

PRE-MEETING AGENDA

ADRIAN CITY COMMISSION
AGENDA
PRE-MEETING STUDY SESSION
DECEMBER 21, 2009

The City Commission will meet for a pre-meeting study session on Monday, December 21, 2009 at 5:30 p.m. on the 2nd floor Conference Room at the former City Hall, 100 E. Church Street, to discuss the following:

- I. Continue Discussion of Capital Improvement Plan
- II. Other Items as Time Permits

COMMISSION AGENDA

**AGENDA
ADRIAN CITY COMMISSION
DECEMBER 21, 2009
7:00 P.M.**

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- II. ROLL CALL
- III. APPROVAL OF MINUTES OF THE DECEMBER 7, 2009 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- IV. PRESENTATION OF ACCOUNTS
- V. COMMUNICATIONS
 - 1. Report from Finance Director regarding Debt Capacity Analysis
- VI. CONSENT AGENDA
 - A. RESOLUTIONS
 - 1. CR09-063. Resolution to make temporary traffic control orders permanent on the west side of Charles St. by posting "No Parking Here to Corner" signs.
 - 2. CR09-064. Resolution setting a Public Hearing date to hear and consider comments to approval of an application from Inergy Automotive for an Industrial Facilities Exemption Certificate.
- VII. PUBLIC COMMENTS
- VIII. REGULAR AGENDA
 - A. SPECIAL ORDERS
 - 1. SO-1. Public Hearing to hear and consider comments to approval of a Special Assessment District to cover a portion of the expenses incurred for the maintenance and enforcement of the downtown parking lots.
 - B. RESOLUTIONS
 - 1. R09-201. Resolution to approve a Special Assessment District to cover the portion of the expenses incurred for the maintenance and enforcement of the downtown parking lots.
 - 2. R09-202. Resolution to approve a 3-year Lease Agreement with the Boys & Girls Club for the use of Plotter Center.

3. R09-203. Resolution to approve the acquisition of forensic computer and security equipment for the new police facility.
4. R09-204. Resolution to retain Plante & Moran, LLC to perform an Income Tax Implementation and Property Tax Reduction Feasibility Study and approval of the resulting budget amendments.
5. R09-205. Resolution to approve the Policy for Granting Poverty Exemptions.
6. R09-206. Resolution authorizing the City Administrator to discontinue the operation and programming of Public Access Channels 20 and 23 on the Comcast cable television system.

I X. MISCELLANEOUS

1. Parks & Recreation Quarterly Report
2. Departmental Report
3. Fire Department Report
4. D.A.R.T. Passenger Ridership Report
5. Bohn Pool 10-Year Summary Comparison
6. Skate & Bike Park 5-Year Attendance & Revenue/Expense Comparison

X. PUBLIC COMMENTS

X I. COMMISSION COMMENTS

MINUTES

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

Prior to the opening of the regular meeting at 5:40 p.m., Commissioner Miller moved to go into closed session to discuss real estate acquisition, seconded by Commissioner Osborne, motion carried by a unanimous vote. The Commission came out of closed session at 6:20 p.m. to resume the pre-meeting study session.

Official proceedings of the December 7, 2009 regular meeting of the City Commission, Adrian, Michigan.

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

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

Mayor McDowell in the Chair.

Commissioner DuMars moved to approve the minutes of the November 16, 2009 regular meeting of the Adrian City Commission, seconded by Commissioner Clegg, motion carried by a unanimous vote.

PRESENTATION OF ACCOUNTS

Utility Department Receiving Fund Voucher #3156 through #3163	\$ 155,623.45
General Fund Vouchers #19561 through #19590	\$ 699,918.07
Clearing Account Vouchers amounting to	<u>\$5,409,707.11</u>
TOTAL EXPENDITURES	<u>\$6,265,248.63</u>

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

COMMUNICATION

1. C-1. Communication from Comcast on changes to their channel lineup.

CONSENT AGENDA

RESOLUTION CR09-058

RE: FINANCE DEPARTMENT – Downtown Parking Special Assessment – Notice of Intent

WHEREAS, in accordance with the recommendations of the Blueprint for Downtown Adrian, short-term parking meters were removed from streets and parking lots in June, 2004; and

WHEREAS, after several meetings of the Ad-Hoc Downtown Parking Advisory Committee to review the Auto Fund Parking Budget and Parking Enforcement Operations, the following Financial Plan and Special Assessment proposal has been developed; and

WHEREAS, the cost to maintain parking lots in the Downtown Development District for FY2009-10 amount to \$116,200, detailed as follows:

Operating Budget	\$114,100
Capital Budget	<u>-0-</u>
Total Expenses	\$114,100; and

WHEREAS, estimated Revenue for FY2009-10 is detailed as follows:

Parking Permits	\$ 30,000
10-hr Meter Revenue	8,000
Parking Fines	30,000
Interest Income	100
Contribution-DDA 2-mill	10,000
Contribution-General Fund	<u>6,000</u>
Total Revenue	<u>\$ 86,200</u>
Shortfall	<u>\$ 30,000</u>

WHEREAS, the City Administrator recommends that the \$30,000 shortfall be recouped through a special assessment to downtown property owners who benefit from the removal of parking meters and maintenance of a viable downtown parking system for the purpose of revitalizing the central business district; and

WHEREAS, required plans, reports and recommendations have been filed pursuant to the provisions of Article I, Section 70-6 of the Adrian City Code of Ordinances; and

WHEREAS, such plans include the Auto Parking Fund Financial Plan, purpose of the Special Assessment, the Special Assessment District, and the methodology utilized by the City Assessor to apportion the Special Assessment to property owners within the District.

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

1. Adopts the FY2009-10 Auto Parking Fund Financial Plan, including:

Lighting	\$ 11,000
General Lot Maintenance	20,601
Snow Removal	25,511
Equipment Maintenance	5,700
Lot Striping	7,700
Administrative Expenses	<u>2,700</u>
Total Maintenance	\$ 73,212
Enforcement Costs	24,888
Depreciation	<u>16,000</u>
Total Expenses	<u>\$114,100</u>

Revenue Projections:	
Parking Permits	\$ 30,000
10-hr Meter Revenue	8,000
Parking Fines	30,000
Interest Income	100
Contribution-DDA 2-mill	10,000
Contribution-General Fund	6,000
Downtown Special Assessment	<u>30,000</u>
Total Revenue	<u>\$114,100</u>

2. As indicated in the aforementioned Financial Plan, the City intends to levy a Special Assessment in the amount of \$30,000.
3. The Special Assessment proposed to partially defray the expenses detailed in the Auto Parking Fund Financial Plan shall be levied on the lands and premises within the proposed Special Assessment District according to the methodology employed by the City Assessor and on file with the City Clerk.
4. The Report, including the Proposed Special Assessment, shall be filed with the City Clerk forthwith to be available for public examination.
5. The City Commission will meet at a Public Hearing in the Commission Chambers at Adrian City Hall (100 E. Church Street) at 7:00 p.m. on Monday, December 21, 2009, for the purpose of hearing and considering comments regarding the Proposed Special Assessment District, or to the inclusion of any property within the proposed Special Assessment District.
6. The City Clerk shall mail notice of the intention to adopt said Special Assessment to all interested parties pursuant to the provisions of Article I, Section 70-6 of the Adrian City Code of Ordinances.

RESOLUTION CR09-059

RE: CHANGE MEETING DATE – Observance of Martin Luther King, Jr. Day

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, January 18, 2010, occurs on Martin Luther King, Jr. Day.

NOW, THEREFORE, BE IT RESOLVED that said regular meeting will be held on Tuesday, January 19, 2010 at 7:00 p.m. in the Commission Chambers at Adrian City Hall.

RESOLUTION CR09-060

RE: FINANCE DEPT. – Waiver of Property Tax Penalty Under Act 166 of 1977

WHEREAS, senior citizens, totally and permanently disabled individuals and certain others, as defined in Chapter 9 and Act No. 281 of the Public Acts of 1967, as amended, may be eligible for property tax credit; and

WHEREAS, Public Act 166 of 1977 authorizes the governing body of a city to waive the portion of the late penalty fee for said senior citizens.

NOW, THEREFORE, BE IT RESOLVED that the 3% late penalty fee, effective February 17, 2010, be waived under the terms, conditions and limitations of Public Act 166 of 1977.

RESOLUTION CR09-061

RE: POLICE DEPARTMENT – Authorization to Purchase One (1) Unmarked Patrol Vehicle

WHEREAS, the FY2009-10 Motor Vehicle Pool Budget provides for the replacement of one (1) Chevrolet Impala unmarked and fully equipped patrol vehicle at an estimated cost of \$16,000, including ancillary equipment; and

WHEREAS, the City of Adrian Purchasing Office, in conjunction with the Police Department, solicited and received eight (8) sealed bids on December 1, 2009, with the following results:

CITY OF ADRIAN, MICHIGAN
UNMARKED POLICE VEHICLE
DUE DATE: DECEMBER 1, 2009

BIDDER	AMOUNT	TRADE-IN
Greg Bell Chevrolet Adrian MI	\$ 14,473.00 2009 Chevy Impala	\$ 2,500.00
Greg Bell Chevrolet Adrian MI	\$ 24,576.04 2010 Chevy Impala	\$ 2,500.00
Adrian Dodge Adrian MI	\$ 15,900.00 2009 Chevy Impala (subject to availability)	\$ 2,000.00
Adrian Dodge Adrian MI	\$ 19,957.00 2010 Dodge Charger SXT	
Adrian Dodge Adrian MI	\$ 18,735.00 2010 Dodge Charger SE	
Adrian Dodge Adrian MI	\$ 16,629.00 2010 Dodge Avenger SXT	
Dave Knapp Ford Adrian MI	\$ 17,317.92 2010 Ford Fusion	\$ 1,500.00

Dave Knapp Ford
Adrian MI

\$ 21,239.56
2010 Ford Crown Vic

\$ 1,500.00

WHEREAS, the Police Chief and City Administrator recommend selection of the low bid provided by Greg Bell Chevrolet, Adrian, MI for one 2009 Chevrolet Impala at a cost of \$14,473, with a trade-in valued at \$2,500.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the purchase of one (1) Chevrolet Impala unmarked and fully equipped patrol vehicle from Greg Bell Chevrolet, Adrian, MI at a cost of \$14,473, with a trade-in valued at \$2,500.

RESOLUTION R09-062

RE: DEPARTMENT OF PARKS & RECREATION – Authorization to Contract for Tree Care Services

WHEREAS, due to anticipated budget constraints, the Department of Parks & Recreation is recommending that the tree care services currently performed in-house be privatized with an outside vendor, effective January 1, 2010; and

WHEREAS, the City of Adrian Purchasing Office, in conjunction with the Department of Parks & Recreation, received sealed bids on Tuesday, December 1, 2009 for tree maintenance and removal on City streets and in City parks; and

WHEREAS, fifteen firms were invited to bid, with four responding as follows, for 2 person aerial crew with equipment:

<u>Vendor</u>	<u>Location</u>	<u>Hourly Rate</u>	<u>Premium Rate</u>
Wright Tree Service	Des Moines, IA	\$81.14	\$ 99.81
Consumers Energy	Jackson, MI	\$87.78	\$123.10
Nelson Tree Service	Dayton, OH	\$87.85	\$140.53
Trees, Inc.	Sand Creek, MI	\$89.64	\$168.52

WHEREAS, the Parks & Recreation Director and City Administrator recommend selection of the low bidder, Wright Tree Service, Des Moines, IA, as the preferred bidder and engagement in the City's Standard Professional Services Contract to provide for tree maintenance and removal on City streets and in City parks, resulting in an estimated cost savings of \$50,000+ annually for an initial contract period of one year, with a two-year extension, depending on satisfactory performance; and

WHEREAS, the Finance Director indicates that funding for this proposal is available and equally divided between the General Fund – Parks & Forestry Budget and the Fee Estate Fund.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission by this resolution hereby authorizes selection of the low bidder, Wright Tree Service, Des Moines, IA, as the preferred bidder and engagement in the City's Standard Professional Services Contract to provide for tree maintenance and removal on City streets and in City parks for an initial contract period of one year, effective January 1, 2010, with a two-year extension, depending on satisfactory performance.

On motion by Commissioner DuMars, seconded by Commissioner Osborne, Consent Resolutions CR09-058 through CR09-062 were adopted by a unanimous vote.

PUBLIC COMMENTS

There were none.

REGULAR AGENDA

RESOLUTIONS

RESOLUTION R09-194

RE: DEPARTMENT OF FINANCE – Approval of FY2008-09 Comprehensive Annual Financial Report (CAFR) and Authorization of Year-End Encumbrances and Carry-Forwards, as well as Designations of General Fund Unassigned Fund Balance

WHEREAS, Public Act 2 of 1968, (MCL 141.424), the Uniform Budgeting and Accounting Act (as amended) specifies that the Chief Administrative Officer of each local unit shall make an annual financial report...and Chapter Eight, Section 8.7 of the City Charter further specifies that "*The City Administrator shall prepare an annual report of the affairs of the City, including a financial report*"; and

WHEREAS, the Governmental Accounting Standards Board (GASB) Statement #54, Fund Balance Reporting, indicates that Designations of General Fund Unassigned Fund Balance can be authorized by either the Chief Administrative Officer or City Commission, and lastly, the Government Finance Officers' Association (GFOA) of the United States and Canada recommends that the legislative branch of local government authorize year-end encumbrances and carry-forwards as amendments to the ensuing year's budget; and

WHEREAS, the Comprehensive Annual Financial Report (CAFR) has been prepared and presented and the audit completed by the independent Certified Public Accounting firm Robertson, Eaton & Owen, PC, reflecting an Unqualified (clean) Opinion as follows:

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Adrian, Michigan, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable thereof, and the budgetary comparison for all the major governmental funds for the year then ended in conformity with accounting principles generally accepted in the United States of America; and

WHEREAS, included in the CAFR, the City Administrator recommends the following Designations to General Fund Unassigned Fund Balance:

- | | |
|--|-------------|
| 1) City Hall | \$2,000,000 |
| 2) DPW-Motor Pool Depreciation Catch-Up | 700,000 |
| 3) City Hall Complex – First Year Debt Service | 500,000 |

4) Property Acquisitions, Demolitions and Options	50,000
5) Bohn Pool Analysis	26,000
6) Local Grant Match	<u>25,000</u>
Total	<u>\$3,301,000</u>

WHEREAS, the Finance Director and City Administrator recommend approval of this resolution including: 1) Comprehensive Annual Financial Report (CAFR); 2) Designations to General Fund Unassigned Fund Balance detailed above; and 3) Year-end encumbrances and carry-forwards in the total amount of \$1,148,777.92 (copy attached), of which \$341,359.00 pertains to the General Fund.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution and in accordance with Public Act 2 of 1968, (MCL 141.424), the Uniform Budgeting and Accounting Act (as amended), hereby approves this resolution including: 1) Comprehensive Annual Financial Report (CAFR); 2) Designations to General Fund Unassigned Fund Balance detailed above; and 3) year-end encumbrances and carry-forwards in the total amount of \$1,148,777.

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

RESOLUTION R09-195

RE: POLICE DEPARTMENT – ACCEPTANCE OF JUSTICE ASSISTANCE GRANT AWARD

WHEREAS, in collaboration with the Lenawee County Sheriff’s Department, the Adrian City Commission, by Resolution #R09-063 dated April 6, 2009, authorized submission of a Justice Assistance Grant (209-SB-B9-0449) application in the amount of \$80,219 (\$59,745 for City of Adrian Forensic Computer Equipment and Security Equipment for the new police facility and \$20,474 for the Lenawee County Police Training Program); and

WHEREAS, the United States Department of Justice, under the expanded grant funding provided by the American Recovery and Investment Act, awarded the grant funding May 29, 2009 in the amount of \$80,219, for the period March 1, 2009 through February 28, 2013; and

WHEREAS, the Police Chief and City Administrator recommend acceptance of the Justice Assistance Grant Award (209-SB-B9-0449) in the amount of \$80,219 and approval of the necessary budget amendments.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes acceptance of the Justice Assistance Grant (JAG) Award (209-SB-B9-0449) in the amount of \$80,219.

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

General Fund

Revenue:

(101-301.00-540.000) Police JAG Grant – Equipment & Training \$80,219

Expenditures:

Police Department:

(101-301.00-741.00)	Police Operating Supplies	\$ 8,450
(101-301.00-977.00)	Police Capital Equipment	<u>51,295</u>
	Total	59,745

Non-Dept. - Transfers Out:

(101-965.00-969.997)	Lenawee County Sheriff's Department	<u>20,474</u>
	Total	<u>\$80,219</u>

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

RESOLUTION R09-196

RE: DEPARTMENT OF FINANCE – Authorization to Pay Off All General Obligation Debt Except for Series A, B, & C Bonds for Downtown Government Complex

WHEREAS, the City of Adrian, from time to time, has entered into various General Obligation Debt instruments to acquire and renovate sundry properties for purposes of enhancing public services or provide for future development; and

WHEREAS, issuance of Series A, B, and C Bonds, through the Federal Stimulus Program (American Recovery & Reinvestment Act of 2009), has enabled the City to obtain funds at a reduced interest rate of 3.71%; and

WHEREAS, sufficient funds were borrowed (net proceeds after issuance expenses - \$7,005,379) under the aforementioned program to not only acquire and renovate the Downtown Government Complex but, in addition, retire all outstanding General Fund General Obligation Debt in the amount of \$4,008,777.56, including principal and interest, as detailed below:

**CITY OF ADRIAN
PAYOFF OF GENERAL OBLIGATION DEBT
December 7, 2009**

DESCRIPTION	VENDOR	FINANCING VEHICLE	PAY OFF AMOUNT		
			As of December 7, 2009		
			PRINCIPAL	INTEREST	TOTAL
Purchase 135 E. Maumee for New City Hall	First Federal Bank	Land Contract	\$1,285,000.00	\$48,161.10	\$1,333,161.10
Purchase 153-155 E. Maumee for New Police Facility	First Federal Bank	Installment Purchase Agreement	\$495,522.11	\$7,856.01	\$503,378.12
Purchase Marvin Farm Property for Future Economic Development	First Federal Bank	Installment Purchase Agreement	\$532,964.49	\$10,358.21	\$543,322.70

Purchase 381 Miles Drive for New Parks & Forestry Maintenance Facility	Huntington National Bank	Installment Purchase Agreement	\$497,900.43	\$1,143.74	\$499,044.17
Renovation of 381 Miles Drive for New Parks & Forestry Maintenance Facility	Huntington National Bank	Installment Purchase Agreement	\$1,000,000.00	\$17,999.05	\$1,017,999.05
Purchase 250 W. Church Street Property for Future Development	Bruce & Joan Benedict Trust	Land Contract	\$108,614.00	\$3,258.42	\$111,872.42
		TOTAL	\$3,920,001.03	\$88,776.53	\$4,008,777.56

WHEREAS, to ensure sufficient funds are available in future budgets to defray the annual debt service payments for the Series A, B and C Bonds (estimated to be \$450,000 annually), the Finance Director and City Administrator respectfully recommend that authorization be given to retire all other outstanding General Fund-General Obligation debts.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the retirement of all outstanding General Fund-General Obligation debts in the amount of \$4,008,777.56, as detailed above, excluding the recently issued Series A, B and C Bonds under the American Recovery and Reinvestment Act for purposes of funding the Downtown Government Complex.

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

RESOLUTION R09-197

RE: CITY ENGINEER – Authorization to Increase Fuel Surcharge to Outside Users

WHEREAS, the Lenawee Intermediate School District (LISD) has requested to purchase fuel at the city’s Race Street pump facilities, which prompted the City Engineer to perform a fuel cost & usage evaluation to determine whether or not our current surcharge of \$.05/gallon is sufficient to cover our costs; and

WHEREAS, the aforementioned evaluation determined that a surcharge of \$.05/gallon is not sufficient to cover our costs and that before we respond to the LISD request, the surcharge should be increased to \$.07/gallon, which would increase motor vehicle revenue by \$4,100 per year; and

WHEREAS, the City Engineer, Finance Director and City Administrator recommend increasing the current fuel surcharge to outside users from \$.05/gallon to \$.07/gallon, that LISD be allowed to purchase their fuel through the City facilities, and that appropriate budget amendments be made.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes that the fuel surcharge levied to outside users be increased from \$.05/gallon to \$.08/gallon, and that the LISD be allowed to purchase their fuel through the City facilities.

BE IT, FURTHER, RESOLVED that the FY2009-19 Budget be amended as follows:

Motor Vehicle Pool (Fund 662)

Revenue:

(662-000.00-676.001)	Contribution-Adrian Public Schools	\$3,000
(662-000.00-676.002)	Contribution-LISD	100
(662-000.00-676.003)	Contribution-Lenawee Transportation	<u>1,000</u>
	Total	\$4,100

Expenses:

(662-990.00-990.000)	Motor Pool Contingency Account	<u>\$4,100</u>
	Total	<u>\$ -0-</u>

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

After further discussion, Commissioners Clegg and DuMars withdrew their previous motion to approve the resolution with the \$0.07 per gallon surcharge.

Motion made by Commissioner DuMars to approve a \$0.08 per gallon fuel surcharge, seconded by Commissioner Warren, this resolution was adopted by a unanimous vote.

RESOLUTION R09-198

RE: DIAL-A-RIDE – Contract Approval to Provide Dial-A-Ride Services

WHEREAS, the City of Adrian has been contracting Dial-A-Ride services with Quick Service Transportation, Inc. and be it

RESOLVED, a new one (1) year contract with Quick Service Transportation, Inc. has been proposed, reference: MDOT 2007-0156/Z9/S1, now, therefore, be it

FURTHER RESOLVED, that a new one (1) year contract between the City of Adrian and Quick Service Transportation, Inc. be executed for a period ending September 30, 2010, cancelling all previous contracts between said parties; and

HEREBY, authorizes the Mayor, Gary E. McDowell, and the City Clerk, Pat Baker, to sign the aforementioned contract.

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

RESOLUTION R09-199

RE: ENGINEERING DEPT. – Issuance of Permits to Allow the City to Construct, Operate, Use and/or Maintain Utility or Other Facilities in MDOT Right-of-Ways

RESOLVED WHEREAS, the City of Adrian, Michigan, hereinafter referred to as the 'GOVERNMENTAL AGENCY', periodically applies to the Michigan Department of Transportation, hereinafter referred to as the "DEPARTMENT", for permits, referred to as "PERMIT", to construct, operate, use and or maintain utility or other facilities, or to conduct other activities, on, over and under state trunkline right-of-way at various locations within and adjacent to its corporate limits;

NOW, THEREFORE, in consideration of the DEPARTMENT granting such PERMIT, the GOVERNMENTAL AGENCY agrees that:

Each party to this Agreement shall remain responsible for any claims arising out of their own acts and/or omissions during the performance of this Agreement, as provided by law.

This Agreement is not intended to increase each party's liability for, or immunity from, tort claims.

This Agreement is not intended, nor shall it be interpreted, as giving either party hereto a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.

