

PRE-MEETING AGENDA

ADRIAN CITY COMMISSION
AGENDA
PRE-MEETING STUDY SESSION
AUGUST 3, 2009
5:30 P.M.

The City Commission will meet for a pre-meeting study session on Monday, August 3, 2009 at 5:30 p.m. **at the Water Treatment Plant** on Bent Oak.

- I. Security Issues at the Water Treatment Plant
- II. Other Items as Time Permits

COMMISSION AGENDA

**AGENDA
ADRIAN CITY COMMISSION
AUGUST 3, 2009
7:00 P.M.**

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- I I. ROLL CALL
- I I I. APPROVAL OF MINUTES OF THE JULY 20, 2009 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- I V. APPROVAL OF MINUTES OF THE JULY 28, 2009 SPECIAL MEETING OF THE ADRIAN CITY COMMISSION
- V. PRESENTATION OF ACCOUNTS
- V I. COMMUNICATIONS
 - 1. C-1. Report on Government Finance Officers Association's 103rd Annual Conference
 - 2. C-2. FY2008-09 Year-End Unaudited Financial Report
- V I I. CONSENT AGENDA
 - A. RESOLUTIONS
 - 1. CR09-044. Resolution to reappoint Margaret Noe, Waneta Raloff and Jane Castle to the Election Commission for a one-year term.
 - 2. CR09-045. Resolution to reappoint Clarke Baldwin and Brian Boze to the Historic District Commission for a three-year term.
- V I I I. PUBLIC COMMENTS
- I X. REGULAR AGENDA
 - A. ORDINANCE
 - 1. Ord. 09-08. Second reading of an Ordinance to create Article V of Chapter 90, Sections 90-200 through 90-218 – MOTOR CARRIERS.
 - B. RESOLUTIONS
 - 1. R09-131. Resolution authorizing the issuance of non-taxable Municipal Limited Tax General Obligation Bonds (Series A) for

the acquisition, construction, furnishing & equipping of the Municipal Complex and refinancing of previous debt obligations.

2. R09-132. Resolution authorizing the issuance of taxable Municipal Limited Tax General Obligation Bonds (Series B) for the acquisition, construction, furnishing & equipping of the Municipal Complex and refinancing of previous debt obligations.
3. R09-133. Resolution to approve a revised Compost Delivery Fee Schedule.
4. R09-134. Resolution to retain Executone, Inc. for the purchase, installation and reconfiguration of telecommunication systems at the new City Hall, Police Department and Fire Department and that the bid process be waived.
5. R09-135. Resolution to approve a 2-year lease agreement with Stone's Café and Catering for operation of a café at the Adrian Public Library.
6. R09-136. Resolution to authorize renewal of liability, property and vehicle fleet insurance through the Michigan Municipal League Liability & Property Pool.
7. R09-137. Resolution authorizing the sale of property located at 1802 Hamilton Hwy.
8. R08-138. Resolution to approve the purchase of a cooling tower and replacement vibration isolation rails, if necessary, for the new City Hall.
9. R09-139. Resolution to approve purchase of office furniture for the Adrian Public Library. *

** The bids for Library furniture are not due until Friday afternoon. If a recommendation has been made prior to Monday's meeting, a resolution will be distributed at the meeting for your consideration.*

X. PUBLIC COMMENTS

X I. COMMISSION COMMENTS

MINUTES

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

Official proceedings of the July 20, 2009 regular meeting of the City Commission, Adrian, Michigan.

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

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

Commissioner Valentine was in the audience, as a resolution to accept his resignation was on the agenda.

Mayor McDowell in the Chair.

Commissioner DuMars moved to approve the minutes of the July 6, 2009 regular meeting of the Adrian City Commission, seconded by Commissioner Clegg, motion carried by a unanimous vote.

Commissioner Valentine was included in the Roll Call and also voted to accept the minutes from the July 6, 2009 City Commission meeting. At that time, Mayor McDowell recommended that Resolution R09-121 to accept Commissioner Valentine's resignation be voted on by the Commission at this time.

RESOLUTION R09-121

RE: CITY COMMISSION – Resignation of City Commissioner

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

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

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

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

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

PRESENTATION OF ACCOUNTS

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

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

COMMUNICATIONS

1. C-1. Grand Valley State University Financial Trend Monitoring Project

RESOLUTION CR09-042

RE: PUBLIC WORKS – Purchase of Fuel Pumps

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

WHEREAS, said bids have been tabulated and recommendations made by Kristin Bauer, City Engineer, and the City Administrator; and

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

NOW, THEREFORE, BE IT RESOLVED, that the bid for fuel pumps and accessories be awarded to H. Domine Enterprises of Brownstone, MI, in the amount of \$15,240.22 under the terms and conditions as specified and as proposed in their sealed bids dated July 2, 2009.

RESOLUTION CR09-043

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

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

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

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

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

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

On motion by Commissioner DuMars, seconded by Commissioner Osborne, Consent Resolutions CR09-042 through CR09-043 were adopted by a unanimous vote.

PUBLIC COMMENTS

There were none.

ORDINANCES

1. Ord. 09-08. Introduction of an Ordinance to create Article V of Chapter 90, Sections 90-200 through 90-218 – Motor Carriers.

SPECIAL ORDER

1. Public Hearing to hear and consider comments to the submission of an application for a Justice Assistance Grant for the purchase of in-car video systems for patrol vehicles.

RESOLUTION R09-120

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

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

WHEREAS, funding is available to purchase the following items:

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

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

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

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

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

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

RESOLUTION R09-122

RE: FIREWORKS DISPLAY – Christian Family Centre

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

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

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

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

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

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

RESOLUTION R09-123

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

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

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

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

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

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

WHEREAS, the Library Director and City Administrator recommend acceptance of the proposed bid from Library Design Associates, Inc., Plymouth, MI, for

acquisition and installation of the subject catalog and express Internet unit, and waiver of the competitive bid process.

