



PRE-MEETING AGENDA

ADRIAN CITY COMMISSION
AGENDA
PRE-MEETING STUDY SESSION
JULY 7, 2010
5:30 P.M.

The City Commission will meet for a pre-meeting study session on Wednesday, July 7, 2010, at 5:30 p.m. at the City Chambers Building, 159 E. Maumee St., to discuss the following:

- I. One Lenawee Presentation
- Dave Maxwell and Richard Gurdjian
- II. Other Items as Time Permits



COMMISSION AGENDA

**AGENDA
ADRIAN CITY COMMISSION
JULY 7, 2010
7:00 P.M.**

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- II. ROLL CALL
- III. APPROVAL OF MINUTES OF THE JUNE 21, 2010 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- IV. PRESENTATION OF ACCOUNTS
- V. COMMUNICATIONS
 - 1. **C-1 – Finance Department.** Report on Government Finance Officers Association (GFOA) 104th Annual Conference
 - 2. **C-2 – Finance Department.** Correspondence from Finance Director on State Revenue Sharing Update
- VI. PUBLIC COMMENTS
- VII. REGULAR AGENDA
 - A. ORDINANCE
 - 1. **Ord. 10-005 – Utilities Department.** Second reading of an Ordinance to repeal Section 94-242(i) of Chapter 94 – Sewer-Summer Service Billings – of the Adrian City Code. Adoption would eliminate the summer sewer credit given to residential customers from June – September. Sewer usage would be billed the entire year based on water meter readings.
 - B. RESOLUTIONS
 - 1. **R10-080. Engineering Department** - Resolution to approve a change order to the contract with Schug Construction to include additional curb and gutter replacement on Frank Street between Center and Locust Streets.
 - 2. **R10-081. Engineering Department** - Resolution to approve a change order to the contract with Quality Asphalt to include additional milling and resurfacing on Frank Street between Center and Locust Streets.
 - 3. **R10-082. Department of Parks & Recreation** – Resolution to accept annual t-shirts and sweatshirts bid. The Parks & Recreation Director and City Administrator recommend

acceptance of the low bid and authorization of annual t-shirts and sweatshirts purchase from Austin, Inc., Milford, MI at an estimated cost (depending on volume purchased) of \$8,000 - \$10,000.

4. **R10-083. Fire Department** - Resolution authorizing the issuance of a permit for a fireworks display to the Christian Family Centre for their Annual Community Celebration on August 7, 2010.
5. **R10-084. Finance Department** - Resolution to amend the City's Standard Professional Services Contract to include adherence to the City's Drug-Free Workplace Policy by City contractors and their employees.
6. **R10-085. Engineering Department**. Resolution authorizing selection of vendor to design the lighting layout and all associated items for the South Toledo Street Parking lot and to proceed with construction of these items.
7. **R10-086. Community Development**. Resolution to revoke an Obsolete Property Rehabilitation Exemption Certificate (OPRA) for William Click, Model Construction, for property located at 107 N. Main Street for not proceeding in good faith with the operation of the rehabilitated facility.
8. **R10-087. City Hall, Police, Library**. The City Administrator and City Engineer recommend selection of the low bidder, Otis Elevator, Lansing, MI, and engagement in the City's Standard Professional Services Contract for the performance of elevator maintenance services for City Hall, Adrian Public Library and the Police Department at a cost not to exceed \$375.00 per quarter for each of the three (3) elevators or a total of \$4,500.

V I I I. PUBLIC COMMENTS

I X. COMMISSION COMMENTS



MINUTES

**MINUTES
ADRIAN CITY COMMISSION
JUNE 21, 2010
7:00 P.M.**

Official proceedings of the June 21, 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 Pro-Tem Greg DuMars, Commissioners Osborne, Warren, Carrico, Steele and Clegg

ABSENT: Mayor McDowell

Mayor Pro-Tem DuMars in the Chair.

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

Commissioner Carrico moved to approve the minutes of the June 7, 2010 regular meeting of the Adrian City Commission, seconded by Commissioner Warren, motion carried by a unanimous vote.

PRESENTATION OF ACCOUNTS

Utility Department Receiving Fund Voucher #3270 through #3278	\$ 97,411.74
General Fund Vouchers #19899 through #19929	\$268,798.36
Clearing Account Vouchers amounting to	<u>\$409,007.95</u>
TOTAL EXPENDITURES	<u>\$775,218.05</u>

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

COMMUNICATIONS

1. C-1. Update from Finance Director on Municipal Employees' Retirement System (MERS) of Michigan Annual Actuarial Valuation.
2. C-2. Communication from Comcast on an increase in late fees and a channel lineup name change.
3. C-3. Letters from 5-6 grade Adrian students with their views on recycling.

CONSENT AGENDA

RESOLUTIONS

RESOLUTION CR10-029

RE: ANNUAL BID – Polyethylene and PVC Pipe

WHEREAS, sealed bids were received June 8, 2010, for the annual Polyethylene and PVC pipe requirements; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for Polyethylene and PVC pipe be awarded to Michigan Pipe and Valve of Jackson, MI for the items and prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated June 8, 2010.

RESOLUTION CR10-030

RE: ANNUAL BID – Limestone Requirements

WHEREAS, sealed bids were received June 3, 2010, for the annual limestone requirements; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for limestone be awarded to Van Brunt Transport of Onsted, MI, for the items and prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated June 3, 2010.

RESOLUTION CR10-031

RE: ANNUAL BID – Equipment Rental

WHEREAS, sealed bids were received on June 3, 2010 for the annual equipment rental requirements for various departments; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for equipment rental be awarded to Slusarski Excavating of Adrian, MI, for the items and prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated June 3, 2010.

RESOLUTION CR10-032

RE: ANNUAL BID – Backfil Material

WHEREAS, sealed bids were received May 27, 2010 for the annual backfill material requirements; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for backfill materials be awarded to Van Brunt Transport, Inc. of Onsted, MI, for the items and prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated May 27, 2010.

RESOLUTION CR10-033

RE: ANNUAL BID – Cold Patch

WHEREAS, sealed bids were received May 27, 2010 for the annual purchase of cold patch; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for cold patch be awarded to Unique Paving of Cleveland, OH (Addison, MI) for the items and prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated May 27, 2010.

RESOLUTION CR10-034

RE: ANNUAL BID – Precast Concrete

WHEREAS, sealed bids were received June 3, 2010, for the annual purchase of precast concrete products; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for precast concrete products be awarded to Kerkstra Precast, Inc. of Grandville, MI for the items and prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated June, 3, 2010.

RESOLUTION CR10-035

RE: ANNUAL BID – Street Castings

WHEREAS, sealed bids were received on June 8, 2010 for the annual street casting requirements; and

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

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

NOW, THEREFORE, BE IT RESOLVED, that the bid for street castings be awarded to East Jordan Iron Works of East Jordan, MI for the items and prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated June 8, 2010.

RESOLUTION CR10-036

RE: ANNUAL BID – Rock Salt

WHEREAS, sealed bids were received June 8, 2010 for the annual purchase of rock salt; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for rock salt be awarded to North American Salt of Overland Park, KS for the items and prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated June 8, 2010.

RESOLUTION CR10-037

RE: ANNUAL BID – Ready Mix Concrete

WHEREAS, sealed bids were received June 8, 2010 for the annual Ready Mix concrete requirements; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for concrete be awarded to Doan Companies of Adrian, MI, and that the flowable fill product be awarded to Darby Ready Mix for the prices as listed in the bid tabulation and under the terms and conditions as specified and as proposed in their sealed bid dated June 8, 2010.

RESOLUTION CR10-038

RE: ANNUAL BIDS – Treatment Chemicals for Water & Wastewater Plants

WHEREAS, bids were received June 8, 2010, for the annual purchase of treatment chemicals for the Water and Wastewater Plants; and

WHEREAS, said bids have been tabulated and recommendations made by the Asst. Finance Director and the City Administrator to accept the low bid in each case as follows:

Chemical	Vendor	Bid Price
Ferric Chloride	PVS Technologies	\$0.2015/lb.
Ferric Sulfate	General Chemical	\$0.086/lb.
Pebble Lime	Western Lime	\$123.00/ton
Fluoride	Alexander Chemical	\$0.34/lb
Sodium Hypochlorite	K.A. Steel	\$0.0612/lb.
Phosphate	Carus Corp.	\$0.529/lb.
Carbon Dioxide	Pain Enterprise	\$0.03175

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

NOW, THEREFORE, BE IT RESOLVED that the annual bid for treatment chemicals be awarded to the vendors and for the prices as listed above and under the terms and conditions as specified and as proposed in their sealed bid dated June 8, 2010.

RESOLUTION CR10-039

RE: ANNUAL BID – Vehicle Wash Contract

WHEREAS, bids were received May 13, 2010 for the annual vehicle washing contract; and

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

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

NOW, THEREFORE, BE IT RESOLVED that the bid for a two-year contract for washing city vehicles be awarded to Adrian Fabricare Center of Adrian, MI at a cost of \$335.00 per month under the terms and conditions as submitted and as proposed in their sealed bid dated May 13, 2010.

RESOLUTION CR10-040

RE: CITY COMMISSION – Change in Commission Meeting Date

WHEREAS, the Charter of the City of Adrian requires that regular meeting times be established by City Commission resolution; and

WHEREAS, the regular meeting scheduled for Monday July 5, 2010, occurs on the observed 4th of July holiday.

NOW, THEREFORE, BE IT RESOLVED that said regular meeting will be held on Wednesday, July 7, 2010 at 7:00 p.m. in the City Chambers Building located at 159 E. Maumee St., Adrian, MI.

On motion by Commissioner Steele, seconded by Commissioner Carrico, Consent Resolutions CR10-029 through CR10-040 were adopted by a unanimous vote.

PUBLIC COMMENTS

1. Rick Coronado, 1031 Brookside Dr., works for Service Electric, who came in 3rd (Resolution R10-077) for electrical work. Asked Commission to reconsider and go with Service Electric rather than Masson's Electric.
2. Following people addressed the Commission on the sale of the former City Hall property for \$1.00: Allen Kern, 1249 Vine St; William Lara, 621 Helme; Nathan Poll (owns business at 136 E. Maumee); and Rick Coronado, 1031 Brookside Dr.
3. Allen Kern, 1249 Vine Street, said he had not seen a pedestrian walk sign at the 4-corners to enable pedestrians to safely cross the street.
4. William Lara, 621 Helme, feels that D & P should look for another piece of property rather than the former City Hall land. Also feels that the Laura Haviland statue should stay right where it is.

REGULAR AGENDA

ORDINANCE

1. Ord. 10-005. Introduction of an Ordinance to repeal Section 94-242(i) of Chapter 94 – Sewer – Summer Service Billings – of the Adrian City Code.

RESOLUTIONS

RESOLUTION R10-071

RE: ADMINISTRATION - COMPOST SITE POLICY

WHEREAS, the City Administrator has presented a proposed Compost Site Policy to be effective July 1, 2010; and

WHEREAS, the City Commission has discussed the matter and further considered said policy.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the proposed policy, which is attached hereto and made a part hereof, is hereby (approved) (denied) and that the permit fee of \$50.00 is further (approved) (denied), which amount may be modified by future resolution of the City Commission.

Commissioner Steele motioned to approve this resolution, seconded by Commission Clegg, motion DIED for lack of support.

Commissioner Steele withdrew his motion and Commissioner Clegg withdrew his second.

Commissioner Steele made an amended motion that will be used through the summer, as follows:

The \$50 annual permit would be eliminated. The compost site will be limited to use by Adrian City property owners, who would continue to use the orange tags issued by the City as proof of property ownership, as well as a driver's license or ID card.

Motion seconded by Commissioner Carrico, this resolution, as amended, was adopted by a unanimous vote.

Prior to the final vote, the Commission discussed their concern with the \$50 permit fee required of residents who use the site. Another concern was whether this would be a stop-gap fix until the entire refuse/recycling issue is resolved.

RESOLUTION R10-072

RE: ADMINISTRATION – Sale of 100 E. Church Street

WHEREAS, bids have been solicited and advertised for the sale of 100 E. Church St., also known as the old City Hall property; and

WHEREAS, the City Purchasing Officer received one bid from D & P Communications, Inc., Petersburg, MI, for \$1.00, and subject to the other conditions set forth in the bid specifications, which are attached hereto.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the bid of D & P Communications, Inc. of Petersburg, MI is hereby accepted, subject to the conditions set forth in the bid specifications and with the added requirement that the building be constructed no later than eighteen (18) months from this date; and

IT IS, FURTHER, RESOLVED that the Mayor and City Clerk be, and are hereby, authorized to execute a deed and all documents necessary to convey title in this matter and that the City Administrator is hereby authorized to execute all other documents necessary to close this transaction in accordance with the bid specifications and applicable City ordinances and policies.

Commissioner Clegg moved to adopt this resolution, seconded by Commissioner Carrico, motion DIED for lack of support.

Commissioner Clegg withdrew his original motion and Commissioner Carrico withdrew his second.

Commissioner Clegg made an amended motion that added the stipulation that the City would have a final say in the outward appearance of the building, seconded by Commissioner Carrico, this resolution was adopted by a 5-1-0 vote.

AYE: Mayor Pro-Tem DuMars, Commissioners Osborne, Warren, Steele and Clegg

NAY: Commissioner Carrico

ABSTAINED: None

Prior to the final vote, Administrator Nelson explained the timeline of the sale of the lot and how D & P came to be the lone bidder. The Commissioners discussed whether the property should be rebid. The Commission also wanted to make sure that the City would have a say in how the building would look.

RESOLUTION R10-073

**RE: DEPARTMENT OF PARKS & RECREATION – PARKS & FORESTRY DIVISION-
Urban Tree Canopy Grant Award**

WHEREAS, the Michigan Department of Natural Resources and Environment (DNRE) has awarded the City of Adrian a \$22,400 Urban Tree Canopy Grant, fifty (50%) percent to be funded locally; and

WHEREAS, the grant was established by the U.S. Forest Service to assist municipalities in the management of urban tree cover and provide benchmarks to measure the success of tree plantings and maintenance programs; and

WHEREAS, in addition, the program is designed to facilitate storm water management through coordination of tree plantings in locations with high density impervious surfaces; and

WHEREAS, because the grant serves both the Storm Water Utility and Parks & Forestry operations, the Parks and Recreation Director and City Engineer recommend that the grant match be shared by the Fee Estate Fund (205) and the Storm Water Utility Fund (598); and

WHEREAS, the City Administrator recommends acceptance of the grant funds, commitment of local matching funds from the Fee Estate Fund (\$6,000) and the Storm Water Utility Fund (\$5,200), and that the appropriate budget amendments be made.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the acceptance the Urban Tree Canopy Grant from the Michigan Department of Natural Resources and Environment (DNRE) in the amount of \$22,400 and that the local match requirement be derived from the Fee Estate Fund (\$6,000) and the Storm Water Utility Fund (\$5,200).