1. Any work performed for the GOVERNMENTAL AGENCY by a contractor or subcontractor will be solely as a contractor for the GOVERNMENTAL AGENCY and not as a contractor or agent of the DEPARTMENT. Any claims by any contractor or subcontractor will be the sole responsibility of the GOVERNMENTAL AGENCY. The DEPARTMENT shall not be subject to any obligations or liabilities by vendors and contractors of the GOVERNMENTAL AGENCY, or their subcontractors or any other person not a party to the PERMIT without its specific prior written consent and notwithstanding the issuance of the PERMIT.
2. The GOVERNMENTAL AGENCY shall take no unlawful action or conduct, which arises either directly or indirectly out of its obligations, responsibilities and duties under the PERMIT which results in claims being asserted against or judgment being imposed against the State of Michigan, the Michigan Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those contracting governmental bodies performing permit activities for the DEPARTMENT and all officers, agents and employees thereof, pursuant to a maintenance contract. In the event that the same occurs, for the purposes of the PERMIT, it will be considered as a breach of the PERMIT thereby giving the State of Michigan, the DEPARTMENT and/or the Michigan Transportation Commission a right to seek and obtain any necessary relief or remedy, including, but not by way of limitation, a judgment for money damages.

3. It will, by its own violation and/or request by the DEPARTMENT, promptly restore and/or correct physical or operating damages to any State trunkline right-of-way resulting from the installation, construction, operation and/or maintenance of the GOVERNMENTAL AGENCY'S facilities according to a PERMIT issued by the DEPARTMENT.
4. With respect to any activities authorized by PERMIT, when the GOVERNMENTAL AGENCIES requires insurance on its own or its contractor's behalf it shall also require that such policy include as named insured the State of Michigan, the Transportation Commission, the DEPARTMENT, and all officers, agents and employees thereof and those governmental bodies performing permit activities for the DEPARTMENT and all officers, agents and employees thereof, pursuant to a maintenance contract.
5. The incorporation by the DEPARTMENT of this resolution as part of a PERMIT does not prevent the DEPARTMENT from requiring additional performance security or insurance before issuance of a PERMIT.
6. This resolution shall continue in force from this date until cancelled by the GOVERNMENTAL AGENCY or the DEPARTMENT with no less than thirty (30) days prior written notice to the other party. It will not be cancelled or otherwise terminated by the GOVERNMENTAL AGENCY with regard to any PERMIT which has already been issued or activity which has already been undertaken.

BE IT, FURTHER, RESOLVED that the following position(s) are authorized to apply to the Michigan Department of Transportation for the necessary permit to work within state trunkline right-of-way on behalf of the GOVERNMENTAL AGENCY:

<u>Name</u>	<u>and/or</u>	<u>Title</u>
Dane C. Nelson	or	City Administrator
Kristin Bauer	or	City Engineer
Shane Horn	or	Utilities Director

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

RESOLUTION R09-200

RE: POLICE DEPARTMENT- AUTHORIZATION TO USE DRUG FORFEITURE FUNDS TO PURCHASE WHEEL LOAD SCALES

WHEREAS, Public Act 368 of 1978 (the Public Health Code) specifies that all forfeiture monies distributed by the Court to the seizing agency "shall be used to enhance law enforcement activities"; and

WHEREAS, the City of Adrian currently has a total of \$26,777 in a Trust Account as a result of court-distributed drug forfeiture property seizures; and

WHEREAS, Public Act 368 further specifies that the forfeiture funds shall be "appropriated by the entity (City Commission) having budgetary authority over the seizing agency (Police Department); and

WHEREAS, the Adrian City Police Chief has requested a transfer of \$5,000 from the Drug Forfeiture Trust Account (Account #701-000.00-280.000) for the purpose of acquiring wheel load scales from the Marine City Police Department to assist in performing the department's enforcement of truck weights under the Motor Vehicle Code regulations; and

WHEREAS, the Police Chief and City Administrator recommend appropriation of drug forfeiture funds to defray the aforementioned cost.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the appropriation of drug forfeiture funds for the purpose of acquiring wheel load scales from the Marine City Police Department to assist in performing the department's enforcement of truck weights under the Motor Vehicle Code regulations.

BE IT, FURTHER, RESOLVED that \$5,000 be appropriated from the Trust Fund- (701-00.00-280.000) and that the FY2009-10 Budget be amended as follows:

GENERAL FUND (101)

Police Department:

Revenue:

(101-301.00-676.701) Contribution - Trust Fund

Amount

\$5,000

Expenditures:

(101-301.00-977.000) Capital Equipment

\$5,000

Total

-0-

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

PUBLIC COMMENTS

1. K.Z. Bolton, County Commissioner, thanked the Mayor for all he does to represent the City.

COMMISSION COMMENTS

1. Mayor McDowell announced the MML Conference in Lansing on April 13-14, 2010, and the Elected Officials Academy at Bavarian Inn, Frankenmuth, on February, 26-27, 2010.

The next regular meeting of the Adrian City Commission will be held on Monday, December 21, 2009, at 7:00 p.m. in the Commission Chambers on the 2nd floor of the former City Hall, 100 E. Church Street, Adrian, MI 49221.

Gary E. McDowell
Mayor

Pat Baker
City Clerk

CHECK
REGISTER

December 21, 2009

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



Dane C. Nelson
City Administrator

DCN:bjw

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

Utility Department Vouchers

Vouchers #3164 through #3174..... \$ 180,123.54

General Fund

Vouchers #19591 through #19614 \$ 291,783.54

Clearing Account Vouchers

amounting to..... \$ 743,543.85

TOTAL EXPENDITURES \$1,215,450.93

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

December 21, 2009

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
<u>Receiving</u>			
3164	City of Adrian: Payroll	Payroll for Dec 4	\$ 18,715.22
3165	Citizens Gas Fuel Co	Merrick St Heat Bill	\$ 17.51
3166	Consumers Energy	Water Plant Electric	\$ 11,059.14
3167	***Void***		
3168	City of Adrian: Clearing	Dec 7 Check Register	\$ 441,824.40
3169	Verizon North	WW, O&M Phone Bills	\$ 149.92
3170	City of Adrian: Payroll	Payroll for Dec 11	\$ 81,633.01
3171	City of Adrian:General Fund	November expenses	\$ 45,347.43
3172	City of Adrian:	Nov IT & Gasoline chrgs	\$ 4,324.92
3173	Citizens Gas Fuel Co	Various Heat Bills	\$ 3,457.51
3174	City of Adrian: Payroll	Payroll for Dec 18	\$ 15,418.88
		Total	\$ 621,947.94
		Less: CK# 3168	\$ 441,824.40
		TOTAL	\$ 180,123.54

WW = \$ 211,905.64

WAT= \$ 410,042.30

21-Dec-09

GENERAL FUND
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
19591	\$ 9,968.36	City of Adrian: Payroll	Payroll for Dec 4
19592	\$ 2,341.85	First Federal Bank	Soc Security for Dec 4
19593	\$ 1,453.57	US Postmaster	Tax Bill Mailing
19594	\$ 1,043.69	Citizens Gas Fuel Co	Piotter Heat Bill
19595	\$ 93.22	City of Adrian: Utilities	Bohn Pool Water Bill
19596	\$ 4,679.01	Citizens Gas Fuel Co	Various Heat Bills
19597	\$ 4,099.57	Consumers Energy	City Hall & P&T Electric
19598	\$ 4,926,070.79	City of Adrian: Clearing Acct	Dec 7 Check Register
19599	\$ 805.04	Verizon North	Various Phone Bills
19600	\$ 4,424.65	Quick Service Transportation	Payroll W/E Dec 5
19601	\$ 227,732.71	City of Adrian: Payroll	Payroll for Dec 11
19602	\$ 17,624.68	First Federal Bank	Soc Security for Dec 11
19603	\$ -	City of Adrian: Utilities	Transfer State MI Funds
19604	\$ 10.00	City of Adrian: Water Dept	Correct Water Bill Payment
19605	\$ 36.00	Hannah Teague	Recreation Refund
19606	\$ 14.00	Tamara Schmunk	Recreation Refund
19607	\$ 14.00	Debra Herring	Recreation Refund
19608	\$ 215.49	Verizon North	Various Phone Bills
19609	\$ 266.70	Jeff Betz	Blue Cross Fam con't Refund
19610	\$ 4,653.09	Quick Service Transportation	Payroll W/E Dec 12
19611	\$ 1,221.34	Citizens Gas Fuel Co	Various Heat Bills
19612	\$ 8,245.00	City of Adrian: Payroll	Payroll for Dec 18
19613	\$ 2,022.41	First Federal Bank	Soc Security for Dec 18
19614	\$ 819.16	Lenawee Fuels Inc	Cemetery Fuel

\$ 5,217,854.33

\$ (4,926,070.79) Less: CK# 19598

\$ 291,783.54

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. 2600 SUBSCRIPTION DEPT	24.00		
2. ADRIAN AREA CHAMBER OF COMME	699.00		
3. ADRIAN DODGE CHRYSLER PLYMOU	23,178.00		
4. ADRIAN LOCKSMITH & CYCLERY	108.06		
5. ADRIAN MECHANICAL SERVICES C	729.51		
6. ADRIAN PUBLIC SCHOOLS	78,206.00		
7. ADRIAN WATER CONDITIONING IN	19.50		
8. ADRIAN-TECUMSEH FENCE CO	8.84		
9. AIRGAS GREAT LAKES	101.90		
10. ALLIED WASTE SERVICES	50,339.52		
11. ALLIED WASTE SERVICES #259	3,427.64		
12. AMAZON CREDIT PLAN	726.14		
13. AMERICAN OFFICE SOLUTIONS	64.90		
14. MARK ANDERSON	25.00		
15. APPLIED BUSINESS SOFTWARE	399.60		
16. APPLIED INDUSTRIAL TECHNOLOG	123.18		
17. ELIZABETH ARNOLD	51.28		
18. ASSOCIATED ENGINEERS	90.00		
19. AUTO ZONE COMMERCIAL	59.92		
20. BADER & SONS CO	74.05		
21. BAKER & TAYLOR BOOKS	2,042.16		
22. BAKER, JOSEPH	17.92		
23. BARRETT'S GARDEN CENTER	129.88		
24. BATTERY WHOLESALE	144.89		
25. KRISTIN BAUER	20.00		
26. GREG BELL CHEVROLET, INC	11,973.00		
27. BELL EQUIPMENT CO	350.14		
28. BILL'S SERVICE, INC.	497.86		
29. ROBERT BISHOP	229.48		
30. BLACK SWAMP EQUIPMENT	16.42		
31. THE BLADE	176.80		
32. BOOTBAY	199.95		
33. BOWMAN, DAVID	31.88		
34. BRAKES-N-MORE	497.17		
35. BRONNER'S CHRISTMAS WONDERLA	1,262.00		
36. BROOKSIDE ESTATES	145.93		
37. TODD BROWN	20.00		
38. BUCK & KNOBBY EQUIP CO INC	13,080.34		
39. NEIL BUEHRER	25.00		
40. CALIFORNIA CONTRACTORS SUPPL	457.50		
41. CAMPBELL-DUROCHER GROUP LLC	42,658.69		
42. CHAMBERS CONTROL COMPANY	480.00		
43. CHAMPION PRINTING AND MAILIN	460.55		
44. STEVEN CHESHER	43.00		
45. CLEAN CARE INC	3,956.00		
46. CLIFT BUICK-PONTIAC-GMC	554.89		
47. CMP DISTRIBUTORS, INC.	72.22		
48. COAST TO COAST DELI	63.98		
49. COMMSPEC, INC.	790.00		
50. CONTINENTAL CARBONIC PRODUCT	884.01		
51. CONTINENTAL SERVICE	665.78		
52. CTI & ASSOCIATES, INC.	1,857.50		
53. CUSTOM TRUCK REPAIR, L.L.C.	3,207.19		
54. CUTLER DICKERSON CO	752.35		
55. D&P COMMUNICATIONS, INC.	1,584.22		
56. THE DAILY TELEGRAM	52.43		
57. DAN'S FARM SUPPLY INC	95.60		
58. DEXTER'S INC.	82.45		
59. NICK DUSHANE	25.00		
60. EATON CORPORATION	3,000.00		
61. STEVE EBERLE	20.00		
62. SHIRLEY EHNIS	89.89		
63. CURT EMMONS	25.00		
64. ENGLEWOOD ELECTRICAL SUPPLY	67.00		
65. ESPECIALLY FOR YOU GIFTS	35.92		
66. ETNA SUPPLY COMPANY	3,244.95		
67. EXECUTONE COMMUNICATIONS LLC	432.52		
68. FASTENAL COMPANY	60.47		
69. FISHER SCIENTIFIC COMPANY LL	451.69		
70. GALE	135.67		
71. GEMPLER'S INC.	19.15		
72. MARK GIGAX	20.00		
73. GOVT FINANCE OFFICERS ASSOC	435.00		
74. GRAINGER PARTS OPERATIONS	349.67		
75. GREAT LAKE SERVICE-WELDING	366.70		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. DENISE GRITZMAKER	20.00		
77. HADDEN TIRE COMPANY	1,731.00		
78. REBECCA HARRIS	20.00		
79. HERITAGE PLUMBING & HEATING	12,639.28		
80. HILLS AUTO & TRUCK REPAIR IN	50.85		
81. HOBBY LOBBY	61.05		
82. SHANE HORN	20.00		
83. HUBBARDS AUTO CENTER	518.70		
84. HUGHES, HEATHER	47.00		
85. HUMPHREYS, TROY	25.00		
86. HURON LIME INC.	3,087.65		
87. I C M A VANTAGE POINT	6,199.47		
88. I.T. RIGHT	4,424.10		
89. ICMA RETIREMENT CORPORATION	155.76		
90. IDEARC MEDIA CORP.	24.25		
91. IMAGE GALLERY	110.00		
92. IMAGE MASTER	3,800.00		
93. INERGY	1,414.58		
94. INGRAM LIBRARY SERVICES	208.36		
95. ISA	275.00		
96. KELLER THOMA, P.C.	3,291.40		
97. ERIC KELLY	25.00		
98. KENNEDY INDUSTRIES INC.	454.71		
99. KIMBALL MIDWEST	90.35		
100. KONICA MINOLTA- ALBIN	675.63		
101. KRIEGHOFF-LENAWEE COMPANY	6,379.00		
102. LANSING SANITARY SUPPLY INC	2,089.31		
103. LEGACY PRINTING	372.37		
104. LENAWEЕ COUNTY EQUALIZATION	3,500.00		
105. LENAWEЕ COUNTY FIRE CHIEFS A	300.00		
106. LENAWEЕ COUNTY PRINTER	610.72		
107. LENAWEЕ COUNTY TREASURER	27,332.50		
108. LENAWEЕ ECONOMIC DEVELOPMENT	9,500.00		
109. LENAWEЕ INTERMEDIATE SCHOOL	32,581.00		
110. LEXIS NEXIS RM INC	150.00		
111. DOUG LOLLEY	25.00		
112. LOWE'S CREDIT SERVICES	3,551.82		
113. JACK LYNN	34.95		
114. M B ELECTRIC LLC	850.00		
115. MANPOWER OF LANSING MI INC.	2,252.16		
116. MAPLE CITY GLASS INC.	1,660.00		
117. MARINE CITY	5,000.00		
118. MATTHEW BENDER & CO, INC	189.52		
119. GARY MCDOWELL	20.00		
120. MCGOWAN ELECTRIC SUPPLY INC	168.76		
121. MCMASTER- CARR SUPPLY CO.	113.18		
122. METROPOLITAN UNIFORM CO	628.95		
123. MICHIGAN LIBRARY CONSORTIUM	6,970.45		
124. MICHIGAN OFFICE SOLUTIONS	270.82		
125. STATE OF MICHIGAN	6,974.36		
126. MICHIGAN STATE POLICE	50.00		
127. MICHIGAN TBA DISTRIBUTORS IN	23.55		
128. MICHIGAN WATER ENVIROMENT AS	480.00		
129. MICROMARKETING LLC	944.15		
130. MIDWEST TAPE	417.03		
131. MITCHELL WELDING	1,861.00		
132. MOBILE MONUMENT SERVICES	175.00		
133. MUNICIPAL CODE CORPORATION	400.00		
134. NATIONAL DIAGNOSTICS, INC.	66.00		
135. NATIONAL FIRE PROTECTION ASS	150.00		
136. NEWSWEEK	80.00		
137. NON DESTRUCTIVE TESTING GROU	375.00		
138. NOVAPRINT USA INC	400.00		
139. OFFICEMAX CONTRACT INC.	995.40		
140. MIKE OSBORN	20.00		
141. PALMER ENVELOPE CO.	1,285.00		
142. LUPE PARRA	25.00		
143. LYNN PEAVEY CO	99.90		
144. PEERLESS SUPPLY INC	336.76		
145. JAMES PERRY	25.00		
146. PINNACLE IRRIGATION INC.	500.00		
147. PITNEY BOWES INC	812.22		
148. GLENN PRESTON	20.00		
149. PRINTING SYSTEMS INC	306.65		
150. PURCHASE POWER	3,018.99		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
151. QUARTERMASTER	38.98		
152. QUICK SERVICE TRANSPORTATION	7,828.59		
153. QUILL CORPORATION	651.93		
154. RECORDED BOOKS LLC.	317.60		
155. REG II PLANNING COMMISSION	5,824.98		
156. TIM RITCHIE	20.00		
157. TIM ROBERTS	25.00		
158. SAFETY SYSTEMS INC.	111.00		
159. KEITH SCHULTZ	100.00		
160. SCIENTIFIC METHODS INC	380.00		
161. SERVICE ELECTRIC CO OF ADRIA	3,750.50		
162. SHERWIN-WILLIAMS CO	69.12		
163. SIRCHIE FINGER PRINT LABORAT	37.90		
164. SLUSARSKI EXCAVATING & PAVIN	288,405.54		
165. SPRINT NEXTEL	203.05		
166. STAPLES	1,139.30		
167. JEFFREY A. STICKNEY, DO,PC	130.00		
168. SUPER LAUNDROMAT &	157.15		
169. TDS SECURITY	420.00		
170. TEAM SOFTWARE SOLUTIONS	125.00		
171. TETRA TECH INC	700.00		
172. THOMAS SCIENTIFIC	1,073.64		
173. THOMSON WEST	349.26		
174. PAUL TRINKA	20.00		
175. TRUCK & TRAILER SPECIALITIES	81.00		
176. TTB CLEANING LLC	900.00		
177. UNDERWOOD'S NURSERY LLC	4,465.00		
178. UNUM LIFE INSURANCE COMPANY	2,368.15		
179. URBANEK, DENISE	75.00		
180. UTILITIES INSTRUMENTATION SE	2,449.00		
181. DENNIS VESCELIUS	23.50		
182. WATER ENVIRONMENT FED.	98.00		
183. WEISKOPF INDUSTRIES CORP	171.45		
184. H W WILSON COMPANY	276.00		
185. ROCKY WINTERS	25.00		
186. WOODLANDS LIBRARY COOPERATIV	133.70		
187. DANIEL WRIGHT	25.00		
TOTAL ALL CLAIMS	743,543.85		

COMMUNICATIONS



MEMO

Date: December 6, 2009

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

cc: Cindy Prue, Assistant Finance Director

From: Jeffrey C. Pardee, Finance Director

Re: City of Adrian – Debt Capacity Analysis

When the City of Adrian issues bonds or enters into an Installment Purchase Agreement, it is making a long-term commitment that requires timely principal and interest payments over the life of the agreement. Therefore it is necessary to ensure that:

- future debt service payments to bondholders or financial institutions can be made in full and on time without jeopardizing the provision of essential City services;
- an acceptable degree of flexibility, including sufficient revenues, to meet unanticipated expenditures and accommodate revenue fluctuations is preserved;
- outstanding debt obligations will not threaten long-term financial stability; and
- the amount of outstanding debt will not place undue burden on community residents and businesses.

The purpose of this communication is to reflect the results of a Debt Capacity Analysis for the City of Adrian that identifies the maximum level of potential debt that is affordable and cost effective. This analysis helps to ensure that outstanding and planned debt does not exceed an amount that can be supported by the existing tax and revenue base. The analysis covers a broad range of factors, including:

- constitutional limitation (Legal Debt Margin) affecting the amount of debt that can be issued;

- measures of the tax and revenue base, such as Taxable Property Values, Tax Collections, State Revenue Sharing, Charges for Services, etc.;
- evaluation of trends relating to the City's financial performance, including: revenues and expenditures, net revenues available after meeting operating requirements, and unreserved fund balance levels;
- debt service requirements, such as existing debt service obligations and their relationship to tax revenue and overall revenue;
- measures of debt burden on the community, such as debt per capita, debt as a percentage of personal income, debt as a percentage of full and taxable property values, and overlapping debt;
- tax-exempt market factors affecting costs, including interest rates and credit rating.

LEGAL DEBT MARGIN

Beginning with the Legal Debt Margin established by the State Constitution, net bonded indebtedness incurred for all public purposes shall not, at any one time, exceed ten (10%) percent of the State Equalized Valuation (SEV) of taxable property in the City, except that this limit may be exceeded by 3/8th of one (1%) percent (.375%) in the case of fire, flood or other calamity. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds or Installment Purchase Contracts.

Attached please find Exhibit A, which duplicates Exhibit D-4 from the Statistical Section of the City of Adrian's FY2008-09 Comprehensive Annual Financial Report, which provides the City's Legal Debt Margin Information for the last ten fiscal years. The total Debt Limit has grown from \$32,606,373 in FY1999-2000 to \$45,352,387 as of FY2008-09. During that ten-year time frame, total debt applicable to the limit varied from a low of \$1,005,000 (1.71% of Debt Limit) in FY2006-07, to a high of \$3,601,906 (7.94% of Debt Limit) in FY2008-09. The current debt of \$3,601,906, leaves a Legal Debt Margin of \$41,750,481.