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

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

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

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

RESOLUTION R09-124

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the selection of CTI and Associates, Inc., Brighton, MI, and engagement in the City's Standard Professional Services Contract to perform the

Two-Way Street Project soil, asphalt and concrete testing at a cost not to exceed \$20,000.

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

Major Street Fund (Fund #202)

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

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

RESOLUTION R09-125

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

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

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

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

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

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

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

- Lease Purchase arrangement avoids large initial cash outlay;

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

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

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

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

Capital Projects Sewer Fund (Fund 497)

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

Sewer Fund (Fund 590)

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

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

RESOLUTION R09-126

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

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

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

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

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

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

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

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

RESOLUTION R09-127

RE: ENGINEERING – MDOT State Trunkline Maintenance Contract Renewal

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

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

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

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

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

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

RESOLUTION R09-128

RE: DOWNTOWN DEVELOPMENT AUTHORITY – VIBRANT SMALL CITIES INITIATIVE – Authorization to Engage in Construction – Facade Enhancement

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

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

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

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

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

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

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

On motion of Commissioner Miller, seconded by Commissioner DuMars, the above resolution was adopted by a 5-0-1 vote.

AYES: Mayor McDowell, Commissioners Osborne, Miller, Clegg and DuMars

NAYS: None

ABSTAINED: Commissioner Steele

RESOLUTION R09-129

RE: CITY COMMISSION – Funds for Lenawee Economic Development Corp.

WHEREAS, the City Commission has reviewed the request of the Lenawee Economic Development Corporation for funding for the first two quarters of 2009.

NOW, THEREFORE, IT IS HEREBY RESOLVED that payment in the amount of \$15,000 shall forthwith be made to the Lenawee Economic Development Corporation for payment for the first two quarters of 2009.

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

MISCELLANEOUS

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

PUBLIC COMMENTS

1. Jeffrey Snedecker – 804 Michigan Street – Spoke against local enforcement agencies spot-checking trucks. Said drivers pay fines, not the carrier. Commissioner Osborne explained that a truck would only be inspected if it were being stopped for a legitimate reason, such as not wearing a seat belt or some traffic violation and would only be inspected by an officer that was trained to do so.
2. Mark Bearss – 207 Dean St. – Against the idea of a City income tax (in reference to Daily Telegram article). This led to much discussion between Mr. Bearss and the Commission members.
3. Wayne Doyle – 604 Tabor St. – Spoke regarding his continued quest for the removal of the fence at the Water Treatment Plant so that City residents could have access to Lake Adrian to fish. After much discussion, Shane Horn, Utilities Director, said that the Federal mandate would be reviewed to determine what security level was needed around the Water Treatment facility and whether water access was possible at the site.
4. John Thomas, 1371 Harrison Place, and Nancy O'Connor, 1384 Harrison Place, had complaints against Adrian College and the maintenance building area where their street dead-ends into. This has become a dumping ground for dirt, brush and concrete and is an eyesore to residents. Have also had other issues with Adrian College and some of their students and these issues were never resolved.

5. Kirk Valentine, 969 W. Maumee St., praised the City Commission for the great job that they do and how pleased he was to have been a part of the Commission for the last 3 ½ years.
6. K.Z. Bolton, 923 E. Church St., thanked Kirk Valentine for his service to the City as Commissioner. Also mentioned that she enjoyed the new Downtown Development Authority's website.

Commissioner DuMars made a motion to go into closed session to discuss labor negotiations; seconded by Commissioner Osborne, motion carried by a unanimous vote.

The next regular meeting of the Adrian City Commission will be held on Monday, August 3, 2009, at 7:00 p.m. in the Commission Chambers on the 2nd floor of Adrian City Hall, 100 E. Church St., Adrian, MI 49221.

Gary E. McDowell
Mayor

Pat Baker
City Clerk

**MINUTES
ADRIAN CITY COMMISSION
SPECIAL MEETING
JULY 28, 2009
7:00 P.M.**

Official proceedings of the July 28, 2009 Special Meeting of the City Commission, Adrian, Michigan.

The Special Meeting was opened with a moment of silence and the Pledge of Allegiance to the Flag.

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

ABSENT: Commissioner Miller

Mayor McDowell in the Chair.

Commissioner DuMars moved to excuse Commissioner Miller, seconded by Commissioner Osborne, motion carried by a unanimous vote.

RESOLUTION R09-130

RE: ADMINISTRATION – Office Furnishings for New City Hall & Community Room

WHEREAS, the City Administrator has requested proposals for furniture and furnishings for the new City Hall and the Community Room; and

WHEREAS, three proposals were submitted by companies, none of them being from Lenawee County; and

WHEREAS, the City Administrator, Purchasing Officer and Human Resources Director have reviewed the bids and have agreed upon a recommendation, which has been set forth in the written memo submitted by the City Administrator.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. The bid from Space, Inc. be accepted for all seating, Systems furniture and tables in the new City Hall at a cost of \$65,414.45.
2. The bid from Kentwood Office Furniture be accepted for shelving for the Engineering Department at City Hall, wood office furniture and furniture in the 2nd floor waiting area at City Hall in the amount of \$15,000.46.
3. The bid from Space, Inc. be accepted for furniture for the Community Room seating and tables in the amount of \$21,619.82.

All of said bids are in conformity with written proposals submitted by said firms.

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

The next regular meeting of the Adrian City Commission will be held on Monday, August 3, 2009, at 7:00 p.m. in the Commission Chambers on the 2nd floor of Adrian City Hall, 100 E. Church St., Adrian, MI 49221.