BE IT, FURTHER, RESOLVED that \$5,200 be appropriated from the Storm Water Utility Fund-Undesignated Fund Balance (598-00.00-390.000) and that the FY2010-11 Budget be amended as follows:

Fee Estate Fund (205)

Expenditures:		
(205-965.00-969.598)	Transfer-Out – Storm Water Utility Fund	\$ 6,000
(205-990.00-990.000)	Contingency Account	(6,000)
	TOTAL	<u>\$ -0-</u>

**Storm Water Utility Fund
(598)**

Revenue:		
(598-000.00-545.000)	Urban Tree Canopy Grant	\$11,200
(598-000.00-676.205)	Contribution-Fee Estate Fund	6,000
(598-000.00-697.000)	Prior Year's Revenue	<u>5,200</u>
	TOTAL	\$22,400

Expenditures:		
(598-445.03-801.000)	Contract Services	<u>22,400</u>
	TOTAL	<u>\$ -0-</u>

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

RESOLUTION R10-074

RE: ANNUAL BID – Ductile Iron Pipe and Fittings

WHEREAS, sealed bids were received June 8, 2010 for the annual purchase of ductile iron pipe and fittings; and

WHEREAS, based on anticipated volumes and adherence to bid specifications, said bids have been tabulated and recommendations made by the Utilities Director, Asst. Finance Director and the City Administrator to select the lowest qualified bidder adhering to bid specifications in each case, with results as follows:

Vendor	Product	Price
HD Supply, Canton, MI	4" Class 52 Ductile Iron	\$12.84
	6" Class 52 Ductile Iron	\$13.77
	8" Class 52 Ductile Iron	\$19.92
Kuhlman Corp., Maumee, OH	6 x 18 Coupling	\$105.00
	6" 90-degree bend	\$157.00
	6" 45-degree bend	\$88.00
	6" 90-degree bend	\$102.00
	8" 45-degree bend	\$118.00
	8" 90-degree bend	\$144.00
	10" 45-degree bend	\$169.00
	10" 90-degree bend	\$219.00
	4" Retaining Gland	\$17.00
	6" Retaining Gland	\$20.00
	8" Retaining Gland	\$30.00
	10" Retaining Gland	\$45.00
	4 x 6" Reducer	\$64.00
	6 x 8" Reducer	\$99.00
8 x 6" Tee	\$181.00	
6 x 6 Tee	\$149.00	
8 x 8 Tee	\$213.00	
Etna Supply, Grand Rapids, MI	2" Gate Valve	\$175.00
	4" Gate Valve	\$299.39
	6" Gate Valve	\$382.03
	8" Gate Valve	\$594.73

	10" Gate Valve	\$920.49
	12" Gate Valve	\$1,158.36
	16" Gate Valve	\$4,124.74
	2" Tapping Gate Valve	\$280.00
	4" Tapping Gate Valve	\$359.34
	6" Tapping Gate Valve	\$505.60
	8" Tapping Gate Valve	\$763.67
	10" Tapping Gate Valve	\$1,146.37
	6 x 4" Tapping Sleeve	\$330.12
Etna Supply, Grand Rapids, MI	6 x 6" Tapping Sleeve	\$376.14
	8 x 4" Tapping Sleeve	\$341.80
	8 x 6" Tapping Sleeve	\$380.15
	10 x 4" Tapping Sleeve	\$371.21
	10 x 6" Tapping Sleeve	\$403.16
	10 x 8" Tapping Sleeve	\$511.20
	12 x 4" Tapping Sleeve	\$439.18
	12 x 6" Tapping Sleeve	\$483.20
	12 x 8" Tapping Sleeve	\$584.23

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

NOW, THEREFORE, BE IT RESOLVED that the bids for ductile iron pipe and fittings be awarded to the aforementioned vendors under the terms and conditions as submitted and as proposed in their sealed bids dated June 8, 2010.

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

RESOLUTION R10-075

RE: TRANSFER OF ESCROWED LIQUOR LICENSE – 149 N. MAIN

WHEREAS, that the request to transfer ownership of an escrowed 2007 Class C Licensed Business with Entertainment Permit, located at 149 N. Main, Adrian, MI 49221, Lenawee County, from LWL, Inc. (Step 1) be considered for approval.

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

RESOLUTION R10-076

Re: FINANCE DEPARTMENT – Authorization to Transfer Funds for Previously Authorized Professional Services Contract for Design Services – Two-Way Street Conversion

WHEREAS, in 2007, the City of Adrian was awarded the Vibrant Small Cities Grant from the Michigan State Housing Development Authority (MSDHA) in the amount of \$1,000,000, which had a grant match requirement of \$1,000,000; and

WHEREAS, the aforementioned grant consisted of three components: 1) Two-Way Traffic Circulation; 2) Façade Improvements; and 3) Blight Reduction; and

WHEREAS, the City Commission, by Resolution #R08-098 dated July 7, 2008, authorized the engagement of URS Corporation, Farmington Hills, MI to perform the design engineering necessary for the two-way street project at a cost of \$120,000 to cover the following scope of services:

- Topographic/Design Survey	\$ 13,000
- Traffic Signal Design/Modifications	28,000
- Geotechnical Investigation	15,000
- Intersection Improvements, including ADA Compliant Sidewalk Ramps	15,000
- Church Street Reconstruction – Winter to Maumee	25,000
- Permanent Pavement Markings and Signing Plans	10,000
- Maintenance of Traffic and Construction Staging Plans	10,000
- Public Involvement – Two Public Information Meetings	<u>4,000</u>
Total	<u>\$120,000</u>

WHEREAS, the Vibrant Small Cities Grant covered the cost of the construction, installation of new signal lights and ADA improvements, however, the initial design engineering was intended to be the financial responsibility of the local unit of government; and

WHEREAS, the Finance Director indicates that \$120,000 is available in the Major Street Fund (202) for this purpose and recommends that amount be transferred to the Vibrant Small Cities Grant Fund (283), to comply with the original grant requirements; and

WHEREAS, the City Engineer and the City Administrator recommend approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes the appropriation of \$120,000 from the Major Street Fund (202-000.00-390.000) and transfer to the Vibrant Small Cities Grant Fund (283) to cover the cost of the design engineering necessary for the two-way street project, to comply with the original grant requirements.

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

Major Street Fund (202)

Revenue:		
(202-000.00-697.000)	Prior Years' Revenue	\$120,000
Expenditures:		
(202-965.00-969.283)	Transfer to Vibrant City Grant Fund	<u>120,000</u>
	TOTAL	<u>\$ -0-</u>

Vibrant Small Cities Grant Fund (283)

Revenue:		
(283-000.00-676.202)	Contribution-Major Street Fund	\$120,000
Expenditures:		
(283-474.00-801.012)	Two-Way Traffic Circulation-Local	<u>120,000</u>
	TOTAL	<u>\$ -0-</u>

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

RESOLUTION R10-077

RE: ANNUAL BID – Miscellaneous Electrical Work

WHEREAS, six (6) sealed bids were received June 3, 2010 for the annual purchase of miscellaneous electrical work, detailed as follows:

BIDDER	HOURLY RATE	
Masson's Electric Adrian MI	\$45.00	Markup: 20% Response: 1 hr business hours 2 hrs after hours
Witt Electric LLC Adrian MI	\$50.00	Markup: 26% under \$100 16% over \$100 Response: 24 hours
Service Electric Adrian MI	\$67.00	Markup: 20% Response: 1 day Emergency 1 hr.
M.B. Electric Adrian MI	\$70.00	Markup: 10% Response: Emergency- Immediate
Clegg Electric Adrian MI	\$70.00	Markup: 20% Response: As needed
Rauhorn Electric Macomb, MI	\$94.00	Markup: 12.5% Response: 4 hours

WHEREAS, said bids have been tabulated and the Asst. Finance Director and the City Administrator respectfully recommend the selection of the low bidder, Masson's Electric, Adrian, MI (although located outside the City limits, their hourly rate is 32.8% lower than the lowest local bidder - Service Electric);

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

NOW, THEREFORE, BE IT RESOLVED that the bids for miscellaneous electrical work be awarded to Masson's Electric, Adrian, MI under the terms and conditions as submitted and as proposed in their sealed bid dated June 8, 2010.

On motion by Commissioner Osborne, seconded by Commissioner Steele, this resolution was adopted by a 3-2-1 vote.

AYES: Mayor Pro-Tem DuMars, Commissioners Osborne and Steele

NAYS: Commissioners Warren and Carrico

ABSTAINED: Commissioner Clegg

Prior to the final vote, there was much discussion among the Commission regarding Service Electric's bid. Service Electric has worked for the City for a long time and performed

very well. The price difference, however, was large enough that it could not be ignored in light of budget concerns.

RESOLUTION R10-078

RE: ADRIAN PUBLIC LIBRARY – Modification of Library Fees and Fines Schedule for FY2010-11

WHEREAS, the Adrian City Commission, by Resolution #R09-101 dated June 15, 2009, adopted a Schedule for Adrian Public Library Fees and Fines, effective July 1, 2009, including a non-resident family card at \$40.00 annually; and

WHEREAS, in addition, Adrian City Commission, by Resolution #R09-176 dated October 19, 2009, adopted a modification of the Non-Resident Card Policy to include the following exceptions:

- 1) Establish a Family Seasonal Card with a fee of \$25.00 per year for non-residents that reside in Michigan for six months or less;
- 2) College and university students, who live in the City of Adrian while attending school, are eligible for a resident card; and

WHEREAS, after a thorough analysis of all library fees and fines, the Library Director respectfully recommends increasing the fee for a non-resident library card for FY2010-11 from \$40/year per family to \$65/year per family and seasonal non-resident library card from \$25/year per family to \$35/year per family; and

WHEREAS, the Finance Director indicates that the foregoing changes are contemplated in the FY2010-11 Budget and are estimated to increase revenue by \$1,000; and

WHEREAS, the Library Director and City Administrator recommend approval of this resolution and adoption of the proposed fee increase, effective July 1, 2010.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes establishing the fee for a non-resident library card for FY2010-11 at \$65/year per family and a seasonal non-resident library card from \$25/year per family to \$35/year per family, effective July 1, 2010.

BE IT, FURTHER, RESOLVED that the previously approved modification of the Non-Resident Card Policy be continued, including the following exceptions/modifications:

- 1) A Family Seasonal Card be continued with a fee increase to \$35.00 per year for non-residents that reside in Michigan for six months or less;
- 2) College and university students, who live in the City of Adrian while attending school, are eligible for a resident card.

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

RESOLUTION R10-079

RE: DEPARTMENT OF FINANCE – Indirect Cost Allocation Plan

WHEREAS, the City of Adrian, like most Michigan municipalities, is experiencing significant budget challenges that prompt management to investigate all avenues of cost reduction and revenue enhancement; and

WHEREAS, one such avenue is development of an Indirect Cost Allocation Plan that would enable the City to recover core central administrative costs; e.g., finance, human resources, purchasing, legal, clerk and administrator from federal and state grants and contracts with local governmental units, as well as City Enterprise Funds; and

WHEREAS, Federal Office of Management and Budget Circular A-87 establishes cost principles for determining the allowable costs incurred the State, local and Indian Tribal governments under grants, cost reimbursement contracts and other agreements with the Federal government; and

WHEREAS, because the Finance Department staff does not have the in-house expertise to develop a qualified Indirect Cost Allocation Plan, the Finance Director has solicited and received a proposal from Rehmann Robson, CPA firm in Jackson, MI to prepare a central service cost plan and related indirect cost calculation, based on the City's FY2008-09 audited Comprehensive Annual Financial Report and in compliance with OMB Circular A-87; and

WHEREAS, the Plan preparation would cost \$9,875 and would include the following scope of services:

- 1) Identify City grantee departments;
- 2) Identify central service departments and other central service costs which directly benefit other City departments;
- 3) Identify the cost of each service rendered, excluding ineligible expenses, such as capital expenditures,
- 4) Determine an equitable basis for allocating central service costs;
- 5) Allocate the costs to user departments using the basis selected;
- 6) Compute the indirect cost rate based on direct wages, or direct wages and fringes; and

WHEREAS, the Finance Director indicates sufficient funds are available for this purpose in the FY2009-10 Budget – General Fund Contingency Account (101-990.00-990.000); and

WHEREAS, in light of the vendor's extensive experience in developing compliant Indirect Cost Plans for other Michigan governmental units, the City Administrator recommends waiver of the bid process, engagement of Rehmann Robson, Jackson, MI, in the City's Standard Professional Services Contract to develop an Indirect Cost Allocation Plan at a cost not to exceed \$9,875.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes the engagement of Rehmann Robson, Jackson, MI, in the City's Standard Professional Services Contract to develop an Indirect Cost Allocation Plan at a cost not to exceed \$9,875.

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

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

General Fund (101)

Expenditures:

(101-201.00-801.000)	Finance Dept. – Contractual Services	\$9,875
(101-990.00-990.000)	Contingency	<u>(9,875)</u>
	TOTAL	<u>\$ -0-</u>

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

MISCELLANEOUS

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

PUBLIC COMMENT

1. The following people addressed the Commission regarding recycling:
 - John Kushell, 632 State St., thanked the Commission for approving the compost resolution. Felt city needs to educate the community about recycling as there are only about 10% that are avid recyclers.
 - Sister Kathleen Erard, 707 E. Siena Heights Dr., asked why recycling was taken out of budget as it was something that was working. Also wanted to know if the City recycles its paper and cardboard and how long we think that the landfill will last with its current usage.
2. William Lara, 621 Helme Ave., thanked the Commission for the opportunity to speak. Offered \$100 for 100 E. Church St. property, but said he knew he would be unable to meet the City's specifications.
3. Wafa Mualla, 554 Trenton, was disappointed that the City Hall lot was sold. Would have preferred to have a park there for Aunt Laura's statue.
4. Rick Coronado, 1031 Brookside, asked if the City has a drug-free policy for contractors that are hired. Was also concerned that with the electrical inspector being reduced to part-time, would the City be able to get inspections done in a timely manner.
5. Nathan Poll, 136 E. Maumee (business), thanked the Commission for the work that they did tonight. Said this is one reason that he is glad he moved back to Adrian.

COMMISSION COMMENTS

1. Commissioner Carrico expressed a desire to solve the recycling issue as soon as possible.

2. Commissioner Clegg shared that he has heard from a number of residents that they would like more information in the agenda.

Commissioner Steele moved to go into closed session to discuss labor negotiations, seconded by Commissioner Carrico, motion carried by a unanimous vote.

The next regular meeting of the Adrian City Commission will be on Wednesday, July 7, 2010, at 7:00 p.m. in the Commission Chambers Building located at 159 E. Maumee St., Adrian, MI 49221.

Greg DuMars
Mayor Pro-Tem

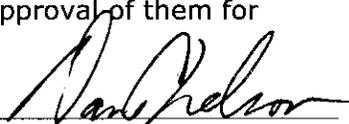
Pat Baker
City Clerk



CHECK REGISTER

July 7, 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 #3279 through #3286.....	\$135,870.26
General Fund	
Vouchers #19930 through #19958	\$452,252.55
Clearing Account Vouchers	
amounting to.....	<u>\$214,838.43</u>
TOTAL EXPENDITURES	<u>\$802,961.24</u>

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

June 30, 2010

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
<u>Receiving</u>			
3279	City of Adrian: Payroll	Payroll for June 18	\$ 15,439.94
3280	City of Adrian: Clearing Acct	June 21 CK Register	\$ 59,369.08
3281	Consumers Energy	Various Electric Bills	\$ 44,388.76
3282	Citizens Gas Fuel Co	Various Heat Bills	\$ 486.53
3283	Verizon North	Phone Bill	\$ 42.35
3284	City of Adrian: Payroll	Payroll for June 25	\$ 50,684.22
3285	Consumers Energy	Water Plant Electric	\$ 10,248.57
3286	City of Adrian: Payroll	Payroll for July 2	\$ 14,579.89
Total			\$ 195,239.34
Less: CK #3280			\$ 59,369.08
TOTAL			\$ 135,870.26

WW= \$ 95,052.88
WAT= \$100,186.46

30-Jun-10

GENERAL FUND
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
19930	\$ 12,087.98	City of Adrian: Payroll	Payroll for June 18
19931	\$ 2,448.97	First Federal Bank	Soc Security for June 18
19932	\$ 275.82	City of Adrian	Petty Cash
19933	\$ 74.58	Verizon North	Skate Park Phone
19934	\$ 27,301.45	Lenawee Fuels Inc	Motor Pool Gas & Diesel Fuel
19935	\$ 53.00	Tony Negrón	Recreation Refund
19936	\$ 50.00	Delores Clements	Recreation Refund
19937	\$ 48.00	John Buck	Recreation Refund
19938	\$ 85.00	Rachel Kurowski	Recreation Refund
19939		City of Adrian: Utilities	Transfer State MI Funds
19940	\$ 561.23	Citizens Gas Fuel Co	Various Heat Bills
19941	\$ 18,595.31	Consumers Energy	Various Electric Bills
19942	\$ 292.13	Verizon North	Various Phone Bills
19943	\$ 320,811.96	City of Adrian: Clearing Acct	June 21 Check Register
19944	\$ 4,359.54	Quick Service Transportation	Payroll W/E June 19
19945		City of Adrian: Utilities	Transfer State MI Funds
19947	\$ 240,583.14	City of Adrian: Payroll	Payroll for June 25
19948	\$ 16,713.40	First Federal Bank	Soc Security for June 25
19949	\$ 17.00	Kimberly Raymond	Recreation Refund
19950	\$ 162.00	Tom Merkel	Recreation Refund
19951	\$ 99.98	Verizon North	Phone Bills
19952	\$ 19.66	Consumers Energy	Electric Bill Heritage Park
19953	\$ 2,676.66	Citizens Gas Fuel Co	Various Heat Bills
19954	\$ 12,371.24	City of Adrian: Payroll	Payroll for July 2
19955	\$ 2,346.31	First Federal Bank	Soc Security for July 2
19956	\$ 3,927.73	Quick Service Transportation	Payroll W/E June 26
19957	\$ 100.00	Patricia Solis Cruz	Recreation Refund
19958	\$ 33.70	Peggy Taylor	Recreation Refund

