit to at least 51% low and moderate income persons.

It is anticipated that at least four (4) FTE jobs will be created in the  
beginning that will benefit low and moderate income persons. As the  
business develops and expands, more jobs will be created to respond to  
the additional business and extended hours. The employment  
opportunities will include kitchen, hostess, server and dishwasher

positions all of which have the potential to benefit low and moderate  
income persons.

A) Section 3 Project Description – 149 N Main

1) Describe history of proposed project:

David and Kim Horstman, husband and wife, are the creators, owners, and managers of Delega Investments, LLC and Sauce Italian Grill & Pub, LLC. Delega Investments, LLC is the owner of the land and building while Sauce Italian Grill & Pub, LLC is the owner of Sauce Italian Grill & Pub which is to be located at 149 North Main, Adrian, MI 49221.

2) Describe the work activities:

The historic building located at 149 North Main St. Adrian, MI is dated back to the late 1800's. An early 1900's wagon making shop eventually gave way to a one room grocery store. A meat market was to follow until the building was converted to a bar and grill (Mr. Ed's) in the 1960's through 2007.

Major renovations are needed to restore this historic property. The building has been vacant and in disrepair since 2007. The owners will utilize the façade grant funds to restore the neglected and deteriorated exterior. The owners will contribute funds to bring electrical and plumbing to City/State codes. A kitchen must be constructed to Michigan Department of Health codes. The interior is in need of major restoration and will be restored to feature the original brick interior walls accented with wood trim.

3) Identify the private company involved in the project:

A) Company Name(s)

a. Delega Investments, LLC

3139 Birch Run  
Adrian, MI 49221

b. Sauce Italian Grill & Pub, LLC

3139 Birch Run  
Adrian, MI 49221

David and Kim Horstman, husband and wife, are the creators, owners, and managers of Delega Investments, LLC and Sauce Italian Grill & Pub, LLC.

Delega Investments, LLC is the owner of the land and building while Sauce Italian Grill & Pub, LLC is the owner of Sauce Italian Grill & Pub located at 149 North Main, Adrian, MI 49221

B) Expansion Plans: none at this time

C) Explain why work activities are necessary:

The historic building located at 149 North Main St. Adrian, MI is dated back to the late 1800's. An early 1900's wagon making shop eventually gave way to a one room grocery store. A meat market was to follow until the building was converted to a bar and grill (Mr. Ed's) in the 1960's through 2007.

Major renovations are needed to restore this historic property. The building has been vacant and in disrepair since 2007. The owners will utilize the façade grant funds to restore the neglected and deteriorated exterior. The owners will contribute funds to bring electrical and plumbing to City/State codes. A kitchen must be constructed to Michigan Department of Health codes. The interior is in need of major restoration and will be restored to feature the original brick interior walls accented with wood trim.

- 4) Describe location of project: see attached map (S3 15)
- 5) Provide an estimated timeline: June 2010 – December 2011
- 6) Identify CDBG Program Income to be used: None
- 7) Describe engineering/architectural plans specifications. Architects with ADG (Adrian Design Group) have submitted preliminary documents identifying scope of work. See attached. (S3 16-23)
- 8) Describe status of state, federal, or local permits required. All required building permits will be pulled prior to work commencing.
- 9) List any special fees which may be charged. No special fees will be charged  
Letter attached (S3 24)
- 10) Identify if proposed project is in flood plain or will impact wetland. Project is not in flood plain and will not affect wetlands.
- 11) Indicate if project involves leasing, acquiring, and or donating property and or easements. Project does not involve leasing, acquiring, and or donating property and or easements.

12) Describe any intended temporary or permanent relocation of businesses, organizations, homeowners, tenants as part of project. There will be no temporary or permanent relocation of businesses, non profit organization, homeowners, or tenants as part of this project.

B) National Objective

Identify the number of jobs to be created and explain how the proposed project will meet the national objective requirement of providing benefit to at least 51% low and moderate income persons.

It is anticipated that at least three (3) FTE jobs will be created. Employment opportunities offered will include line cooks, prep cooks, dishwashers, and bussers – all with the potential to benefit low and moderate income persons.