Gary E. McDowell
Mayor

Pat Baker
City Clerk

PRESENTATION OF
ACCOUNTS

August 3, 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 #3087 through #3094..... \$ 75,276.36

General Fund

Vouchers #19370 through #19392 \$ 395,385.88

Clearing Account Vouchers

amounting to..... \$ 565,808.03

TOTAL EXPENDITURES \$1,036,470.27

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

August 3, 2009

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
<u>Receiving</u>			
3087	City of Adrian: Payroll	Payroll for July 17	\$ 15,195.91
3088	Alex Aldrich	Blue Cross Refund	\$ 41.67
3089	City of Adrian: General Fund	June Expenses	\$ 4,842.69
3090	City of Adrian: IT Dept	June Services	\$ 6,025.34
3091	Verizon North	Water Plant Phone	\$ 43.07
3092	City of Adrian: Clearing Acct	July 20 Check Register	\$ 76,621.80
3093	City of Adrian: Payroll	Payroll for July 24	\$ 49,113.59
3094	City of Adrian: Utilities	Water Bill- Wastewater	\$ 14.09

Total \$ **151,898.16**

Less: CK# 3092 \$ **76,621.80**

TOTAL \$ **75,276.36**

WW = \$ 58,978.75

WAT= \$ 92,919.41

Aug 3, 09

GENERAL FUND
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
19370	\$ 16,443.97	City of Adrian: Payroll	Payroll for July 17
19371	\$ 2,647.53	First Federal Bank	Soc Security for July 17
19372	\$ -	City of Adrian: Utilities	Transfer State MI Funds
19373	\$ 85.00	Brianne Nowak-Scott	Recreation Refund
19374	\$ 170.00	Jan Garner	Recreation Refund
19375	\$ 85.00	Anne Kasper	Recreation Refund
19376	\$ 66.00	Lisa Davis	Recreation Refund
19377	\$ 78.79	Curtis Emmons	Blue Cross Refund
19378	\$ 274.91	Verizon North	Various Phone Bills
19379	\$ 266,017.62	City of Adrian: Clearing	July 20 Check Register
19380	\$ 4,191.95	Quick Service Transportation	Payroll W/E July 18
19381	\$ 234,387.13	City of Adrian: Payroll	Payroll for July 24
19382	\$ 16,264.05	First Federal Bank	Soc Security for July 24
19383	\$ 115,178.50	Blue Cross Blue Shield of MI	August Hospitalization Ins
19384		City of Adrian: Utilities	Transfer State MI Funds
19385	\$ 180.00	Robert Haught	Cemetery Refund
19386	\$ 100.00	Maria Gamez	Recreation Refund
19387	\$ 50.00	Christina Cooper	Recreation Refund
19388	\$ 200.00	Faithpoint Community Church	Recreation Refund
19389	\$ 40.00	Mindi Isbell	Recreation Refund
19390	\$ 45.00	Len County Register of Deeds	Release of Leins
19391	\$ 343.03	Verizon North	Various Phone Bills
19392	\$ 4,555.02	Quick Service Transportation	Payroll W/E July 25