\$ 666,095.79

\$ (320,811.96) Less: CK# 19943

\$ 345,283.83

6-Jul-10

GENERAL FUND
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
19946 \$	106,968.72	Blue Cross Blue Shield of MI	July Hospitalization Ins

\$ 106,968.72

Less: CK#

\$ 106,968.72

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ADRIAN AREA CHAMBER OF COMME	20.00		
2. CITY OF ADRIAN	2,000.00		
3. ADRIAN COMMUNICATIONS	28.00		
4. ADRIAN HIGH SCHOOL	200.00		
5. ADRIAN LOCKSMITH & CYCLERY	12.45		
6. ADRIAN MECHANICAL SERVICES C	670.50		
7. ADRIAN-TECUMSEH FENCE CO	1,800.00		
8. AIRGAS GREAT LAKES	25.67		
9. ALL METALS INC.	26.45		
10. AMERICAN OFFICE SOLUTIONS	65.65		
11. APPLE MAT RENTAL	135.70		
12. ELIZABETH ARNOLD	124.32		
13. CHRIS ATKIN	78.00		
14. B & B POOLS & SPAS	2,712.00		
15. BADER & SONS CO	132.90		
16. BAKER & TAYLOR BOOKS	422.49		
17. PATRICIA BAKER	76.00		
18. BARRY ROOFING SYSTEMS	350.00		
19. BATTERY WHOLESALE	42.75		
20. GREG BELL CHEVROLET, INC	1,000.00		
21. JEFF BETZ	33.58		
22. BILL'S SERVICE, INC.	23.64		
23. BLACK SWAMP EQUIPMENT	295.00		
24. BLISSFIELD SOFTBALL CLUB	300.00		
25. BOOTBAY	239.95		
26. BUCK & KNOBBY EQUIP CO INC	3,410.35		
27. CLIFT BUICK-PONTIAC-GMC	329.66		
28. COAST TO COAST DELI	124.71		
29. COCA-COLA BTLG CO OF MICHIGA	354.24		
30. COIN-OP SPECIALISTS INC.	247.44		
31. COMMSPEC, INC.	134.32		
32. CONTINENTAL CARBONIC PRODUCT	872.49		
33. CONTINENTAL SERVICE	1,536.76		
34. CORROSION FLUID PRODUCTS COR	2,490.00		
35. CUTLER DICKERSON CO	888.68		
36. DAN'S FARM SUPPLY INC	104.88		
37. DETROIT INDUSTRIAL TOOL	717.85		
38. H. DOMINE ENTERPRISES INC	5,858.78		
39. JAMES DUNCAN	125.00		
40. VINCENT EMRICK	107.01		
41. FASTENAL COMPANY	6.03		
42. FEDERAL EXPRESS	94.73		
43. FIRST TOWING LLC	88.00		
44. FIRSTLAB	34.00		
45. FLORIDA MICRO LLC	362.86		
46. FLOYD'S RIGGING & MACHINERY	1,286.00		
47. GALLANT & SON	292.86		
48. GORDON FOOD SERVICE	1,149.60		
49. GOVERNMENTAL BUSINESS SYSTEM	731.88		
50. GRAPHICS UNLIMITED	530.00		
51. GREAT LAKES DIVING COMPANY	2,600.00		
52. HACH COMPANY	170.19		
53. HADDEN TIRE COMPANY	27.00		
54. HOBBY LOBBY	88.36		
55. HUBBARD AUTO CENTER	678.30		
56. HURON LIME INC.	8,893.29		
57. I.T. RIGHT	33.75		
58. INDUSTRIAL MILL SUPPLY CORP	643.95		
59. ITT WATER & WASTEWATER	132.49		
60. JONES CHEMICALS, INC.	3,027.78		
61. TIM JUDKINS	252.21		
62. KENNEDY INDUSTRIES INC.	530.02		
63. ADOLPH KIEFER & ASSOCIATES	92.63		
64. KONICA MINOLTA- ALBIN	19.97		
65. BRENT KUBALEK	223.68		
66. WALTER GREG LANFORD	247.89		
67. LANSING SANITARY SUPPLY INC	503.20		
68. LEISURE PURSUITS INC.	521.50		
69. LENAWEE COUNTY LIBRARY	10.00		
70. LENAWEE INTERMEDIATE SCHOOL	217.60		
71. LENAWEE SANITATION, INC.	95.00		
72. LENAWEE TIRE & SUPPLY CO	624.58		
73. LIBRARY DESIGN ASSOCIATES IN	410.00		
74. MANPOWER OF LANSING MI INC.	1,474.20		
75. MAPLE CITY GLASS INC.	1,725.00		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. ARIC MASSINGILL	82.68		
77. MC SPORTS	479.70		
78. ERNIE MCDONNELL	1,500.00		
79. MCGOWAN ELECTRIC SUPPLY INC	117.83		
80. MCMASTER- CARR SUPPLY CO.	289.49		
81. MICHIGAN AMATEUR SOFTBALL	1,645.00		
82. MICHIGAN DEPARTMENT OF	506.85		
83. MICHIGAN OFFICE SOLUTIONS	279.26		
84. STATE OF MICHIGAN	1,086.58		
85. MICHIGAN STATE POLICE	985.00		
86. MICHIGAN TBA DISTRIBUTORS IN	48.79		
87. MUGS N' MORE IMAGING	20.50		
88. MUNICIPAL EMPLOYEES' RETIRE	67,803.00		
89. MUNICIPAL UNEMPLOYMENT COMP	6,332.17		
90. NORTHERN HYDRAULICS	350.13		
91. NORTHWEST POOLS, INC.	54.05		
92. OFFICEMAX CONTRACT INC.	221.25		
93. OHIO GRATINGS INC	1,972.80		
94. OLIVER OF ADRIAN, INC.	981.00		
95. PARAGON LABORATORIES INC	60.00		
96. PATTY WALWORTH	44.64		
97. PEERLESS SUPPLY INC	175.96		
98. PET'S SUPPLIES PLUS	117.96		
99. PLATINUM PLUS	2,433.49		
100. PRO-MED UNIFORM	47.95		
101. QUICK SERVICE TRANSPORTATION	470.58		
102. QUILL CORPORATION	2,889.11		
103. R & W NURSERY	96.00		
104. RADIO SHACK CORP.	57.97		
105. RAGAN COMMUNICATIONS, INC.	53.90		
106. RAM CONSTRUCTION SERVICES	2,825.00		
107. RATHBUN CUSTOM TRAILERS	205.00		
108. RECREONICS INC.	130.16		
109. RED PAINT PRINTING LLC	1,136.25		
110. RIO SUPPLY MICHIGAN METER, I	3,036.00		
111. ROBERTSON, EATON & OWEN, PC	7,400.00		
112. RORICK LANDSCAPING LLC	60.00		
113. ROWE PROFESSIONAL SERVICES C	6,014.25		
114. SAFETY SYSTEMS INC.	111.00		
115. HECTOR SARABIA	25.00		
116. SEARS COMMERCIAL ONE	67.99		
117. SHERWIN-WILLIAMS CO	151.96		
118. SIGN LANGUAGE SIGNS, INC.	250.00		
119. SIRCHIE FINGER PRINT LABORAT	96.37		
120. SPACE INC	249.60		
121. SPENCER MANUFACTURING INC.	30.00		
122. STAPLES CREDIT PLAN	159.97		
123. STONE'S CAFE & CATERING	144.65		
124. T-MOBILE	29.99		
125. THREE RIVERS PUBLIC LIBRARY	22.95		
126. TIME EMERGENCY EQUIPMENT INC	54.01		
127. TRACTOR SUPPLY COMPANY	2,314.29		
128. TTB CLEANING LLC	3,100.00		
129. UNDERWOOD'S NURSERY LLC	2,700.00		
130. WATER MASTERS LLC	3,540.00		
131. WENN SEAL COATING	4,500.00		
132. SEAN WILLIAMS	35.00		
133. CRAIG WOERNER	78.03		
134. WRIGHT TREE SERVICE	3,256.90		
TOTAL ALL CLAIMS	188,863.78		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ADRIAN PAINTERS SUPPLY & EQU	26.81		
2. ADRIAN-TECUMSEH FENCE CO	1,500.00		
3. AMERICAN RED CROSS	108.00		
4. ARCH WIRELESS	34.65		
5. BLACK SWAMP EQUIPMENT	168.00		
6. COIN-OP SPECIALISTS INC.	89.28		
7. COMFORT ENTERPRISES INC.	35.00		
8. COMPUTER CARE COMPANY, INC.	294.85		
9. D & J SPORTS, INC.	225.95		
10. DOAN CONSTRUCTION CO	356.25		
11. ENVIRONMENTAL RESOURCE ASSOC	252.75		
12. COREY EVERINGHAM	35.00		
13. GORDON FOOD SERVICE	301.07		
14. HILLS AUTO & TRUCK REPAIR IN	16.95		
15. HOBBY LOBBY	54.93		
16. HUBBARD AUTO CENTER	227.47		
17. ICMA RETIREMENT CORPORATION	155.76		
18. INDUSTRIAL MILL SUPPLY CORP	404.40		
19. CITY OF JACKSON	1,106.56		
20. TIM JUDKINS	35.04		
21. KUSTOM SIGNALS, INC.	228.13		
22. LENAWEE TIRE & SUPPLY CO	137.43		
23. MICHIGAN WATER ENVIROMENT AS	805.00		
24. MUGS N' MORE IMAGING	22.50		
25. PEERLESS SUPPLY INC	409.20		
26. QUICK SERVICE TRANSPORTATION	1,400.00		
27. RED PAINT PRINTING LLC	212.50		
28. SIRCHIE FINGER PRINT LABORAT	293.12		
29. CLAUDETTE J SWIFT	1,622.50		
30. TDS SECURITY	834.75		
31. UNUM LIFE INSURANCE COMPANY	2,279.37		
32. UTILITIES INSTRUMENTATION SE	6,897.33		
33. VALERIE VAN HEEST	600.00		
34. WARREN HOLDING CO LLC	1,370.00		
35. WOLF CREEK GOLF CLUB	188.50		
36. WRIGHT TREE SERVICE	3,245.60		
TOTAL ALL CLAIMS	25,974.65		



COMMUNICATIONS

C-1



MEMO

Date: June 24, 2010

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

From: Jeffrey C. Pardee, Finance Director

Re: Report on Government Finance Officers Association (GFOA) 104th Annual Conference

The Government Finance Officers Association (GFOA) of the United States and Canada held its 104th Annual Conference, "The Finance Officer's Role in Doing More with Less," June 4-June 9, 2010 in Atlanta, GA. Each year, I attend the conference to earn thirty (30) Continuing Professional Education (CPE) credits in order to maintain status as a Certified Public Finance Officer (C.P.F.O.). City Travel Policy provides for reimbursement of travel expenses every other year for out-of-state travel; this was my year to pay.

The GFOA Annual Conference unites over 3,000 public-sector accounting and finance practitioners to gain knowledge from leading industry experts, revolutionary theorists, and each other. Attendees have the opportunity to listen to keynote speakers, and participate in small discussion groups, pre-conference seminars, and conference sessions focusing on the following topics: accounting, auditing, and financial reporting; budgeting and financial planning; cash management and investing; debt management; risk management and policy; purchasing, pensions and benefits; and technology and digital government.

Pre-Conference Seminars

Friday, June 4, 2010 (1:00pm-5:00 pm; 4 CPE Credits) – *Budgeting Practices for Today: Guidance for Budgeting in Hard Times*

Speakers:

Heather Johnston, Director of Management & Budget, Minneapolis, MN
John D. Fishbein, Senior Manager, Technical Services Center, GFOA

Best practices in budgeting are more important than ever in difficult economic times. This seminar features speakers who have used GFOA's budgeting best practices to prioritize spending, maximize revenue, and stabilize finances. The speakers addressed rational alternatives to across-the-board cuts, a structured and compelling process for prioritizing services and reducing spending, effective ways to control personnel costs, and budgetary policies that help to assure resiliency in future economic downturns. Concrete examples were derived from the GFOA's Award Program for Distinguished Budget Presentation.

Saturday, June 5, 2010 (9:00am-5:00 pm; 8 CPE Credits) – *Basic Components of Performance Management: How to Put the Framework to Work*

Speakers:

Mark D. Abrahams, President, The Abrahams Group

Michael Bryant, Budget Manager, Mecklenburg County, NC

Phillip Mancini, Chief of Staff, Procurement Department, Philadelphia, PA

Anne Spray Kinney, Director, Research and Consulting Center, GFOA

Performance management practices can lead to dramatically better results, frequently at lower cost. While many governments do have processes set up to collect and report performance measures, far fewer have been able to move beyond this to systematically apply performance information in decision making. The National Performance Management Advisory Commission in its framework of performance management has developed a conceptual approach to performance management that also provides practical strategies for officials looking to get the most out of their performance management efforts and see results. This session used recommendations from the Commission to provide practical "how to" strategies for implementing, sustaining and improving municipal organizations' approach to performance management. In addition, speakers discussed successful performance management practices, including strategic planning, budgeting, business process management, "stat" systems, benchmarking, performance-based contracting, and evaluation and reporting.

Key Note Speakers

On Monday, June 7, keynote speaker for the Opening Session was Steven Cochrane, Managing Director of Moody's, Economy.com. He provided an overview of the current economic conditions and how state and local governments are reacting to the economic recovery. At Economy.com, he oversees the economic forecasts for all 50 states and directs the research and development activities of the research staff. He also edits the *Regional Financial Review*, which provides monthly analysis of U.S. macro, regional, industry, and international trends. In his presentation, he stated, "Generally, state and local fiscal conditions are among the last to improve. In this case even more so because of the close dependence on income growth, which will be weak because the job market is coming back slowly and unemployment is so high that, without wage growth, the rebound in personal income, and thus, income tax revenues, will be somewhat slow." (1 CPE Credit)

On Tuesday, June 8, Christopher Liddell, chairman of the Department of Health Policy and Management in the Rollins School of Public Health and the Executive Director of the Emory Institute for Advanced Policy Solutions at Emory University, addressed the opening general session. He provided an overview of the recently passed Patient Protection and Affordable Care Act and how it will affect state and local governments. The law includes a large number of health-care related provisions to take effect over the next four years, including expanding Medicaid eligibility, subsidizing insurance premiums, providing incentives for businesses to provide health benefits, prohibiting denial of coverage and claims based on pre-existing conditions, establishing health insurance exchanges, and support for medical research. He also highlighted the need for state and local government to adopt new approaches to control the growth in Medicaid spending by seeking opportunities that would introduce more aggressive delivery systems and payment reforms. (1 CPE Credit)

Concurrent Sessions

From Fiscal First Aid to Fiscal Resiliency (2 CPE Credits) – Speakers: **Stanley A. Early**, Deputy City Manager, Dayton, OH; **Vivian McGettigan**, Finance Director, Hanover County, VA; **Ann Shawver**, Finance Director, Roanoke, VA; **Linda B. Cramer**, Finance Director, Chatham County, GA; **Shayne Kavanagh**, Senior Manager, Research and Consulting Center, GFOA.

Many governments have had to take extreme measures to balance budgets in recent years. How have they done it? And how can governments reverse the decline and return to good fiscal condition in a way that makes them resilient in future economic cycles? Presenters offered solutions that worked in their respective jurisdictions. Mr. Kavanagh released a “white paper” entitled *Building Financially Resilient Government through Long-Term Financial Planning* (copy attached).

State of Public Sector Performance Management (1 CPE Credits) – Speakers: **Jeffrey L. Esser**, Executive Director, GFOA, Chicago, IL; **Robert J. O’Neill, Jr.**, Executive Director, ICMA, Washington, D.C.; **David Ammons**, Professor, University of North Carolina at Chapel Hill, NC

Representatives from the National Performance Management Advisory Commission highlighted recommendations from the recently released performance management framework to provide finance officers direction on how best to integrate performance information into government. Specific topics included:

- Leadership and Performance Management
- Determining the purpose of a performance management system
- Use of information in the policy-making and decision-making process.