FINANCIAL TRENDS

Although legally the City could issue a bond in excess of \$41 million, it would not be prudent to do so without examining all other constraints that would address the City's ability to pay back such an obligation. The primary source of City revenue is derived from the tax levy on real and personal property, which is computed by multiplying the taxable value, as constrained by the State Finance Reform Act (Proposal A) of 1994, times the City Commission approved millage rate for operations, including garbage collection and disposal, as further constrained by the Headlee Constitutional Tax Limitation Amendment of 1978. A ten-year history and five-year projection of Taxable Values, Millage Rates and resulting revenue follows:

<u>FISCAL YEAR</u>	<u>TOTAL TAXABLE VALUE</u>	<u>PERCENT CHANGE</u>	<u>TOTAL DIRECT TAX RATE</u>	<u>PERCENT CHANGE</u>	<u>PROPERTY TAX REVENUE</u>	<u>PERCENT ANNUAL</u>	<u>CHANGE CUMULATIVE</u>
2000-01	357,986,487		15.5828		\$5,578,432		
2001-02	370,547,500	3.51%	15.2443	-2.17%	\$5,648,737	1.26%	1.26%
2002-03	383,560,112	3.51%	15.2426	-0.01%	\$5,846,837	3.51%	4.81%
2003-04	397,224,340	3.56%	15.7340	3.22%	\$6,249,928	6.89%	12.04%
2004-05	410,294,510	3.29%	15.7340	0.00%	\$6,455,574	3.29%	15.72%
2005-06	426,904,020	4.05%	15.6912	-0.27%	\$7,033,049	3.77%	20.08%
2006-07	450,723,801	5.58%	15.6039	-0.56%	\$7,031,115	4.99%	26.08%
2007-08	450,599,846	-0.03%	15.6039	0.00%	\$7,031,115	-0.03%	26.04%
2008-09	455,585,214	1.11%	15.6039	0.00%	\$7,108,906	1.11%	27.44%
2009-10	453,523,862	-5.00%	15.6039	0.00%	\$7,076,741	-0.45%	26.86%
2010-11	430,847,699	-0.45%	15.6039	0.00%	\$6,722,904	-5.00%	20.52%
2011-12	417,922,239	-3.00%	15.6039	0.00%	\$6,521,217	-3.00%	16.90%
2012-13	417,922,239	0.00%	15.6039	0.00%	\$6,521,217	0.00%	16.90%
2013-14	426,280,684	2.00%	15.6039	0.00%	\$6,651,641	2.00%	19.24%
2014-15	443,331,911	4.00%	15.6039	0.00%	\$6,917,707	4.00%	24.01%

The conclusion that can be reached is that, based on the foregoing schedule, even though tax revenues have been keeping pace with inflation in spite of the constraints of Headlee and Proposal A, the downturn in the economy and its adverse impact on property tax values and, in turn, anticipated reductions in future tax collections will further constrain the City's ability to issue debt for capital projects while, simultaneously, maintaining current public service levels.

In its continuing effort to maintain current assessing information, it should be noted that the City recently contracted with the County Equalization Department to perform a reappraisal of all Real Property, which, for Residential Classification, was reflected on the December 31, 2006 Assessment Roll for the first time. The Industrial and Commercial Classifications reflects on the December 31, 2008 Assessment Roll for the first time. (The City Finance Director recommends a similar contract engagement for Personal Property be performed.) Also, because of the Lenawee County Delinquent Tax Revolving Fund, the City is assured of receiving 100% of taxes levied on Real Property, however, such is not the case for Personal Property, which is customarily imposed and paid on a voluntary basis. During the past ten years, tax collections have averaged 98.1% with minimal variation (low of 96.0%; high of 99.9%), indicating that the City is somewhat insulated from violent swings in the economy, due in part to the significant influence of public and private non-profit institutions in the community, e.g., Lenawee County, City of Adrian, Adrian College, Siena Heights University, Jackson Community College, Lenawee Intermediate School District-VoTech Center, Adrian Public Schools, Bixby Medical Center, Harrison Correctional Facility, Michigan State Training School, Michigan State Police Post, Regional U.S. Postal Service, religious institutions, etc.

One major caveat: Elimination of Personal Property Taxes has been an issue that keeps coming up periodically; should this proposal gain traction, the City would suffer a 13.6% reduction in tax revenue, equivalent to \$959,653 in current dollars. The new Michigan Business Tax (MBT) provides a State Personal Property Tax exemption on the schools portion of the tax levy, which may forestall any action on reducing Personal Property Tax revenue to municipalities.

Second major caveat: Although the City was fortunate in the fact that the Stop Overspending (SOS) proposal was not placed on the November 2006 ballot and Proposal 5 (K-16 Guaranteed Education Funding) was defeated. The former may be revisited on a future petition initiative, which, if passed, could adversely impact City revenues.

One major area of concern is Budget Performance during the past few years. As indicated by the following schedule, Expenses have exceeded Revenue in two of the last four years for General Government Activities and once for Business-Type Activities (Water, Sewer, and Storm Water Utilities, as well as Transportation and Parking), resulting in a reduction in General Government Net Assets in FY2005-06 and FY2008-09 and Business-Type Activities in FY2005-06. Although Net Assets have increased in the subsequent two fiscal years, the aforementioned strains on future anticipated revenues may adversely impact Net Assets in future years.

	FY2005-06	FY2006-07	FY2007-08	FY2008-09
Revenue:				
General	\$14,525,402	\$16,877,603	\$15,663,268	\$15,899,593
Business	6,565,846	7,756,303	8,602,513	8,581,522
Total	<u>\$21,091,248</u>	<u>\$24,633,906</u>	<u>\$24,265,781</u>	<u>\$24,481,115</u>
Expenses:				
General	\$15,623,064	\$14,391,620	\$15,042,796	\$16,849,980
Business	7,455,397	7,587,184	7,846,939	8,111,774
Total	<u>\$23,078,461</u>	<u>\$21,978,804</u>	<u>\$22,889,735</u>	<u>\$24,961,754</u>
Change in Net Assets:				
General	(\$1,097,662	\$2,485,983	\$513,656	(\$1,056,502)
Business) (889,551)	169,119	862,390	575,863
Total	<u>(\$1,987,213</u>	<u>\$2,655,102</u>	<u>\$1,376,046</u>	<u>\$(480,639)</u>
Net Assets:				
General	\$33,172,792	\$35,658,775	\$36,083,149	\$35,026,647
Business	31,309,302	31,478,421	32,340,811	32,916,674
Total	<u>\$64,482,094</u>	<u>\$67,137,196</u>	<u>\$68,423,960</u>	<u>\$68,943,321</u>

Budget Performance in FY2006-07 and FY2007-08 indicates that the City has turned the corner, reflecting an increase in total Net Assets amounting to \$2,655,102 and \$1,376,046, respectively. Furthermore, the City has undertaken an aggressive cost-cutting program that focuses on the major expenditure category, salaries and fringe benefits. The City recently implemented a Classification and Compensation Project that matched job content with salaries paid, and incorporated an ongoing job evaluation component, as well as a performance evaluation system that includes financial incentives. In addition, an early-retirement window was authorized by the City Commission that has enabled further economies resulting from redistributed job responsibilities and staff and/or classification reductions. Over \$315,000 annual cost-savings has been achieved.

On the other hand, there are countervailing forces that have and could further strain City finances. Specifically, the Downtown Government Complex is anticipated to consume \$2,250,000 of the General Fund Assigned Fund Balance and Union negotiations are more difficult than anticipated, which may hinder further cost-cutting initiatives in the City's health care program.

In addition, the Employer Contribution to the Municipal Employees Retirement System (MERS) Defined Benefit Pension Program is expected to increase significantly in the next few years due to improved benefits (primarily an increase in the retirement multiplier from 2.00 to 2.25) that have increased the Actuarial Unfunded Liability to over \$8.4 million, resulting in reduction in the Funded Level from 84.9% to 82.9%. Furthermore, the MERS Board of Directors has authorized a change in the amortization period, reducing from 30 years to 20 years. Employer contributions are expected to increase from \$895,200 (11.7% of payroll) in FY2009-10 to \$1,061,376 (13.8% of payroll) in FY2010-11, equivalent to a 11.9% increase. As a result, the City is investigating the possibility of switching from the current Defined Benefit Pension System to a newly offered MERS product: HYBRID Defined Benefit/Defined Contribution Retirement System, which would be targeted for new City employees and voluntary for current City employees.

Net Assets, which is the difference between the City's Assets and Liabilities, can be further subdivided between: 1) Net Assets Invested in Capital Assets, Net of Related Debt, 2) Restricted Net Assets, and 3) Unrestricted Net Assets. This third category is a reflection of the City's financial flexibility to deal with unexpected events and emergencies that involve immediate expenditure of available resources. Unrestricted Net Assets generally are favorably impacted by good budget performance and, alternatively, adversely impacted by poor budget performance. The following is a four-year historical summary of Unrestricted Net Assets:

	<u>FY2005-06</u>	<u>FY2006-07</u>	<u>FY2007-08</u>	<u>FY2008-09</u>
Unrestricted Net Assets:				
General Activities	\$6,027,334	\$6,135,998	\$6,400,084	\$5,613,393
Business Activities	1,568,065	2,001,967	1,788,879	2,683,936
Total	<u>\$7,595,399</u>	<u>\$8,137,965</u>	<u>\$8,188,963</u>	<u>\$8,297,629</u>

Although the trend in total is positive and the FY2006-07 and FY2007-08 reflect a significant improvement, the substantial amount of Unrestricted Net Assets is the financial "crutch" that is supporting us during the current economic downturn, enabling the City, in particular, to support the community's construction trades via funding of the Downtown Government Complex . The amount of Unrestricted Net Assets for General Governmental Activities was over \$6 million, equivalent to over 42% of annual expenses for that category, but has taken a significant hit, resulting in a reduction to just over \$5.6 million. Due to several Utility Rate increases in the past few years, in order to ensure compliance reserve requirements specified in bond covenants, the amount for Business-Type Activities (\$2,683,936) represents over 33% of annual expenses for that category; for a combined equivalency of 33% of total expenses, well beyond the minimum 15% recommended by the Government Finance Officers Association.

The second major source of City revenues is State Revenue Sharing, which ten years ago amounted to \$3,000,000 annually, but has been reduced annually to the point where only \$2,000,000 is expected for the FY2009-10 Fiscal Year. Due to the State's current and anticipated financial constraints, the statutory portion of revenue sharing (\$850,000) remains uncertain. These funds are currently used to underwrite the cost of operations to provide City services, such as Police, Fire, Recreation and Library services.

CITY OF ADRIAN'S DEBT MANAGEMENT POLICIES

Prior years' Debt Capacity Analyses have resulted in a revision to the City's Financial Policy regarding Debt Management, wherein specific debt limitations have been established in relation to a percentage of Taxable Value, percentage of operating budget, per capita debt, and frequency of debt issuance. Specifically, the following parameters were established by the City Commission through adoption of Resolution #06-183 – Revised Debt Management Policy dated December 4, 2006:

- The City will maintain its general obligation bonded debt at a level not to exceed two (2%) percent of the assessed valuation of taxable property within the City. **With the consolidation of debt into the Series A, B and C Bonds, the current level of general obligation debt is 1.55% of the assessed valuation of taxable property within the City.**
- The City will strive to ensure that its net bonded debt per capita does not exceed \$700. The City will strive to ensure that the combined total of its direct net debt issued and its attributed share of overlapping debt issued by Lenawee County, Adrian Public Schools and Madison Public Schools does not exceed \$2,000 per capita. **With the consolidation of debt into the Series A, B and C Bonds, Net General Obligation bonded debt per capita currently stands at \$316.90. As of June 30, 2009, the City's share of overlapping debt stands at \$32,407,903, equivalent to \$1,458.83 per capita.**
- The City will strive to ensure that its net bonded debt per capita as a percentage of per capita income does not exceed 2 ½ percent. **Net general bonded debt per capita currently represents 1.52% of per capita income.**
- The City will maintain its annual net bonded debt service costs at a level less than fifteen (15%) percent of the combined expenditure budgets (net of inter-fund transfers) for the General, Special Revenue, and Debt Service Funds. (Note: Net bonded debt service costs are the costs for debt to be paid out of general public revenue, as opposed to Enterprise Fund revenue.) **Annual net bonded debt service is currently budgeted at \$500,000, compared to FY2008-09 Governmental Fund expenditures of \$17,178,791, equivalent to 2.5%.**

- The City will maintain an unreserved General Fund balance at a level not less than twenty-five (25%) percent of annual General Fund revenue. **As of June 30, 2009, the Assigned and Unassigned (Spendable) General Fund balance (\$4,098,275) currently represents 36.7% of annual General Fund Revenue (\$11,181,311).**
- To the extent that unreserved General Fund balance exceeds the twenty-five (25%) percent, the City may draw upon the fund balance to provide pay-as-you-go financing for capital projects. **Based on the foregoing calculation, \$1,302,947 is available as of June 30, 2009 to provide pay-as-you-go financing for capital projects.**

CURRENT AND PROJECTED DEBT BURDEN

An important component in determining the affordability of additional general obligation debt is an assessment of the City's current levels of outstanding debt. Exhibit B presents a comprehensive inventory of Historical and Projected Debt Burden for Last Ten – Next Five Fiscal Years, which reflects the recent issuance of Series A, B and C bonds to construct the Downtown Government Complex, as well as consolidate all outstanding General Obligation Debt. By utilizing the incentives provided by the federal American Recovery and Reinvestment Act, the City was able to achieve a favorable interest rate of 3.71%, thereby enabling realization of an approximate savings in excess of \$6 million over the 25-year life of the bonds.

In addition, outstanding debt obligations in excess of \$3.9 million were retired (See attached resolution R09-196) dated December 7, 2009), including a land contract for 250 West Church Street (\$108,614), Installment Purchase Agreements for the acquisition of 153/155 E. Maumee for the new Police Department (\$495,522), and for the Marvin Farm (\$532,964) and the Parks & Forestry Facility (\$1,497,900), as well as the mortgage for the First Federal Building for new City Hall (\$1,285,000). The \$800,000 Storm Water Utility Bond matured and the last payment made in September, 2006. Lastly, the Installment Purchase Contract on the Witt Property was defeased in FY2005-06.

After of November 16, 2009 (date of Series A, b, and Bond closing) and as of December 7, 2009 (date of authorized outstanding debt retirement), total General Obligation Debt amounts to \$7,040,000, still within the aforementioned guidelines.

All other debt obligations are through the low-interest (1.625% to 2.5%) State of Michigan Revolving Loan Fund Program, which derive funds for repayment from operating revenues from the Sewer and Water Funds. State Revolving Fund (SRF) debt outstanding as of June 30, 2009 for all sewer and water projects, amounts to \$25,237,358, equivalent to \$1,120 for every man, woman and child in the City of Adrian or approximately 5.4% of Personal Income. However, this burden has already diminished from its high-water mark in FY2007-08 and is expected to diminish each succeeding year now that all sewer and water projects have been undertaken and the debt is paid down. Debt service will be approximately \$1,900,000 annually. Sewer and water service charges are reviewed annually to ensure adequate revenues for debt service.

In terms of affordability to the City General Fund, the recommended guideline is not to exceed 2.0% of the Taxable Value of City real and personal property or \$8,616,954. As previously indicated, the City's General Obligation Debt is currently \$7,040,000.

SUMMARY OF RECOMMENDATIONS

Many of the recommendations from previous Debt Capacity Analyses have been considered and implemented, in particular, an omnibus bond funding to underwrite the cost of the Downtown Government Complex, as well as consolidation of all outstanding General Obligation Debt. The following recommendations derive from the current Debt Capacity Analysis.

- 1) Because a recurring and growing annual expense is associated with Employer's Contribution to the pension system, explore new HYBRID Pension Program offered by the Municipal Employees Retirement System (MERS) by formally requesting a Supplemental Actuarial Evaluation.
- 2) Pursue Health Care cost-savings proposals, such as high-deductible Health Reimbursement Account (HRA) insurance plan, with non-union and union personnel alike. Follow-up with other cost-savings measures in the future, e.g., Cafeteria-Style Health Care programs.
- 3) Continue to fund Adrian Public Library renovations on a pay-as-you-go basis from General Fund-Fund Balance. (Estimated total cost: \$1,000,000)
- 4) Determine availability of remaining bond proceeds to fund demolition of old City Hall and the former Parks & Forestry Maintenance Facility, as well as reconstruction of the Toledo Street Parking Lot.
- 5) Maintain appropriate records and ensure semi-annual application to the U.S. Department of Treasury for interest rebate on Series B (35%) and Series C (45%).
- 6) Pursue City Administrator's proposal for funding reconstruction of all remaining downtown parking lots utilizing Revenue Bonds through the Auto Parking Fund with the cost of debt service underwritten by a \$60,000 annual assessment to downtown business owners, and \$60,000 annual contributions from the City and Downtown Development Authority.
- 7) Do not rely on State Revenue Sharing to defray the cost of operating City services; re-channel committed and available state shared revenue to specific capital projects such that when this source of funding continues to diminish, the projects can be geared down as well.
- 8) Do not issue any addition General Obligation Bonds or enter into Installment Purchase Contracts for the foreseeable future, until such time the current debt is paid down or the economy improves such that taxable property values increase significantly or an alternative own-source revenue stream is implemented.

**CITY OF ADRIAN
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Exhibit A

Legal Debt Margin Calculation for Fiscal Year FY2008-09

Taxable Value	\$453,523,868
Debt Limit (10% of Taxable Value)	45,352,387
Debt Applicable to Limit:	
Installment Purchase Agreements	\$1,712,768
Land Contract	<u>1,889,138</u>
Total Debt Applicable to Limit	3,601,906
Legal Debt Margin	<u><u>41,750,481</u></u>

	Fiscal Year									
	FY1999-00	FY2000-01	FY2001-02	FY2002-03	FY2003-04	FY2004-05	FY2005-06	FY2006-07	FY2007-08	FY2008-09
Debt Limit	\$32,606,373	\$34,115,819	\$35,798,649	\$37,054,750	\$38,356,011	\$41,029,451	\$42,690,402	\$45,072,380	\$45,059,985	\$45,352,387
Total Debt Applicable to Limit	1,005,000	1,702,309	1,503,644	2,485,391	2,155,808	1,812,360	884,260	771,188	1,857,863	3,601,906
Legal Debt Margin	<u>\$31,601,373</u>	<u>\$32,413,510</u>	<u>\$34,295,005</u>	<u>\$34,569,359</u>	<u>\$36,200,203</u>	<u>\$39,217,091</u>	<u>\$41,806,142</u>	<u>\$44,301,192</u>	<u>\$43,202,122</u>	<u>\$41,750,481</u>
Total Debt Applicable to Limit as a Percentage of Debt Limit	3.08%	4.99%	4.20%	6.71%	5.62%	4.42%	2.07%	1.71%	4.12%	7.94%

Note: The statutory debt limit of net bonded indebtedness incurred for all public purposes shall not, at any one time, exceed 10% of the State Equalized Valuation of taxable property in the City, except that this limit may be exceeded by 3/8th of one (1%) percent in the case of fire, flood, or other calamity. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. This limitation does not include bonds issued in anticipation of the payment of special assessments, nor bonds issued pursuant to court order for sewage or garbage disposal system.

The Michigan State Bond Act provides that the total debt in special assessment bonds for which the credit of the City is pledged shall not exceed 12% of the assessed valuation of taxable property of the City, nor shall such bonds be issued in any calendar year in excess of 3% of the assessed valuation of taxable property of the City unless voted.

Source: City Records

**CITY OF ADRIAN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
and ESTIMATED NEXT FIVE FISCAL YEARS**

EXHIBIT B

FISCAL YEAR	SERIES A LIMITED TAX GENERAL OBLIGATION BONDS	SERIES B TAXABLE BUILD AMERICA BONDS	SERIES C TAXABLE RECOVERY ECONOMIC ZONE DEVELOP. BONDS	AUTO PARKING BONDS	GENERAL FUND LAND CONTRACT/INSTALLMENT PURCHASE CONTRACT*	STORM WATER UTILITY BONDS	PARKS & RECREATION INSTALLMENT PURCHASE AGREEMENTS**	TOTAL GENERAL OBLIGATION BONDS	WATER SYSTEM REVENUE BONDS	WATER SUPPLY SYSTEM REVENUE BONDS(1)	WATER SUPPLY SYSTEM REVENUE BONDS(2)	SEWER SYSTEM REVENUE BONDS(3)	SEWER SYSTEM REVENUE BONDS(4)	WATER SUPPLY SYSTEM REVENUE BONDS(5)	TOTAL UTILITY FUNDS REVENUE BONDS	TOTAL PRIMARY GOV'T.
	2000-01	\$0	\$0	\$0	\$190,000	\$0	\$550,000	\$962,309	\$1,702,309	\$700,000	\$0	\$0	\$0	\$0	\$0	\$700,000
2001-02	0	0	0	150,000	0	470,000	883,644	1,503,644	475,000	0	0	0	0	0	475,000	1,978,644
2002-03	0	0	0	100,000	0	385,000	2,000,391	2,485,391	250,000	0	0	0	0	0	250,000	2,735,391
2003-04	0	0	0	50,000	0	295,000	1,810,808	2,155,808	0	8,920,000	5,665,000	0	0	0	14,585,000	16,740,808
2004-05	0	0	0	0	0	200,000	1,612,360	1,812,360	0	8,565,000	5,440,000	0	0	0	14,005,000	15,817,360
2005-06	0	0	0	0	0	100,000	884,260	984,260	0	8,215,000	5,220,000	1,993,885	7,090,000	0	22,518,885	23,503,145
2006-07	0	0	0	0	0	0	771,188	771,188	0	7,850,000	4,985,000	1,908,885	6,653,013	0	21,396,898	22,168,086
2007-08	0	0	0	0	653,900	0	1,203,963	1,857,863	0	7,475,000	4,745,000	1,818,885	6,348,013	7,890,000	28,276,898	30,134,761
2008-09	0	0	0	0	1,889,138	0	1,712,768	3,601,906	0	7,090,000	4,500,000	1,728,885	6,038,013	7,255,460	26,612,358	30,214,264
2009-10	1,540,000	1,600,000	3,900,000	0	0	0	0	7,040,000	0	6,695,000	4,250,000	1,638,885	5,718,013	6,935,460	25,237,358	32,277,358
2010-11	1,340,000	1,600,000	3,900,000	0	0	0	0	6,840,000	0	6,290,000	3,995,000	1,543,885	5,393,013	6,610,460	23,832,358	30,672,358
2011-12	1,130,000	1,600,000	3,900,000	0	0	0	0	6,630,000	0	5,875,000	3,730,000	1,448,885	5,063,013	6,275,460	22,392,358	29,022,358
2012-13	915,000	1,600,000	3,900,000	0	0	0	0	6,415,000	0	5,450,000	3,460,000	1,353,885	4,728,013	5,935,460	20,927,358	27,342,358
2013-14	695,000	1,600,000	3,900,000	0	0	0	0	6,195,000	0	5,015,000	3,185,000	1,258,885	4,388,013	5,585,460	19,432,358	25,627,358
2014-15	475,000	1,600,000	3,900,000	0	0	0	0	5,975,000	0	4,570,000	2,900,000	1,163,885	4,043,013	5,230,460	17,907,358	23,882,358
2015-16	240,000	1,600,000	3,900,000	0	0	0	0	5,740,000	0	4,110,000	2,610,000	1,068,885	3,693,013	4,865,460	16,347,358	22,087,358

* Land Contract: 250 W. Church St.;
Installment Purchase: 153/155 E. Maumee St.;
and 135 E. Maumee (City Hall)
(Debt Retired per Reso R09-196 dated Dec. 7, 2009)

** Includes Installment Purchase for both Marvin Farm and
381 Miles Drive-Parks & Forestry Maint. Bldg.
(Purchase and Renovation)
(Debt Retired per Reso R09-196 dated Dec. 7, 2009)

(1) Water Plant Improvements
(2) Water Distribution System Improvements
(3) Sewer Collection System Improvements
(4) Sewer Plant Improvements
(5) Ground Water Resource Improvements



MEMO

Date: December 3, 2009

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

From: Jeffrey C. Pardee, Finance Director

A handwritten signature in black ink, appearing to read 'Jeffrey C. Pardee', written over the printed name.