\$	661,403.50	
\$	(266,017.62)	Less: CK# 19379
\$	395,385.88	

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ADDISON VETERINARY CLINIC	30.00		
2. CITY OF ADRIAN	6,795.07		
3. ADRIAN LANDFILL	41.13		
4. ADRIAN LOCKSMITH & CYCLERY	5.37		
5. ADRIAN MECHANICAL SERVICES C	1,233.57		
6. ADVANCE AUTO PARTS COMMERCIA	5.89		
7. AIR SCIENCE USA	8,800.00		
8. AIRGAS GREAT LAKES	7.87		
9. AMERICAN OFFICE SOLUTIONS	65.03		
10. AMERICAN WATER WORKS ASSN	165.00		
11. APPLIED INDUSTRIAL TECHNOLOG	616.96		
12. ARCH WIRELESS	31.54		
13. ELIZABETH ARNOLD	499.49		
14. ASTI ENVIRONMENTAL SERVICES	3,840.76		
15. BADER & SONS CO	85.71		
16. BAKER & TAYLOR BOOKS	2,907.43		
17. BARCO PRODUCTS COMPANY	752.50		
18. BATTERY WHOLESALE	88.30		
19. BLACK SWAMP EQUIPMENT	586.02		
20. BOOK OF THE MONTH CLUB	39.47		
21. BOOKLIST	109.95		
22. BROCK ENTERPRISES, INC.	1,298.50		
23. BEN BUCKLEW	500.00		
24. CHAMBERS CONTROL COMPANY	340.00		
25. CHAMPION PRINTING AND MAILIN	365.40		
26. CHOICEPOINT SERVICES	11.83		
27. CIVICPLUS	1,004.25		
28. CLIFT BUICK-PONTIAC-GMC	49.78		
29. COAST TO COAST DELI	60.49		
30. COCA-COLA USA	126.62		
31. COIN-OP SPECIALISTS INC.	189.60		
32. COMPUTER CARE COMPANY, INC.	239.85		
33. CONTINENTAL CARBONIC PRODUCT	821.25		
34. CONTINENTAL SERVICE	1,444.35		
35. CUSTOM TRUCK REPAIR, L.L.C.	1,068.38		
36. DAN'S FARM SUPPLY INC	37.85		
37. DEMCO INC	335.39		
38. DOAN CONSTRUCTION CO	327.75		
39. DOWNTOWN PRINTING	760.00		
40. ESKO ROOFING	20,780.00		
41. THE EXPONENT	150.00		
42. FAMILY SERVICE & CHILDREN'S	900.90		
43. FASTENAL COMPANY	23.80		
44. FEDERAL EXPRESS	67.86		
45. FISHER SCIENTIFIC COMPANY LL	93.96		
46. FLORIDA MICRO LLC	4,151.83		
47. GALE	342.75		
48. GALLANT & SON	70.99		
49. GORDON FOOD SERVICE	832.51		
50. GRAFFITI SOLUTIONS INC	325.00		
51. GRAINGER INC.	64.94		
52. HACH COMPANY	287.07		
53. DAVID HALL	375.00		
54. HASSELBRING CLARK CO.	1,158.00		
55. HERITAGE MICROFILM, INC.	147.43		
56. HERITAGE PLUMBING & HEATING	251.01		
57. HILLS AUTO & TRUCK REPAIR IN	16.95		
58. HISTORY EDUCATION	309.95		
59. HOBBY LOBBY	132.26		
60. HUBBARDS AUTO CENTER	420.46		
61. HURON LIME INC.	5,870.88		
62. I.T. RIGHT	67.50		
63. INDUSTRIAL MILL SUPPLY CORP	125.02		
64. INGRAM LIBRARY SERVICES	325.19		
65. J R H ARCHITECTS	133.55		
66. J.E. JOHNSON DEVELOPMENT GRO	293,049.00		
67. JACK BERMAN	39.59		
68. JACKSON TRUCK SERVICE INC.	177.26		
69. KAPNICK INSURANCE GROUP	1,366.00		
70. DAVE KNAPP FORD	506.11		
71. KONICA MINOLTA- ALBIN	20.33		
72. BRENT KUBALEK	107.00		
73. LEISURE PURSUITS INC.	2,149.00		
74. LENAWEE COUNTY CHAMBER OF	19,750.00		
75. LENAWEE COUNTY HEALTH DEPT	115.00		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. LENAWEЕ COUNTY LIBRARY	1.00		
77. LENAWEЕ COUNTY REGISTER OF D	48.00		
78. LEXIS NEXIS RM INC	150.00		
79. LIFECHOICE EDUCATION GROUP L	27.00		
80. M B ELECTRIC LLC	6,655.00		
81. MANPOWER OF LANSING MI INC.	881.28		
82. MCGOWAN ELECTRIC SUPPLY INC	28.12		
83. MICHIGAN ASSESSOR'S ASSN	75.00		
84. MICHIGAN BUILDING SPECIALTIE	17,001.40		
85. MICHIGAN STATE UNIVERSITY	75.00		
86. MICROMARKETING LLC	168.70		
87. MONROE COUNTY HISTORICAL MUS	40.00		
88. MUGS N' MORE IMAGING	596.70		
89. MUNICIPAL EMPLOYEES' RETIRE	370.00		
90. NATIONAL GEOGRAPHIC	15.90		
91. DANE NELSON	60.63		
92. NORON INC	21,002.10		
93. NORTHEAST WISCONSIN TECH COL	250.00		
94. NORTHWEST POOLS, INC.	76.62		
95. OCCUHEALTH - WOLF CREEK	37.00		
96. OMNIGRAPHICS INC.	230.24		
97. JAMES PERRY	23.50		
98. PET'S SUPPLIES PLUS	52.98		
99. PLATINUM PLUS	712.38		
100. PREIN & NEWHOF ENGINEERS	272.00		
101. PRO-MED UNIFORM	73.79		
102. PROMEDICA PHYSICIANS GROUP	90.00		
103. QUICK SERVICE TRANSPORTATION	7,538.49		
104. QUILL CORPORATION	769.58		
105. READER'S DIGEST	29.96		
106. RECORDED BOOKS LLC.	181.20		
107. RED PAINT PRINTING LLC	1,536.25		
108. RIO SUPPLY MICHIGAN METER, I	3,036.00		
109. KEVIN RIZE	500.00		
110. ROBERT JEWELERS	56.38		
111. S N S CLEANING SERVICE	1,623.00		
112. SAFEWAY MOVING & STORAGE	424.00		
113. SCHUG CONCRETE CONSTRUCTION	8,630.00		
114. SCOTTY'S BODY SHOP	1,000.00		
115. SEBCO BOOKS	983.74		
116. SERVICE ELECTRIC CO OF ADRIA	2,630.00		
117. SHIVELY-BOUMA INC	3,113.00		
118. W.M. SMITH & ASSOCIATES INC	172.11		
119. SMITH PAVING & EXCAVATING	71,729.50		
120. SPENCER MANUFACTURING INC.	3,770.00		
121. SPEX CERTIPREP INC	321.59		
122. STAPLES	605.38		
123. SUPER LAUNDROMAT &	118.95		
124. T-MOBILE	29.99		
125. TAX MANAGEMENT ASSOCIATES IN	1,306.50		
126. TERMINAL DESIGN, INC.	795.00		
127. THOMSON WEST	1,006.00		
128. RALPH TILLOTSON AUCTIONEER	1,434.70		
129. TOLEDO PHYSICAL EDUCATION SU	81.77		
130. TOTAL ELECTRIC POWER SALES	1,162.65		
131. TRACTOR SUPPLY COMPANY	274.49		
132. UNITED PARCEL SERVICE	33.00		
133. UNUM LIFE INSURANCE COMPANY	2,399.01		
134. UTILITIES INSTRUMENTATION	1,591.00		
135. VAN ERT'S LAWN SERVICE	85.00		
136. VISION PERFORMANCE GROUP	100.00		
137. WARREN HOLDING CO LLC	1,370.00		
138. WASTE MANAGEMENT-UPSTREAM	2,700.00		
139. WILLIAMS & WORKS	3,000.00		
140. WOODLANDS LIBRARY COOPERATIV	195.00		
141. WRIGHT SIGNS INC.	68.00		

TOTAL ALL CLAIMS 565,808.03

COMMUNICATIONS



MEMO

Date: July 22, 2009

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

From: Jeffrey C. Pardee, Finance Director

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

Re: Report on Government Finance Officers Association 103rd Annual Conference

The Government Finance Officers Association (GFOA) of the United States and Canada held its 103rd Annual Conference, "Financial Strategies for Challenging Times," June 26-July 1, 2009 in Seattle, WA. Each year, I attend the conference to earn thirty (30) Continuing Professional Education (CPE) credits in order to maintain status as a Certified Public Finance Officer (C.P.F.O.). City Travel Policy provides for reimbursement of travel expenses every other year for out-of-state travel.

The GFOA Annual Conference unites over 6,000 public-sector accounting and finance practitioners to gain knowledge from leading industry experts, revolutionary theorists, and each other. Attendees have the opportunity to listen to keynote speakers, and participate in small discussion groups, pre-conference seminars, and conference sessions focusing on the following topics: accounting, auditing, and financial reporting; budgeting and financial planning; cash management and investing; debt management; risk management and policy; purchasing, pensions and benefits; and technology and digital government.