What Finance Officers Need to Know About Banks Today (2 CPE Credits) – Speakers: **Lori A. Economy-Scholler**, Chief Financial Officer, Bloomington, MN; **Kent R. Austin**, Finance Director, University Park, TX; **Linda T. Patterson**, President, Patterson and Associates, Austin, TX

Government officials expect their finance officers to be up to speed not only on what banking services are available, but on the underlying condition of the banks with which the government does business. In a quickly changing environment, finance officers need to learn what they should know and the best and most objective sources for finding out how banks are doing. This session provided advice from practitioners who have developed early warning systems to avoid unwelcome surprises from their banks.

Understanding the Impact of Actuarial Information (2 CPE Credits) – Speakers: **Barbara J. Avard**, Administrator, Charlotte Firefighters’ Retirement System, Charlotte, NC; **Leslie L. Thompson**, Senior Consultant, Gabriel, Roeder, Smith & Company, Denver, CO; **Richard H. Harris**, Finance and Compliance Officer, Denver Employees Retirement Plan, Denver, CO.

Actuarial information is critical to administering and funding pension plans. Actuarial smoothing has become a hot-button issue in the world of pensions because it may also obscure the effects of losses. Key issues in actuarial calculations were identified, how they affect decision-making, and what to do to be a smart consumer of such information to avoid problems.

Neutralizing Investment Risk (2 CPE Credits) – Speakers: **Terry McCall**, President, Portfolio Services for Government, LLC, Gresham, OR; **Paul L. Robertson III**, President, StableRiver Capital Management, LLC, Atlanta, GA; **Marty Cassell**, Chief Executive Officer, Chandler Asset Management, San Diego, CA; **Jeff Pantages**, Chief Investment Officer, Alaska Permanent Capital Management, Anchorage, AL.

Now more than ever managing investment portfolios is about managing risks. This session provided public-sector investors with the tools needed to evaluate both the risks associated with their governmental unit’s portfolio and the risks imbedded in the benchmarks the public investor uses to measure portfolio performance.

Forecasting in Uncertain Times (2 CPE Credits) – Speakers: **Mickie L. Pearsall**, Budget Manager, Milwaukee Metropolitan Sewerage District, Milwaukee, WI; **Steven Kreklow**, Finance and Budget Director, County of Milwaukee, Milwaukee, WI; **Susan Parker**, Director of Corporate Services, Rochester Public Utilities, MN; **James H. Hurley**, Agency Fiscal Officer, DC Government, Washington, D.C.

How do you forecast revenue and spending needs when the economy has turned all assumptions upside down? Scenario budgeting is a versatile forecasting approach that can be especially valuable during times when traditional budget estimation methods just aren’t enough. This session focused on scenario-based budgeting and other innovative forecasting techniques that can help predict the future when the past doesn’t help.

Getting Our Fair Share: Using Indirect Cost Allocation Plans to Recover the Full Cost of Services (1 CPE Credit) – Speakers: **Stacie N. Talbert**, Chief Financial Officer, Rockford Park District, IL; **Cherie R. Wright**, Partner, Heinfield, Meech & Co., P.C., Phoenix, AZ; **Michelle Harder**, Financial Analyst, Minneapolis, MN.

In financially challenging times, it is more important than ever to stretch limited resources. A well designed indirect cost allocation plan, combined with a sound approach to determining the amount to be charged for services, allows a typical state or local government to do just that. This session focused on effective methodologies that are fully compliant with the requirements of OMB Circular A-87.

Reducing Personnel Costs (2 CPE Credits) – Speakers: **David E. Keller**, Assistant City Manager/Chief Financial Officer, Weston, FL; **Eric R. Johnson**, Management Services Administrator and Budget Director, Hillsborough County, Tampa, FL; **Susan Iverson**, Finance Director/Treasurer, Arden Hills, MN; **Linda Misegadis**, Director of Citywide Payroll and Administrative Services, City and County of Denver, CO.

Personnel costs make up the majority of most governments' budgets, and reducing these costs is a key part of budget-balancing strategies. While some governments have been forced to cut staff, many have found ways to reduce personnel costs while maintaining needed staffing levels. Practitioners who have implemented innovative personnel cost savings strategies shared their experiences. **It should be noted that the City of Arden Hills, MN, a city with a population of about 10,000, has a staff of only five people who act as contract administrators for privately provided public services for all City functions.**

Thinking Strategically About Recovery Budgeting (2 CPE Credits) – Speakers: **Marc S. Gonzales**, Finance Director, Clackamas County, OR; **David T. Montgomery**, Budget Manager, Quinault Indian Nation, Tahola, WA; **Karen M. Rhodes**, Budget Director, Plano, TX; **Amy J. Davis**, Finance Director, Sandy Springs, GA.

As the economy recovers from the “Great Recession”, governments must decide how to return to a “normal” level of service delivery. Rather than watching costs creep up for the same old activities, there’s a better way: strategic budgeting. At this session we heard from governments that are using new ways to allocate funds for the most important public priorities. Methods for assuring the continuity of efficiency efforts initiated in the recession were also discussed.

Policy Statements

At the GFOA’s annual business meeting on June 8, GFOA members adopted two new policy statements - “The GASB Should Not Set Standards for Fiscal Sustainability Reporting” and “Maintaining the Stable Net Asset Value Feature of Money Market Funds”. The policy statements may be found below:

The GASB Should Not Set Standards For Fiscal Sustainability Reporting

Background.

Accounting and financial reporting in the public sector traditionally have focused on providing users of basic financial statements with historical information concerning a government's financial position, results of operations, cash flows, and compliance with finance-related legal and contractual provisions. In recent years, there has been some movement on the part of authoritative accounting standard-setting bodies in the public sector to expand this traditional understanding of accounting and financial reporting to embrace all forms of financial *accountability* (a much broader concept than *accounting*), which would effectively justify their involvement in virtually any aspect of public finance, including budgeting. One highly visible practical manifestation of this trend has been the Governmental Accounting Standards Board's (GASB) involvement in performance measurement. More recently, the GASB has expressed an interest in developing standards of reporting for fiscal sustainability as part of its economic condition reporting project.

GFOA Policy.

Whereas, the GFOA recognizes that accounting and financial reporting are essential to accountability; and

Whereas, the GFOA recognizes at the same time that accounting and financial reporting are just one component of accountability; and

Whereas, the involvement of an accounting standard-setting body in matters beyond the scope of accounting and financial reporting exceeds its legitimate authority and expertise and constitutes an inappropriate use of scarce resources; and

Whereas, the GFOA believes that the issue of assessing a government's future fiscal sustainability clearly is beyond the scope of accounting and financial reporting as they have traditionally and universally been understood.

Therefore, be it resolved that the GFOA adamantly opposes any effort on the part of the GASB to set standards of reporting for fiscal sustainability.

Maintaining the Stable Net Asset Value Feature of Money Market Funds (2010)

Background.

The stable net asset value (NAV) is the predominant safety feature of money market funds. A stable NAV means that the chance of the fund losing principal or "breaking a buck" is minimized because it always maintains a \$1.00 value (investors will receive \$1.00 back for every \$1.00 invested). The fund is managed towards that goal.

State and local governments are a major purchaser of money market funds – holding \$92 billion in stable NAV money market funds in 2009. Many governments choose to use – or are required to use as directed by state statutes, federal restrictions, and policies – money market funds as a cash management tool, as they carry little credit risk.

Additionally, money market funds hold 65% of outstanding short-term municipal debt, making them the largest holder of short-term tax-exempt debt.

The Securities and Exchange Commission is expected to propose changes to its Rule 2a-7. Rule 2a-7 under the Investment Company Act of 1940 sets forth the regulatory framework for money market funds. The anticipated proposed changes would mandate that money market funds use a floating NAV rather than a stable NAV by eliminating their ability to use the amortized cost method of valuation. A floating NAV would strip away this key safety trait of the funds for investors - a dollar in-dollar out investment tool. This proposal could eliminate the entire stable NAV money market fund market, which would adversely affect state and local governments. Additionally, while state investment pools are not covered under Rule 2a-7, they use it as a guide for their own pools, so a change to the Rule would expose funds in many state pools across the country as well.

Policy Statement

The Government Finance Officers Association (GFOA) strongly opposes changes to SEC Rule 2a-7 that would require or allow funds to use a floating NAV rather than the current stable NAV. Governments depend on the safety and liquidity of money market funds for their constantly flowing operating funds and as part of their cash management strategy. Without being able to invest in these funds, governments would have to look to other investment vehicles that would be less attractive, less liquid and may carry greater risks. Furthermore, if this major purchasing power of municipal bond were to exit the market, state and local governments would suffer higher borrowing costs on their short-term debt. The GFOA also strongly believes that the SEC should consult with state and local governments regarding any changes to this market, and allow the opportunity for GFOA and others in our community to comment and provide analysis on any SEC changes to Rule 2a-7 that will have an effect on the public sector.

In conclusion, I would like to express my appreciation to the City Administration and City Commission for allowing me the opportunity to attend the GFOA 104th Annual Conference where I not only garnered knowledge on the many foregoing topics and gained enough CPE credits to maintain my certification as a Public Finance Officer, but also was able to visit Atlanta's Olympic Park, the Worlds Largest Aquarium, CNN Headquarters, and the World of Coca Cola. If you have any questions or need for additional information, please contact my office.

Building Financially Resilient Government through Long-Term Financial Planning

By Shayne Kavanagh, GFOA senior manager of research

The concept of “sustainability” has captured the attention of local government leaders across the United States and Canada over the past few years. This includes finance officers, as the term “financial sustainability” has come to signify practices such as directing one-time revenues away from recurring sources of expenditure and taking into account long-term maintenance and operating costs when planning and evaluating capital projects. However, the current recession has taught us that sustainability is a necessary but insufficient condition to ensure the ongoing financial health of local government. A sustainable system is balanced, but an external shock (like a severe economic downturn) can unbalance the system and perhaps even collapse it. Local governments will continue to face serious challenges from outside, including but not limited to economic adjustments, natural disasters, and important policy changes by other levels of government. As such, finance officers must strive to help their organizations go beyond sustainability to a system that is adaptable and regenerative – in a word: resilient.

Jamais Cascio, a fellow at the Institute for Ethics and Emerging Technologies, identifies eight essential characteristics of a resilient system:¹

- **Diversity:** Avoid a single point of failure or reliance on a single solution.
- **Redundancy:** Have more than one path of escape.
- **Decentralization:** Centralized systems look strong, but when they fail, the failure is catastrophic.
- **Transparency:** Don't hide your systems. Transparency makes it easier to figure out where a problem may lie. Share your plans and preparations, and listen when people point out flaws.
- **Collaboration:** Work together to become stronger.
- **Fail Gracefully:** Failure happens. Make sure a failure state won't make things worse.
- **Flexibility:** Be ready to change when plans aren't working. Don't count on stability.
- **Foresight:** You can't predict the future, but you can hear its footsteps approaching. Think and prepare.

This article explores these characteristics as they relate to creating a financially resilient government and the central role that long-term financial planning plays in financial resiliency. You can use these characteristics to evaluate your own financial planning process and prepare a road map for its evolution. The Government Finance Officers Association (GFOA) interviewed officials at several local governments that have been practicing long-term financial planning for a number of years (some as long as 15 or 20) and that have, as a consequence, achieved financial resiliency. Below are some examples of how these governments are not just surviving the current economic downturn, but thriving in it.

Featured Governments include:

City of San Clemente, CA

City of Sunnyvale, CA

City of Coral Springs, FL

County of Hanover, VA

Mentor Public Schools, OH

AAA Bond Ratings Achieved. Several of our research subjects have had their bond ratings recently upgraded to AAA, and one had its existing AAA reaffirmed. The rating agencies pointed to long-term financial planning as evidence of management's dedication to the practices that maintain long-term financial health. This is a stark illustration of the "flight to quality" that has been occurring in all investment markets.

Making Believers Out of Skeptics. One government recently had a new chief operating officer who was skeptical of the value of long-term financial planning in the current economy. "What use are multi-year forecasts and strategies under conditions of such volatility?" the COO reasoned. However, the COO was soon converted when she witnessed how the fund balances built up in the good times could be used to buffer shocks, how the governing board was highly engaged in serving as an effective steward over long-term financial health, and how the government was spared the need to suddenly and reflexively resort to the same wrenching retrenchment tactics as many of its neighbors. Of course, receiving an AAA bond rating played no small role in the COO's change of opinion.

Preparing for the Future. Our resiliency research subjects have not only been able to avoid the most painful retrenchment tactics, but have been able to make sound investments in their futures. For example, while many state governments have been using stimulus funds to backfill their operating budgets and thereby defer tough budget decisions, the City of Coral Springs, Florida, has been using stimulus funding to invest in labor-saving technologies. The city's managers and officials believe that the economy is entering a "new normal" where former levels of revenue can't be expected to return. While long-term planning and financial reserves have bought the city some time, this doesn't mean the city can continue on indefinitely as it has. Therefore, officials have been supportive of long-term technology investments that will allow the city to maintain its current service levels with fewer employees, as well as many other program and staffing adjustments that, while not immediately necessary, will reduce the cost of city government over the long term.

Saving Jobs. One of the most feared consequences of any recession is job loss. Our research subjects for this paper have been able to avoid layoffs so far. Hanover County, Virginia, is particularly enthusiastic about the potential of long-term planning to help to preserve jobs. In Hanover County's experience, the organization-wide perspective provided by a financial plan has been instrumental in encouraging departments to shift underutilized employees to areas of greater need. For example, the recession has reduced construction and the demand for building inspectors, so the county has been able to use them for in-house construction projects and similar tasks where a contractor may have otherwise been used. Hence, the county has been able to shift building inspectors across tasks, thereby filling a real need while preserving jobs.

The rest of this paper will describe how long-term financial planning supports each of the eight essential characteristics of a resilient system.

Diversity. Avoiding a single point of failure or reliance on a single solution.

- _ Keep a multi-faceted perspective on financial health.
- _ Maintain a diversity of funds to reduce reliance on the general fund.
- _ Enlarge the base of supportive constituents.

The most fundamental aspect of “diversity” in financial planning is a multi-faceted perspective on financial health. The planners’ viewpoint should not be limited to focusing on revenues and expenditures. Land-use patterns, demographic trends, and long-term liabilities (such as pensions) must all be carefully monitored. For example, long-term financial planning has highlighted the connection between land-use policy and financial condition for many of our research subjects, thereby directly influencing land-use policies. In Florida, the state distributes sales taxes on a per-capita basis, rather than the point-of-sale method found in many other states. As a result, cities in Florida don’t have the same powerful incentive for commercial development that many other cities have. Coral Springs, though, has recognized that commercial properties are not subject to the same property tax restrictions as residential properties, so commercial properties remain important as net contributors to financial health. This nuance has led Coral Springs to emphasize diversity in local land use, while many other cities in the area are primarily residential.

In another example, the City of Sunnyvale, California, like many cities in the state, is part of the California Public Employees’ Retirement System (CalPERS). Warned by CalPERS about potential rate increases, the city performed an independent analysis and discovered that it may experience a 35 to 45 percent increase in required contributions in the future. This has allowed the city to begin planning now to mitigate and absorb this risk.

Another common theme among our research subjects is diversity in the funds maintained. Different funds can be used to account for non-current liabilities such as OPEB, workers’ compensation, depreciation, and replacement of assets. Self-supporting internal service funds contribute to efficient overhead services. These practices reduce the burden on the general fund and keep it from becoming a single point of failure.

Finally, Mentor Public Schools in Ohio has consciously cultivated constituent diversity. For a school district, parents are the most engaged constituents. However, district taxpayers who don’t have children are an indispensable source of funding. Therefore, Mentor Schools takes special care to demonstrate its financial responsibility to parents and non-parents alike, and to find out what non-parents think of the school district’s performance. For example, Mentor Schools has an important use fee component to its extracurricular activities (it is not 100 percent tax supported) and has been mindful of keeping its asset portfolio consistent with future service demands – for example, two properties were recently sold, thereby eliminating maintenance costs, generating a one-time revenue, and placing the property back on the tax rolls. Enhancing financial management credibility by taking highly visible actions like these enlarges Mentor Schools’ base of supporters.