Re: **Authorization to Pay Off All General Obligation Debt Except for Series A, B, & C Bonds for Downtown Government Complex**

The City of Adrian, from time to time, has entered into various General Obligation Debt instruments to acquire and renovate sundry properties for purposes of enhancing public services or provide for future development. Issuance of Series A, B, and C Bonds, through the Federal Stimulus Program (American Recovery & Reinvestment Act of 2009), has enabled the City to obtain funds at a reduced interest rate of 3.71%; and sufficient funds were borrowed (net proceeds after issuance expenses - \$7,005,379) under the aforementioned program to not only acquire and renovate the Downtown Government Complex but, in addition, retire all outstanding General Fund General Obligation Debt in the amount of \$4,008,777.56 including principal and interest (see attached schedule).

To ensure sufficient funds are available in future budgets to defray the annual debt service payments for the Series A, B and C Bonds (estimated to be \$450,000 annually), the Finance Director and City Administrator respectfully recommend that authorization be given to retire all other outstanding General Fund-General Obligation debt.

The attached resolution has been prepared for consideration by the City Commission at its next regularly scheduled meeting on December 7, 2009. If you have any questions or need for further information, please contact my office.

December 7, 2009

RE: DEPARTMENT OF FINANCE – Authorization to Pay Off All General Obligation Debt Except for Series A, B, & C Bonds for Downtown Government Complex

RESOLUTION # 09-196

WHEREAS the City of Adrian, from time to time, has entered into various General Obligation Debt instruments to acquire and renovate sundry properties for purposes of enhancing public services or provide for future development; and

WHEREAS issuance of Series A, B, and C Bonds, through the Federal Stimulus Program (American Recovery & Reinvestment Act of 2009), has enabled the City to obtain funds at a reduced interest rate of 3.71%; and

WHEREAS sufficient funds were borrowed (net proceeds after issuance expenses - \$7,005,379) under the aforementioned program to not only acquire and renovate the Downtown Government Complex but, in addition, retire all outstanding General Fund General Obligation Debt in the amount of \$4,008,777.56 including principal and interest, as detailed below:

**CITY OF ADRIAN
PAYOFF OF GENERAL OBLIGATION DEBT
December 7, 2009**

DESCRIPTION	VENDOR	FINANCING VEHICLE	PAY OFF AMOUNT As of December 7, 2009		
			PRINCIPAL	INTEREST	TOTAL
Purchase 135 E. Maumee for New City Hall	First Federal Bank	Land Contract	\$1,285,000.00	\$48,161.10	\$1,333,161.10
Purchase 153-155 E. Maumee for New Police Facility	First Federal Bank	Installment Purchase Agreement	\$495,522.11	\$7,856.01	\$503,378.12
Purchase Marvin Farm Property for Future Economic Development	First Federal Bank	Installment Purchase Agreement	\$532,964.49	\$10,358.21	\$543,322.70
Purchase 381 Miles Drive for New Parks & Forestry Maintenance Facility	Huntington National Bank	Installment Purchase Agreement	\$497,900.43	\$1,143.74	\$499,044.17
Renovation of 381 Miles Drive for New Parks & Forestry Maintenance Facility	Huntington National Bank	Installment Purchase Agreement	\$1,000,000.00	\$17,999.05	\$1,017,999.05
Purchase 250 W. Church Street Property for Future Development	Bruce & Joan Benedict Trust	Land Contract	\$108,614.00	\$3,258.42	\$111,872.42
		TOTAL	\$3,920,001.03	\$88,776.53	\$4,008,777.56

; and

WHEREAS, to ensure sufficient funds are available in future budgets to defray the annual debt service payments for the Series A, B and C Bonds (estimated to be \$450,000 annually), the Finance Director and City Administrator respectfully recommend that authorization be given to retire all other outstanding General Fund-General Obligation debt.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the retirement of all outstanding General Fund-General Obligation debt in the amount of \$4,008,777.56, as detailed above, excluding the recently issued Series A, B and C Bonds under the American Recovery and Reinvestment Act for purposes of funding the Downtown Government Complex.

Motion by Commissioner _____, supported by Commissioner,

_____ this resolution was adopted by a _____ vote.

CONSENT AGENDA

CR-1

CR09-063

December 21, 2009

RESOLUTION
09-11

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

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

Post "No Parking Here to Corner" signs approximately 40 feet south of Argyle Drive on the west side of Charles Street.

Respectfully,



TERRENCE B. COLLINS,
Chief of Police

TBC/skj

DATED: 12-14-09

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

CR-2

CR09-064

December 21, 2009

RE: INERGY AUTOMOTIVE SYSTEMS, LLC. - ACT 198 INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE APPLICATION ESTABLISHMENT OF PUBLIC HEARING

RESOLUTION

WHEREAS, the State of Michigan has adopted the Plant Rehabilitation and Industrial Facilities Development Districts Act, Public Act 198 of 1974, as amended (Act 198); and

WHEREAS, Act 198 provides for creation of Industrial Development and Rehabilitation Districts and for review and approval of exemption request certificates; and

WHEREAS, the City of Adrian has received an Industrial Facilities Exemption Certificate request from Inergy Automotive Systems, LLC for an investment of personal property within Adrian Industrial Development District #33; and

WHEREAS, Act 198 requires notification of the City Assessor and the legislative body of each taxing unit which levies ad valorem taxes on property within said Adrian Industrial Development District #33, and provision of an opportunity to be heard on this matter prior to consideration of action of the Industrial Facilities Exemption Certificate request.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission hereby acknowledges receipt of said Industrial Facilities Exemption Certificate from Inergy Automotive Systems, LLC, authorizes the scheduling of a public hearing for Monday, January 04, 2010 at 7:00 p.m. in the Adrian City Hall to receive comments on this matter, and directs the City Clerk to provide notice to the appropriate taxing units and the public as required by Act 198.

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

REGULAR
AGENDA

50-1, R-1

December 21, 2009

SPECIAL ORDER

The Mayor called for the hearing and consideration of comments to approval of a Special Assessment District to cover a portion of the expenses incurred for the maintenance and enforcement of the downtown parking lots.

Discussion

When the Mayor called for final objections _____

and he declared the hearing closed.



Office of the City Administrator

135 E. Maumee St. • Adrian, Michigan 49221-2703
(517) 264-4881 • Fax (517) 264-4882

December 8, 2009

Downtown Adrian Property Owner

RE: DOWNTOWN PARKING ASSESSMENT

Dear Sir or Madam:

During their December 3rd regular meeting, the Adrian City Commission established a public hearing to hear and consider public comments on the reauthorization of the annual downtown parking assessment levied on property owners benefiting from the municipally owned and operated parking system. As was the case in year one of the parking plan adopted by the City Commission in 2006, the plan again calls for a \$30,000 benefit assessment to be spread out amongst the downtown property owners.

Downtown parking remains a concern of the City of Adrian as it is in many larger communities. As a municipal government, we struggle to balance the objectives of creating a customer friendly downtown while also sustaining our infrastructure and parking system operations.

In January of 2003, the Adrian City Commission and Downtown Development Authority Board of Directors adopted the Blueprint for Downtown Revitalization. This highly inclusive process created a lengthy revitalization strategy for which the City and other community stakeholders participated in focus groups and surveys about what they would like to see in downtown Adrian. As a result, a number of recommendations were devised for accomplishing the many objectives laid out by the community. To date, the City of Adrian, through its Downtown Development Authority, has been highly successful in implementing a number of these strategies.

Included in that document were suggestions regarding the downtown parking system. I am pleased to say that the City of Adrian has followed each of the recommendations laid out by the consultant, including the removal of all on-street and many of the off-street parking meters. Through the removal of the meters, the City was creating a more customer friendly parking situation. In doing so, however, a number of challenges arose, including the following:

- The City must ensure the appropriate turnover of “premier” parking spaces to ensure that such are available for customers as opposed to being fully consumed by business owners and employees. This is a demand of many of our downtown

“respect for the individual voice, service for the common good”

businesses and has been a complaint of some, at times, when enforcement has not been active downtown.

- The City must ensure that the parking system remains financially solvent. The City has estimated that the parking system costs approximately \$126,000 to operate. In an effort to be as equitable as possible (per the recommendations of the Ad-Hoc Parking Committee), the City determined that it would be most appropriate to spread the costs out across all of the stakeholders. This includes: downtown property owners, business owners, employees, residents and the City of Adrian. The projected FY 2009/10 parking system expenditures are as follows:

1.	Parking System Operations (i.e., lighting, snow removal, maintenance, enforcement)	\$ 114,100
2.	Capital Budget – Bond Proceeds (i.e., proposed reconstruction of Toledo Street Parking Lot)	\$250,000

The following reflects our projected revenue sources for FY 2007/08:

1.	Permit Sales	\$ 30,000
2.	Meters	\$ 8,100
3.	Fines	\$ 30,000
4.	DDA Contribution (operating)	\$ 10,000
5.	Downtown Assessment	\$ 30,000
6.	City General Fund Contribution (operating)	\$ 6,000
7.	City Bond Capital Contribution (Toledo St.)	\$250,000

I should note that the numbers provided for both the DDA contribution and the City General Fund are artificially low considering that it is our intention to participate at a much higher rate with the necessary capital improvements, including parking lot reconstruction. The City has estimated the reconstruction costs of the parking lot on Church Street (lot #'s 8 and 5) to be approximately \$350,000. This is only representative of the costs to reconstruct one lot while the City owns eight downtown lots. As you can imagine, this makes our annual allotment of \$55,000 for capital expenditures artificially low under the premise that the City, through other revenue sources (i.e. taxes, grants, etc.), will cover the remaining costs.

In an effort to make the parking system more “user-friendly,” the City Commission has instituted a number of improvements for our downtown stakeholders. These include the implementation of the downtown parking validation system adopted by the City Commission in the spring of 2007 in an effort to ensure validation of parking violations received by legitimate customers of participating downtown businesses. In addition, the City now allows those vehicles maintaining a City of Adrian Parking Permit to park in any metered or marked “permit parking only” location. Such was done in effort to promote the sale of parking permits while also ensuring the adequate availability of parking spaces for permit holders.

Furthermore, I wish to remind you that this system was devised through numerous hours of meetings by a Mayoral-appointed Ad-Hoc Parking Committee. This committee was comprised of downtown business and property owners and maintained representation from the Adrian Area Chamber of Commerce and the City. The group also consisted of business owners outside of the downtown district.

Attached to this letter is an official notice of the public hearing which will be held during the December 17th regular meeting of the Adrian City Commission. Should you desire to address the Commission regarding the proposed assessment, you are encouraged to attend this meeting.

Should you have any further questions, or desire additional information regarding the proposed downtown parking assessment, please contact the Adrian City Clerk's Office at 517.264-4866 or via e-mail at pbaker@ci.adrian.mi.us.

The City of Adrian appreciates your interest in this item and looks forward to continuing our work together to make Adrian a better place to be for all of our community stakeholders!

Sincerely,

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

Dane C. Nelson
City Administrator

Owner	Parcel #	Address		Street	Total per Property
REETZ	XA0-000-0002-02 XA0-000-0002-02	217	W	MAUMEE ST	\$0.00
HENRY, GILBERT E	XA0-000-0004-00 XA0-000-0004-00	213	W	MAUMEE ST	\$0.00
HENRY, GILBERT E	XA0-000-0006-00	201	W	MAUMEE ST	\$0.00
AWAD, JAMAL	XA0-000-0014-00	101	W	MAUMEE ST	\$99.11
TERLESKY	XA0-000-0021-00 XA0-000-0021-00 XA0-000-0021-00	(203-) 209	N	MAIN ST	
	XA0-000-0021-00 XA0-000-0021-00 XA0-000-0021-00 XA0-000-0021-00 XA0-000-0021-00				\$0.00
LASALLE BANK	XA0-000-0023-00 XA0-000-0023-00 XA0-000-0023-00	202	N	MAIN ST	\$419.39
RKJ LLC (Ron Kelly)	XA0-000-0024-01 XA0-000-0024-01	150	N	MAIN ST	\$87.79
SOTO, PAUL	XA0-000-0024-02	104		TOLEDO ST	\$89.18
CLARKE	XA0-000-0025-00 XA0-000-0025-00	146	N	MAIN ST	\$109.72
WIESMAN	XA0-000-0029-00 XA0-000-0029-00 XA0-000-0029-00 XA0-000-0029-00	115	E	MAUMEE ST	\$415.20
CITY OF ADRIAN	XA0-000-0030-01 XA0-000-0030-01 XA0-000-0030-01 XA0-000-0030-01 XA0-000-0030-01	135 (-139)	E	MAUMEE ST	\$739.98

CITY OF ADRIAN	XA0-000-0031-00 XA0-000-0031-00	143	E	MAUMEE ST	\$811.56
ROOF, KENNETH & TERESA	XA0-000-0032-00 XA0-000-0032-00	153	E	MAUMEE ST	\$103.45
ROOF, KENNETH & TERESA	XA0-000-0033-00 XA0-000-0033-00	155	E	MAUMEE ST	\$113.53
BOWERS INC	XA0-000-0034-01 XA0-000-0034-01	122	E	MAUMEE ST	\$94.61
BURCIAGA	XA0-000-0034-02	0	E	MAUMEE ST	\$0.00
ADRIAN PHYSICIANS ASSN	XA0-000-0035-01 XA0-000-0035-01 XA0-000-0035-01 XA0-000-0035-01 XA0-000-0035-01 XA0-000-0035-01 XA0-000-0035-01	142 (-146)	E	MAUMEE ST	\$0.00
REDINK INC	XA0-000-0037-00 XA0-000-0037-00 XA0-000-0037-00 XA0-000-0037-00 XA0-000-0037-00 XA0-000-0037-00 XA0-000-0037-00 XA0-000-0037-00 XA0-000-0037-00 XA0-000-0037-00	(136-138)	(E)	(MAUMEE ST)	\$702.45
BRENNER, JON	XA0-000-0040-00 XA0-000-0040-00 XA0-000-0040-00 XA0-000-0040-00	102 (-104)	E	MAUMEE ST	\$243.51
CITY OF ADRIAN	XA0-000-0044-00	111 (-119)	E	CHURCH ST	\$0.00
RANSOM	XA0-000-0046-00 XA0-000-0046-00	142	S	MAIN ST	\$96.94
CITY OF ADRIAN	XA0-000-0059-00	123	E	CHURCH ST	\$0.00
ADRIAN PHYSICIANS ASSN	XA0-000-0063-01	147	E	CHURCH ST	\$0.00
FIRST PRESBYTERIAN CHURCH	XA0-000-0064-00 XA0-000-0064-00	128	S	BROAD ST	\$3.26

CITIZENS GAS FUEL CO	XA0-000-0067-00	117	N	WINTER ST	\$80.03
GATEHOUSE MEDIA	XA0-000-0068-00	133	(N)	(WINTER ST)	
	XA0-000-0068-00				\$261.81
GATEHOUSE MEDIA INC	XA0-000-0071-00	155	N	WINTER ST	
	XA0-000-0071-00				\$0.00
RAISIN RIVER DEVELOPMENT	XA0-000-0072-00	205	N	WINTER ST	
	XA0-000-0072-00				\$0.00
POWELL	XA0-000-0074-00	213	N	WINTER ST	
	XA0-000-0074-00				\$0.00
COURTHOUSE COMMONS, INC	XA0-000-0076-01	227	N	WINTER ST	
	XA0-000-0076-01				
	XA0-000-0076-01				
	XA0-000-0076-01				\$587.98
D & T LAND MGT CORP	XA0-000-0080-02	113	W	FRONT ST	
	XA0-000-0080-02				
	XA0-000-0080-02				\$0.00
AES COMPANY	XA0-000-0081-03	235-243	N	MAIN ST	
	XA0-000-0081-03				\$0.00
REAL ESTATE, LLC	XA0-000-0086-00	231	N	MAIN ST	
	XA0-000-0086-00				\$0.00
FAMILY COUNSELING & CHILDREN	XA0-000-0086-05	225	N	MAIN ST	
	XA0-000-0086-05				\$0.00
RAYMOND, JOHN	XA0-000-0088-00	215	N	MAIN ST	
	XA0-000-0088-00	215	N	WINTER ST	
	XA0-000-0088-00				\$0.00
NOE	XA0-000-0090-00	204	N	WINTER ST	\$0.00
ONE SIXTY PARTNERSHIP	XA0-000-0091-01	160	N	WINTER ST	
	XA0-000-0091-01				\$240.41
CHASE, JOYCE & DOUGLAS	XA0-000-0092-00	144	N	WINTER ST	
	XA0-000-0092-00	144	N	WINTER ST	\$0.00
CHASE, JOYCE & DOUGLAS	XA0-000-0093-00	142	N	WINTER ST	
	XA0-000-0093-00				\$0.00
BISHOP LIVING TRUST	XA0-000-0094-00	139	N	MAIN ST	
	XA0-000-0094-00				\$60.80
BISHOP LIVING TRUST	XA0-000-0095-00	141	N	MAIN ST	

	XA0-000-0095-00				\$76.31
CHASE, JOYCE C & DOUGLAS A	XA0-000-0096-00 XA0-000-0096-00	132	N	WINTER ST	\$8.84
JODIS, DENIS & CAROL	XA0-000-0097-00 XA0-000-0097-00 XA0-000-0097-00	216A-C 216B 216C	N (N)	MAIN ST (MAIN ST) (MAIN ST)	\$10.70
FAMILY COUNSELING & CHILDREN	XA0-000-0100-00 XA0-000-0100-00	220 (-224)	N	MAIN ST	\$0.00
FIRST FEDERAL	XA0-000-0102-00 XA0-000-0102-00	230 (-234)	N	MAIN ST	\$15.51
VAN OPYNEN	XA0-000-0103-01	240 (242)	N	MAIN ST	\$0.00
VAN OPYNEN	XA0-000-0106-00 XA0-000-0106-00	114 (-116)	E	FRONT ST	\$0.00
SEAWAY FOOD TOWN INC	XA0-000-0107-01 XA0-000-0107-01	124	E	FRONT ST	\$243.97
WIESMAN	XA0-000-0111-01 XA0-000-0111-01 XA0-000-0111-01	147		TOLEDO ST	\$227.22
KROLL, RUBEN & CHRISTINE	XA0-000-0112-00 XA0-000-0112-00 XA0-000-0112-00	151		TOLEDO ST	\$15.51
TAYLOR	XA0-000-0113-00	203	N	BROAD ST	\$72.90
MCFARLAND, DAVID C & GAYET	XA0-000-0114-00 XA0-000-0114-00	209	N	BROAD ST	\$0.00
BURNETT	XA0-000-0115-00 XA0-000-0115-00 XA0-000-0115-00	215	N	BROAD ST	\$93.06
JEFFREY, MARGIE I TRUSTEE	XA0-000-0116-01 XA0-000-0116-01	223	N	BROAD ST	\$46.53
KNISEL	XA0-000-0117-00 XA0-000-0117-00	227	N	BROAD ST	\$0.00
TONKERY, ROY & PATRICIA	XA0-000-0118-00 XA0-000-0118-00 XA0-000-0118-00	114 (-116)	W	MAUMEE ST	\$558.36
DJ ENTERPRISES II LLC	XA0-000-0119-00 XA0-000-0119-00	235	N	BROAD ST	\$0.00

WASHOVIA SERVICES INC	XA0-000-0120-01	241	N	BROAD ST	
	XA0-000-0120-01				\$31.02
DALY, JAMES & ANN MARIE	XA0-000-0121-01	152	E	FRONT ST	
	XA0-000-0121-01				
	XA0-000-0121-01				
	XA0-000-0121-01				\$0.00
WIESMAN, PAUL AND SHERI	XA0-000-0123-01	146		TOLEDO ST	
	XA0-000-0123-01				\$0.00
FIRST BAPTIST CHURCH	XA0-000-0124-00	119	N	BROAD ST	\$0.00
ADRIAN PUBLIC SCHOOLS	XA0-000-0126-00	159	E	MAUMEE ST	
	XA0-000-0126-00				\$0.00
CROSWELL OPERA HOUSE	XA0-100-0162-00	129	E	MAUMEE ST	
	XA0-100-0162-00				
	XA0-100-0162-00				\$1,744.88
WEIER TRUST	XA0-100-0164-00	125	E	MAUMEE ST	
	XA0-100-0164-00				
	XA0-100-0164-00				\$157.27
JACOBITZ, MICHAEL H	XA0-100-0165-00	123	E	MAUMEE ST	
	XA0-100-0165-00				
	XA0-100-0165-00				\$135.25
ALLEN & JONES INVESTMENTS	XA0-100-0166-00	121	E	MAUMEE ST	
	XA0-100-0166-00				
	XA0-100-0166-00				
	XA0-100-0166-00				\$176.85
M 3 LIMITED PARTNERSHIP	XA0-100-0167-00	113	E	MAUMEE ST	
	XA0-100-0167-00				
	XA0-100-0167-00				
	XA0-100-0167-00				\$511.83
RENAISSANCE ADRIAN, LLC	XA0-100-0168-00	109	E	MAUMEE ST	
	XA0-100-0168-00				
	XA0-100-0168-00				
	XA0-100-0168-00				\$305.08
RENAISSANCE ADRIAN, LLC	XA0-100-0169-00	101 (-107)	E	MAUMEE ST	
	XA0-100-0169-00				
	XA0-100-0169-00				
	XA0-100-0169-00				\$46.53
MOORE JR. CHARLES & NATALIE	XA0-100-0170-00	110	N	MAIN ST	
	XA0-100-0170-00				
	XA0-100-0170-00				\$113.22

MOORE, CHARLES & NATALIE	XA0-100-0171-00	112	N	MAIN ST	
	XA0-100-0171-00				
	XA0-100-0171-00				\$179.92
BOLDT	XA0-100-0172-00	114	N	MAIN ST	
	XA0-100-0172-00				
	XA0-100-0172-00				\$141.61
SALA	XA0-100-0173-00	116 (-118)	N	MAIN ST	
	XA0-100-0173-00				
	XA0-100-0173-00				\$218.23
KABE INVESTMENTS	XA0-100-0174-00	120	N	MAIN ST	
	XA0-100-0174-00				\$80.65
HILL, RANDY P POST 1957 AMVET	XA0-100-0175-00	122	N	MAIN ST	
	XA0-100-0175-00				\$258.55
HILL, RANDY P POST 1957 AMVET	XA0-100-0176-00	124	N	MAIN ST	
	XA0-100-0176-00				
	XA0-100-0176-00				\$388.68
MCGRATH, MICHAEL & ALICE	XA0-100-0177-00	126	N	MAIN ST	
	XA0-100-0177-00				\$238.85
STEELE, JOE ANN AGREEMENT	XA0-100-0178-00	128	N	MAIN ST	\$0.00
STEELE, HARRY B & JOE ANN	XA0-100-0179-01	130	N	MAIN ST	
	XA0-100-0179-01				\$562.16
YUEN, WYLIE & LOUISE	XA0-100-0180-00	134	N	MAIN ST	
	XA0-100-0180-00				\$212.02
COPELAND TRUST NO 1	XA0-100-0181-01	136	N	MAIN ST	
	XA0-100-0181-01				\$265.69
STEELE, JOE ANNE AGREEMENT	XA0-100-0181-02	132	N	MAIN ST	\$41.57
SWARTZLANDER TRUST, DUANE	XA0-100-0187-01	142 (-144)	N	MAIN ST	
	XA0-100-0187-01				
	XA0-100-0187-01				\$151.38
WEYENBERG JR TRUST	XA0-100-0188-00	155	N	MAIN ST	
	XA0-100-0188-00				\$90.73
BLUE POINT PROPERTIES	XA0-100-0190-01	151 - 153	N	MAIN ST	
	XA0-100-0190-01				\$139.20
LANGLEY	XA0-100-0191-00	149	N	MAIN ST	