Pre-Conference Seminars

Friday, June 26, 2009 (9:00am-5:00 pm; 8 CPE Credits) – *Fiscal First Aid*

Speakers:

Shayne Kavanagh, Senior Manager of Research, GFOA, Chicago, IL

Jon Johnson, Senior Management Adviser, ICMA, Denver, CO

Chris Fabian, Senior Management Adviser, ICMA, Denver, CO

Jay Goldstone, Chief Operating Officer, San Diego, CA

Anne Spray Kinney, Director of the Research and Consulting Center, GFOA, Chicago, IL

Joe Casey, Deputy County Administrator, Hanover County, VA

Local governments, already hard hit by tax limitations, revenue stagnation, and rising costs for health care, pensions and commodities, are being further challenged by today's serious economic situation. This session offered strategies and tactics for addressing immediate budget problems while also keeping an eye on long-term financial sustainability. The focus was on practical approaches attendees can apply to their own situations. Each participant gained tips and ideas they could take home and use – now! The session included significant audience participation, first in sharing information about fiscal conditions across the country, then later in practicing the approaches presented by the speakers.

Saturday, June 27, 2009 (9:00am-5:00 pm; 8 CPE Credits) – *Making Transition to Performance Management*

Speakers:

Kristi Kordus, Finance Director, Marathon County, WI

Jonathan Walters, Staff Correspondent, *Governing Magazine*

Richard Gelb, Performance Measurement Manager, Department of Natural Resources and Parks, King County, WA

Ray Sher, Assistant Director for the Office of Strategic Business Management, Miami-Dade County, FL

John Becker, Senior Financial Management & Budget Analyst, Pinellas County, FL and Board Chairperson, Florida Benchmarking Consortium

Performance management is quickly becoming standard practice among public-sector organizations of all sizes. While there is no one-size-fits-all approach, there are basic principles and strategies that can help to ensure a successful implementation. This seminar presented best practices for implementing performance management, including goal setting, budgeting, day-to-day management, evaluation and feedback. The seminar was appropriate both for finance officers who currently have performance management and would like to do more with them, as well as those from governments who are considering implementing performance measurement and management processes.

Key Note Speakers

On Monday, June 29, keynote speaker for the Opening Session was Dr. John Mitchell, a renowned economist, currently with M&H Economic Consultants. A Fellow at the College of Arts and Sciences at the University of Oregon, he was previously a Professor of Economics at Boise State University for 13 years before joining U.S. Bancorp where he served as Chief Economist. He then became the Economist for the U.S Western Region for U.S Bank and also served as Chairman of the Oregon Council of Economic Advisors, as well as served on the Oregon Governor's Technical Advisory Committee on Tax Review. He holds a B.A degree from Williams College and M.S and Ph.D. degrees from the University of Oregon.

Dr. Mitchell's address, "2008-2009: Your Grandfather's Recession – Your Children's Great Depression," focused on the global economy – what factors caused the downturn, a forecast for the future, and its effect on state, provincial and local governments. (1 CPE Credit)

On Tuesday, June 30, Christopher Liddell, Chief Financial Officer, Microsoft Corporation, addressed the General Session with his speech, "Implications of the Current Crisis – Evolving the Finance Function." He focused on how to pursue excellence in the face of the recession, particularly on how to use technology to drive better performance. Since large corporations like Microsoft have faced some of the same challenges that governments have, attendees were able to glean advice on how Microsoft managed its fiscal struggles over the past year and how it manages money in tight economic times. Liddell's extensive professional resume includes a stint as CFO of International Paper Company from 2003 to 2005 and CEO of Carter Holt Harvey, Ltd., one of New Zealand's largest companies. (1 CPE Credit)

Concurrent Sessions

Covering All the Bases: Budgetary Reporting in the Comprehensive Annual Financial Report (CAFR) (1 CPE Credit)– Speakers: **Jennifer O. Fung**, Executive Director of Finance and Administrative Services, City of McKinney, TX; and **Robert G. Moody, Jr.**, Partner, Talbot, Korvola & Warwick, LLP, Portland, OR

Budgetary comparisons and related disclosures have been an integral part of a typical state or local government's Comprehensive Annual Financial Report (CAFR) for decades. Still, governments frequently fail to fully comply with the requirements established for budgetary reporting, especially in the wake of GASB Statement No. 34. This session provided a comprehensive review of all CAFR requirements for budgetary reporting, with special emphasis on the most commonly encountered budget-related deficiencies.

Bond Basics: Questions to Ask Before Issuing Bonds (2 CPE Credits) – Speakers: **John I Payne**, Deputy Treasurer, Clark County, Vancouver, WA; **Rober W. Scott**, Director of Finance, City of Brookfield, WI; and **Drew Kintzinger**, Legal Counsel, Hunton & Williams, LLP, Washington, D.C.

Bond issuance is a complex undertaking. Finance officers and public officials need to have a thorough understanding of the many facets involved. This session covered the top ten questions government officials need to ask themselves, as well as the top five questions that should be asked of outside experts. GFOA's recommended practices, publications, and other research were discussed, as well as the guide on *Questions to Ask Before You Approve a Bond Issue*.

Fiscal First Aid: Strategies for Handling Budgetary Stress (2 CPE Credits) – Speakers: **William C. Statler**, Director of Finance & Information Technology, City of San Luis Obispo, CA; **Jay M. Goldstone**, Chief Operating Officer, City of San Diego, CA; **Marc S. Gonzales**, Finance Director, Clackamas County, Oregon City, OR; **David Millican**, Finance Director, City of Santa Fe, NM.

As citizens struggle to make ends meet in a down economy, even the best-run governments have been challenged in the face of decreasing revenues from sales taxes, business taxes, income taxes, and property taxes. Many jurisdictions are now trying to

avoid catastrophe and devise workable budgets at the same time. This session presented specific strategies that can be implemented now to survive hard times, along with case studies from governments that have significantly improved their financial positions by implementing innovative staffing experiments, outsourcing, and public-private partnerships.