Redundancy. Avoid having only one path of escape or rescue.

- _ Maintain a reserve policy to prevent use for recurring expenditures and to specify the purpose of reserves.
- _ Institutionalize financial planning through governance practices like financial policies and citizen engagement.
- _ Pursue multiple strategies for long-term financial health.

Fund balances, or reserves, are the key to redundancy. Focusing on reserve levels across multiple funds helps make sure each fund has appropriate backup. Our subjects agreed that the basis of strong reserves is good financial policy on reserves. A policy should prohibit fund balances from being used for recurring expenditures, save notable exceptions like working capital, or providing temporary budgetary stabilization in an economic downturn. Reserves must be taken very seriously by all managers and officials, so prohibiting unsustainable uses of fund balance emphasizes the preservation of fund balance as the means of rescue from crisis situations.

Our subjects also agreed that it is important to create reserves for specific purposes and to record these purposes in a policy. This preserves the credibility of the reserve system – the reserves are there for a widely understood and agreed-upon reason, not as a slush fund. This, in turn, protects the integrity of the reserve – people see the restriction as important and are less likely to propose inappropriate uses and such proposals, even if made, are unlikely to receive support. The City of San Clemente, California, for example, recently created a reserve for asset maintenance, an activity that has been widely underfunded in many local governments.

Financially resilient governments are distinguished by the adoption of a policy supporting a financial planning process that assesses the long-term financial implications of current and proposed operating and capital budgets, financial policies, and service policies. In financially resilient governments, long-term financial planning is institutionalized in the governance of the organization. This leads to consistent decisions. Financial policies are the cornerstone of redundancy because they help preserve good practices through changes in elected officials and top management personnel. The GFOA Best Practice, *Adoption of Financial Policies*, describes many of the most important policies.

In addition to formal policies, community engagement can help assure the continuity of financial planning and related practices. For example, Mentor Schools has a special citizen subcommittee focused on financial planning. While the school board fully supports financial planning, it is subject to a variety of pressures and must address a plethora of issues. However, the subcommittee never lets the school board forget the importance of Mentor School's long-term financial health.

In Sunnyvale, citizens took a powerful step to institutionalize financial planning. The city's charter study committee (made up of citizens) recently recommended amending the city charter to require 10-year financial plans.

Citizen engagement can also create more grassroots or viral support for financial planning in the community. Coral Springs has an extensive citizen volunteer program, where citizens help with special projects, like canal clean-up, as well as ongoing services like police patrol and call-center staffing. In addition to reducing staffing costs for the government, the volunteer program gives the city the opportunity to educate and fully engage citizens in the Coral Springs business and financial planning model. The city has found that volunteers take accurate information about the city's financial condition and practices back to their friends and neighbors and often become advocates for these practices. Thus, citizens come to expect a long-term, strategic approach to financial problems from the city.

Finally, resilient governments don't bank on just one strategy to remain financially healthy – they rely on a combination of strategies: short- and long-term revenue enhancement and expenditure reduction. For example, Sunnyvale has modeled a combination of expenditure reductions, revenue enhancements, and draw downs on the city's budget stabilization reserve to cope with the economic downturn. While the short-term pressure is the most immediate concern for many in Sunnyvale, the financial strategy also includes a two-tiered retirement system (i.e., reduced benefits for new employees) that doesn't save much right away but saves \$1.5 million annually by the eighth year of the plan, and a total of \$44 million in the general fund over a 20-year period – in a general fund operating budget of about \$125 million.

Decentralization. Centralized systems look strong, but failure is catastrophic.

- _ Make managers manage their cost and revenue structures.
- _ Engage departments in identifying issues, analyzing them, and developing strategies.
- _ Engage departments in financial modeling and forecasting.
- _ Develop an organization-wide strategic framework that departments can innovate within.

Decentralization is about engaging operating departments in financial planning so that all departments think more strategically about finance, rather than long-term financial health relying solely on the efforts of central administration.

The bedrock of decentralization is for all departments to be responsible for their own budgets. For instance, a large county in the western United States made departments more responsible for program revenues by directly linking their budget allocations to program revenue income. In one large Midwestern city, budget analysts had been assigned to each department in order to monitor budget compliance and, where necessary, cajole the department into compliance. In search of a better approach, the analysts were withdrawn and re-assigned to other tasks, while department heads who exceeded their budgets were called in front of the board's finance subcommittee, in a public meeting, to explain the negative variances and what is being done to correct the situation. The department head must then return to these meetings until the problem is corrected and for a period afterward to guard against relapse. Needless to say, department heads prefer to avoid these meetings and are therefore much more rigorous in managing their budgets than before.

Sunnyvale goes beyond these fundamental steps by making departments fully responsible for their long-term cost and revenue structure, including the operating impact of proposed capital projects. In fact, there was recently a high level of interest in a new park in the community, and the recreation director was one of the most vocal advocates for having a long-term funding strategy for maintenance in place before committing to building the park.

With this basic ethos of making managers manage their budget in place, it becomes possible to take a decentralized approach to financial plan development. Through its financial planning process, the finance and operating staff at the City of San Clemente identifies a number of “critical issues” that could affect the future financial health of the city. A number of cross-functional “issue teams” are then formed to analyze each issue and suggest strategies. San Clemente has found that staff members are eager to participate on the teams (some even requesting a spot a year in advance) because they know that the decisions made during the planning process are important and that positive involvement is a key to advancement at the city.

The consistent and meaningful involvement of departments in identifying issues, analyzing them, and developing strategies is a consistent theme in financially resilient governments. Involving departments in financial forecasting and modeling hones their understanding of financial condition, and, hence, their perception of the need for a solid, long-term financial strategy. It also improves the quality of the forecast. Hanover County realized that in the new economic reality, historical data was not as useful as it had been in making projections. Qualitative judgment was more important than ever. The county formed cross-departmental teams to examine major revenue sources and develop key forecast assumptions. For example, community development, economic development, and assessor personnel were all involved in analyzing the property tax.

Finally, and perhaps most importantly, long-term planning fosters a strategic framework for creating value for the public through government programs. The long-term plan articulates the service objectives the government is striving for and defines the parameters within which the government will pursue these objectives. Departments can then develop their own plans and budgets, yet remain aligned with the big picture. A plan drives action and prevents paralysis by analysis or inertia. The plan grants permission to try new things to further the plan’s objectives.

All of these characteristics promote the innovation that is needed to adapt to changing financial conditions. When it is accepted that everyone is working toward the same objective, innovation is more likely because commonality of purpose makes new ideas that diverge from the established order permissible – if the innovation is intended to achieve a high-priority strategic goal, then the effort is respected.

As an illustration of how planning can create shared goals, Hanover County has found that its planning process has been very important in creating a widely held acceptance of the value of teamwork across departmental lines. In Hanover, objectives are established through the planning process, and reliable information relative to the objectives and financial condition is disseminated. The county then reinforces the importance of inter-departmental information sharing by creating communication channels across departmental lines. For example, training and professional development is often one of the first expenditures to come under pressure during a revenue downturn, yet training is a primary source of the innovations that are needed to improve cost-effectiveness. Hanover has used its planning process to establish and support an objective for high-quality professional development across the organization, including encouraging joint training opportunities across departments.

Transparency. Make it easier to figure out where a problem may lie. Share plans and listen when people point out flaws.

- _ Promote transparency in key areas like goals and objectives, forecast assumptions, and reserve standards.
- _ Use full-cost (direct and indirect) accounting for programs.

Transparency implies openness, communication, and accountability. Transparency pervades the financial planning practices of financially resilient governments. Following is some of the most important information to make transparent.

- **The Organization's Goals and Objectives.** Make sure everyone knows what the goals are, how they were arrived at, and what activities will be undertaken in pursuit of the goals.
- **Forecast Assumptions.** The assumptions that drive revenue and expenditure trends should be available for examination. Some key assumptions include population/enrollment trends, employee headcount, changes in property values, and changes in consumer behavior.
- **Reserve Standards.** What amounts will the government endeavor to hold in reserve, and why? What amounts are actually being held? Are these amounts too much or too little? Clarity on these questions (especially when the amounts held are high) is essential to maintaining the credibility and integrity of the reserve system.

The GFOA's research subjects have also found that full-cost accounting for services (direct and indirect costs) is essential to resiliency. Full-cost accounting makes the cost of doing business transparent. Transparency leads to trust, as everyone can see what the true cost of doing business is for all services, including support services such as budgeting and finance. (emphasis added)

Transparency and trust leads to better-informed discussions about the relevance and contribution of services, and to opportunities for enhancing revenues, for increasing operational efficiencies, and for enhancing the credibility of the financial management system among management, elected officials, and the public.

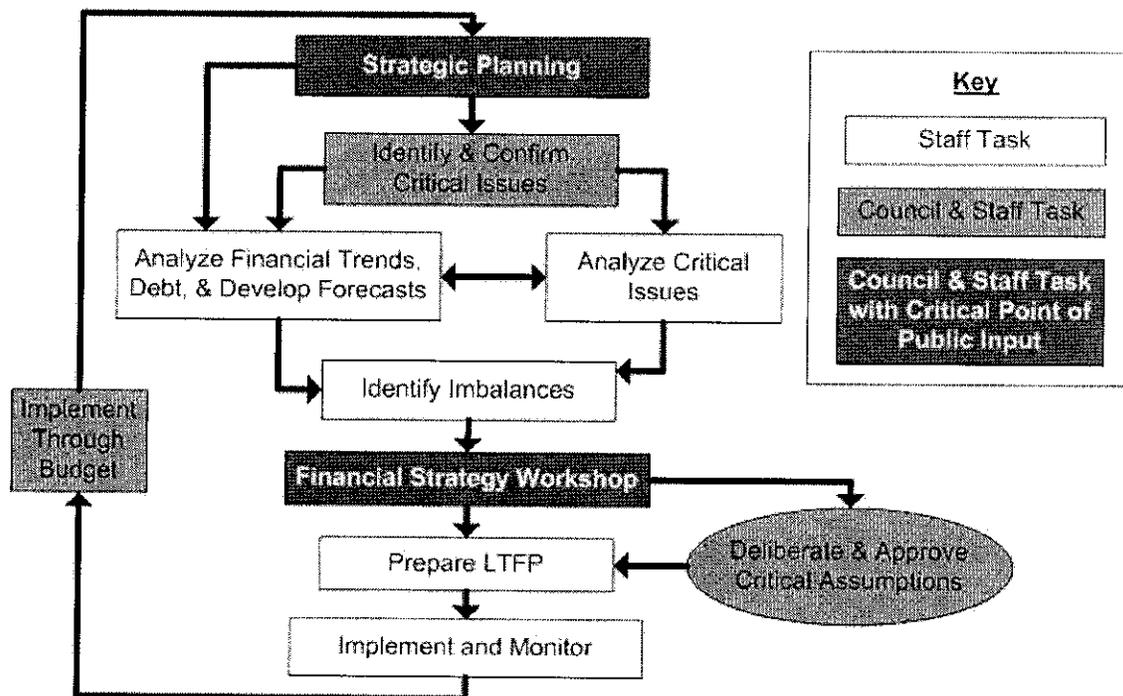
Collaboration. Working together to become stronger.

- _ Build elected officials' service priorities into the plan.
- _ Provide elected officials a role in that planning process – a role they can thrive in.
- _ Orient elected officials to the planning process.
- _ Use key indicators to help elected officials stay abreast of financial condition.

Elected officials have an incalculable impact on financial health because they have the final say over tax policies and budgets. Therefore, resilient governments foster close collaboration between elected officials and staff to help both groups become more savvy financial decision makers, better recognize problems, and enact appropriate solutions.

The first step is to engage elected officials by building their service priorities into the financial plan. In addition to demonstrating that the plan is relevant to their service goals, this step provides a common basis for participation in the planning process – although not every official will be comfortable discussing financial issues, all can discuss and appreciate service issues.

The next step is to provide elected officials with a role in the planning. The following Exhibit provides an overview of the City of San Clemente's planning process and how elected officials are engaged. The shaded boxes are crucial points of involvement. The Council sets service goals through strategic planning, helps to identify issues that affect the



financial health of the city, and reviews and approves the critical assumptions behind the staff's suggested financial strategies – assumptions that will shape how the annual budget is developed.

When new officials are elected, they must be introduced and acclimated to planning process. Resilient governments have a formal orientation program and periodic refreshers. San Clemente, for example, has an annual financial policy compliance self-review of its policy portfolio. San Clemente has found this is a good way to keep elected officials engaged with financial policies.

In addition to these formal mechanisms, regular one-on-one meetings on financial issues give officials a chance to ask questions that they may not be comfortable asking in a public meeting. The impact of all of these efforts is to create a culture on the governing board in favor of financially resilient decisions. Once in place, the culture can become self-sustaining as new officials are subject to peer pressure and existing officials take their own actions to promote resiliency (such as Sunnyvale's aforementioned charter amendment, which was driven by public rather than staff action).

Finally, key indicators of financial condition should be established and communicated to help elected officials remain confident that they have a handle on financial condition.

Mentor Public Schools, for example, keeps its board up-to-date on three key indicators:

- Percent of budget spent on personnel (with 85 percent as an upper threshold).
- Recurring revenue versus expenditures (including biannual forecast updates).
- Enrollment trends versus staffing (keeping student to staff ratios consistent).

Fail Gracefully. Failure happens. Make sure failure won't make things worse.

_ Recognize changing conditions to make a soft landing.

_ Promote credibility and open dialogue to learn from and correct failure.

Financially resilient governments recognize, through forecasts and environmental scanning, changing conditions in order to make a soft landing. When Sunnyvale adopted its fiscal year 08/09 budget in June of 2008, staff had predicted an economic downturn, but had not yet seen any evidence in their revenues because city revenues typically lag the economy. By August 2008, the city began to see slight indications, but economic information (from constant scanning of the environment) led them to believe that things were going to be substantially worse. Hence, they began to plan for a serious fiscal challenge and were therefore better able to cope with the economic crisis that finally manifested.

In 2004, Coral Springs recognized that politics in the state were headed toward major residential property tax reform, including austere restrictions on local tax autonomy. At that point, the city started making changes such as diversifying its tax base and streamlining operations to make sure its workforce didn't expand beyond the city's means. When reform eventually came in 2007, Coral Springs was prepared.

Few, however, predicted the full breadth and severity of the current economic downturn. When caught in a financial decline, resilient governments quickly recognize it and react by updating forecasts, modeling new scenarios to define the financial parameters within which they must develop strategies, continually monitoring the environment for change, and maintaining open communication with departments so they can take corrective action.

Hanover County has found it particularly important to maintain open communication with the board. If news of failure is attenuated in an effort to reduce political fallout, the board will not fully appreciate the gravity of the situation, thereby lessening their support for retrenchment and recovery strategies, eventually making the situation even worse.

Financially resilient governments use long-term planning to enhance the credibility of the financial management system and promote open dialogue about financial condition. A projected imbalance isn't cause for recrimination – it is an opportunity to take preventative action to avoid crisis. Financially resilient governments are careful not to position forecasts as a “prediction” of future financial position, but rather as a tool to:

- 1) recognize longer-term issues that require a strategic approach; and
- 2) establish financial parameters within which service strategies must operate.

Resilient governments are also skilled at setting and managing to measurable financial goals. Communication of these goals (including deviations from planned performance) is essential for credibility and encouraging fact-based, data-driven financial decision making. For example, Hanover County's financial goals include protecting its AAA bond rating and getting through the financial downturn without layoffs – two very measurable goals, the importance of which are easy to communicate.

Flexibility. Be ready to change when plans aren't working. Don't expect stability.

- _ Regularly diagnose the strategic environment to know when flexibility may be required.
- _ Create financial models to show the impact of changes.
- _ Evolve and adapt the financial planning process itself.

Financially resilient governments are constantly monitoring their environment and financial condition to see if financial strategies are working and to learn of conditions that might call for a change in approach. Regular plan updates are a formal tool all the GFOA's research subjects use, but they have also all developed an institutional habit of taking time to look beyond the day-to-day business of government for issues that could affect financial health. These “strategic diagnosis” exercises are important for strengthening this critical capacity.