	XA0-100-0191-00				\$630.17
NOE, MARGARET	XA0-100-0192-00 XA0-100-0192-00	147	N	MAIN ST	\$23.58
GARZA ENTERPRISES INC	XA0-100-0193-00 XA0-100-0193-00	145	N	MAIN ST	\$150.14
BISHOP LIVING TRUST	XA0-100-0194-00 XA0-100-0194-00	143	N	MAIN ST	\$64.52
ATKINS, CAVIN	XA0-100-0195-00 XA0-100-0195-00	137	N	MAIN ST	\$58.94
CITIZENS GAS FUEL CO	XA0-100-0198-02 XA0-100-0198-02	127 (-131)	N	MAIN ST	\$455.84
MCDOWELL	XA0-100-0200-01 XA0-100-0200-01 XA0-100-0200-01	123	N	MAIN ST	\$71.97
EATON, RONALD & KATHIE	XA0-100-0201-00 XA0-100-0201-00	121	N	MAIN ST	\$124.55
EATON, RONALD & KATHIE	XA0-100-0202-00 XA0-100-0202-00	119	N	MAIN ST	\$124.08
EATON, RONALD & KATHIE	XA0-100-0203-00 XA0-100-0203-00 XA0-100-0203-00	117	N	MAIN ST	\$147.35
EATON, RONALD & KATHIE	XA0-100-0204-00 XA0-100-0204-00 XA0-100-0204-00 XA0-100-0204-00	115	N	MAIN ST	\$317.96
WILLIAMS, RICHARD & YELEN	XA0-100-0205-00 XA0-100-0205-00 XA0-100-0205-00	111	N	(MAIN ST)	\$168.44
BOWERS INC	XA0-100-0206-00 XA0-100-0206-00 XA0-100-0206-00	109	N	MAIN ST	\$82.98
MODEL CONSTRUCTION	XA0-100-0207-00 XA0-100-0207-00 XA0-100-0207-00	107	N	MAIN ST	\$139.59
HARTUNG, DOUGLAS & SARA	XA0-100-0208-00 XA0-100-0208-00 XA0-100-0208-00	102	W	MAUMEE ST	\$76.00

HARTUNG, DOUGLAS & SARA	XA0-100-0209-00	104 (-106)	W	MAUMEE ST	
	XA0-100-0209-00				
	XA0-100-0209-00				\$124.08
FLINT, DUANE & CAROL	XA0-100-0210-00	108	W	MAUMEE ST	
	XA0-100-0210-00				
	XA0-100-0210-00				\$94.61
INTER-CONNECTIONS DROP-IN	XA0-100-0211-00	110	W	MAUMEE ST	
	XA0-100-0211-00				\$52.73
WILLIAMS, RICHARD & YELENA	XA0-100-0211-01	112	W	MAUMEE ST	
	XA0-100-0211-01				
	XA0-100-0211-01				\$180.85
KINTNER, KENNETH & PATRICIA	XA0-100-0212-00	118	W	MAUMEE ST	
	XA0-100-0212-00				
	XA0-100-0212-00				\$58.63
THE HUNTINGTON NATIONAL BANK	XA0-100-0215-01	120	W	MAUMEE ST	\$0.00
THE HUNTINGTON NATIONAL BANK	XA0-100-0219-01	202	W	MAUMEE ST	
	XA0-100-0219-01				
	XA0-100-0219-01				\$440.02
REETZ	XA0-100-0220-00	237	W	MAUMEE ST	
	XA0-100-0220-00	235	W	MAUMEE ST	\$0.00
CAVAZOS	XA0-100-0222-01	112 (-114)	S	WINTER ST	
	XA0-100-0222-01				
	XA0-100-0222-01				\$139.59
ROSALES	XA0-100-0223-01	116 (-118)	S	WINTER ST	
	XA0-100-0223-01				
	XA0-100-0223-01				\$628.16
SOLMONSON, KENNETH H	XA0-100-0224-01	120 (-124)	S	WINTER ST	
	XA0-100-0224-01				
	XA0-100-0224-01				\$116.33
CHURCH	XA0-100-0225-00	127	W	MAUMEE ST	
	XA0-100-0225-00				
	XA0-100-0225-00				\$164.41
CHURCH	XA0-100-0226-00	125	W	MAUMEE ST	
	XA0-100-0226-00				
	XA0-100-0226-00				\$155.10
JAKBRF REAL II LLC	XA0-100-0227-00	123	W	MAUMEE ST	
	XA0-100-0227-00				
	XA0-100-0227-00				\$301.20

FRIENDS COMMUNICATIONS OF	XA0-100-0228-00 XA0-100-0228-00 XA0-100-0228-00	121	W	MAUMEE ST	\$196.36
FOX	XA0-100-0229-00 XA0-100-0229-00 XA0-100-0229-00 XA0-100-0229-00	117	W	MAUMEE ST	\$992.33
WILLIAMS LLC, JERDEN	XA0-100-0230-00 XA0-100-0230-00 XA0-100-0230-00	115	W	MAUMEE ST	\$174.02
WILLIAMS, RICHARD	XA0-100-0231-00 XA0-100-0231-00 XA0-100-0231-00	113	W	MAUMEE ST	\$129.12
BROWN	XA0-100-0232-00 XA0-100-0232-00 XA0-100-0232-00	109	W	MAUMEE ST	\$258.40
DOERFLER	XA0-100-0233-00 XA0-100-0233-00 XA0-100-0233-00	105 (-107)	W	MAUMEE ST	\$225.99
COX, GUY C & KRIS U	XA0-100-0233-01 XA0-100-0233-01 XA0-100-0233-01 XA0-100-0233-01	108 (-118)	S	MAIN ST	\$280.73
BERMAN	XA0-100-0234-00 XA0-100-0234-00 XA0-100-0234-00	116	S	MAIN ST	\$100.50
BERMAN	XA0-100-0235-00 XA0-100-0235-00 XA0-100-0235-00	118	S	MAIN ST	\$153.24
BERMAN	XA0-100-0236-00 XA0-100-0236-00 XA0-100-0236-00	120	S	MAIN ST	\$82.67
MICHENER, SCOTT P	XA0-100-0237-00 XA0-100-0237-00 XA0-100-0237-00	122	S	MAIN ST	\$89.96
MAROWELLI	XA0-100-0238-00 XA0-100-0238-00 XA0-100-0238-00	124	S	MAIN ST	\$88.72

MAROWELLI, KOBY K & DONNA	XA0-100-0239-00	126	S	MAIN ST	
	XA0-100-0239-00				
	XA0-100-0239-00				\$228.46
POWELL, RICHARD L	XA0-100-0240-00	130	S	MAIN ST	
	XA0-100-0240-00				\$100.82
HOZHO LTD (Gary Baldwin)	XA0-100-0243-01	136 (-140)	S	MAIN ST	
	XA0-100-0243-01				
	XA0-100-0243-01				\$1,284.23
GAMEN	XA0-100-0245-00	118	W	CHURCH ST	
	XA0-100-0245-00				
	XA0-100-0245-00				
	XA0-100-0245-00				\$259.95
PIZZA BUCKET	XA0-100-0246-00	143	S	WINTER ST	\$15.51
CLARK, RICHARD & PEGGY D	XA0-100-0247-00	131	S	WINTER ST	\$303.61
IB INVESTING, INC	XA0-100-0248-00	127	S	WINTER ST	
	XA0-100-0248-00				
	XA0-100-0248-00				
	XA0-100-0248-00				\$317.96
LLOYD'S OF LENAWEE LLC	XA0-100-0249-00	108	E	MAUMEE ST	
	XA0-100-0249-00				
	XA0-100-0249-00				\$140.68
RICKETTS, JOHN R	XA0-100-0250-00	110 (-112)	E	MAUMEE ST	
	XA0-100-0250-00				\$109.66
BROOKET TRUSTEE, HOWARD	XA0-100-0251-00	114	E	MAUMEE ST	
	XA0-100-0251-00				
	XA0-100-0251-00				\$163.63
BURCIAGA	XA0-100-0252-00	(118-) 120	E	MAUMEE ST	
	XA0-100-0252-00				
	XA0-100-0252-00				\$308.80
LUPPO, JAMES & ASHLEY	XA0-100-0253-01	124	E	MAUMEE ST	
	XA0-100-0253-01				
	XA0-100-0253-01				\$552.16
PREMIER INVESTING LLC	XA0-100-0254-00	128	E	MAUMEE ST	
	XA0-100-0254-00				
	XA0-100-0254-00				\$99.88

REDINK CORP	XA0-100-0255-00 XA0-100-0255-00	130 (-134)	E	MAUMEE ST	\$180.85
MASONIC BUILDING LLC	XA0-100-0256-00 XA0-100-0256-00 XA0-100-0256-00 XA0-100-0256-00 XA0-100-0256-00 XA0-100-0256-00 XA0-100-0256-00	160	E	MAUMEE ST	\$731.30
THORTON, CAROL J	XA0-100-0257-00 XA0-100-0257-00	107	S	MAIN ST	\$179.92
THORTON, CAROL	XA0-100-0258-00 XA0-100-0258-00	109	S	MAIN ST	\$201.63
GROSSMAN	XA0-100-0259-00 XA0-100-0259-00	111	S	MAIN ST	\$449.48
JASMUND FAMILY LIVING TRUST	XA0-100-0261-01 XA0-100-0261-01	113	S	MAIN ST	\$108.57
HAMERMAN, WILLIAM	XA0-100-0263-01 XA0-100-0263-01 XA0-100-0263-01 XA0-100-0263-01	115 (-123)	S	MAIN ST	\$225.21
GURNEY LIVING TRUST	XA0-100-0264-01 XA0-100-0264-01 XA0-100-0264-01 XA0-100-0264-01 XA0-100-0264-01 XA0-100-0264-01	127 -131 129 131	S S S	MAIN ST MAIN ST MAIN ST	\$542.85
JJW Properties LLC	XA0-100-0267-00 XA0-100-0267-00 XA0-100-0267-00	(133-139) 137	S	MAIN ST	\$623.04
JENKINS, JOSEPH & MEKILAH	XA0-100-0268-00 XA0-100-0268-00	141	S	MAIN ST	\$0.00
JENKINS, JOSEPH & MEKILAH	XA0-100-0269-00 XA0-100-0269-00	143	S	MAIN ST	\$38.78
JENKINS, JOSEPH & MEKILAH	XA0-100-0270-00 XA0-100-0270-00	145	S	MAIN ST	\$0.00
MORRIS, DEBRA	XA0-100-0271-00 XA0-100-0271-00	149	S	MAIN ST	\$70.88

DENNIS, DEANNA	XA0-100-0272-00 XA0-100-0272-00	105	E	CHURCH ST	\$116.64
JENKINS, JOSEPH & MEKILAH	XA0-100-0273-00	133 (-141)		MARKET PLACE	\$0.00
BEAR CAVE APARTMENTS LLC	XA0-100-0279-00 XA0-100-0279-00 XA0-100-0279-00	144 (-150)	S	MAIN ST	\$612.65
FIRST UNITED PRESBYTERIAN	XA0-100-0372-00 XA0-100-0372-00	122	S	BROAD ST	\$62.04
ACKLEY, LARRY D & JUDY D	XA0-385-0001-00 XA0-385-0001-00	132	S	WINTER ST	\$131.84
MARSH	XA0-385-0002-01	136	S	WINTER ST	\$117.88
CITY OF ADRIAN	XA0-385-0002-02	138	S	WINTER ST	\$0.00
HAMERMAN, WILLIAM S	XA0-385-0004-00 XA0-385-0004-00 XA0-385-0004-00	148	S	WINTER ST	\$158.98
CITY OF ADRIAN	XA0-385-0010-00	212	W	CHURCH ST	\$0.00
CITY OF ADRIAN	XA0-385-0012-00 XA0-385-0012-00	218	W	CHURCH ST	\$0.00
BSVAK LLC	XA0-385-0013-00 XA0-385-0013-00	220	W	CHURCH ST	\$0.00
NAGY, ROBERT J	XA0-385-0015-00 XA0-385-0015-00	224	W	CHURCH ST	\$0.00
NAGY, ROBERT J	XA0-385-0016-00 XA0-385-0016-00	228	W	CHURCH ST	\$0.00
APOSTOLIC ASSEMBLY OF	XA0-385-0018-00 XA0-385-0018-00	234	W	CHURCH ST	\$0.00
CITY OF ADRIAN	XA0-385-0019-00 XA0-385-0019-00	236	W	CHURCH ST	\$31.02
CITY OF ADRIAN	XA0-385-0020-01	238	W	CHURCH ST	\$0.00
CITY OF ADRIAN	XA0-385-0021-00	309		COLLEGE AVE	\$131.99
BENEDICT TRUST	XA0-385-0025-00 XA0-385-0025-00	250	W	CHURCH ST	\$0.00
CITY OF ADRIAN	XA0-385-0026-00	307		COLLEGE AVE	\$0.00

GARRISON, NEAL & BERTHA	XA0-385-0029-00	247		PEARL ST	\$43.12
WRIGHT LIVING TRUST	XA0-385-0032-00	239		PEARL ST	\$0.00
WRIGHT LIVING TRUST	XA0-385-0034-00	235		PEARL ST	\$25.28
CITY OF ADRIAN	XA0-385-0039-01	211		PEARL ST	\$0.00
COX, JOAN E TRUST	XA0-400-3001-01	229	S	MAIN ST	\$39.86
FIRST PRESBYTERIAN CHURCH	XA0-850-0165-00	156	E	MAUMEE	\$387.75
CHRISTIAN SCIENCE CHURCH	XA0-850-0167-00 XA0-850-0167-00	147	S	MAIN ST	\$102.37
FAMILY AWARENESS CENTER	XA0-850-0219-00	199	N	BROAD ST	\$0.00
D & T LAND MGT CORP		0	N	WINTER ST	\$0.00
					\$29,983.93

R-1

R09-201

December 21, 2009

RE: FINANCE DEPARTMENT – Downtown Parking Special Assessment

RESOLUTION

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

WHEREAS, the Adrian City Commission, on December 7, 2009, adopted Resolution #CR09-058, Downtown Special Assessment – Notice of Intent, detailing the proposed Financial Plan and Proposed Special Assessment in the amount of \$30,000, establishing a Public Hearing in the City Commission Chambers at the former Adrian City Hall (100 E. Church Street) at 7:00 p.m. on Monday, December 21, 2009, and instructing the City Clerk to mail appropriate Notices of Intent to affected parties.

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

1. Deems it necessary and declares its intention to maintain the downtown parking system;
2. Estimates the annual cost thereof to be \$114,100, to be defrayed by revenue from long-term parking meters, parking permits, parking enforcement, contributions from the Downtown Development Authority and City General Fund, as well as a Special Assessment to downtown property owners in the amount of \$30,000;
3. Specifies that the Special Assessment District within the Downtown Development District shall include the following land and premises located within the following boundaries:

North of Church Street
 West of Broad Street
 South of Front Street
 West Side of Winter Street
 East of College Avenue

4. Authorizes the Special Assessment to partially defray the cost of the proposal shall be levied on the lands and premises within the proposed Special Assessment District according to zoning;
5. Directs that the report of the City Administrator be filed with the City Clerk forthwith for public examination.

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

R-2

Memo

To: Dane C. Nelson, City Administrator
From: Mark K. Gasche, Parks and Recreation Director
Date: December 17, 2009
Re: Renewal of Lease Agreement with Boys & Girls Club for use of Piotter Center

Attached is an agreement between the City of Adrian and the Boys & Girls Club of Lenawee for use of Piotter Center. This is a three-year renewal of the existing agreement for use of Piotter Center. It addresses changes in room usage that have occurred in the past year and it covers rental fee increases for each of the three years. I recommend that the agreement be approved and be effective January 1, 2010 through December 31, 2012. The Boys & Girls Club Board has already reviewed and approved the agreement.

LEASE AGREEMENT

This agreement made and entered into this first day of January 1, 2010, by and between the City of Adrian, a municipal corporation, hereinafter referred to as LESSOR, and the Boys & Girls Club of Lenawee, hereinafter referred to as the LESSEE.

WITNESSETH

LESSOR does hereby let unto the LESSEE for a period of 36 months commencing the first day of January 2010 and terminating the last day of December 2012, premises as described below, located at the Piotter Center, 327 Erie St., Adrian, Michigan:

- A. One (1) room, # 9, approximately 30 feet by 30 feet which may be divided as per LESSEE's specification without structural changes for staff offices.
- B. Four rooms, # 5/6 and # 7/8, approximately 30 feet by 30 feet each, to be used as classrooms and/or activity rooms. Room # 5/6 may also be used on occasion by the City of Adrian. This should be coordinated/scheduled with the Boys & Girls Club Director. Boys & Girls Club will have primary use and scheduling authority.
- C. Classroom # 4 will be a shared use between the City of Adrian, The Senior Center, and the Boys & Girls Club. The Senior Center will have primary use on Monday through Friday until 3:00 p.m., the Boys and Girls Club will have primary use on Monday through Friday from 3:00 p.m. until 8:00 p.m. and the City of Adrian will have primary use at all other times. The City reserves the right to schedule Classroom # 4 at earlier times on Monday through Friday, for which times the Program Director of the Boys and Girls Club will be notified. All other schedule alterations should be coordinated between the Senior Center Director and/or the Building Supervisor, the Recreation Facility Manager, and the Program Director.
- D. Other space as needed, if available. This should be coordinated/scheduled with the Senior Center Director and/or the Building Supervisor.
- E. Scheduled use of the gymnasium to be approved by the Recreation Facility Manager and/or the Senior Center Director.
- F. Unrestricted access to male and female restrooms.

Changes and improvements to these spaces for the sole purpose of the LESSEE's program shall be the responsibility of the LESSEE. Any changes/improvements must be approved by the LESSOR.

The LESSEE is entitled to reasonable use of adjoining grounds for parking, ingress and egress, safe loading of school buses, cars and trucks and outdoor activity. Reasonable use is extended to all hallways and corridors for the purpose of utilizing rooms let. LESSOR agrees the LESSEE shall occupy the aforementioned rooms Monday through Friday in the term of this agreement, according to LESSEE's calendar and schedule, during the school year. The summer schedule will be Monday through Friday. From time to time the LESSEE may use the aforementioned rooms on Saturday; LESSEE shall notify LESSOR in such instances. The LESSOR reserves the right to occupy and use classrooms for its own purposes, but such occupancy shall be scheduled for use with the Boys & Girls Club Director. LESSEE reserves the right to terminate this agreement, without penalty, if the above noted facilities fail to meet safety standards upon inspection of the Fire Marshall.

The LESSEE shall furnish all equipment and supplies incidental to operation of the program, not including custodial and restroom supplies.

RENTAL TERM

The LESSEE agrees to pay LESSOR at total of \$15,600.00 per annum, to be paid at a rate of \$1,300.00 per month, due on the first day of each month, beginning January 1, 2010 through December of 2010. The LESSEE agrees to pay the LESSOR at a total of \$16,200.00 per annum, to be paid at a rate of \$1,350.00 per month, due the first day of each month, beginning January 1, 2011 through December of 2011. The LESSEE agrees to pay the LESSOR at a total of \$16,800.00 per annum, to be paid at a rate of \$1,400.00 per month, due the first day of each month, beginning January 1, 2012 through December of 2012. The rental term is subject to modification should the parties agree to increase or decrease the amount of space to be used by the LESSEE, provided such agreement to modify is in writing and attached to this agreement. The above noted rental fee includes costs associated with providing certain utilities (heat, electricity and water) and custodial services on a daily basis. Any late payment of rental fee will not result in forfeiture or waiver of any occupancy rights provided the LESSEE.

MAINTENANCE AND UTILITIES

LESSOR will provide normal building maintenance and weekday (Monday through Friday) custodial services for all rooms let to LESSEE throughout the life of this agreement. Regular custodial service includes cleaning restrooms, vacuuming classrooms and office, emptying trash (daily) and cleaning windowsills (weekly). LESSEE is responsible for spot or intermittent carpet cleaning as needed. LESSEE is responsible for shampooing carpet and replacement as needed. The LESSOR shall pay all heat, electricity and water utilities; provided only that the LESSEE shall be responsible for the installation and expense of telephone service to the office area and classroom(s).

BUILDING SUPERVISION

LESSEE will provide supervision inside the building and outside on the adjacent grounds and parking areas as needed during times when LESSOR has a supervisor on duty, and at all times when LESSOR does not have a supervisor on duty. Such coverage will be scheduled/coordinated between the Recreation Director and the Boys & Girls Club Director.

INSURANCE/DAMAGES

The LESSOR shall carry all comprehensive insurance necessary for the protection of the facilities covered by this agreement.

The LESSOR shall obtain and maintain, during the life of this agreement, Michigan Worker's Compensation Insurance for all employees deployed, at or in, the vicinity of LESSEE'S property.

The LESSEE shall carry sufficient liability insurance so as to protect, defend and indemnify the LESSOR against all injuries to persons or property, beyond normal "wear and tear", arising from the LESSEE'S use of said premises; it being understood that said protection shall not extend to damages arising from injuries due to defective premises which are normally under the control of the LESSOR and which the LESSOR has the duty to maintain.

The minimum limits of liability for all insurance coverage in the aforementioned policies shall be as follows:

<u>Bodily Injury Liability</u>	<u>Amount</u>
Each person	\$500,000.00
Each occurrence	\$1,000,000.00
Aggregate	\$1,000,000.00

<u>Property Damage Liability</u>	<u>Amount</u>
Each occurrence	\$500,000.00
Aggregate	\$1,000,000.00

A Certificate of Insurance naming the LESSOR as additional insured shall be provided by the LESSEE, prior to occupancy. The LESSEE shall make timely repairs of damages to the premises directly caused by the actions of the program participants, except for normal wear and tear, as determined by the LESSOR.

QUIET ENJOYMENT

The LESSEE, paying the rent hereby reserved and observing the covenants and stipulations herein on its part contained, shall peaceably enjoy the premises during said term without any interruption by the LESSOR or any person rightfully claiming under it.