MICHIGAN STRATEGIC FUND

Attachment C

Income Certification Michigan Community Development Block Grant Program

The City of Adrian is participating in a federal grant program with Maumee Street Tea Company, Inc. DBA Governor Crosswell Tea Room (MSTCI d/b/a GCTR). The grant funds will be used to assist the City of Adrian in providing funding for facade improvements. As a requirement for the grant, the following information must be obtained from employees in newly created positions.

Your response will only be used for statistical purposes related to the grant and will not be kept on record in your employee file.

300 N. WASHINGTON SQ. LANSING, MI 48913

MSF BOARD D. GREGORY MAIN President and Chair Michigan Economic Development Corporation

LINDA EWING United Auto Workers

JAMES HERBERT Neogen Corporation

PAUL E. HODGES, III

GEORGE W. JACKSON, JR. Detroit Economic Growth Corporation

ROBERT KLEINE Michigan Department of Treasury

MITCHELL A. MONDRY M Group, LLC

JAMES G. PETCOFF JPFS, LLC

STANLEY PRUSS Michigan Department of Energy, Labor & Economic Growth

RICHARD E. RASSEL Butzel Long

CHARLES ROTHSTEIN Beringea LLC

Grantee: City of Adrian

Grant Number: MSC 209196-CDF

County: Lenawee

Company Name: MSTCI d/b/a GCTR

Project: Downtown Façade Improvement Project

Does MSTCI d/b/a GCTR offer health insurance? Yes\_\_\_ No\_\_\_

Were you unemployed before taking this job? Yes\_\_\_ No\_\_\_

Are you disabled? Yes\_\_\_ No\_\_\_

If female, are you head of household? Yes\_\_\_ No\_\_\_

Please circle the letter (A, B, C, or D) in front of the appropriate line according to your household size and annual family household income (including yourself). Your annual family household income must be at or below the amount on the line you check on this date. Do not include income you expect to receive from your new employment. If your annual family household income is above the income categories identified below, circle line D "Exceeds above mentioned income limits."

Annual Family Household Income Limits

Table with 8 columns (1 Person to 8 Person) and 4 rows (A, B, C, D) showing income limits.

RACE: Check One table with 2 columns and 5 rows listing racial categories.

ETHNICITY: Hispanic or Latino? Yes\_\_\_ No\_\_\_

Employee Signature

Date

Printed Name



MICHIGAN STRATEGIC FUND

Income Certification Michigan Community Development Block Grant Program

300 N. WASHINGTON SQ. LANSING, MI 48913

The City of Adrian is participating in a federal grant program with Delega Investments, LLC and Sauce Italian Grill & Pub, LLC (DILLC and SIG&P). The grant funds will be used to assist the City of Adrian in providing funding for façade improvements. As a requirement for the grant, the following information must be obtained from employees in newly created positions.

Your response will only be used for statistical purposes related to the grant and will not be kept on record in your employee file.

MSF BOARD D. GREGORY MAIN President and Chair Michigan Economic Development Corporation

Grantee: City of Adrian

Grant Number: MSC 209196-CDF

LINDA EWING United Auto Workers

County: Lenawee

Company Name: DILLC and SIG&P

JAMES HERBERT Neogen Corporation

Project: Downtown Façade Improvement Project

Does DILLC and SIG&P offer health insurance?

Yes\_\_\_ No\_\_\_

PAUL E. HODGES, III

Were you unemployed before taking this job?

Yes\_\_\_ No\_\_\_

GEORGE W. JACKSON, JR. Detroit Economic Growth Corporation

Are you disabled?

Yes\_\_\_ No\_\_\_

ROBERT KLEINE Michigan Department of Treasury

If female, are you head of household?

Yes\_\_\_ No\_\_\_

MITCHELL A. MONDRY M Group, LLC

Please circle the letter (A, B, C, or D) in front of the appropriate line according to your household size and annual family household income (including yourself). Your annual family household income must be at or below the amount on the line you check on this date. Do not include income you expect to receive from your new employment. If your annual family household income is above the income categories identified below, circle line D "Exceeds above mentioned income limits."