Resilient governments also have financial modeling and scenario analysis capabilities to determine the impact of changes in assumptions and financial strategies. For example, Hanover County used its models to show how deferred maintenance would affect the life cycle of capital assets. This allowed the county to make informed decisions on deferment, including the long-term cost required to make up the impact of these deferments later.

Finally, resilient governments evolve their planning process as needed to address new issues, accommodate new stakeholders, keep up with best practices, and otherwise adapt to the changing needs of the organization. For example, the diagram in previous Exhibit was developed by San Clemente a few years ago as part of a redesign of its financial planning process to improve the elected officials' involvement in planning. San Clemente also designates a special "theme" for each planning cycle to capture the issues that are driving planning that year. For example, the theme for most recent planning cycle was "Fiscal Tune-Up," acknowledging the need to reaffirm fundamental good financial management practices in a time of financial pressure.

Foresight. Think and prepare.

- _ Develop effective forecasting techniques.
- _ Build capacity among staff and elected officials for strategic diagnosis.
- _ Complement financial planning with other long-term plans.

Financial forecasts are at the crux of foresight. Our research subjects suggest:

- Using forecasts to identify the parameters within which to develop and execute strategies, rather than to try to "predict" the future.
- Involve others in forecasting. Operating departments can improve the qualitative judgment applied to the forecast. Elected officials can review critical assumptions.
- Develop capacity for flexible scenario modeling to show the impact of different possible futures.

Regular review of the environment is essential for diagnosing strategic issues. Elected officials and executive management should be involved in strategic diagnosis to promote informed and realistic financial decision making. Coral Springs found that its strategic diagnosis helped officials and management accept that a return to the halcyon conditions of the early 2000s was unlikely and that the city should begin positioning itself early to operate effectively under new fiscal realities – this included opening union contracts, revising personnel schedules and deployment, and automating work processes.

Other departments outside of finance often put a great deal of effort into their own long-term plans. These plans can be a source of foresight into financial condition. Resilient governments connect their long-term financial planning process to these other plans to increase the quality of their forecasting and strategic diagnosis. For example, a comprehensive land use plan might suggest long-range facility requirements.

Resilient governments have also found that successful long-term financial planning builds interest in better long-term planning in other areas. Mentor Public Schools, for instance, has seen improvement in its long-term plans and studies for capital, maintenance, technology, instruction, equipment replacement, and enrollment trending as a result of the interest in the long term generated by financial planning. These plans improve the quality of the forecast and help identify possible points of future fiscal failure.

Conclusion

Financial resiliency is essential to continuing a consistent program of public services despite the current volatile economic environment. A number of local governments from across the country have achieved financial resiliency and realized benefits such as AAA bond ratings and a soft landing in the current recession. Most importantly though, these governments have been able to maintain the trust and confidence of their constituents and continue to create value for the public through government action.

C-2
MEMO

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

From: Jeffrey C. Pardee, Finance Director



Re: **State Revenue Sharing - Update**

Date: June 30, 2010

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

	<u>State</u>		<u>Variance</u>	
<u>August</u>	<u>Estimated</u>	<u>Actual</u>	<u>Amount</u>	<u>Percent</u>
Constitutional	\$225,718	\$225,718	\$ -0-	0.0 %
Statutory	<u>139,634</u>	<u>139,634</u>	<u>-0-</u>	0.0 %
Sub-Total	<u>\$365,362</u>	<u>\$365,352</u>	<u>\$ -0-</u>	0.0 %
<u>October</u>				
Constitutional	\$239,158	\$239,158	\$ -0-	0.0
%Statutory	<u>116,860</u>	<u>116,860</u>	<u>-0-</u>	0.0 %
Sub-Total	<u>\$356,018</u>	<u>\$356,018</u>	<u>\$ -0-</u>	0.0 %
<u>December</u>				
Constitutional	\$236,013	\$227,111	\$(8,902)	(3.8) %
Statutory	<u>121,619</u>	<u>135,535</u>	<u>13,916</u>	11.4 %
Sub-Total	<u>\$357,632</u>	<u>\$362,646</u>	<u>\$ 5,014</u>	1.4 %
<u>February</u>				
Constitutional	\$250,339	\$247,680	\$(2,659)	(1.1) %
Statutory	<u>111,034</u>	<u>84,141</u>	<u>(26,893)</u>	(24.2) %
Sub-Total	<u>\$361,373</u>	<u>\$331,821</u>	<u>\$(29,552)</u>	(8.2) %
<u>April</u>				
Constitutional	\$193,683	\$207,942	\$ 14,259	7.4 %
Statutory	<u>49,348</u>	<u>74,838</u>	<u>25,490</u>	51.7 %
Sub-Total	<u>\$243,031</u>	<u>\$282,780</u>	<u>\$ 39,749</u>	16.4 %
<u>June</u>				
Constitutional	\$231,528	\$238,994	\$ 7,466	3.2 %
Statutory	<u>61,686</u>	<u>56,483</u>	<u>(5,203)</u>	(8.4) %
Sub-Total	<u>\$293,214</u>	<u>\$295,477</u>	<u>\$ 2,263</u>	0.8 %
<u>August thru June</u>				
Constitutional	\$1,376,439	\$1,386,603	\$ 10,164	0.7 %
Statutory	<u>600,181</u>	<u>607,491</u>	<u>7,310</u>	1.2 %
YTD Total	<u>\$1,976,620</u>	<u>\$1,994,094</u>	<u>\$ 17,474</u>	0.9 %

With the issuance of the Governor's Executive Order 2009-22 on May 5, 2009, one day following adoption of the City budget, the year-to-year overall reduction amounted to \$209,643, from \$2,341,174 to \$2,131,531. The City Administration, in reaction to these reductions, submitted a revised FY2009-10 Budget Recommendation reflecting actions that would result in a savings of \$233,814, which was adopted by the City Commission by Resolution #R09-099 dated June 1, 2009.

The City's Revenue Sharing Budget was reduced a second time, by \$180,000, as part of the 3rd Quarter Budget Amendments, leaving an amended budget of \$1,951,531. Actual receipts exceeded the Amended budget by \$42,563.

Finally, it should be noted that the FY2010-11 Budget includes an estimated State Revenue Sharing amount of \$2,131,531, the same level that existed after the aforementioned Governor Executive Order and consistent with the Governor's FY2010-11 Budget Recommendation. However, the State Legislature has yet to act on the recommended budget or appropriate funds for the FY2010-11 Fiscal Year. Once we know the results of their budget deliberations, we will take whatever action is necessary to keep the City's budget in balance, as required by law.

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



REGULAR AGENDA

0-1

MEMORANDUM – UTILITIES DEPARTMENT

DATE: June 16, 2010

TO: Dane C. Nelson, City Administrator

FROM: Shane A. Horn, Utilities Director 

SUBJECT: Repeal of Summer Sewer Credit Ordinance No. Sec. 94-242(i)

The summer sewer credit was eliminated at the May 3, 2010 City Commission meeting. This credit recognized water consumed but not disposed of in our public sewer system. During the months of June-September we used an average usage for the previous unadjusted months to bill for sewer usage. During the rest of the year sewer usage is based strictly on water meter readings. This policy has cost us an average of \$80,000 over the past three summers. Due to revenue challenges within the Utilities Department, it was determined to discontinue this summer sewer credit and continue to bill sewer based on water meter readings all year long.

I respectfully recommend that the City of Adrian Code of Ordinances Sec. 94-242(i) be repealed to reflect the elimination of the summer sewer credit.

Sec. 94-242 (i)

(i) *Summer service billings.* The rates established under subsections (a)--(h) of this section shall be applicable to bills rendered in each month, except as provided in this section. To recognize water consumed, but not disposed of in public sanitary sewers, sewer bills rendered for single-family and two-family residential premises reflecting readings for June, July, August and September of each year shall be based on the average billing for sewer service charged to the premises for the previous unadjusted months. Where sanitary sewer service or water service was not used by any premises during the three months preceding June in any year, this subsection shall not be applicable, but the charges for subsequent months in that year shall be based on the rates established under subsections (a)--(h) of this section. Whenever, in the discretion of the director, application of this subsection would be inequitable because any customer consumes abnormal amounts of water of which an abnormal amount or proportion is returned to the public sanitary sewers during the summer months, the director may bill such customer on the basis of water consumed during each month and apply the established rates. Any customer may, at his option, elect to be billed for sanitary sewer service on the basis of water actually consumed during each month.

ORDINANCE 10-005

AN ORDINANCE TO REPEAL A PROVISION OF THE CODE OF THE CITY OF ADRIAN, SECTION 94-242(i) SEWER-SUMMER SERVICE BILLINGS

Section 94-242(i) of Chapter 94 Sewer-Summer Service Billings of the Adrian Code is hereby repealed.

INTRODUCTION.....June 21, 2010

SUMMARY PUBLISHED.....July 3, 2010

ADOPTION

COMPLETE PUBLICATION

EFFECTIVE DATE

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

R-1

MEMO



DATE: June 29, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Curb & Gutter Contract Change Order – Frank Street

The City Commission, at their April 19, 2010 meeting, authorized Schug Construction of Adrian, MI, to provide curb & gutter replacement on Frank Street from Center to Dean Streets. Additional curb and gutter replacement on this street was scheduled for 2012; however, the City Engineer has determined that the block from Center to Locust Street is deteriorating rapidly and has recommended a change order to include this section of Frank Street.

Schug Construction has agreed to complete the block from Center to Locust Street for an additional \$7,000. The Finance Director has determined there are sufficient funds in the Local Street account for this additional expense. I, therefore, recommend approval of a change order to the contract with Schug Construction for additional curb and gutter replacement on Frank Street in the amount of \$7,000.00.

Respectfully submitted,


Dane C. Nelson
City Administrator

DCN:bjw

R-1

June 25, 2010

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Concrete contract changes



In April 2010 we awarded a concrete (curb & gutter) contract to Schug Construction of Adrian, MI in the amount of \$81,537.21. One of the streets being completed on this contract is Frank Street from Center St. to Dean St. It was planned to complete the other two blocks of Frank Street in 2012, however the block from Center St. to Locust St. is in an advanced state of failure.

I am respectfully requesting an increase in the contract amount of approximately \$7,000 for inclusion of the block of Frank Street from Center St. to Locust St. Funds are available in the Local Street Fund to cover this cost.

This amount exceeds the maximum allowable change order amount of 4% above the original contract.

R10-080

July 7, 2010

RE: DEPARTMENT OF PUBLIC WORKS – REVISED CURB REPLACEMENT PROGRAM FOR 2010

RESOLUTION

WHEREAS, the Adrian City Commission, by Resolution #R10-052 dated April 19, 2010, authorized the acceptance of the low bidder, Schug Construction, Adrian, MI, for Part B (\$81,537.20) and engagement in the City's Professional Services Contract to provide curb and gutter replacement for various streets, including Frank Street from Center Street to Dean Street; and

WHEREAS, although the remaining two blocks of Frank Street were scheduled for 2012 in the Cities Capital Improvement Program, the block from Center Street to Locust Street is in an advanced state of failure; and

WHEREAS, the City Engineer and City Administrator recommend approval of a contract change order in the amount of \$7,000 to include Frank Street from Center Street to Locust Street; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the Local Street Fund (203).

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves a contract change order with Schug Construction, Adrian, MI in the amount of \$7,000 to include Frank Street from Center Street to Locust Street in the FY2010-11 Capital Budget.

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

R. 2

MEMO



DATE: June 29, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Paving Contract Change Order – Frank Street

The City Commission, at their April 19, 2010 Commission meeting, approved a paving contract with Quality Asphalt of Homer, MI, for paving Frank Street from Center to Dean Streets. Additional paving on Frank Street was planned for 2012; however, the City Engineer has determined that the block from Center to Locust is deteriorating rapidly and has recommended a change order to include this section of Frank Street.

Quality Asphalt has agreed to include the block from Center to Locust at an additional cost of \$24,000. The Finance Director has determined there are sufficient funds in the Local Street account for this additional expense. I, therefore, recommend approval of a change order to the contract with Quality Asphalt for additional paving on Frank Street in the amount of \$24,000.

Respectfully submitted,


Dane C. Nelson
City Administrator

DCN:bjw

R-2

June 25, 2010

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Paving contract changes



In April 2010 we awarded a paving contract to Quality Asphalt of Homer, MI in the amount of \$158,450.00. One of the streets being completed on this contract is Frank Street from Center St. to Dean St. It was planned to complete the other two blocks of Frank Street in 2012, however the block from Center St. to Locust St. is in an advanced state of failure.

I am respectfully requesting an increase in the contract amount of approximately \$24,000 for inclusion of the block of Frank Street from Center St. to Locust St. Funds are available in the Local Street Fund to cover this cost.

This amount exceeds the maximum allowable change order amount of 4% above the original contract.

R10-081

July 7, 2010

RE: DEPARTMENT OF PUBLIC WORKS – REVISED ASPHALT PAVING PROGRAM FOR 2010

RESOLUTION

WHEREAS, the Adrian City Commission, by Resolution #R10-053 dated April 19, 2010, authorized the acceptance of the low bidder, Quality Asphalt, Homer, MI for Part B (\$158,450.00) and engagement in the City's Professional Services Contract to provide asphalt paving for various streets, including Frank Street from Center Street to Dean Street; and

WHEREAS, although the remaining two blocks of Frank Street were scheduled for 2012 in the Cities Capital Improvement Program, the block from Center Street to Locust Street is in an advanced state of failure; and

WHEREAS, the City Engineer and City Administrator recommend approval of a contract change order in the amount of \$24,000 to include Frank Street from Center Street to Locust Street; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the Local Street Fund (203).

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves a contract change order with Quality Asphalt, Homer, MI in the amount of \$24,000 to include Frank Street from Center Street to Locust Street in the FY2010-11 Capital Budget.

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

R-3

MEMO



DATE: June 29, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Annual T-Shirt & Sweatshirt Bids

The annual bids for t-shirts and sweatshirts for various Parks & Recreation programs were received on June 16, 2010. The Parks & Recreation Director has recommended that the bid be awarded to the low bidder, Austin, Inc. of Milford, MI. They were substantially lower than the bids submitted by local vendors and falls within the Local Bid Preference Policy guidelines

The sweatshirt bid submitted by Austin, Inc. was not the lowest bid; however, the Parks & Recreation Director has recommended that the bid not be split among vendors since few, if any, sweatshirts are purchased throughout the year.

I recommend that the annual bid for t-shirts and sweatshirts for Parks & Recreation programs be awarded to Austin, Inc. of Milford, MI for the items and prices as listed in their bid tabulation.

Respectfully submitted,


Dane C. Nelson
City Administrator

DCN:bjw

R-3

MEMO

To: Dane C. Nelson, City Administrator
From: Mark K. Gasche, Parks & Recreation Director
Date: June 28, 2010
Re: Bid Recommendation - T-Shirts

Sealed bids were received and opened at 2:00 p.m. E.D.T. on Wednesday, June 16, 2010 at the Purchasing Office for the annual purchase of t-shirts and sweatshirts for various programs within the Parks and Recreation Department. Thirteen (13) vendors were invited to bid, with four (4) responding. The bid tabulation is attached.

Austin Inc of Milford, MI is the lowest bidder; they are the only bidder that is not local. However they are significantly lower than the other companies; so much so that the Local Bidder Preference policy doesn't affect the low bid outcome. Dark t-shirts with 2-color printing in one location make up approximately 75% of our orders throughout the year. Austin, Inc's bid for this style of shirt is \$0.79-\$1.09 cheaper per shirt than the next highest bidder (highlighted on the bid tabulation). At an average of about 1,600 shirts ordered each year, we would realize a savings of about \$1,504.00 by going with Austin, Inc. Although Austin, Inc's delivery time is 10 days versus 7 days (*all three other bidders*) we believe the cost savings out ways the inconvenience of having to send our orders in 3 days earlier. The low bid for the sweatshirts is another vendor however we order so few, if any, sweatshirts during the year that it isn't worth going with another vendor just for sweatshirts.

After review with staff it is my recommendation that the bid for t-shirts and sweatshirts be awarded to Austin, Inc. of Milford, MI at the unit prices stated in their bid. If we discover during the year that the longer delivery time and the lack of a local contact proves to be too much of a problem then we will reconsider the vendor for this bid. The estimated total amount for t-shirt purchases annually is \$8,000 - \$10,000. Funds for this purchase are budgeted in various Recreation supply accounts.