TERMINATION

Either party to this agreement may cause its termination for any reason, so long as notice of termination is sent to the other party at least ninety (90) days prior to the effective date. The LESSOR agrees to delay such termination for another thirty (30) days upon the request of the LESSEE.

In WITNESS WHEREOF, the parties hereunto set their hand and seals this day and year written below.

For The Boys & Girls Club of Lenawee
Adrian, Michigan 49221

_____ (L.S.) _____ Date
President, Board of Directors
Boys & Girls Club of Lenawee

_____ (L.S.) _____ Date
Board of Directors
Boys & Girls Club of Lenawee

_____ (L.S.) _____ Date
Dana Pink, Contract Administrator

FOR CITY OF ADRIAN
135 E. Church St.
Adrian, Michigan 49221

_____ (L.S.) _____ Date
Gary E. McDowell, Mayor

_____ (L.S.) _____ Date
Pat M. Baker, City Clerk

_____ (L.S.) _____ Date
Mark K. Gasche, Contract Administrator

RE: PARKS & RECREATION – PIOTTER CENTER – Approval of 2010-2012 Lease Agreement with Boys & Girls Club of Lenawee for Use of Piotter Center

RESOLUTION

WHEREAS, the City of Adrian has had a long standing relationship with the Boys & Girls Club of Lenawee, providing facilities for after-school activities for young people throughout the community; and

WHEREAS, the Parks & Recreation Director recommends a continuation of this relationship by approving of the attached lease agreement that would renew the lease agreement for use of the following facilities at Piotter Center, located at 327 Erie St., Adrian, Michigan, for the period January 1, 2010 through December 31, 2012:

- A. One (1) room, # 9, approximately 30 feet by 30 feet which may be divided as per LESSEE's specification without structural changes for staff offices.
- B. Four rooms, # 5/6 and # 7/8, approximately 30 feet by 30 feet each, to be used as classrooms and/or activity rooms. Room # 5/6 may also be used on occasion by the City of Adrian. This should be coordinated/scheduled with the Boys & Girls Club Director. The Boys & Girls Club will have primary use and scheduling authority.
- C. Classroom # 4 will be a shared use between the City of Adrian, The Senior Center, and the Boys & Girls Club. The Senior Center will have primary use on Monday through Friday until 3:00 p.m., the Boys and Girls Club will have primary use on Monday through Friday from 3:00 p.m. until 8:00 p.m. and the City of Adrian will have primary use at all other times. The City reserves the right to schedule Classroom # 4 at earlier times on Monday through Friday, for which times the Program Director of the Boys and Girls Club will be notified. All other schedule alterations should be coordinated between the Senior Center Director and/or the Building Supervisor, the Recreation Facility Manager, and the Program Director.
- D. Other space as needed, if available. This should be coordinated/scheduled with the Senior Center Director and/or the Building Supervisor.
- E. Scheduled use of the gymnasium to be approved by the Recreation Facility Manager and/or the Senior Center Director.
- F. Unrestricted access to male and female restrooms; and

WHEREAS the rental rates, which include lessor provision of heat, electricity and water, are as follows:

	<u>Monthly</u>	<u>Annual</u>
Jan.1 thru Dec. 31, 2010	\$1,300.00	\$15,600.00
Jan.1 thru Dec. 31, 2011	\$1,350.00	\$16,200.00
Jan.1 thru Dec. 31, 2012	\$1,400.00	\$16,800.00

WHEREAS, the Boys & Girls Club Board of Directors has already reviewed and approved the proposed lease agreement; and

WHEREAS, the Parks & Recreation Director and City Administrator recommend approval of this resolution, authorizing the Mayor, City Clerk, and Parks & Recreation Director to sign the proposed lease agreement between the City of Adrian and the Boys & Girls Club of Lenawee for use of facilities at the Piotter Center for the period January 1, 2010 through December 31, 2012.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the lease agreement between the City of Adrian and the Boys & Girls Club of Lenawee for use of facilities at the Piotter Center for the period January 1, 2010 through December 31, 2012 and authorizes the Mayor, City Clerk, and Parks & Recreation Director to sign the said lease agreement.

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

R-3

DATE: December 17, 2009

TO: Honorable Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

SUBJECT: Purchase of Security and Interview Cameras & Recording Equipment –
New Police Facility

Quotes were solicited and received for the purchase and installation of security and interview cameras and recording equipment for the new police facility. State Electronics of Lansing, MI, submitted a quote of \$13,186.51. Chief Collins has worked with this firm on other projects and recommends that they be retained. Funds are available from the Byrne Stimulus Fund Grant.

I urge your favorable consideration authorizing the purchase and installation of this equipment from State Electronics in the amount of \$13,186.51..

Respectfully submitted,


Dane C. Nelson
City Administrator

DCN:bjw

R-3



Memorandum

To: Mayor Gary McDowell, Adrian City Commission

From: Paul G. Trinka, Fire Chief

CC: City Administrator Dane Nelson, Finance Director Jeff Pardee, Chief Terry Collins,
Deputy Chief Larry VanAlstine

Date: 30 November 2009

Re: Security and interview cameras for new police station

Chief Collins has contacted State Electronics Security from Lansing, Michigan for the security and interview camera and recording equipment at the new station. The system will include:

- 7 cameras (outside and lobby) with mounts
- 3 cameras with microphones (interview rooms)
- 1 500 GB Ionit Proplus digital video recorder (2 months storage)
- 1 monitor
- Various wiring and hardware for installation
- Labor

The total price including installation is \$13,186.51 with a 50% deposit and the balance due on completion. The funds will be from Byrne Stimulus Fund Grant.

Chief Collins has recommended this vendor and has worked with them on other projects.



State Electronic Security
 342 Clare Street
 Lansing, MI. 48917
 Ph: 517-484-5114
 Fax: 517-484-1066

Date 8/13/2009

City Of Adrian
 Project: Police Station

Surveillance
 4 Exterior Cameras
 3 Interior Cameras
 3 Interior Covert Cameras
 3 Audio / Mics w/ amp
 DVR aprox 2 months storage

Po#	Sales Person
	Rick Fowler
QTY	Equipment Description

Ship Via	Terms
UPS	See Below
	Unit Price
	Ext Price

QTY	Equipment Description	Unit Price	Ext Price
1	Ionit Proplus 16 Camera Digital Video Recorder 500 GB	\$ 6,265.84	\$ 6,265.84
1	17" LCD Monitor SCW	\$ 211.67	\$ 211.67
7	Speco HT-7246IHR Exterior Dome Cameras 2.8 to 11mm	\$ 369.70	\$ 2,587.90
4	Exterior Camera Mounts	\$ 31.31	\$ 125.24
3	Covert Cameras SCW , Motion detector housing	\$ 112.66	\$ 337.98
1	Profesional Microphone w/ 3 micro & pre amp	\$ 366.75	\$ 366.75
1	PS-16DC Camera 12VDC Power Supply SCW	\$ 200.33	\$ 200.33
1	1000' Plenum siemens wire RG59/18/2	\$ 901.80	\$ 901.80
Equipment Total		\$ 10,997.51	

Options

Exempt	Total	\$ 10,997.51
	Tax	\$ -
	Accumulated Total	\$ 10,997.51
	Labor, Service & Trainir	\$ 2,189.00
		\$ -
	Grand Total	\$ 13,186.51

Terms

Deposit

\$ 6,593.26

Balance on Completion

\$ 6,593.26

R-3

R09-203

December 21, 2009

RE: POLICE DEPARTMENT – Acquisition of Forensic Computer and Security Equipment for the new Police Facility

RESOLUTION

WHEREAS, the Adrian City Commission, by Resolution #R09-195 dated December 7, 2009, accepted the Justice Assistance (Byrne) Grant Award (209-SB-B9-0449) in the amount of \$80,219 (\$59,745 for City of Adrian Forensic Computer and Security Equipment for the new Police Facility and \$20,474 for the Lenawee County Police Training Program) for the period March 1, 2009 through February 28, 2013; and

WHEREAS, the Police Chief has contacted State Electronics Security from Lansing, Michigan for the security and interview camera and recording equipment at the new station. The system will include:

- 7 cameras (outside and lobby) with mounts
- 3 cameras with microphones (interview rooms)
- 1 500 GB Ionit Proplus digital video recorder (2 months storage)
- 1 monitor
- Various wiring and hardware for installation
- Labor
- Total price, including installation, is \$13,186.51; and

WHEREAS, the Finance Director indicates that, as a result of the grant acceptance, there are sufficient funds for this purpose in account 101-301.00-977.000; and

WHEREAS, the Police Chief and City Administrator recommend approval of this resolution authorizing the purchase and installation of the security and interview camera and recording equipment at the new station in an amount not to exceed \$13,186.51 from State Electronics Security from Lansing, Michigan, and that the competitive bid process be waived.

NOW THEREFORE BE IT RESOLVED that the Adrian City Commission, by this resolution, authorizes the purchase and installation of the security and interview camera and recording equipment at the new station in an amount not to exceed \$13,186.51 from State Electronics Security, Lansing, Michigan.

BE IT, FURTHER, RESOLVED that the bid process be waived, in accordance with the City's Purchasing Policy as specified in Chapter 12 of the City Charter and Chapter 9 of the Codified City Ordinances.

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



MEMO

Date: December 16, 2009

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

From: Jeffrey C. Pardee, Finance Director
Cindy L. Prue, Assistant Finance Director/Purchasing Officer
Mark Gasche, Parks & Recreation Director

**Re: City of Adrian Income Tax Implementation and Property Tax Reduction
Feasibility Study – Vendor Selection Recommendation**

On August 4, 2009, the City of Adrian Purchasing Office issued a Request for Proposal (RFP) to eight (8) vendors to prepare an Income Tax Implementation and Property Tax Reduction Feasibility Study. Following a Pre-Proposal Conference on August 25, 2009, the following three (3) vendors submitted sealed-bid proposals on October 1, 2009:

<u>Vendor</u>	<u>Location</u>	<u>Amount</u>
Page, Olson & Company, P.C., CPA's	Mt. Pleasant, MI	\$40,000
Plante & Moran, PLLC	Southfield, MI	\$35,000
Rehmann Robson, CPA's	Farmington Hills, MI	\$20,600

Evaluation Committee – Conflicts of Interest

The Administrative Evaluation Committee originally consisted of the following administrative officers:

Dane C. Nelson, City Administrator
Jeffrey C. Pardee, Finance Director
Cindy L. Prue, Assistant Finance Director/Purchasing Officer
Paul Trinko, Fire Chief/IT Director

However during the course of events, it was learned that two (2) conflicts arose:

- 1) The City Administrator's daughter recently became an employee of Plante & Moran; and
- 2) The Fire Chief/IT Director has engaged in consulting services for Rehmann Robson.

Therefore, both of these individuals were removed from the Evaluation Committee and the Parks & Recreation Director, Mark Gasche, was added.

Evaluation Process

As specified in the RFP, the proposals were evaluated based on the following criteria:

<u>Category</u>	<u>Maximum Points</u>
Expertise and Experience	45
Project Approach	30
Professional Fees	<u>25</u>
Total	<u>100</u>

Based on the first evaluation, the high-bidder (Page, Olson & Company) was eliminated from the competitive bid process and the remaining two (2) vendors were invited to make a presentation to the Evaluation Committee on October 30, 2009.

Although both vendors were rated high on the categories of Expertise & Experience and Project Approach, with varying competitive advantages, for example Plante & Moran is a larger firm with greater depth of professional resources and a larger library of data source, whereas Rehmann Robson has competent staff that will bring consistency of approach, strong communication skills and a web-based calculator that constituents can use to determine the specific tax consequences on their personal finances. The Evaluation Committee concluded that the strengths of Plante & Moran, PLLC did not compensate for the significant differential in professional fees and, therefore, preliminarily recommended Rehmann Robson as the preferred vendor.

However, shortly after notifying the respective finalists of our preliminary recommendation, we were apprised that Rehmann Robson has spun-off its consulting business and will provide only audit services in the future. As a result, subsequent negotiations with the next lowest bidder, Plante & Moran, were successful in lowering the bid price from \$35,000 to \$20,500.

Recommendation

Based on the foregoing circumstances, the Finance Director and City Administrator recommend that the lowest qualified bidder, Plante & Moran, LLC, Southfield, MI, be engaged in the City’s Standard Professional; Services Contract to perform an Income Tax Feasibility Study at a cost not to exceed \$20,500.

The attached resolution has been prepared for consideration by the City Commission at its regularly scheduled meeting of December 21, 2009.

1. Transmittal Letter

September 30, 2009

Ms. Cindy Prue
City of Adrian Purchasing Office
100 East Church Street
Adrian, MI 49221-2773

Dear Ms. Prue,

Plante & Moran, PLLC is pleased to submit this proposal to the City of Adrian, MI in response to your Request for Proposal for an Income Tax Feasibility Study. We understand that this request is intended to examine the potential impact of an income tax within the City of Adrian and the project should accomplish the following:

1. Development of model assumptions with input from the City and project team
2. Verification and modification of model assumptions within the analysis
3. Estimation of potential revenue using the income tax approach
4. Estimation of the tax burden shift amongst taxpayer classes
5. Completion of a five-year revenue projection of income tax as compared to property tax
6. Assessment of the impact on state-shared revenue and job creation inside the City or job migration outside the City
7. Projection of potential internal expenses and staffing requirements required for internal tax administration
8. Estimation of General Fund revenues and expenditures before and after the institution of the income tax
9. Completion of an electronic income tax model that the City that will be provided to the City to develop what-if scenarios
10. Completion of a final report documenting all assumptions and findings of the model

We expect to work closely with City leadership and the project team to ensure that the needs of the City are met through this process, ensuring that their input is included in the income tax model assumptions.

We welcome the opportunity to be a valued partner to the City of Adrian, and our goal with this proposal is to present you with information regarding our Firm's qualifications in providing this type of service. We believe P&M is extremely well qualified to serve you on this critical initiative. As the largest certified public accounting and management consulting firm based in Michigan and among the

largest nationally, we have extensive experience in serving the public sector and more specifically City government. As a local firm, we have the ability to provide resources within short notice and provide the level of attention to detail to ensure project success. P&M staff leaders outlined in our proposal possess extensive knowledge and experience gained through dedicated client service.

Plante & Moran's proposed project team brings extensive knowledge to this engagement and experience gained working with many clients to develop solutions to support their operational needs. We also offer the following benefits:

- The ability to offer seasoned management consultants, with considerable industry experience to staff the entire engagement. During the course of this assignment, the City of Adrian will be interacting only with experienced individuals in an effort to provide the best possible service from our Firm.
- A successful record of assisting Michigan cities in performing income tax feasibility studies. In the past ten years we have completed income tax feasibility studies for the City of Ann Arbor, the City of Ypsilanti and the City of Mount Clemens.
- A proven methodology and staff who have completed similar engagements in the past.
- The ability to offer local responsiveness along with the full resources and dedication of the Firm to successfully complete this assignment. The City of Adrian would receive our full attention throughout the course of the engagement.
- As accountants and advisors to over 400 local government clients, our Firm is well recognized as the leading Michigan provider of independent, objective financial advice.
- A record of timely, thorough and insightful project analyses.
- A strong project team, blending public sector, operational, financial, accounting, and staffing expertise

We believe that based upon these experiences and the quality of our proposed team, we are well qualified to provide assistance to the City of Adrian on this project. We believe this project will take between three and five months to complete and we are committed to the completion of this project prior to the six month timeline established by the City. Our proposal is valid and irrevocable for 120 days from the due date of October 1, 2009 of the RFP.

At Plante & Moran, we sincerely care about our clients and the people we work with. We are looking forward to the opportunity to continue building on our relationship with the City during this project. Please feel free to contact me at (248) 223-3328 to discuss the details of our proposal or to schedule an oral presentation. Once again, thank you for the opportunity to present our qualifications and approach to the City on this important project.

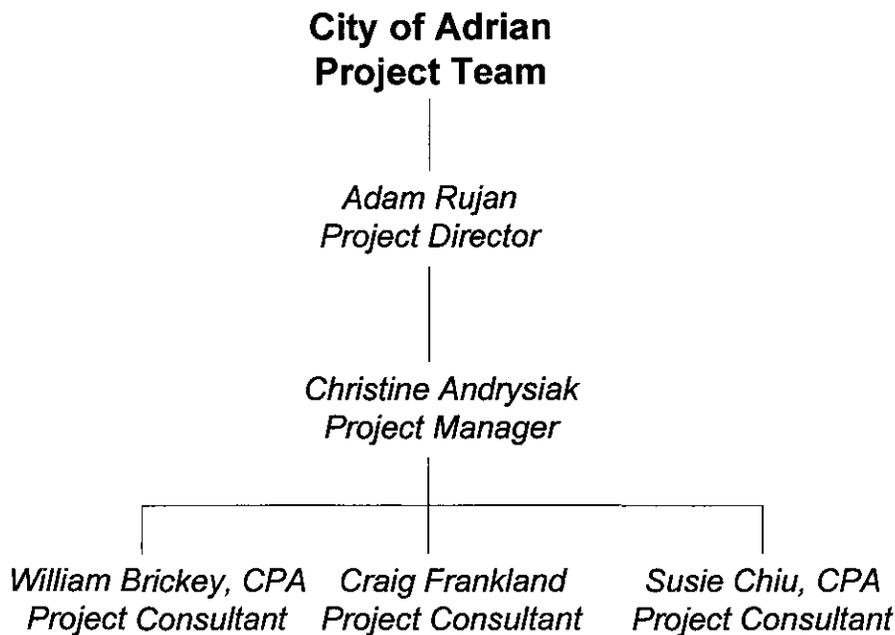
Very truly yours,
PLANTE & MORAN, PLLC



Adam Rujan, Partner

Proposed Project Team

The Partner responsible for all deliverables on this project will be Mr. Adam Rujan; Mr. Rujan has been the Partner within the firm responsible for each of the income tax feasibility studies completed by the firm over the past ten years. Additionally, Mr. Rujan is a frequent presenter to municipal professional organizations, which includes a 2005 presentation for members of the Michigan Municipal League regarding his experiences performing Income Tax Feasibility Studies. Ms. Christine Andrysiak will be the project manager on this engagement; she most recently served as the project manager for an income tax feasibility study completed for the City of Ann Arbor in August 2009. Both will play a significant role in the management and operations of the project. Resumes for each of them are included on the following pages. Mr. Rujan and Ms. Andrysiak will be supported by additional staff on the Plante & Moran project team, and will be responsible for the management of the staff assigned to this engagement and for the quality of all project deliverables. Below is an organizational chart for our project team, followed by their qualifications.



2.4 Similar Engagements with Other Government Entities

The following is a list of similar engagements that the Plante & Moran Southfield office has completed in the last five years for other government entities. These projects are listed based on total number of staff hours.

<p>City of Ann Arbor, MI Mr. Roger Fraser City Administrator 100 North Fifth Ave. Ann Arbor, MI 48104 734-994-2650</p> <p>Mr. Tom Crawford Chief Financial Officer 100 North Fifth Ave. Ann Arbor, MI 48104 734-994-2909</p>	<p>Plante & Moran has completed multiple Income Tax Feasibility reviews for the City of Ann Arbor, as follows:</p> <p>Income Tax Feasibility Review (2004)</p> <p>Performed a financial analysis to assess the feasibility and financial implications of instituting a city income tax in lieu of an operating property tax millage. As part of the review, the project team performed the following activities:</p> <ul style="list-style-type: none">■ Developed a model to estimate revenue using the income tax approach■ Estimated the tax burden shift among taxpayer classes■ Estimated the cash flow timing as compared with current property tax cash flows■ Created five-year revenue comparisons between income tax and property tax■ Estimated the staffing requirements, and related expenses required for tax administration. <p><i>Engagement Partner: Adam Rujan</i> <i>Total Staff Hours: 183 hours</i></p> <p>Income Tax Feasibility Review (2009)</p> <p>Completed an update to the Income Tax Feasibility Review completed in 2004. The project team performed the above project steps and created an updated model using new data sets and assumptions generated by the City. Additionally, the project team created multiple model scenarios, such as varying exemption levels, and created examples of individual tax impacts for the general public, including examples for seniors, renters, landlords, dual income families and commuters.</p> <p><i>Engagement Partner: Adam Rujan</i> <i>Total Staff Hours: 175 hours</i></p>
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<p>City of Ypsilanti, MI Mr. Ed Koryzno City Manager One South Huron St. Ypsilanti, MI 48197 734-483-1810</p>	<p>Income Tax Feasibility Review (2005)</p> <p>Performed an analysis to determine the financial impact of instituting a city income tax to either replace or partially replace the operating property tax millage. As part of the review, the project team performed the following activities:</p> <ul style="list-style-type: none"> ■ Developed a model to estimate revenue using the income tax approach ■ Estimated the tax burden shift among taxpayer classes ■ Estimated the cash flow timing as compared with current property tax cash flows ■ Created five-year revenue comparisons between income tax and property tax ■ Estimated the staffing requirements, and related expenses required for tax administration. <p><i>Engagement Partner: Adam Rujan</i> <i>Total Staff Hours: 131 hours</i></p>
<p>City of Mount Clemens, MI Ms. Marilyn Dluge Finance Director/Treasurer One Crocker Boulevard Mount Clemens, MI 48043 586-469-6838</p>	<p>Income Tax Feasibility Review (2004)</p> <p>Performed an analysis to determine the financial impact of instituting a city income tax to either replace or partially replace the operating property tax millage. The purpose of the study was to estimate whether an income tax is a feasible option for the City. As part of the review, the project team performed the following activities:</p> <ul style="list-style-type: none"> ■ Developed a model to estimate revenue using the income tax approach ■ Estimated the tax burden shift among taxpayer classes: residents, non-residents, and businesses ■ Estimated the cash flow timing as compared with current property tax cash flows ■ Created five-year revenue comparisons between income tax and property tax ■ Estimated the staffing requirements, and related expenses required for tax administration. <p><i>Engagement Partner: Adam Rujan</i> <i>Total Staff Hours: 125 hours</i></p>

2.5 Specific Work Plan Approach

The focus of our approach will be to review the City's current property tax structure in order to create a baseline financial forecast and to create a financial model that estimates the expected revenue from the implementation of a city income tax.

Our proposal focuses on providing the City of Adrian with a comprehensive income tax feasibility review. Our workplan highlights the project steps associated with the key project phases, an estimate on the level of staff and the number of hours proposed to each phase is provided following the workplan.

Phase 1: Project Initiation

1. Project Initiation

Plante & Moran will meet with City of Adrian leadership to finalize the project work plan and clarify project goals & objectives, roles, expectations, and any additional parameters pertinent to the project. At this meeting, we will ensure project responsibilities, scheduling, and reporting procedures are clearly defined. Items such as project status meetings, interviews dates, and deliverable due dates will be established and confirmed at this meeting.