Economic Development Incentives in a Recessionary Environment (2 CPE Credits) – Speakers: **Marilou Moore**, Financial Analyst, City of Everett, WA; **David N. MacGillivray**, Chairman, Springsted, Inc., St. Paul, MN; **Frank O’Leary**, Arlington County, VA

Cities and counties are being asked to provide more and more resources, not only to attract new development but to retain existing businesses and industry. How do local governments balance the need for spending to increase the tax base through development with the need for funding essential services? Practitioners and economic development advisers provided the latest information on how governments are addressing these issues, including debt offsets that could be provided by pending federal legislation (HR3060) that would provide for Department of Treasury collection of individual obligations owing local units of government through offsets against tax refunds or other over-payments.

The New Economic Environment (2 CPE Credits) – Speakers: **John I Payne**, Deputy Treasurer, Clark County, Vancouver, WA; **Brian Perry**, Investment Strategist, Chandler Asset Management, San Diego, CA; **Arun Raha**, Executive Director, State of Washington Economic and Revenue Forecast Council, Olympia, WA; **Christopher Stavrakos**, Managing Director, Black Rock Financial Management, Wilmington, DE.

The structure of the financial industry has changed drastically in the past year and these changes have just as drastically altered the investing landscape. Attendees learned what the changes mean for state and local governments, their investments and investment policies, and their operations. Experts in the field discussed what could come next and what it means for local government’s investment strategies.

Learning from Experience: Overcoming Challenges to Budgeting for Outcomes (2 CPE Credits) – Speakers: **Jan S. Hawn**, Finance Director, City of Bellevue, WA; **Stevan Gorcester**, Executive Director, State of Washington Transportation Improvement Board, Olympia, WA; **Christopher P. Morrill**, Assistant City Manager, City of Savannah, GA; **Roger Neumaier**, Finance Director, Snohomish County, Everett, WA.

Budgeting for outcomes (BFO) is no longer new. Organizations of all sizes are benefiting from greater focus on outcomes in the budgeting process and the benefits of aligning funding and programs with objectives. Attendees at this session heard from practitioners who have successfully overcome common challenges to implementing BFO and how any government can benefit from focusing on outcomes.

The New Gold Standard: Fund Balance Redefined (1 CPE Credit) – Speakers: **Michael E. Bailey**, Finance Director, City of Redmond, WA; **Robert B. Scott**, Assistant City Manager/CFO, City of Carrollton, TX.

No single item in a typical state or local government’s financial statement attracts more attention, discussion and debate than fund balance. The Governmental Accounting Standards Board (GASB) recently issued a new standard on fund balance that substantially alters how that amount is presented in financial statements. Terms used for decades to describe the various components of fund balance (i.e., reserved, unreserved, designated) have been replaced by new terms that reflect a very different approach (i.e., non-spendable, restricted, committed, assigned, unassigned). This session examined these changes in detail. It also examined certain limitations that the new GASB guidance places on the use of certain government fund types.

From Better to Best: GFOA Recommended Practices (2 CPE Credits) – Speakers: **Anne A. Fritz**, Finance Director, City of Westlake, OH; **Linda C. Davidson**, Deputy Director of Financial Services, City of Boca Raton, FL; **Jake W. Lorentz**, Assistant Director, Technical Services Center, GFOA, Chicago, IL

To date, the GFOA has issued 27 recommended practices that specifically address accounting, auditing and financial reporting. These recommended practices cover a broad range of topics: from the appropriate level of fund balance in the general fund to the proper use of trend data. Examples include public sector audit committees, maintaining control over non-capitalized assets, documenting claims for disaster recovery assistance, documenting accounting policies and procedures, improving the effectiveness of fund accounting, establishing an internal audit function, and popular reporting. This session examined the key elements of each of these recommended practices.

Policy Statements

At the GFOA Annual Business Meeting, the membership approved the following three (3) policy statements:

Federal Assistance to the Municipal Bond Market

Background

For more than a year, the municipal bond market has suffered from unprecedented disruption due to the turmoil in the financial industry, the downgrading of the major financial guarantors, the dislocation between the Treasury market and all other credit markets and the freezing of credit markets. This disruption is not related to the soundness of the municipal securities themselves, or state and local governments. However, the disruption has caused difficulty for governments to access the market for new issuances or to restructure and refinance current debt.

Policy Statement

The Government Finance Officers Association (GFOA) supports legislative and regulatory efforts that are focused on extending direct assistance to help state and local governments better access the municipal securities market. These include measures that would provide clear authority to the federal government to enhance market access and liquidity for state and local government issuers. Additionally, the GFOA supports initiatives that create cost effective, widely available credit enhancement for the capital financing needs of state and local governments. As the federal government develops remedies for the municipal market, state and local governments need to be a partner in these discussions.

Regulation of Municipal Securities Finance Professionals

Background

Due to the dynamic changes that have occurred in the municipal securities market since the Municipal Securities Rulemaking Board (MSRB) was created in 1975 to regulate broker/dealers, and due to the various federal and state investigations into the practices of municipal securities finance professionals, Congress is considering the need to regulate municipal securities finance professionals (e.g., swap advisors, investment brokers and financial advisors).

Such legislation is sought to ensure that there is a clear understanding of current regulations, that there are no gaps in regulations affecting municipal securities finance professionals, and that appropriate enforcement mechanisms are in place for municipal securities finance professionals.

Policy Statement

The GFOA supports legislation to regulate municipal securities finance professionals. Additionally, if the governing body is the MSRB or another Self-Regulatory Organization, the composition of its board should include significant public representation.

Uniform Credit Rating Scales

Background

Historically, rating agencies have used different standards for rating municipal securities and corporate securities, resulting in ratings that lack uniformity. While the credit rating agencies acknowledge that the default rate of municipal securities of a given rating is a fraction of comparably rated corporate securities, in most cases municipal securities are rated lower than comparable corporate securities. Additionally, many municipal securities are backed by the full faith, credit and taxing power of the government, a trait not found in corporate securities.