JAMES G. PETCOFF JPFS, LLC

STANLEY PRUSS Michigan Department of Energy, Labor & Economic Growth

RICHARD E. RASSEL Butzel Long

CHARLES ROTHSTEIN Beringea LLC

Annual Family Household Income Limits

Table with 8 columns: 1 Person, 2 Person, 3 Person, 4 Person, 5 Person, 6 Person, 7 Person, 8 Person. Rows A, B, C, D with corresponding income values.

RACE: Check One table with 2 columns and 5 rows: White, Black/African American, Asian, American Indian/Alaskan Native, Native Hawaiian/Other Pacific Islander, American Indian/Alaskan Native and White, Asian and White, Black/African American and White, American Indian/Alaskan Native and Black, Other Multi-Racial.

ETHNICITY: Hispanic or Latino? Yes\_\_\_ No\_\_\_

Employee Signature

Date

Printed Name

**New Job Information for Projects Assisted with  
Community Development Block Grant Funds**

**For Human Resources use ONLY**

**Name of Employee:** \_\_\_\_\_

**Position Number:** \_\_\_\_\_ **Date**

**Hired:** \_\_\_\_\_

<b>Position for which this person was hired (check one):</b>			
Official or Manager	<input type="checkbox"/>	Craft Worker (skilled)	<input type="checkbox"/>
Professional	<input type="checkbox"/>	Operatives (semi-skilled)	<input type="checkbox"/>
Technician	<input type="checkbox"/>	Labors (unskilled)	<input type="checkbox"/>
Sales	<input type="checkbox"/>	Service Worker	<input type="checkbox"/>
Office or Clerical	<input type="checkbox"/>		<input type="checkbox"/>

<b>Employment status of this person(check one):</b>	
Full Time Employee	<input type="checkbox"/>
Part Time Employee	<input type="checkbox"/>
If part time, enter the number of hours worked per week	

A full time position is one where the employee works at least 35 or more hours per week. A part time position is one where the employee is anticipated to work less than 35 hours per week.

**New Job:** New full time or full time equivalent permanent jobs that did not exist prior to this project and came about as a result of this project. To the best of the company's knowledge these newly created positions are intended to be permanent and sustainable for a minimum of 12 months. Jobs that exist prior to the start of the project or resulting independently from the project will not be considered.

Income certification forms need **only** to be filled out by the **first person** filling a newly created position. If you have any questions concerning this form, please call 517.373.6213.

## Community Development Block Grant Job Classifications

**Official or Manager** – Administrative personnel who set broad policies, exercise overall responsibility of execution of these policies, and individual departments or special phases of a firm's operations. This includes: Executives, middle management, plant managers and superintendents, salaried supervisors who are members of management, purchasing agents and buyers, and kindred workers.

**Professional** – Positions requiring either college graduation or experience of such kind and amount as to provide a comparable background. This includes: accountants and auditors, airplane pilots and navigators, architects, artists, chemists, designers, dietitians, editors, engineers, lawyers, librarians, mathematicians, natural scientists, registered professional nurses, professional and labor relations workers, physical scientists, physicians, social scientists, teachers, and kindred workers.

**Sales** – Positions engaging in wholly or primarily in direct selling. This includes: advertising agenda and sales workers, insurance agents and brokers, real estate agents and brokers, sales workers, demonstrators and retail sales workers, sales clerks, grocery clerk, cashiers, and other kindred workers.

**Technician** – Positions requiring a combination of basic scientific knowledge and manual skill which can be obtained through about 2 years of post-high school education such as is offered in many technical institutions and junior colleges, or through equivalent on the job training. This includes: computer programmers and operators, drafters, engineering aids, junior engineers, mathematic aides, licensed practical or vocational nurses, photographers, radio operators, scientific assistants, surveyors, technical illustrators, technicians (medical, dental, electronic, physical science), and kindred workers.

**Office or Clerical** – Positions include all clerical-type work regardless of level of difficulty, where the activities are predominately non-manual though some manual work not directly involved with altering or transporting the products is included. This includes: bookkeepers, cashiers, collectors (bills and accounts), messengers and office helpers, office machine operators, shipping and receiving clerks, stenographers, typists, and secretaries, telegraph and telephone operators, and kindred spirits.