2. Formation of a Steering Committee

Plante & Moran will assist the City of Adrian in forming the Steering Committee to lead this project, if such assistance is required. We believe it is important to include members of the community and city in the Steering Committee in order to verify assumptions and to create customizations to the income tax model. The Steering Committee is also key for incorporating the concerns of members of the business community and residents in creation of the model.

Phase 2: Collection of Baseline Data

3. Review of Property Tax Revenue

In order to produce a baseline property tax level, Plante & Moran will work with City staff members to forecast future revenues from City property tax based on growth rate assumptions from City personnel or the City's Steering Committee. It will be important to understand how current revenue sources will compare to revenue generated through an income tax. In development of the forecast we will consider the following:

- Tax Increment Financing Authorities (TIFA)
- Downtown Development Authority (DDA)
- Neighborhood Enterprise Zones (NEZ)
- Obsolete Property Rehabilitation Act (OPRA)
- Brownfield Redevelopment Act (BRA)
- Act 425 Inter-Local Tax Sharing Agreements (BRA)
- Expiration of Tax Abatements

- Addition of new development or redevelopment
- Increases due to property turn over

In order to complete this project phase, Plante & Moran will work closely with the City of Adrian Finance department to create property tax growth (or decline) assumptions. Additionally, the Steering Committee will review information from the following resources:

- Estimated percent increase (or decrease) in Real Property SEV
- Estimated percent increase (or decrease) in Real Property TV
- New property, net of losses
- Rate of transfers of existing property
- Effects on property tax from the Headlee Amendment and Proposal A

4. Compilation of basic data from other communities with an income tax

Plante & Moran will compile benchmarking information from 3 to 4 cities that currently collect an income tax. Plante & Moran will work with the Steering Committee to identify cities as possible comparison communities. We will consider communities, such as the following, who currently have a City income tax in our comparisons:

- Big Rapids
- Grand Rapids
- Hamtramck
- Pontiac
- Albion
- Lansing
- Jackson

It is our plan to compile data from at least 4 communities, with the goal of including the relevant data in the model assumptions, ensuring that at least 3 to 4 data comparable cities are included in the model assumptions. We have recent benchmark data that will be explored as feasible for use in this project step, as amenable to the City of Adrian.

We will collect the following statistical information from the comparable cities and/or other sources:

- Distribution of returns filed (resident/non-resident)
- Resident income tax returns filed compared to employment
- Collections per return for resident and non-resident returns
- Corporate and partnership collections as a percent of total individual returns
- Cash flow information (timing of collections, collection fees, penalties, interest)
- Administration costs (staff requirements, regulatory expenses, technological support, forms and instructions, appeals process, etc.)

Phase 3: Income Tax Model Analysis

5. Development of Model Assumptions

Using census, state, and purchased sources of data, we will prepare a matrix that summarizes the assumptions that will be used to forecast income tax revenues over a five year time period for three primary populations. These populations include the following.

- Individuals who live in the City of Adrian
- Individuals who commute to work in the City of Adrian
- Businesses, including all corporations, partnerships, and individual proprietorships, which have operations in the City

Where possible, multiple data sources will be identified for each assumption. This matrix will assist the Steering Committee and the City in making additional assumption decisions throughout the project. Where appropriate, Steering Committee input will be requested during this process. Plante & Moran will minimally utilize data sources from the following resources:

- United States Census Bureau
- Michigan Department of Treasury
- United States Bureau of Labor and Statistics
- Nielsen Claritas demographic data
- United States Department of Commerce

6. Five-Year Revenue Projection for a City Income Tax

Based on the model assumptions, we will project for a period of five years the possible growth of the city income tax. The forecast of income tax revenues will be compared with the possible growth of the property tax. Assumptions developed in previous steps, with input from the Steering Committee, will be used for this projection. Assumptions will need to be developed for expected growth in taxable value and household/taxable income. This analysis will also consider the impact on the property tax administration fee, downtown TIFA revenue, non-resident fees for services and City income tax administration costs, and property tax millage rate reductions.

7. Estimation of the Tax Burden Shift

Plante & Moran will utilize the revenue projections created in the previous work step to estimate of the impact of the income tax on the taxpayer classes. We will provide an analysis of the burden shift for the following taxpayer classes:

- Senior citizen/renter
- Senior citizen/homeowner
- Resident/renter
- Resident/homeowner
- Landlord
- Business owner/renter
- Business owner/property owner

For purposes of this analysis, we will assume that the income tax would, at least partially, replace the City's current operating tax levy, e.g. a reduction in half of the general property tax millage or a full reduction of the general property tax millage. The reduction in the amount of general property tax millage will be based on the expected revenue from the income tax and will be discussed with the Steering Committee. Standard exemption levels will be provided unless directed by the City otherwise. Several assumptions regarding these sample taxpayers will need to be developed concerning millage rate modifications and taxable values for residential and business property.

Using the property tax information and the assumptions developed for the City from the analysis, we will compute an estimate of how the tax burden will shift among taxpayer classifications.

8. Cash Flow

We will estimate the timing of income tax collections and compare this estimate with the City's actual experience with property tax receipts to determine cash flows and the impact on the budget. For this estimate, we anticipate using data from the benchmarking analysis.

Phase 4: Completion of Project Deliverables

9. Model Feedback

At the completion of the modeling, the City will be able to provide feedback on the findings. At this time the City will determine if it is necessary to continue further, using modified assumptions. If the City does not choose to continue with the project, a final report will be prepared and an electronic copy of the model will be given to the City. If the City does wish to modify assumptions, the final report and the model will be provided at the end of the model revision. We anticipate up to one model revision.

10. Final Report and Presentations

A final report documenting all model assumptions and project outcomes in addition to an electronic copy of the income tax model will be provided to the City. Additionally, it is anticipated that up to two presentations will be made concerning the results of the project. Additional presentations may be scheduled at additional cost.

R09-204

December 21, 2009

RE: DEPARTMENT OF FINANCE – Authorization to Engage Plante & Moran, LLC to Perform Income Tax Implementation and Property Tax Reduction Feasibility Study

RESOLUTION

WHEREAS, on August 4, 2009, the City of Adrian Purchasing Office issued a Request for Proposal (RFP) to eight (8) vendors to prepare an Income Tax Implementation and Property Tax Reduction Feasibility Study; and

WHEREAS, following a pre-proposal conference on August 25, 2009, the following three (3) vendors submitted sealed-bid proposals on October 1, 2009:

<u>Vendor</u>	<u>Location</u>	<u>Amount</u>
Page, Olson & Co., P.C., CPA's	Mt. Pleasant, MI	\$40,000
Plante & Moran, PLLC	Southfield, MI	\$35,000
Rehmann Robson, CPA's	Farmington Hills, MI	\$20,600

WHEREAS, as specified in the RFP, the proposals were evaluated based on the following criteria:

<u>Category</u>	<u>Maximum Points</u>
Expertise and Experience	45
Project Approach	30
Professional Fees	<u>25</u>
TOTAL	<u>100</u>

WHEREAS, the Administrative Evaluation Committee was composed of the following administrative officers:

Jeffrey C. Pardee, Finance Director
Cindy L. Prue, Assistant Finance Director/Purchasing Officer
Mark Gasche, Parks & Recreation Director; and

WHEREAS, the Evaluation Committee concluded that the strengths of Plante & Moran, PLLC did not compensate for the significant differential in professional fees and, therefore, preliminarily recommended Rehmann Robson as the preferred vendor; and

WHEREAS, however, shortly after notifying the respective finalists of the preliminary recommendation, the City was apprised that Rehmann Robson had spun-off its consulting business and will provide only audit services in the future; and

WHEREAS, as a result, subsequent negotiations with the next lowest bidder, Plante & Moran, were successful in lowering the bid price from \$35,000 to \$20,500; and

WHEREAS, based on the foregoing circumstances, the Finance Director and City Administrator recommend that the lowest qualified bidder, Plante & Moran, LLC, Southfield, MI, be engaged in the City's Standard Professional Services Contract to perform an Income Tax Implementation and Property Tax Reduction Feasibility Study at a cost not to exceed \$20,500 and that appropriate budget amendments be approved.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission by this resolution hereby authorizes the selection of the lowest qualified bidder, Plante & Moran, LLC, Southfield,, MI, and engagement in the City's Standard Professional Services Contract to perform an Income Tax Implementation and Property Tax Reduction Feasibility Study at a cost not to exceed \$20,500.

BE IT, FURTHER, RESOLVED that the sum of \$20,600 be appropriated from General Fund – Contingency Account (101-990.00-990.000) and that the FY2009-10 Budget be amended as follows:

<u>Expenditures</u>	<u>Amount</u>
(101-201.00-812.000) Finance Department – Consultant Fees	\$20,500
(101-990.00-990.000) General Fund – Contingency Account	(20,500)
Total	<u>\$ -0-</u>

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

R-5

R09-205

December 21, 2009

RE: CITY OF ADRIAN ASSESSING OFFICE – Policy for Granting Poverty Exemption

RESOLUTION

WHEREAS, Section 211.7u of the General Property Tax Act of 1893 (as amended) provides for the granting of hardship exemptions, in whole or in part, on the principal residence of persons who in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward the public charges; and

WHEREAS, in accordance with the Act, the Adrian City Commission shall determine and make available to the public the policy and guidelines the Assessing Office uses for granting of exemptions under this Act; and

WHEREAS, the guidelines shall include, but not be limited to, the specific income and asset levels of the claimant and total household income and assets; and

WHEREAS, the Board of Review shall follow the policy and guidelines as established by the City Commission for granting or denying an exemption under this policy, unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant; and

WHEREAS, the City Assessor and Finance Director have prepared a proposed Policy for Granting Poverty Exemption, in accordance with the provisions of Section 211.7u of the General Property Tax Act of 1893 (as amended); and

WHEREAS, the City Administrator recommends adoption of the proposed Policy for Granting Poverty Exemption.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby adopts the attached Policy for Granting Poverty Exemption and delegates the administration of such to the City of Adrian Board of Review.

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

THE GENERAL PROPERTY TAX ACT (EXCERPT)
Act 206 of 1893

211.7u Principal residence of persons in poverty; exemption from taxation; applicability of section to property of corporation; eligibility for exemption; application; policy and guidelines to be used by local assessing unit; duties of board of review; appeal of property assessment; "principal residence" defined.

Sec. 7u. (1) The principal residence of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act. This section does not apply to the property of a corporation.

(2) To be eligible for exemption under this section, a person shall do all of the following on an annual basis:

(a) Be an owner of and occupy as a principal residence the property for which an exemption is requested.

(b) File a claim with the supervisor or board of review on a form provided by the local assessing unit, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.

(c) Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.

(d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.

(e) Meet the federal poverty guidelines updated annually in the federal register by the United States department of health and human services under authority of section 673 of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9902, ~~or~~ alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.*

(3) The application for an exemption under this section shall be filed after January 1 but before the day prior to the last day of the board of review.

(4) The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines the local assessing unit uses for the granting of exemptions under this section. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and total household income and assets.

(5) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section unless the board of review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant.

(6) A person who files a claim under this section is not prohibited from also appealing the assessment on the property for which that claim is made before the board of review in the same year.

(7) As used in this section, "principal residence" means principal residence or qualified agricultural property as those terms are defined in section 7dd.

History: Add. 1980, Act 142, Imd. Eff. June 2, 1980;—Am. 1993, Act 313, Eff. Mar. 15, 1994;—Am. 1994, Act 390, Imd. Eff. Dec. 29, 1994;—Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002;—Am. 2003, Act 140, Eff. Jan. 1, 2004.

Popular name: Act 206

*20% ↑
above federal
guidelines*

CITY OF ADRIAN

POLICY
for
GRANTING POVERTY EXEMPTION

THE GENERAL PROPERTY TAX ACT
Act 206 of 1893 (as amended)

Prepared by

City Assessor and Finance Director

March 3, 2008

**CITY OF ADRIAN
POLICY
for
GRANTING POVERTY EXEMPTION**

I. PURPOSE

The purpose of this policy for granting a poverty exemption is to provide guidance to the City of Adrian's Board of Review in making determinations regarding applications under Section 211.7u of the General Property Tax Act of 1893 (as amended).

II. STATEMENT OF POLICY

In compliance with the Poverty Exemption provision of the General Property Tax Act (MCL 211.7u), the principal residence of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under that Act. This section does not apply to the property of a corporation.

III. DEFINITIONS

As used in this policy, "principal residence" means principal residence or qualified agricultural property as those terms are defined in Section 211.7dd, as follows:

- A. "Principal residence" means the one place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. Principal residence includes only that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and that is owned and occupied by an owner of the dwelling or unit. Principal residence also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Contiguity is not broken by a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the two parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. Principal residence also includes any portion of a dwelling or unit of an owner that is rented or leased to another person as a residence as long as that portion of the dwelling or unit that is rented or leased is less than 50% of the total square footage of living space in that dwelling or unit. Principal residence also includes a life care facility registered under the living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844. Principal residence also includes property owned by a cooperative housing corporation and occupied by tenant stockholders.

- B. "Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 36101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a principal residence exemption on other property. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building.

IV. ELIGIBILITY REQUIREMENTS AND CLAIM PROCEDURE

To be eligible for exemption, a person shall do all of the following on an annual basis:

- A. Be an owner of and occupy as a principal residence the property for which an exemption is requested.
- B. File a claim with the Board of Review on a form provided by the City of Adrian Assessing Office, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediate preceding year or in the current year. The filing of a claim constitutes an appearance before the Board of Review for the purpose of preserving the claimant's right to appeal the decision of the Board of Review regarding the claim.
- C. Produce a valid driver's license or other form of identification, if requested by the Board of Review.
- D. Produce a deed, land contract, or other evidence of ownership of the property for which the exemption is requested, if required by the Board of Review.
- E. Meet the federal poverty guidelines updated annually in the Federal Register by the United States Department of Health and Human Services, under authority of Section 673 of Subtitle B of Title VI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, 42 U.S.C. 9902, or alternative guidelines adopted by the Adrian City Commission, provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.
- F. The application for exemption under this policy shall be filed after January 1 but before the day prior to the last day of the Board of Review.

- G. A person who files a claim under this policy is not prohibited from also appealing the assessment on the property for which that claim is made before the Board of Review in the same year.

V. POLICY FORMULATION AND ADMINISTRATIVE EXECUTION

- A. The Adrian City Commission shall determine and make available to the public the policy and guidelines the Assessing Office uses for the granting of exemptions under this policy. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and total household income and assets.
- B. The Board of Review shall follow the policy and guidelines as established by the City Commission for granting or denying an exemption under this policy, unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant.

**CITY OF ADRIAN
LENAWEE COUNTY, MICHIGAN**

GUIDELINES FOR APPLICANTS REQUESTING

CONSIDERATION FOR 2010 HARDSHIP EXEMPTION

BY LAW, ALL BOARD OF REVIEW MEETINGS AND INFORMATION DISCUSSED ARE OPEN TO THE PUBLIC. EVIDENCE GIVEN TO THE BOARD OF REVIEW OR THE ASSESSOR IS SUBJECT TO THE FREEDOM OF INFORMATION ACT. REQUESTS FOR INFORMATION MAY BE RELEASED TO THE PUBLIC.

1. All applicants must obtain and fill out the attached application. It must be given to the local Assessor no later than:

4:30 PM Friday, March 05, 2010

for action by the March Board of Review *or*

4:30 PM Friday, July 09, 2010

for action by the July Board of Review *or*

4:30 PM Friday, December 03, 2010

for action by the December Board of Review

2. Applicants must own and occupy the homestead property for which the exemption is requested. The homestead percentage, as determined by General Property Tax Law 211.7dd, will determine the percentage of property that can be considered for exemption.

“Homestead” means that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and is owned and occupied as a principal residence by an owner of the dwelling unit. Homestead also includes all of an owner’s unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied as a principal residence by the owner. A road or a right-of-way does not break contiguity. Homestead also includes any portion of a principal residence of an owner that is rented or leased to another person as a residence as long as that portion of the principal residence that is rented or leased is less than 50% of the total square footage of living space in that principal residence. Homestead also includes a life care facility registered under the living care disclosure act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

“Qualified agricultural property” means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 2 of the Farmland and Open Space Preservation Act, Act No. 116 of the Public Acts of 1974, being section 554.702 of the Michigan Compiled Laws. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a homestead exemption on other property. Property used for commercial storage, commercial processing, operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel’s acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building.

3. Applicants cannot be considered for exemption if their total household gross income is 120% of the federal guidelines.

Family Size	Annual Household Income	Monthly Household Income
A family of one (1) shall make no more than	10,800	900
family of two (2) shall make no more than	14,600	1,217
A family of three (3) shall make no more than	18,300	1,525
A family of four (4) shall make no more than	22,100	1,842
A family of five (5) shall make no more than	25,800	2,150
A family of six (6) shall make no more than	29,500	2,458
A family of seven (7) shall make no more than	33,300	2,775
A family of eight (8) shall make no more than	37,000	3,083
For each additional person add	3,700	308

4. Cash assets for the total household may not exceed an amount equal to one month's gross household income (see above table).
5. Non-cash assets (See II Assets, Section A-E) for the total household may not exceed 120% of the federal guidelines. The following assets are excluded from this limit:

- Applicant's homestead property
- Applicant's household personal property
- One vehicle used for personal transportation and titled to a member of the household
- Applicant's interest in Indian trusts lands
- Assets not accessible by the applicant, co-owner or any member of the applicant's household.

1. All applicants, if approved by the Board of Review, will pay taxes equal to 3.5% of their total household gross income. Applicants over 65, paraplegic, quadriplegic, hemiplegic, or totally and permanently disabled as defined under Social Security Guidelines 42 USC 416, will pay taxes equal to the following percentages:

Total household gross income less than \$6,000	0%
Total household gross income \$6,001 to \$7,000	1.0%
Total household gross income \$7,001 to \$8,000	2.0%
Total household gross income \$8,001 to \$9,000	3.0%
Total household gross income greater than \$9000	3.5%

2. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner, and all members of the household. Any attempt to hide and/or shift income and/or assets to another person, business or corporation shall be grounds for immediate denial.
3. The Board of Review will consider the effect of all Michigan Income Tax Credits the applicant receives or can receive. Credits include Homestead Property Tax Credits, Senior Citizen Prescription Drug Credits and Home Heating Credits.
4. Applications must be filed every year. If granted, exemptions are in effect for one year only.
5. Applicants must produce a driver's license or other acceptable identification if asked by the Board of Review. Applicants must also produce a deed, land contract or other proof of property ownership if asked by the Board of Review.
6. The Board of Review will review applications. The Board may ask applicants or their authorized agents to be physically present to answer questions.
7. Applicants or their authorized agents may have to answer questions regarding such subjects as financial affairs, health and/or the status of people living in their home at a meeting that is open to the public.
8. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board can also use information gathered from any other source.
9. The Board of Review shall follow the policy and guidelines established by the City Commission of the City of Adrian in granting or denying an exemption.
10. The Board of Review may deviate from the guidelines if it determines there are substantial and compelling reasons. Compelling reasons includes, but is not limited to, excessive medical expenses or excessive expenses necessary for the care of elderly or handicapped persons. Reasons will be communicated, in writing, to the applicant.
11. Applicants may be subject to investigation of their entire financial and property records by the City. This would be done to verify information given or statements made to the Board of Review or Assessor in regard to their poverty tax claim.
12. Household income limits are updated each year, using the poverty thresholds established by the *U.S. Office of Management and Budget*.
13. Applicants will be sent a written notice of the Board's final decision. An applicant may appeal the Board's decision to the Michigan Tax Tribunal. An assessor may also appeal the Board's decision.

**BOARD OF REVIEW
DECLARATION OF HARDSHIP AND
REQUEST FOR TAX RELIEF APPLICATION**

Property ID Number: _____ Current SEV: _____

Property Address: _____

APPLICANT INFORMATION

IMPORTANT: It is necessary that you fill out this petition as carefully as you can. All questions must be answered. Please have supporting information such as contracts, mortgage receipts, tax receipts, bank books, etc. available. An investigator may call at your home to examine your records. **NOTE:** Any person making a false petition for the purpose of exemption from taxation shall be guilty of the crime of perjury, and shall be punished accordingly.

I (We) hereby appeal to the Board of Review for a reduction of taxable valuation because of inability to contribute fully toward the public charges by reason of Hardship.

Name of Owner and Co-Owners: _____

Street Address: _____

City, State, Zip: _____ Phone Number: _____

Did you or a co-owner apply for a Michigan Homestead Property Tax Credit? Yes ___ no ___

If YES, did you receive a refund or tax credit? ___ refund ___ credit How Much \$ _____

If NO, why not: _____

OWNERS:

Social Security # _____

Age as of Dec 31st: _____

Are you blind ___ YES ___ NO

Are you paraplegic, hemiplegic or quadriplegic? ___ YES ___ NO

Are you totally and permanently disabled as defined under Social Security Guidelines 42 USC 416?
___ YES ___ NO

Are you a Veteran with service connected disability? ___ YES ___ NO

If YES, what % disability _____%

Are you a surviving spouse of a Veteran with a service connected disability? ___ YES ___ NO

If YES, what % disability? _____%

Are you a surviving spouse of a veteran deceased in service? ___ YES ___ NO

Are you a veteran of wars before WWI, pensioned veteran, their surviving spouses, or active military?

___ YES ___ NO

Are you a surviving spouse of a non-disabled or non-pensioned veteran of the Korean War, WWII, or WWI?

___ YES ___ NO

CO-OWNERS:

Social Security # _____

Age as of December 31st: _____

Are you blind? ___ YES ___ NO

Are you paraplegic, hemiplegic or quadriplegic? ___ YES ___ NO

Are you totally and permanently disabled as defined under Social Security Guidelines 42 USC 416?

___ YES ___ NO

Are you a Veteran with service connected disability ? ___ YES ___ NO

If YES, what % disability? _____%

Are you a surviving spouse of a Veteran with a service connected disability? ___ YES ___ NO

If YES, what % disability? _____%

Are you a surviving spouse of a veteran deceased in service? ___ YES ___ NO

Are you a veteran of wars before WWI, pensioned veteran, their surviving spouses, or active military?

___ YES ___ NO

Are you a surviving spouse of a non-disabled or non-pensioned veteran of the Korean War, WWII, or WWI?

___ YES ___ NO

Has an *Affidavit for Homestead Exemption From Some School Taxes* been filed for this property?

___ YES ___ NO If YES, what percent (%) exemption was granted _____%

SUBSTANTIAL & COMPELLING REASONS

In the spaces below list any substantial and compelling reasons you feel the Board should consider during the evaluation of this petition.

GENERAL INFORMATION

Check one: ___ Married ___ Single ___ Divorced ___ Widow ___ Widower ___ Separated

How long have you been a resident of the City of Adrian? _____ years

What year did you purchase this property? _____

Purchase Price? \$_____ Down Payment \$_____ Interest Rate _____%

Total unpaid balance of mortgage as of December 31 of last year \$ _____

Mortgage or Contract Holder: _____

Taxes: Delinquent years _____ Delinquent Amount \$ _____

List all persons living in the household (including yourself):

<i>Last Name</i>	<i>First Name</i>	<i>Age</i>	<i>Relationship</i>	<i>Employment</i>

INCOME & ASSETS

SECTION A: Schedule of Family Income

DO NOT INCLUDE THE FOLLOWING:

Money received from the sale of property such as stocks, bonds, a house, or a car unless a person is in the business of selling such property.