The lack of uniformity between the two rating scales contributes to additional costs for bond insurance and excludes some municipal bonds from eligibility as money market mutual fund investments (under SEC Rule 2a7), which ultimately increases costs for taxpayers. Also, the lack of uniformity creates problems for crossover taxable investors

(e.g., many retail investors, international investors and pension funds) to invest freely in the municipal bond market. A uniform rating scale system would better reflect the true risks of securities by recognizing the levels of financial management and transparency.

Policy Statement

It is the position of the Government Finance Officers Association (GFOA) that ratings on municipal and corporate securities should be made on a uniform basis.

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



MEMO

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

DATE: July 29, 2009

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

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

SUBJECT: City of Adrian FY2008-09 Year-End Unaudited Financial Report

Please find attached the Year-End Unaudited Financial Report for the City of Adrian for Fiscal Year 2008-09. As of June 30, 2009, actual General Fund expenditures - \$13,273,484 - exceeded revenue - \$12,292,342 by (\$980,142). The unfavorability is primarily due to planned draws on General Fund-Fund Balance for expenditures related to the Library Renovation Project (\$709,106) and the Downtown Government Complex (\$353,018). It should be noted that the Amended Budget reflects a planned draw down on Fund Balance in the amount of \$1,357,543.

In accordance with the Uniform Budgeting Act (Public Act 621 of 1978) for Local Units of Government, variances from budget are identified and explained in the attached FY2008-09 Year-End Unaudited Financial Report. A reconciliation of all budget amendments, including General Fund Contingency, is presented on Page 12 of the Financial Forecast.

In addition to the General Fund, all other Governmental (Special Revenue, Debt Service, and Capital Projects Funds) and Proprietary (Enterprise Funds, e.g., Water and Sewer Funds and Internal Service Funds, e.g., Information Technology and Motor Pool Funds) have been included in the Financial Report. With certain exceptions, these funds are consistent with the budget as amended. A brief explanation of selected funds with anticipated variances follows:

Community Development Fund (275): As indicated in previous forecasts, budget variations for this fund are significant. Original budget estimates for revenue have not materialized, with current expense (\$132,845) exceeding revenues (\$47,818) by (\$85,027). A Downtown Rental Rehab Grant application has been submitted but is not expected to be awarded until next fiscal year. In addition the Community Development Block Grant (CDBG), which is a Lenawee County grant administered by the City, is scheduled to expire June 30, 2010. The County is planning on issuing a Request for Proposal to other agencies for grant administration beginning in FY2010-11. It should be noted that bridge financing in the amount of \$120,000 was approved by the City Commission (Resolution R08-123, dated September 2, 2008) in the form of a Long-Term Advance from the LDFA Fund at 6% interest which must be repaid. The FY2009-10 Budget includes the elimination of one (1) Secretary position.

Downtown Development Authority Fund (280): Planned use of fund balance (\$64,200), as indicated in the Amended Budget, turned out to be less than expected (\$19,932) due to favorability in the Capital Improvement budget for expenses related to the Façade Program. Debt obligations for the 1992 Streetscape Bond will be retired in 2012, reducing those expenses by over \$100,000 annually.

LDFA-GAIDC Fund (282): The Local Development Finance Authority was the recipient of about \$340,000 (\$307,000 in FY2007-08 and \$33,000 in FY2008-09) from the disposition of assets due to the dissolution of the Greater Adrian Industrial Development Corporation. These funds are being drawn upon to fund the City's Economic Development efforts, which amounted \$146,225 in FY2008-09.

LDFA Debt Fund (310): This fund was established in 1993 to fund site improvements in the industrial park for Garden State Tanning. All debt obligations have been paid and this fund will be closed at the end of the fiscal year.

Auto Parking Fund (585): This fund was established to record revenue and expenses associated with maintenance and operation of downtown parking lots. In addition to revenues (\$71,424) being less than sufficient to cover ongoing operating expenses (\$82,342) by \$10,918, insufficient resources are generated to provide for necessary improvements. A proposal has been submitted by the City Administrator that will restructure this budget for FY2009-10, including increased financial support is expected from the General Fund (\$60,000), the DDA-TIF (\$60,000), as well as increased Special Assessment (from \$30,000 to \$60,000) to downtown business owners for purposes of performing a complete renovation of all downtown parking facilities.

Transportation System Fund (588): This fund was established to record revenue and expenses associated with maintenance and operation of the City's Dial-A-Ride System. A new Transportation Facility, funded by several federal grants, has just completed construction and has been occupied. The operating budget still requires a \$119,758 subsidy from the General Fund.

Sewer Fund (590): Expenses (\$3,883,920) exceeded revenue (\$3,845,847) by \$38,073. Although this is significantly less than planned for in the Amended Budget, the fund balance is falling critically short of available cash due to reduced income from operations and investment revenue. An accelerated rate adjustment for FY2009-10 was approved by the City Commission earlier this year, in order to ensure debt service payment obligations in October.

Water Fund (591): Expenses (\$3,547,331) exceeded revenue (\$3,278,890) by \$268,441. The Amended Budget contemplates a draw down on Fund Balance in the amount of \$831,332, but did not anticipate the exercising of the \$455,686 purchase option for the Williams property, acquired for the construction of the ground-water project. Sufficient funds are temporarily available for this purpose in the fund balance account. The house and acreage not needed for the well-system has been offered for sale at a price of \$250,000.

Information Technology Fund (661): This Internal Service Fund was established in FY2005-06 to provide a mechanism to depreciate and replace IT equipment on a rational basis. Revenue (\$459,189) exceeded expenses (\$325,927) by \$133,262, resulting in an accumulated fund balance amounting to \$472,662. User rates have been reduced in the FY2009-10 Budget to help offset property tax revenue constraints.