**Craft Worker (skilled)** – Manual workers of relatively high level having a thorough and comprehensive knowledge of the processes involved in their work. Exercise considerable independent judgment and usually receive an extensive period of training. This includes: the building trades, hourly paid supervisors and lead operators (who are not members of management), mechanic and repairers, skilled machining occupations, compositors and typesetters, electricians, engravers, job setters (metal), motion picture projectionists, pattern and model makers, stationary engineers, tailors, and kindred workers.

**Operatives (semi-skilled)** – Workers who operate machines or other equipment or perform factory-type duties of intermediate skill level which can be mastered in a few weeks and require only limited training. This includes: apprentices (auto mechanics, plumbers, electricians, machinists, mechanics, building trades, metal working trades, printing trades, etc.), operatives, attendants (auto service and parking), blasters, chauffeurs, delivery workers, dress makers and sewers (except factory), dryer's furnace workers, heaters (metal), laundry and dry cleaning, operatives, milliners, mine operatives and laborers, motor operators, boilers and greasers (except auto), painters (except construction and maintenance), photographic process workers, boiler tenders, truck and tractor drivers, weavers (textile), welders and flame metals workers, and kindred workers.

**Laborers** – Workers in manual occupations which generally require no special training to perform elementary duties that may be learned in a few days and require the application of little or no independent judgment. This includes: garage laborers, car washers and greasers, gardeners (except farm) and grounds keepers, stevedores, wood choppers, laborers performing lifting, digging, mixing, loading, and pulling operations, and kindred workers.

**Service Workers** - Workers in both protective and non-protective service occupations. This includes: attendants (hospital and other institutions, professional and personal service, including nurses aides and orderlies), barbers, chair workers and cleaners, cooks (except household), counter and fountain workers, elevator operators, firefighters and fire protection guards, door keepers, stewards, janitors, police officer and detectives, porters, waiters and waitresses, and kindred workers.

## Definitions for Race/Ethnic Categories and Household

The Michigan Economic Development Corporation (MEDC), Community Development Block Grant Program (CDBG) is required to collect this information for statistical purposes only as required by the U.S. Department of Housing and Development per 24CFR 91.520(a). This information is required because the company you are applying to participated in a project that was assisted with federal funds.

Race/ethnic designations used do not denote scientific definitions of anthropological origins. For the purposes of this survey, an employee may be included in the group to which he or she appears to belong, identifies with, or is regarded in the community as belonging. However, no person should be counted in more than one of the racial groups listed below. Hispanic is an ethnic category that cuts across all races. Those who are American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Other Pacific Islander, White, or any of the other Multi-Racial categories may also be considered Hispanic. The race/ethnic categories for this survey are:

**American Indian or Alaskan Native:** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains affiliation or community attachment.

**Asian:** A person having origins in any of the original peoples of the Far East, southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

**Black or African American:** A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black or African American".

**Native Hawaiian or Other Pacific Islander:** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or Pacific Islands.

**White:** A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.

**American Indian or Alaskan Native and White:** A person having these multiple race heritages as defined above.

**American Indian or Alaskan Native and Black or African American:** A person having these multiple race heritages as defined above.

**Asian and White:** A person having these multiple race heritages as defined above.

**Black or African American and White:** A person having these multiple race heritages as defined above.

**Other Multi-Racial:** For reporting individual responses that are not included in any of the categories listed above.

**Hispanic:** All persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

**Definition of family household income** – The income limits listed are in relation to how many family members live in your household. For example, if you live with three (3) people, but none of those persons are family members you are a family household of one (1). Family is defined as persons related by birth, marriage, or adoption.

**RE: DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT – Michigan  
Community Development Block Grant Award Acceptance (MSC 209196-CDF)**

**RESOLUTION**

WHEREAS, the Adrian City Commission, by Resolution CR10-021 dated May 3, 2010, authorized the Department of Community and Economic development to submit a grant application to the Michigan Economic Development Corporation (MEDC) for Community Development Block Grant (CDBG) funds in the amount of \$195,968 for Facade Projects in downtown Adrian; and

WHEREAS, the Michigan Strategic Fund has approved a grant award (MSC 209196-CDF) in the amount of \$135,968 for two (2) facade improvement projects in downtown Adrian:

Governor Croswell Tea Room, Inc	125 E. Maumee	\$ 74,718
Sauce Italian Grill & Pub, LLC	149 N. Main	56,250
Administration		<u>5,000</u>
Total		<u>\$135,968</u>