CITY OF ADRIAN, MICHIGAN
ANNUAL T-SHIRT BID
DUE DATE: JUNE 16, 2010

ITEM	Austin Inc Milford, MI	Pro-Med Uniform Adrian, MI	Apex Screen Print Adrian MI	Med Paint Print Adrian MI
T-Shirts:				
1-color, 1-location	\$3.01	\$3.70	\$3.75	\$4.00
1-color, 2-locations	\$3.51	Light \$4.05 Dark \$4.30	\$4.50	\$4.50
2-color, 1-location	\$3.11	Light \$3.90 Dark \$4.20	\$4.75	\$4.25
2-color, 2-locations	\$3.76	Light \$4.70 Dark \$4.95	\$5.25	\$5.00
2-color print, name & number back	\$6.66	Light \$7.70 Dark \$7.95	\$7.00	\$8.00
Up Chrg – XXL & XXXL	\$1.60	\$1.50	\$1.50	XXL \$1.50 XXXL \$2.50
Up Chrg - Long Sleeve	\$1.75	\$1.70	\$2.00	\$1.75
Up chrg – Cut off shirt	\$1.00	\$1.70	\$1.50	\$1.75
Minimum order	13 shirts If less than 72 pcs, add 5%	12 shirts	12 shirts	12 shirts
Sweatshirts:				
Per shirt	\$12.39	\$11.95	\$10.00	\$12.00
Up chrg – XXL or XXXL	\$2.00	XXL \$1.50 XXXL \$2.50	\$ 1.50	XXL \$1.50 XXXL \$2.50
Up chrg - hooded	\$3.60	\$4.00	\$5.00	\$4.00
Minimum order	1	12	2	12
Delivery	10 business days after approval of art	7 business days	7 business days	7 business days

R10-082

July 7, 2010

RE: DEPARTMENT OF PARKS & RECREATION – Annual T-Shirt Bid Recommendation

RESOLUTION

WHEREAS, the Department of Parks & Recreation, in conjunction with the City of Adrian Purchasing Office, solicited and received bids on Wednesday, June 16, 2010 for the annual purchase of t-shirts and sweatshirts for various Recreation programs; and

WHEREAS, thirteen (13) vendors were invited to bid and four (4) responded with the following results:

<u>VENDOR</u>	<u>LOCATION</u>	<u>AMOUNT</u>
Austin, Inc.	Milford, MI	\$3.11/shirt
Pro Med Uniform	Adrian, MI	\$3.90/shirt – Light \$4.20/shirt – Dark
Apex Screen Print	Adrian, MI	\$4.75/shirt
Med Paint Print	Adrian, MI	\$4.25/shirt

WHEREAS, the Parks & Recreation Director and City Administrator recommend acceptance of the low bid and authorization of annual t-shirts and sweatshirts purchase from Austin, Inc, Milford, MI at an estimated cost (depending on volume purchased) of \$8,000-\$10,000; and

WHEREAS, the low volume of sweatshirts that would be purchased does not justify going to a separate vendor, even though the per unit cost is not the lowest available; and

WHEREAS, the Finance Director indicates that sufficient funds are available in the FY2010-11 Parks & Recreation Operating Budget for this purpose in the appropriate sub-accounts for the individual activities.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby accepts the low bid and authorizes the Parks & Recreation Department to purchase t-shirts and sweatshirts for various Recreation programs from Austin, Inc, Milford, MI at an estimated cost (depending on volume purchased) of \$8,000-\$10,000, which is included in the FY2010-11 Parks & Recreation Operating Budget.

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

R-4

Memorandum

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

From: Paul G. Trinka

CC: file

Date: 27 June 2010

Re: Fireworks 7 August 2010

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

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

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

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

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



POLICE DEPARTMENT

MEMO

To: Jeff Pardee, Acting City Administrator

CC:

From: Chief Terrence B. Collins

Date: June 28, 2010

Re: Firework Display^{TBC} 6-7-2010

I have reviewed the request for the firework display from "The Center" and I have no concerns other than those already expressed by the Fire Department.



The Centre

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

May 27, 2010

Sid Moss, Steve Karbal,

Gentlemen,

I am writing this letter to request your consent once again for a fireworks display which is planned to take place within 500 feet of the Maple Woods Home Park here in Adrian on August 7, 2010. The actual fireworks site location will be on the property of the City of Adrian. The Maple Woods Park is outside of the official fallout area. However, the City has requested that we acquire the consent of all the property owners in the immediate vicinity. We will once again be using the services of Pyrotecnico of New Castle Pennsylvania to conduct the display. We will have the required \$10,000,000 insurance policy and are in process of obtaining the permit from the City of Adrian. We will once again add Maple Woods / Medallion Homes to the policy with your permission.

About the Centre and this event:

The Centre is a non-profit 501C3 community center organization. Together with local businesses, churches and non-profits from the Adrian Community, we are holding this our second annual Community Celebration Day - Saturday August 7th 2010. The day will include family games and activities, community service projects. The day culminates at the Adrian College football Stadium with live entertainment. After the concerts, we will offer a spectacular Fireworks display. The ideal fireworks site location for the display is across Hwy 223, on the West side of Industrial Dr. between Venchurs, and Kapnick Insurance on the property of the City of Adrian. Again, this location is within about 500 feet of the back corner of Maple Woods.

I thank you in advance for your consideration of this request. I have also included a pre-written letter of consent for your signature if you so choose. Please fax or email to: 517-265-3041 or to pmaybe@lenawee.org.

We hope that this day will accomplish its intended purpose which is about celebrating who we are and the freedoms we enjoy, it's about helping one another through service projects, it's about hope and laughter but mostly it's about feeling good about our community, because together we are better!
Please visit: www.communitycelebrationday.com for additional information.

Sincerely,

Paul K. Maybee
Productions Manager

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

May 27, 2010

City of Adrian,

Dear City Council,

As owners of the property known as Maple Woods, 1550 W. Beecher Avenue, Adrian, MI, we do hereby give our consent to the fireworks display which is being planned by The Centre and others as part of Community Celebration Day in Adrian, MI on August 7, 2010. We understand the site plan shall be the same as the fireworks display last year which was on August 1, 2009. We understand that the Maple Woods property is outside of the official fallout area of the fireworks display however is in a close proximity being approximately 500 feet from the shooting location.

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

Sincerely,



Steve Karbal
Property Owner – Maple Woods / Medallion Homes

ACORD**CERTIFICATE OF INSURANCE**

ISSUE DATE

04/21/2010

PRODUCER

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

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

COMPANIES AFFORDING COVERAGE

Company A United States Fire Insurance

Company B James River Insurance Company

Company C Westchester Surplus Lines Ins

Company D

Company E

INSURED

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

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

CO LT	TYPE OF INSURANCE	POLICY NUMBER	EFFECTIVE EXPIRATION	LIMITS OF LIABILITY	
B	GENERAL LIABILITY <input checked="" type="checkbox"/> Commercial General Liability <input type="checkbox"/> Claims Made <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Owners' and Contractors' Protection <input checked="" type="checkbox"/> Per Project Cap \$2,000,000 Gen Agg <input type="checkbox"/> General Aggregate Limit applies per: <input checked="" type="checkbox"/> Policy <input type="checkbox"/> Project <input type="checkbox"/> Location	000292602	01/14/2010 01/14/2011	EACH OCCURRENCE	\$ 1,000,000
				FIRE DAMAGE	\$ 100,000
				MEDICAL EXPENSE	\$ EXCLUDED
				PERS. AND ADVERTISING INJURY	\$ 1,000,000
				GENERAL AGGREGATE	\$ 5,000,000
				PRODUCTS AND COMP. OPER. AGG.	\$ 2,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> Any Automobiles <input type="checkbox"/> All Owned Automobiles <input type="checkbox"/> Scheduled Automobiles <input type="checkbox"/> Hired Automobiles <input type="checkbox"/> Non-owned Automobiles <input type="checkbox"/>	1337289354	01/14/2010 01/14/2011	COMBINED SINGLE LIMIT	\$ 1,000,000
				BODILY INJURY (Per person)	\$
				BODILY INJURY (Per accident)	\$
				PROPERTY DAMAGE (Per accident)	\$
				COMPREHENSIVE	\$1000 deductible
				COLLISION	\$1000 deductible
	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY			WC Statutory Limit <input type="checkbox"/> Other <input type="checkbox"/>	
				EL EACH ACCIDENT	\$
				EL DISEASE (Each employee)	\$
				EL DISEASE (Policy Limit)	\$
B	EXCESS LIABILITY <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Claims Made	000298282	01/14/2010 01/14/2011	EACH OCCURRENCE	\$ 4,000,000
				AGGREGATE	\$ 4,000,000
C	EXCESS UMBRELLA COVERAGE	G22054752003	01/14/2010 01/14/2011	Excess of Underlying \$4, Million	\$ 5,000,000
					\$
					\$
					\$
					\$

Fireworks Display Date: August 7, 2010 Rain Date: August 8, 2010

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

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

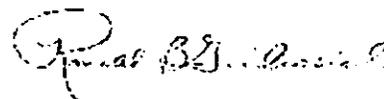
The above listed are Additional Insured respects to General Liability policy as required by written contract subject to policy terms, conditions and exclusions. The Certificate Holder is named as Additional Insured with respect to General Liability as required by written contract subject to policy terms,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

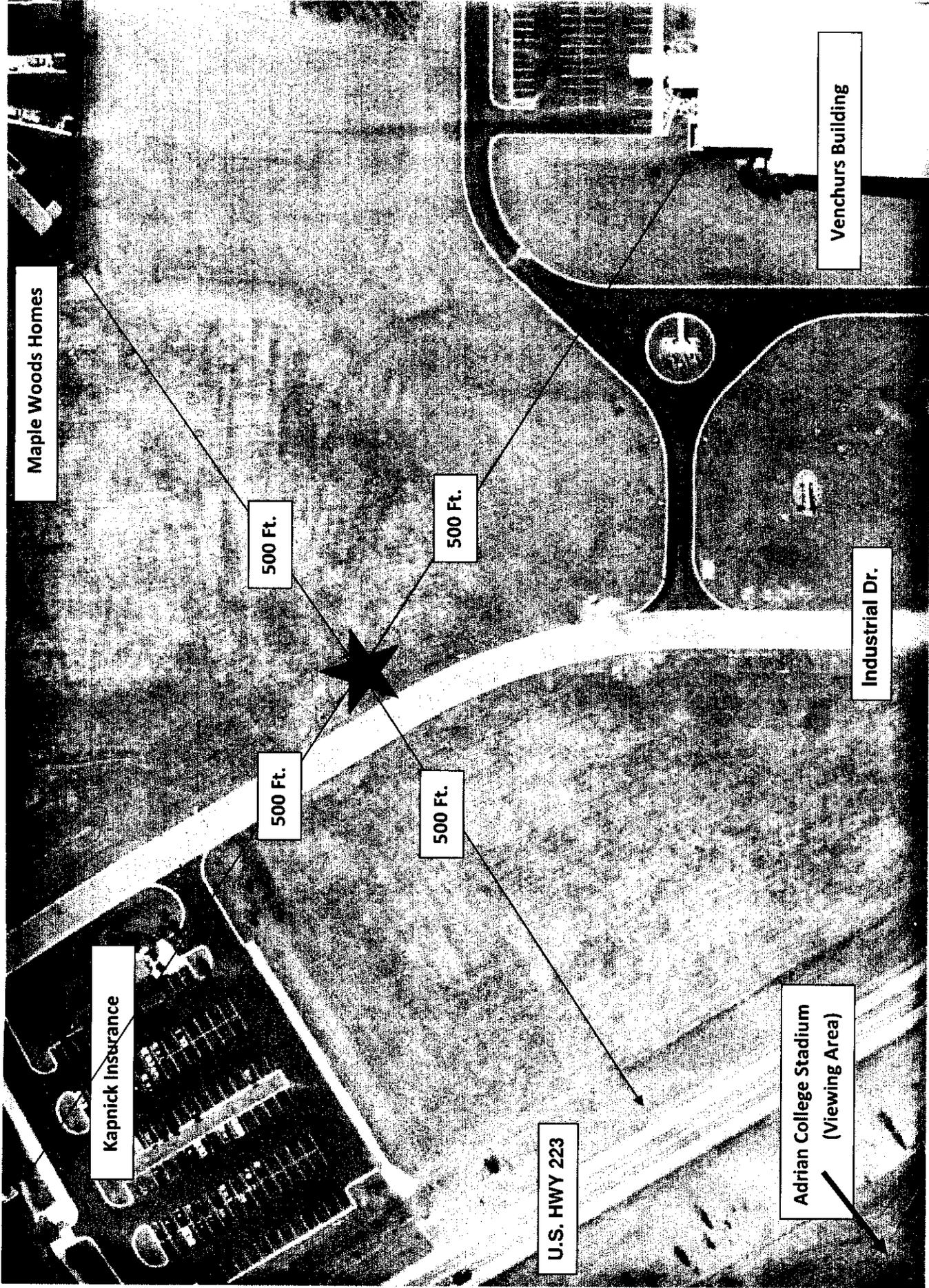
CERTIFICATE HOLDER

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

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

Authorized Representative





Maple Woods Homes

500 Ft.

500 Ft.

500 Ft.

500 Ft.

Venchurs Building

Industrial Dr.

Kapnick Insurance

U.S. HWY 223

Adrian College Stadium
(Viewing Area)

R10-083

July 7, 2010

RE: FIRE DEPARTMENT – Authorization to Issue Permit for Fireworks Display to the Family Christian Centre for Annual Community Celebration on August 7th

RESOLUTION

WHEREAS, the Adrian City Fire Chief has received and reviewed an application for a Fireworks Display Permit from the Christian Family Centre (THE CENTRE), located at 1800 W. US-223, Adrian, MI for an annual community celebration on August 7, 2010; and

WHEREAS, the Fire Chief has identified the location of the firing area to be on City-owned property on Industrial Drive across US-223 from THE CENTRE; and

WHEREAS, the Fire Chief and City Administrator further recommend approval of the requested permit and authorization for the City Clerk to sign said permit, provided the following actions be taken regarding establishment of safe distances for the viewing public in adherence to the National Fire Protection Association guidelines:

- 1) Industrial Drive be closed to all vehicular and pedestrian traffic;
- 2) No parking be allowed in Nuestro, Kapnick, and Adrian Nazarene Church parking lots; and
- 3) Provision of appropriate security to ensure spectators do not walk across the field from the Maple Woods development into the fallout area.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution approves the Fireworks Display Permit for August 7th requested by the Christian Family Centre, with the aforementioned provisions in adherence to the National Fire Protection Association Guidelines, and authorizes the City Clerk to sign said permit.

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

R-5



MEMO

Date: June 23, 2010

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

From: Jeffrey C. Pardee, Finance Director

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

Re: **Amendment to Standard Professional Services Contract to Include Adherence to City's Drug-Free Workplace Policy**

The Adrian City Commission, by resolution dated November 17, 2003, adopted the Finance Department recommended Standard Professional Services Contract, to be utilized by the Purchasing Office for all City Departments and Agencies, effective January 1, 2004. In addition, the Adrian City Commission, by resolution #R08-038 dated March 3, 2008, adopted a Drug-Free Workplace Policy applicable to all City employees.

Because the City of Adrian is committed to maintaining a safe, healthy and productive work environment for all of its employees and customers, the Finance Director and City Administrator recommend that the Drug-Free Workplace Policy be extended to all City contractors and their employees through amendment of the City's Standard Professional Services Contract. Section 7.6 Compliance with Laws is recommended to be amended by adding the following language:

- 7.6.3 Contractor shall comply with all federal, state and local laws, statutes, ordinances, regulations, insurance policy requirements, and requirements applicable to its activities under this Contract.
- 7.6.4 **In particular, contractor shall comply with City's Drug-Free Workplace Policy, which generally states that the use, possession, distribution and sale of alcohol and other drugs (including prescription drugs without a valid prescription) at work or on City property are strictly prohibited.**

The attached resolution has been prepared for consideration by the City Commission at its regularly scheduled meeting of July 7, 2010. If you have any questions or need for additional information, please contact my office.