- Withdrawals of bank deposits and borrowed money.
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
- Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches.

INCLUDE INCOME OF ALL PERSONS RESIDING IN THE HOME

Salaries, wages, tips & other employee compensation (include strike, sick and sub pay)	\$
2. Cash in Hand (including balances in checking and savings accounts)	
3. All dividends and interest (including US, state and municipal bond interest)	
4. Net rent, royalty, business, gambling or lottery income	
5. Annuity and pension benefits: Name of payer _____	
6. Net farm income	
7. All Capital gains less capital losses	
8. Alimony and other taxable income: Describe _____	
9. Other adjusted income	
10. Social Security, supplemental income (SSI) or railroad retirement Benefits	
11. Unemployment compensation & trade readjustment allowance (TRA) Benefits	
12. Child Support, Military Family Allotments	
College or university scholarships, grants, fellowships and assistant fellowships	
14. Other non-taxable income: Describe _____	
15. Worker's compensation, veteran's disability compensation & Pension benefits	
16. ADC, GA or Emergency Assistance benefits	
All other public assistance payments (home heating credit, Michigan property tax credit, etc.) Describe _____	
18. Income from real estate	
19. SUBTOTAL: (add lines 1 through 18)	\$
Insurance premiums you paid for medical care for yourself and family	
21. <u>TOTAL HOUSEHOLD INCOME:</u> (subtract line 20 from line 19)	\$

II. ASSETS

SECTION A: Investments

On spaces below, list all cash, stocks, bonds, mortgages, land contracts, annuities, US Savings Bonds or any other investments you, the co-owner or any member of your household has.

<i>Description of Investment</i>	<i>Present Value</i>	<i>Income Earned Last Year</i>

SECTION A, SUBTOTAL: \$ _____

SECTION B: Real Estate

In the spaces below, list all property owned in full or in part by you, the co-owner or any member of your household (houses, land, cottages, garages, stores, etc.) Do not list the property this application is being applied for.

<i>Address of Property</i>	<i>Owner</i>	<i>Market Value</i>	<i>Taxes</i>	<i>Income</i>

SECTION B, SUBTOTAL: \$ _____

SECTION C: Life Insurance Policies

In the spaces below, list all the insurance policies held by you, the co-owner, or any member of the household.

<i>Insured</i>	<i>Amount of Policy</i>	<i>Amount Paid Monthly</i>	<i>Cash Value of Policy</i>	<i>Name of Beneficiary</i>	<i>Relationship to Insured</i>
	\$	\$	\$		

SECTION C, SUBTOTAL: \$ _____

SECTION D: Motor Vehicles

In the spaces below, list all automobiles, motorcycles, trucks, off-the-road vehicles, etc. owned by you, the co-owner or any member of the household.

<i>Make & Model</i>	<i>Year</i>	<i>License Number</i>	<i>Monthly Payment</i>	<i>Balance Owed</i>
			\$	\$

SECTION D, SUBTOTAL

\$ _____

SECTION E: All Other Assets

In the spaces below, list all other assets and their values that are owned or controlled by you, the co-owner or any member of the household. (For example, boats, coin collections, antiques, jewelry, silver, etc.)

<i>Type of Asset</i>	<i>Value</i>	<i>Owner</i>
	\$	

SECTION E, SUBTOTAL:

\$ _____

TOTAL ASSETS: Sections A - E

\$ _____

EXPENSES

SECTION A: Debts

In the spaces below, list all outstanding debts that you, the co-owner, or any member of the household may have. Include mortgages, home improvement loans, chattel mortgages, finance company loans, personal loans, credit cards, automobile loans, etc. Do not include the mortgage payments for the property being applied for.

<i>Creditor</i>	<i>Purpose of Debt</i>	<i>Date of Debt</i>	<i>Original Balance</i>	<i>Monthly Payment</i>	<i>Balance Owed</i>
			\$	\$	\$

SECTION A, TOTAL DEBTS:

\$ _____

SECTION B: Subsistence Costs

In the spaces below, list the actual monthly household costs where available and estimate the others as closely as possible. You may be asked to verify your estimates with copies of bills and receipts.

<i>TYPE</i>	<i>Credits</i>	<i>Expenses</i>
1. Land Contract or Mortgage payment for homestead only Does this include an escrow amount for tax purposes ____ YES ____ NO		\$
Gas or Fuel Oil Did you receive a State of Michigan Home Heating Credit ____ YES ____ NO If YES list amount in "Credits" column	\$	
3. Electricity		
4. Water, Sewer, Garbage		
5. Food (exclude liquor, cigarettes, pet food, pop, etc.)		
Doctors & Medicine Do you have medical insurance? ____ YES ____ NO. If YES, who _____ Please be ready to provide a copy of your policy if so requested. Did you receive a State of Michigan Senior Citizen Prescription Drug Claim Credit? ____ YES ____ NO If YES list amount in "Credits" column	\$	
7. Homeowner's Insurance		
8. TOTAL SUBSISTENCE HOUSEHOLD EXPENSES		\$
TOTAL HOUSEHOLD CREDITS (Home heating & Senior Citizen Prescription Credit)	\$	
.NET TOTAL SUBSISTENCE HOUSEHOLD EXPENSES (LINE 8 MINUS LINE 9)		\$

ADDITIONAL INFORMATION

With this petition you will need to submit last year's copies of the following applicable documents for yourself, the co-owner, and every member of the household.

1. Federal, State and City Income Tax Returns – 1040 or 1040A and any schedules
2. All W-2 and 1099 forms
3. Michigan Homestead Property Tax Credit Claim MI-1040CR
4. Michigan Home Heating Credit
5. Social Security Benefit Statement Form SSA-1099
6. DSS Year End Total Payments Report
7. Statement from Friend of the Court
8. State Income Tax Return
9. City Income Tax Return

NOTE: DO NOT SIGN THIS PETITION UNTIL WITNESSED BY THE ASSESSOR, BOARD OF REVIEW MEMBER, OR NOTARY.

I (We), _____, being duly sworn, depose and state under the penalties for perjury, that the information contained in this petition and my (our) financial condition as above stated is true and correct and to the best of my (our) knowledge and belief.

I (We), the Co-Owner, or any member of the household has no money, income or property other than herein mentioned. I (We) hereby grant permission to review income tax files in order to process this petition.

I (We) authorize the Board of Review, City of Adrian to obtain and utilize whatever documentation and/or information necessary.

Applicant

Applicant

Subscribed and sworn this _____ day of _____.

Witness for Board of Review

_____ Print name and title

R-6

R09-206

December 21, 2009

RE: ADMINISTRATION – Comcast Cable-Public Access Channels 20 & 23

RESOLUTION

WHEREAS, the City of Adrian has operated Public Access Channels 20 and 23 after having received funding from the holder of the cable television franchise for equipment necessary to operate said system; and

WHEREAS, Comcast, Inc. is the current franchise holder and has agreed to only pay \$500.00 per quarter to support these channels, which is insufficient to cover the cost of equipment and needed programming; and

WHEREAS, an increased investment would be necessary to move the equipment from old City Hall to new City Hall and to provide adequate equipment and programming needs.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the City Administrator is hereby directed to discontinue the operation and programming for Channels 20 and 23 on the Comcast cable television system.

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

MISCELLANEOUS

M-1

Parks and Recreation Department
 Recreation Program Report
 Fall 2009
 (September - November)

	2005	2006	2007	2008	2009
AQUATICS PROGRAMS					
Swim Lessons (2 sessions; 1 session 2009)	17	28	9	11	11
YOUTH PROGRAMS					
After School Programs					
Alexander - Karate			23		
Alexander - Soccer			38		
Alexander - Basketball				16	
Alexander - Ultimate Recess					0
Lincoln - Soccer			10		
Lincoln - Basketball				(3)	
Lincoln - Ultimate Recess					(2)
Michener - Basketball			19	(3)	
Prairie - Soccer			30		
Prairie - Karate				23	
After Thanksgiving Drop 'N Shop*					24
Karate	16	21	21	20	12
Movin' Magic				4	6
Sports for Squirts	26	15	9		
Squirts Soccer				14	13
Squirts Floor Hockey				8	(6)
Stick to Spanish*					0
Parent's Night Out*					2
Pixie Cheerleading	83	24	36	18	40
Preschool Pajama Party				6	(2)
ORV Class	6	(2)	8	(2)	0
Youth Soccer	11	58	29	41	26
ADULT PROGRAMS					
Adult Day Trips					
Frankenmuth				11	12
Toledo Zoo*					9
Adult Dance Classes (couples)					
Swing Dance (2 sessions '08)	8	6	8	7/8	
Ball Room Dance (2 sessions '08)	7	9	20	14/9	
Beginner Swing & Ballroom Dance (2 sessions '09)					6/8
Intermediate Swing & Ballroom Dance (2 sessions '09)					9/7
Beginning Western Square Dance* (2 sessions)					18/14
Dog Obedience	19/22	22/30	28/24	22/30	12/13
Karate Family/Ind.	2/2	1/0	2/2	16/8	5/4
ADULT SPORTS					
Adult Volleyball 6x6 (teams)					
Men's	10	4	6	5	5
Women's	35	31	34	28	29
Adult Softball (teams)					
Modified Pitch	12	8	5	(3)	0
Slow Pitch-Men's	12	12	13	16	19
Slow Pitch-Co-Ed	13	14	10	4	5
Adult Soccer (teams)	4	6	9	6	6
ADAPTIVE PROGRAMS					
Fall Fling		4	(0)	(1)	N.O.
Bowling w/Buddies		12	N.O.	N.O.	0
Krazy Karaoke				(1)	N.O.
SKATE PARK					
Open Skate	392	364	202	180	290
SPECIAL EVENTS					
Freaky Friday	314	337	212	232	205
Haunted Graveyard 5K Race			85	100	104
Haunted Graveyard Family Walk			38	34	36
Hayrides (groups)	23	29	25	24	26
Punt, Pass & Kick	15	9	15	15	5
Turkey Basketball Shoot (teams)	43	49	37	15	9
Walk Michigan				84	78
*New Program N.O. - Not Offered () Cancelled due to low enrollment					
NOTE: Blank spaces are due to not offering certain programs in various years.					

Adrian Parks and Recreation
 Non-Resident Report
 Fall 2009
 (September - November)

	Residents	Non-Residents	Total Participants	Percentage Non-Res.
AQUATICS				
Swim Lessons	8	3	11	27%
YOUTH PROGRAMS				
Karate	8	4	12	33%
Movin' Magic	2	4	6	67%
Squirts Soccer	3	10	13	77%
Pixie Cheerleading	26	14	40	35%
Youth Soccer	17	9	26	35%
ADULT CLASSES				
Beg. Ballroom/Swing Dance (individuals)	10	18	28	64%
Int. Ballroom/Swing Dance (individuals)	6	26	32	81%
Beg. Square Dance (individuals)*	15	17	32	53%
Dog Obedience	6	19	25	76%
Karate Family/Ind.	1	8	9	89%
ADULT SPORTS				
Adult Volleyball 6x6 (individuals)				
Men's	10	31	41	76%
Women's	48	135	183	74%
Adult Softball (individuals)				
Slow Pitch-Men's	126	161	287	56%
Slow Pitch-Co-Ed	25	68	93	73%
Adult Soccer	38	31	69	45%
SKATE PARK				
Open Skate	247	43	290	15%
SPECIAL EVENTS				
Adult Day Trip	14	7	21	33%
Freaky Friday	N/A Did not track			
Haunted Graveyard 5K Race	N/A Did not track			
Hayrides (groups)	17	9	26	35%
Punt, Pass & Kick	1	4	5	80%
Turkey Basketball Shoot	N/A Did not track			
Walk Michigan	N/A Did not track			
TOTALS	628	621	1249	50%
Scholarships Distributed				
Fall 2009				
Program			# of Scholarships	Amount
Aquatics			5	\$125
Youth Sports			7	\$118
Youth Programs			1	\$13
Special Events			4	\$60
TOTAL			17	\$316.00

M-2

DEPARTMENTAL REPORT

DECEMBER 21, 2009

	NOVEMBER 2009	OCTOBER 2009	NOVEMBER 2008	YEAR-TO-DATE 2009	YEAR-TO-DATE 2008
POLICE DEPARTMENT					
Complaints Answered	782	754	716	9,173	9,753
VIOLATIONS					
Moving Citations	98	64	69	960	1,662
3-6 am Parking Tickets	62	104	140	1,751	1,319
Non-Moving Citations	14	2	39	343	184
Downtown Parking Tickets	189	248	0	1,847	3,256
TOTAL VIOLATIONS	363	428	248	4,901	6,421
ARRESTS	86	103	105	1,223	1,400
FIRE DEPARTMENT (See M-4)					
INSPECTION DEPARTMENT					
Building Permits	18	25	19	292	428
Electrical Permits	11	17	16	185	217
Mechanical Permits	22	20	18	200	226
Plumbing Permits	4	6	8	59	77
Sidewalk Permits	0	1	2	13	37
Sign Permits	2	2	4	38	57
TOTAL PERMITS	57	71	67	787	10,429,753
Estimated Bldg.Costs	\$125,114	\$795,720	\$1,312,554	\$3,617,075	\$13,165,338
PARKING SYSTEM					
Meters in Operation					
Parking Assessment	\$0	\$0	\$0	\$13,548	\$9,412
Lot Revenue	\$1,225	\$0	\$0	\$4,404	\$6,606
Street Revenue	\$0	\$0	\$0	\$0	\$0
Misc. Revenue	\$15	\$15	\$15	\$155	\$90
Permits	\$0	\$525	\$87	\$16,814	\$35,701
Fines	\$575	\$750	\$25	\$7,526	\$13,769
Token Sales	\$0	\$0	\$0	\$0	\$0
Contribut-GenFund	\$0	\$0	\$0	\$26,000	\$132,000
TOTAL REVENUE	\$1,815	\$1,290	\$127	\$68,447	\$197,578
WASTE WATER DEPARTMENT					
M. G. Pumped	122.983	137.941	131.443	1,737.494	1,889.985
Cost of Plant Operation	*	\$388,161	\$312,561	\$3,076,041	\$3,433,376
WATER DEPARTMENT					
M. G. Pumped	75	79	85	950	1,015
Number of Customers	6,260	6,291	6,304		
	Industrial	Commercial	Residential	Other	TOTAL
M. G. Sold Revenue	\$30,556	\$82,793	\$100,719	\$66,252	63,617 \$280,320

*Figure not available

m-3

FIRE REPORT

Month of November, 2009

	This Month	Last Month	Last Year	To Date This Year	To Date Last Year
Structure Fires	1	0	1	20	21
Loss	\$0	\$0	\$0	\$158,000	166000
Vehicle Fires	0	1	0	9	10
Loss	\$0	\$0	0	\$2,000	2000
Other Fires	2	3	2	32	30
Loss	\$0	\$0	\$0	\$3,000	3000
Smoke & Odor	10	13	5	78	66
False Alarms	12	8	3	80	67
Hazardous Conditions	1	7	6	105	106
Other	18	6	20	120	127
Medical Emergencies	142	159	143	1625	1632
Vehicle Accidents	4	8	9	90	92
Total Runs	190	205	189	2161	2153
Total Fire Loss	\$0	\$0	\$0	\$163,000	171000

12-4

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

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

WEEK END:	NOV 6	NOV 13	NOV 20	NOV 27	NOV 30	TOTAL
MONDAY	305	299	301	267	323	1495
TUESDAY	329	297	319	255	0	1200
WEDNESDAY	306	243	291	257	0	1097
THURSDAY	300	267	294	0	0	861
FRIDAY	290	278	280	93	0	941
		1384	1485	872	323	5594

SERVICE DAYS	NOV 2009	NOV 2008	+/-	OCT 2009
	(20)	(19)		(22)

SENIORS	592	771	-179	691
HDCP SENIORS	850	864	-14	1012
HANDICAPPED	2484	2699	-215	2858
WHEELCHAIRS **	360	249	111	423
GENERAL	1668	1716	-48	1879
	5594	6050	-456	6440

DECEMBER	2008	6171	2009	6734	9%
JANUARY	2008	7616	2009	7368	-3%
FEBRUARY	2008	7452	2009	7417	0%
MARCH	2008	7027	2009	7540	7%
APRIL	2008	7136	2009	6915	-3%
MAY	2008	6957	2009	6119	-12%
JUNE	2008	6707	2009	6453	-4%
JULY	2008	6717	2009	6098	-9%
AUGUST	2008	6213	2009	5711	-8%
SEPTEMBER	2008	6640	2009	5788	-13%
OCTOBER	2008	7278	2009	6440	-12%
NOVEMBER	2008	6050	2009	5594	-8%
		81964		78177	-5%

** WHEELCHAIR TOTALS ARE INCLUDED IN HANDICAPPED PASSENGER TOTALS

m-5

Bohn Pool 10 Year Summary Comparison 2009

Years	Open Swim Attendance	Passes Sold	Pass Holders	Swim Lessons	Swim Team	Rentals	Total Attendance
2000	13,631	225		914	61	19	
2001	15,843	174		612	73	12	
2002	15,423	247		586	68	15	
2003	*11,251	169		591	66	16	
2004	11,374	178		587	69	14	
2005	11,713	186		660	74	14	
2006	11,380	184		629	111	22	22,125
2007	13,179	247	602	711	174	15	24,243
2008	14,663	247	609	545	148	18	24,537
2009	12,332	244	584	487	157	13	21,338

*2003 marked the the first year of having one, instead of two separate daytime open swim sessions

NOTE: Open Swim Attendance = Open Swim attendance (Res, NR, & Senior for Day, PM & Evening session) + groups (TotalGroup\$/3)

NOTE: Total Attendance = Open Swim Attendance + (Swim Lessons x average attendance 8 of 10 days) + Special Events + (Swim Team x average attendance 3.5 of 5 days per week x 6 weeks) + Rentals + Lap Swim + Aerobics

Years	Total Revenue	Total Expenses	Net
2000	\$58,026.37	\$95,837.70	-\$37,811.33
2001	\$71,340.69	\$81,097.29	-\$9,756.60
2002	\$71,181.43	\$93,269.05	-\$22,087.62
2003	\$61,428.75	\$99,843.91	-\$38,415.16
2004	\$63,760.30	\$105,554.92	-\$41,794.62
2005	\$81,792.29	\$129,499.32	-\$47,707.03
2006	\$85,570.32	\$135,423.34	-\$49,853.02
2007	\$87,155.38	\$123,453.09	-\$36,297.71
2008	\$90,634.70	\$134,214.69	-\$43,579.99
2009	\$81,442.22	\$138,121.93	-\$56,679.71

*Expenses 2009 = \$137,321.93 (Actual Jan-Nov) + \$800 (Estimated December)

NOTE: In 2008 any remaining expenses associated with the former Ice Rink were rolled into the pool account adding approximately \$2,000 to \$2,500 in additional expenses.

NOTE: One major expense that should be included when analyzing the true cost of operating Bohn Pool, but which is not included in the information above, is the Wage Expense of the Pool Maintenance Person. For the current Year (2009) that expense equaled approximately \$9,157 (Assuming 90% of his/her time was spent working at the pool); this expense should be representative of recent years.

Bohn Pool Concessions

Year	Total Revenue	Total Expenses	Net
2006	\$16,369.26	\$22,414.00	-\$6,044.74
2007	\$17,463.04	\$13,031.07	\$4,431.97
2008	\$17,450.25	\$12,994.81	\$4,455.44
2009	\$13,260.25	\$11,481.10	\$1,779.15

NOTE: In 2007 the concession prices were raised significantly resulting in large decrease in volume sold, a dramatic decrease in expenses and nearly constant revenue.

m-6

Adrian Parks And Recreation SKATE AND BIKE PARK 5 Year Attendance and Revenue/Expense Comparison

	2005	2006	2007	2008	2009
OPEN SESSIONS					
Skateboard		949	978	733	696
Bike		381	318	506	517
Inline Skates				6	34
Admissions Revenue	\$4,739.00	\$2,565.00	\$2,720.00	\$2,509.00	\$2,578.00
Total Regular Admissions	1568	1330	1296	1245	1247
Helmet Rentals	916	519	657	632	538
Helmet Rental Revenue	\$916.00	\$519.00	\$657.00	\$632.00	\$538.00
Season Passes	8	7	3	1	1
Employee Season Passes	31	4	0	8	8
10 Punch Passes	5	5	0	0	0
Pass Revenue	\$1,200.00	\$674.00	\$240.00	\$96.00	\$80.00
Pass Admissions	394	361	60	35	31
# Sponsored Free Sessions	15	12	2	11	14
Sponsorship Revenue	\$600.00	\$600.00	\$100.00	\$500.00	\$550.00
Free Session Admissions	207	190	35	125	135
TOTAL ADMISSIONS	2169	1881	1391	1405	1413
SKATEBOARD LESSONS					
Participants	N/A	14	7	8	18
Revenue	N/A	\$225.00	\$117.00	\$132.00	\$348.00
Expenses	N/A	\$200.00	\$125.00	\$75.00	\$127.50
Net	N/A	\$25.00	(\$8.00)	\$57.00	\$220.50
SKATEBOARD CAMP					
Participants	N/A	29	25	13	17
Revenue	N/A	\$1,675.00	\$1,807.00	\$600.00	\$842.00
Expenses	N/A	\$878.00	\$706.76	\$381.36	\$481.50
Net	N/A	\$797.00	\$1,100.24	\$218.64	\$360.50
<i>*2006 & 2007 camps were four day, 5hour/day camps. Based on instructor's request camp was changed to three days, 3hour/day in 2008.</i>					
CONCESSIONS					
Revenue	\$385.00	\$156.25	\$421.60	\$669.75	\$780.00
Expenses	\$159.40	\$75.00	\$313.20	\$342.53	\$375.00
Net	\$225.60	\$81.25	\$108.40	\$327.22	\$405.00
OVERALL					
Revenue	\$8,637.59	\$7,628.05	\$6,061.76	\$5,047.56	\$5,716.00
*Expenses	\$20,030.22	\$13,305.27	\$11,610.95	\$10,444.28	\$10,254.90
Net	(\$11,392.63)	(\$5,677.22)	(\$5,549.19)	(\$5,396.72)	(\$4,538.90)

**Expenses 2009 = \$10,077.90 (Actual Jan-Nov) + \$177 (Estimated Remaining Expenses)*

NOTE: The detailed information was taken from RecTrac and the recreation Skate Park files. The "Overall" totals, however, were taken from the City's Financial General Ledger.

NOTE: The 2005 Skate park hours were from 10am-Dusk. The hours were changed in 2006 to two 3 hour sessions. At this time admission also dropped from \$4/\$3 to \$3/\$2 and Season Passes dropped from \$125/\$100 to \$96/\$80.