WHEREAS, the grant period covers a 24-month time period, from May 1, 2010 to April 30, 2012, and although there is no public funds grant match requirement, the businesses participating in the projects are required to invest \$247,933 to qualify for the grant reimbursement, resulting in a total project cost of \$383,901; and

WHEREAS, the Community Development Director and City Administrator recommend acceptance of the grant award and approval of the related amendments to the FY2010-11 Budget.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby accepts the Community Development Block Grant Award from the Michigan Economic Development Corporation in the amount of \$135,968 for purposes of partially funding the downtown facade improvement projects located at 125 E. Maumee and 149 N. Main Streets.

BE IT, FURTHER, RESOLVED that the FY2010-11 Budget be amended as follows:

**Community Development Fund (275)**

**Revenue:**

(275-000.00-520.000)	Community Development Block Grant	\$130,968
(275-000.00-529.000)	CDBG Program Administration	<u>5,000</u>
	Total	<u>\$135,968</u>

**Expenditures:**

(275-827.01-976.000)	125 E. Maumee Façade Improvement	\$ 74,718
(275-827.02-976.000)	149 N. Main St. Façade improvement	56,250
(275-990.00-990.000)	Contingency	<u>5,000</u>
	Total	<u>\$135,968</u>

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

R-5

# MEMO

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DATE: October 29, 2010  
TO: Honorable Mayor and City Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: Bio-Fuel Industries Group, LLC (BIG) Renaissance Zone Status

In February of 2007, the City approved the establishment of a Renewable Energy Renaissance Zone for Bio-Fuel Industries Group, LLC (BIG). This status has allowed the business to be exempt from real and personal property taxes but continues to be responsible for certain school operating, school debt and other special assessments of the city. For over a year now, there has been little or no production at the facility and little, if any, employment as initially indicated in the application for the Renaissance Zone status.

Approximately two weeks ago, a representative of this company and from a security alarm company for BIG came to City Hall to advise that production of the facility has ceased and all operations have been terminated. The Director of Community Development contacted the State of Michigan about this matter and as a result of that contact, I received a call from a representative of the Michigan Economic Development Corporation to ask whether or not the city desires to have the Renaissance Zone status for the property revoked.

By the terms of the Development Agreement, the Michigan Strategic Fund has the authority to revoke the designation. As such, I have brought this matter before the Commission to determine what request should be made by the Adrian City Commission to the Michigan Strategic Fund in this matter. The proposed resolution is attached which either requests the Renaissance Zone status to either be continued or revoked, depending on the decision of the Commission.

Respectfully submitted,

  
Dane C. Nelson  
City Administrator

DCN:bjw

**R10-141**

November 1, 2010

**RE: CITY COMMISSION – Energy Renaissance Zone for Bio-Fuel Industries Group, LLC (BIG)**

**RESOLUTION**

WHEREAS, on February 5, 2007, by Resolution R07-037, the Adrian City Commission approved the establishment of a Renewable Energy Renaissance Zone for a period of fifteen (15) years on a 25-acre parcel of real estate on M-34 in the City of Adrian for construction of a bio-diesel processing plant by Bio-Fuel Industries Group, LLC (BIG); and

WHEREAS, the resolution of the city indicated that only renewable energy uses would be exempt from certain taxes; and

WHEREAS, the Michigan State Administrative Board, on April 17, 2007, designated the BIG site as a Renewable Energy Renaissance Zone for 15 years; and

WHEREAS, said BIG entered into a signed Development Agreement with the Michigan Strategic Fund; and

WHEREAS, BIG is delinquent on its taxes due for school operating, school debt and the city storm water utility; and

WHEREAS, a representative of BIG has advised the City that there is no more production at the facility and that it has ceased its operations at this location; and

WHEREAS, a representative of the Michigan Economic Development Corporation has contacted the City Administrator to determine if the City desires the Renaissance Zone status to be revoked for the above reasons.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Adrian City Commission does hereby express a position to advise the Michigan Strategic Fund to continue\_\_\_\_\_/revoke \_\_\_\_\_ the Renaissance Zone status for the BIG property on M-34 in the City of Adrian.

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