R10-084

July 7, 2010

RE: FINANCE DEPARTMENT – Amendment to Standard Professional Services Contract to Include Adherence to City’s Drug-Free Workplace Policy

RESOLUTION

WHEREAS, the Adrian City Commission, by resolution dated November 17, 2003, adopted the Finance Department recommended Standard Professional Services Contract, to be utilized by the Purchasing Office for all City Departments and Agencies, effective January 1, 2004; and

WHEREAS the Adrian City Commission, by resolution #R08-038 dated March 3, 2008, adopted a Drug-Free Workplace Policy applicable to all City employees; and

WHEREAS, because the City of Adrian is committed to maintaining a safe, healthy and productive work environment for all of its employees and customers, the Finance Director and City Administrator recommend that the Drug-Free Workplace Policy be extended to all City contractors and their employees through amendment of the City’s Standard Professional Services Contract; and

WHEREAS Section 7.6 Compliance with Laws is recommended to be amended by adding the following language:

7.6.1 Contractor shall comply with all federal, state and local laws, statutes, ordinances, regulations, insurance policy requirements, and requirements applicable to its activities under this Contract.

7.6.2 In particular, contractor shall comply with City’s Drug-Free Workplace Policy, which generally states that the use, possession, distribution and sale of alcohol and other drugs (including prescription drugs without a valid prescription) at work or on City property are strictly prohibited.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the following recommended amendment to the City’s Standard Professional Services Contract - Section 7.6 Compliance with Laws:

7.6.1 Contractor shall comply with all federal, state and local laws, statutes, ordinances, regulations, insurance policy requirements, and requirements applicable to its activities under this Contract.

7.6.2 In particular, contractor shall comply with City’s Drug-Free Workplace Policy, which generally states that the use, possession, distribution and sale of alcohol and other drugs (including prescription drugs without a valid prescription) at work or on City property are strictly prohibited.

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

R-6

MEMO



DATE: June 29, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Design/Build Parking Lot Lighting

Bids were received on June 8th for design/build for lighting in the S. Toledo Street parking lot. The project (Option 1) includes installing a new 100 amp single-phase service, installing new underground conduits and wiring and re-feeding the south parking lot lighting.

Twelve firms were invited to bid with Service Electric being the lone bidder. The City Engineer has recommended that Option 1 be awarded to Service Electric of Adrian, MI at a cost of \$35,253.00, and I concur. There are sufficient funds from the bond proceeds for this work.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Dane C. Nelson'.

Dane C. Nelson
City Administrator

DCN:bjw

R-6

June 28, 2010



MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Design/Build Bids Toledo St. Parking Lot

We received bids on June 8, 2010 for a design/build contract for the parking lot on the south side of Toledo Street (City Hall lot). This is to design the lighting layout and all associated items and provide the construction of these items. We received the following bid:

ITEM	Service Electric Adrian, MI	
Design/Build Parking Lot	\$35,253.00 OPTION 1: Install new service dumpster wall, new underground wiring, re-feed south parking lot	
	\$ 59,269.00 OPTION 2: Remove existing, replace, new poles, new underground, re-feed south lot.	

This request for proposal was given to 12 possible bidders. This bid was the only one received and I recommend 'Option 1' of this bid be awarded to Service Electric of Adrian, MI. in the amount of \$35,253.00.

Funds for this project will come from the remaining portions of the bond proceeds.

SERVICE ELECTRIC COMPANY

P.O. Box 482, Adrian, Michigan 49221

(517) 263-0409 Fax (517) 264-2282 (734) 944-0908
www.callserviceelectric.com

PROPOSAL

11499

Page 2 of 2

TO: CITY OF ADRIAN
KRIS BAUER
135 E. MAUMEE ST.
ADRIAN MI 49221

PHONE 517-263-2161	DATE 6/8/2010
JOB NAME / LOCATION TOLEDO ST PARKING LOT LIGHTING RENOVATION	
JOB NUMBER	JOB PHONE

We hereby submit specifications and estimates for:

- 4) INSTALL NEW 100 AMP SINGLE PHASE SERVICE ON THE WALL ON THE WEST DUMPSTER.
- 5) INSTALL NEW UNDERGROUND CONDUITS AND WIRING.
- 6) REFEED THE SOUTH PARKING LOT LIGHTING.

THE COST FOR THIS TASK WILL BE \$35,253.00

NOTE ALL EXCAVATION TO BE DONE BY THE CITY.

We Propose hereby to furnish material and labor — complete in accordance with the above specifications, for the sum of: _____ dollars (\$ _____).

Payment to be made as follows:
30 DAYS

If any part of unpaid balance is referred to collection, Service Electric Company shall be entitled to receive entire cost of collection including attorney fees from customer.

All material is guaranteed to be as specified. All work to be completed in a professional manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Worker's Compensation insurance.

Authorized Signature

Note: This proposal may be withdrawn by us if not accepted within 30 days.

Acceptance of Proposal — The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____

Signature _____

Date of Acceptance: _____



R10-085

July 7, 2010

RE: City Engineer – Authorization to Select Vendor to Design the Lighting Layout and All Associated Items for the South Toledo Street Parking Lot and to Proceed with Construction of These Items

RESOLUTION

WHEREAS, the Adrian City Commission, by Resolution #10-005 dated January 4, 2010, authorized the transfer of \$2,250,000 from General Fund Designated Fund Balance to complete the funding of the Downtown Government Complex; and

WHEREAS the final major component of the aforementioned project is the reconstruction of the South Toledo Street Parking Lot, immediately adjacent to the new City Hall; and

WHEREAS, on behalf of the City Engineer, the Purchasing Office solicited bids from twelve (12) vendors, with just one (1) response from Service Electric Company, Adrian, MI on June 8, 2010, for bids to design the lighting layout of said parking lot and all associated items, as well as construction of these items; and

WHEREAS, the bid results for the two (2) specified options are detailed as follows:

OPTION 1: \$35,253.00 to install new service dumpster wall, new underground wiring, and re-feed south parking lot;

OPTION 2: \$59,269.00 to remove existing, replace, new poles, new underground, re-feed south parking lot; and

WHEREAS, the City Engineer recommends that the City authorize selection of OPTION 1 and engagement of Service Electric Company, Adrian, MI in the City's Standard Professional Services Contract to perform the prescribed scope of services at a cost not to exceed \$35,253.00; and

WHEREAS, the Finance Director indicates that there are sufficient funds available for this purpose from the remaining balance of funding provided for the Downtown Government Complex (101-836.00-801.000); and

WHEREAS, the City Administrator recommends approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the engagement of Service Electric Company, Adrian, MI in the City's Standard Professional Services Contract to perform the prescribed scope of services specified in OPTION 1 at a cost not to exceed \$35,253.00.

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

R-7



City of Adrian
Community Development Department
135 E. Maumee St.
Adrian, MI 49221

TO: Mr. Dane C. Nelson, City Administrator
Hon. Gary McDowell, Mayor
City Commissioners

FROM: Christopher D. Miller
DDA and Economic Development Coordinator

DATE: July 7, 2010

SUBJECT: 107 N. Main Street – Revocation of Obsolete Property Rehabilitation Certificate

Gentlemen:

On February 20, 2006, the Adrian City Commission approved an Act 146 Obsolete Property Rehabilitation Certificate for Mr. William Click of Model Construction. Documentation supporting the City Commission's approval resolution indicated the applicant intended to rehabilitate the property, retain and/or create employment, enhance the commercial and residential activity in downtown, and adhere to the first floor requirements per the Downtown Blueprint.

As Mr. Click has been unable to sustain the elements required to retain the Obsolete Property Rehabilitation Exemption Certificate, and the property is currently unoccupied and in the process of foreclosure, the Community Development staff recommend revocation of the Obsolete Property Rehabilitation Certificate for 107 N. Main.

Respectfully Submitted,
Christopher D. Miller
DDA and Economic Development Coordinator

RESOLUTION

RE: COMMUNITY DEVELOPMENT - REVOCATION OF OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE NUMBER 3-06-0088 FOR MR. WILLIAM CLICK OF MODEL CONSTRUCTION FOR THE PROPERTY LOCATED AT 107 NORTH MAIN STREET, CITY OF ADRIAN, LENAWEE COUNTY, MICHIGAN, PURSUANT TO AND IN ACCORDANCE WITH THE PROVISIONS OF THE OBSOLETE PROPERTY REHABILITATION ACT, PUBLIC ACT 146 OF 2000

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

WHEREAS, the aforementioned action plan consists of a variety of recommendations aimed at assisting in the economic redevelopment of downtown Adrian; and

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

WHEREAS, the Adrian Downtown Development Authority seeks to work in partnership with private property owners to realize this goal; and

WHEREAS, the State of Michigan has established the Obsolete Property Rehabilitation Act (OPRA), Public Act 146 of 2000; and

WHEREAS, Public Act 146 of 2000 was developed to provide for the establishment of obsolete property rehabilitation districts in certain local governmental units to provide for the exemption from certain taxes, to levy and collect a specific tax upon the owners of certain facilities, to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates, to prescribe powers and duties of certain local government officials and to provide penalties; and

WHEREAS, the City of Adrian, Lenawee County, Michigan is a qualified local governmental unit under Public Act 146 of 2000; and

WHEREAS, Public Act 146 of 2000 requires the qualified local governmental unit to establish an Obsolete Property Rehabilitation District; and

WHEREAS, the Adrian City Commission, through resolution R06-005 dated January 17, 2006, created an Obsolete Property Rehabilitation District encompassing 107 North Main Street; and

WHEREAS, the Adrian City Commission, through resolution R06-26 dated February 20, 2006, granted an Obsolete Property Rehabilitation Exemption Certificate to Mr. William Click of Model Construction for a period of five (5) years for rehabilitation work that was proposed on his property at 107 North Main Street within the City of Adrian Downtown Development District; and

WHEREAS, the State of Michigan State Tax Commission issued an Obsolete Property Rehabilitation Exemption Certificate, Certificate Number 3-06-0088, dated November 29, 2006 to Mr. William Click of Model Construction for property located at 107 North Main Street for a period of five (5) years beginning December 31, 2006 and ending December 30, 2011 for real property investment in the amount of \$170,000 and freezing the taxable value of the real property related to aforementioned certificate at \$ 17,573; and

WHEREAS, Mr. William Click of Model Construction has failed to maintain commercial activity at 107 North Main Street; and

WHEREAS, Mr. William Click of Model Construction has failed to maintain expected employment at 107 North Main Street; and

WHEREAS, Mr. William Click of Model Construction has failed to maintain an increase in downtown residency; and

WHEREAS, Mr. William Click of Model Construction has failed to assist the City with their short and long-term revitalization goals; and

WHEREAS, the legislative body of the qualified local governmental unit may, by resolution, revoke the Obsolete Property Rehabilitation Exemption certificate of a facility if it finds that the completion of rehabilitation of the facility has not occurred within the time authorized by the legislative body in the exemption certificate, or a duly authorized extension of that time, **or that the holder of the Obsolete Property Exemption Certificate has not proceeded in good faith with the operation of the rehabilitated facility** in a manner consistent with the purposes of this Act and in the absence of circumstances that are beyond the control of the holder of the exemption certificate.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by resolution, hereby revokes the Obsolete Property Rehabilitation Exemption Certificate granted on February 20, 2006 for property at 107 North Main Street with legal description: N 20 FT OF E 66 FT OF S 80 FT LOT 15 ORIGINAL PLAT

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Adrian City Commission, by resolution, hereby revokes the Obsolete Property Rehabilitation Exemption Certificate granted on February 20, 2006 to Mr. William Click of Model Construction for property at 107 North Main Street with legal description: N 20 FT OF E 66 FT OF S 80 FT LOT 15 ORIGINAL PLAT

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

R-8

MEMO



DATE: June 30, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Elevator Maintenance

Bids were received on June 29, 2010 for elevator maintenance at City Hall, Adrian Public Library and the Police Station. Otis Elevator, who currently performs elevator maintenance for the City, was the low bidder at a cost of \$375.00 per quarter. If awarded, the new contract will be valid through June 30, 2012.

Four firms responded to the offer to bid. There are sufficient funds in the respective departmental budgets for this expense.

Respectfully submitted,



Dane C. Nelson
City Administrator

DCN:bjw

R-8

June 30, 2010



MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Elevator Maintenance

We received bids on June 29, 2010 for elevator maintenance at City Hall and the addition of the Library and Police Station upon termination of the warranty periods at those locations. This contract will commence immediately upon acceptance of these bid through June 30, 2012. Below is a list of the bids received:

BIDDER	City Hall	Public Library	Police Station
Otis Elevator Lansing MI	\$375.00 per qrt Load test included	\$375.00 per qrt Load test included	\$375.00 per qrt Load test included
Kone inc Livonia MI	\$ 450.00 per qrt Load test included	\$ 450.00 per qrt Load test included	\$ 450.00 per qrt Load test included
ThyssenKrupp Elevator Northwood OH	\$ 460.00 per qrt No load test	\$ 460.00 per qrt No load test	\$ 460.00 per qrt No load test
Toledo Elevator Toledo OH	\$ 570.00 per qrt Load test included	\$ 570.00 per qrt Load test included	\$ 570.00 per qrt Load test included

I recommend award of this bid to Otis Elevator of Lansing, MI. in the amount of \$375.00/Quarter. Otis Elevator is currently providing service and they have been excellent to work with.

Funds for this contract are available in the General Fund (101-265.00-931.001), the Adrian Public Library Fund (101-738.00-931.000) and the Police Department (101-301.00-931.000). Library Maintenance will begin after October 31, 2010 and the Police Maintenance will begin after May 1, 2011.

CITY OF ADRIAN, MICHIGAN
 ELEVATOR MAINTENANCE
 DUE DATE: JUNE 29, 2010

BIDDER	City Hall	Public Library	Police Station
Otis Elevator Lansing MI	\$375.00 per qrt Load test included	\$375.00 per qrt Load test included	\$375.00 per qrt Load test included
Kone Inc Livonia MI	\$ 450.00 per qrt Load test included	\$ 450.00 per qrt Load test included	\$ 450.00 per qrt Load test included
ThyssenKrupp Elevator Northwood OH	\$ 460.00 per qrt No load test	\$ 460.00 per qrt No load test	\$ 460.00 per qrt No load test
Toledo Elevator Toledo OH	\$ 570.00 per qrt Load test included	\$ 570.00 per qrt Load test included	\$ 570.00 per qrt Load test included

RE: CITY ENGINEER – Elevator Maintenance Bid Recommendation

RESOLUTION

WHEREAS, the City of Adrian Purchasing Office solicited and received bids for elevator maintenance on June 29, 2010 for City Hall, Library and Police Department to cover the time between expiration of the respective warranty periods and June 30, 2012; and

WHEREAS, four (4) bids were received with the following results:

Bidder	City Hall	Public Library	Police Station
Otis Elevator Lansing MI	\$375.00 per qrt. Load test included	\$375.00 per qrt. Load test included	\$375.00 per qrt. Load test included
Kone Inc Livonia MI	\$ 450.00 per qrt. Load test included	\$ 450.00 per qrt. Load test included	\$ 450.00 per qrt. Load test included
ThyssenKrupp Elevator Northwood OH	\$ 460.00 per qrt. No load test	\$ 460.00 per qrt. No load test	\$ 460.00 per qrt. No load test
Toledo Elevator Toledo OH	\$ 570.00 per qrt. Load test included	\$ 570.00 per qrt. Load test included	\$ 570.00 per qrt. Load test included

WHEREAS, the City Administrator and City Engineer recommend selection of the low bidder, Otis Elevator, Lansing, MI, and engagement in the City’s Standard Professional Services Contract for the performance of elevator maintenance services for City Hall, Adrian Public Library and the Police Department at a cost not to exceed \$375.00 per quarter for each of the three (3) elevators, or a total of \$4,500 annually (The Contract will be effective immediately for City Hall, November 1, 2010 for the Library and May 1, 2011 for the Police Department.); and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the FGY2010-11 Budget in each of the departmental operating budgets, i.e., (101-265.00-931.001) for City Hall; (101-738.00.931.000) for Adrian Public Library; and (101-301.00-931.000) for the Police Department.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the selection of the lowest qualified bidder, Otis Elevator, Lansing, MI, and engagement in the City’s Standard Professional Services Contract for the performance of elevator maintenance services for City Hall, Adrian Public Library and the Police Department at a cost not to exceed \$375.00 per quarter for each of the three (3) elevators or a total of \$4,500 annually.

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