Future Considerations:

In today's uncertain credit market, there is a legitimate concern regarding the custodial risk associated with over-concentration of cash balances and investments in a few financial institutions. To mitigate the custodial risk, the City's funds are held by a diverse group of financial institutions. The following is a summary of the City's \$8.7 million portfolio as of March 31, 2009 and the market value of the investment in each bank or investment pool:

<u>Institution</u>	<u>Amount</u>
Huntington Bank	\$ 3,603,588
United Bank & Trust	1,504,773
Key Bank	706,542
First Federal Bank	576
Multi-Bank Securities	1,578,711
MBIA-Class Pool	<u>1,351,453</u>
Total	<u>\$ 8,745,643</u>

Effective October 3, 2008, the Federal Deposit Insurance Corporation (FDIC) increased the insured balances in each financial institution from \$100,000 to \$250,000. In addition, each of the investments in Multi-Bank Securities is held by a separately insured banking institution. Finally, United Bank & Trust has allocated a portion of the City's investments to their Washtenaw operation, which will double the insured portion of that deposit. In other words, the total insured portion of the aforementioned amount is \$2,579,287, equivalent to 30% percent. In addition, all bank deposits that are considered demand deposits, which are not earning interest, are fully insured by the FDIC.

This is a common problem for any municipality that has significant funds invested in a limited number of financial institutions. As a result, the Michigan legislature has approved new laws that permit local municipalities to participate in the Federal Reserve CDARS® Program, allowing banks to exchange funds thereby providing access up to \$50 million of FDIC coverage using one bank. Further developments will be forwarded to your attention. If you have any questions or need for further information, please contact my office.

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	<u>VARIANCE ACTUAL TO BUDGET</u>		EXPLANATION
					AMOUNT	PERCENT	
GENERAL FUND REVENUE (101):							
Revenues							
Dept 101.00: CITY COMMISSION							
489.000 Misc. City Promotions	\$0	\$3,000	\$3,000	\$6,911	\$3,911	130.4%	Mayor's Youth Council
Total - Dept 101.00	\$0	\$3,000	\$3,000	\$6,911	\$3,911	130.4%	
Dept 172.00: CITY ADMINISTRATOR							
532.000 Administration Income	\$0	\$24,000	\$24,000	\$24,000	\$0	0.0%	State Trng School
Total - Dept 172.00	\$0	\$24,000	\$24,000	\$24,000	\$0	0.0%	Feasibility Study
Dept 201.00: FINANCE DEPARTMENT							
445.000 PENALTIES & INTEREST ON TAXES	\$50,000	\$51,000	\$1,000	\$69,696	\$18,696	36.7%	
480.000 DOG LICENSES	2,000	2,000	0	1,973	(27)	-1.4%	
607.000 TAX COLLECTION FEES	231,348	231,348	0	219,881	(11,467)	-5.0%	
664.000 INVESTMENT INCOME	350,000	200,000	(150,000)	235,810	35,810	17.9%	Market Rates: .25%
685.000 SALE OF EQUIPMENT	3,000	3,000	0	5,021	2,021	67.4%	
696.000 CASH OVER/SHORT	0	0	0	384	384		
Total - Dept 201.00	\$636,348	\$487,348	(\$149,000)	\$532,765	\$45,417	9.3%	
Dept 209.00: CITY ASSESSOR							
444.000 PRINCIPLE RES. DENIAL PENALTY	\$1,000	\$1,000	\$0	\$681	(\$319)	-31.9%	
488.000 CONTRACT SERVICES REVENUE	0	100	100	100	0	0.0%	
Total - Dept 209.00	\$1,000	\$1,100	\$100	\$781	(\$319)	-29.0%	
Dept 210.00: CITY ATTORNEY							
488.000 CONTRACT SERVICES	\$11,000	\$11,000	\$0	\$11,004	\$4	0.0%	
490.000 LEGAL SERVICES	0	1,500	1,500	1,125	(375)		
Total - Dept 210.00	\$11,000	\$12,500	\$1,500	\$12,129	(\$371)	-3.0%	
Dept 215.00: CITY CLERK							
458.000 VENDORS-HAULERS & PEDDLERS	\$1,000	\$1,000	\$0	\$110	(\$890)	-89.0%	
459.000 AMUSEMENTS	3,500	500	(3,000)	2,770	2,270	454.0%	
608.000 SCHOOL ELECTION FEES	0	0	0	0	0		
644.000 PRINTED MATERIALS	0	100	100	20	(80)		
695.000 OTHER	0	0	0	370	370		
Total - Dept 215.00	\$4,500	\$1,600	(\$2,900)	\$3,270	\$1,670	104.4%	
Dept 226.00: HUMAN RESOURCES							
691.000 VENDING PROCEEDS-WELLNESS	\$100	\$100	\$0	\$45	(\$55)	-55.0%	
693.000 WELLNESS PROCEEDS	100	100	0	156	56	56.0%	
Total - Dept 226.00	\$200	\$200	\$0	\$201	\$1	0.5%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
Dept 276.00: CEMETERY							
625.000 ENGRAVING	\$600	\$2,000	\$1,400	\$2,500	\$500	25.0%	
628.000 FOUNDATIONS - CEMETERY	10,000	10,000	0	12,407	2,407	24.1%	
629.000 GRAVE OPENINGS	37,000	41,000	4,000	49,660	8,660	21.1%	
630.000 UPKEEP OF CEM LOTS (NOT PC)	8,000	8,000	0	10,392	2,392	29.9%	
643.000 CEMETERY LOTS	2,000	3,000	1,000	2,375	(625)	-20.8%	Pet Cemetery
Total - Dept 276.00	\$57,600	\$64,000	\$6,400	\$77,334	\$13,334	20.8%	
Dept 301.00: POLICE DEPARTMENT							
455.000 PARKING	\$1,000	\$600	(\$400)	\$398	(\$202)	-33.7%	
456.000 TAXI	250	250	0	0	(250)	-100.0%	
508.000 TRAFFIC GRANT	0	1,200	1,200	1,137	(63)		
513.000 BULLET PROOF VEST GRANT	2,500	2,500	0	0	(2,500)	-100.0%	
514.000 LIVESCAN FINGERPRINTING	5,700	5,700	0	0	(5,700)	-100.0%	
515.000 OHSP TRAFFIC GRANT	3,000	6,500	3,500	6,444	(56)	-0.9%	
534.000 NARCOTIC ENFORCEMENT GRANT	0	2,700	2,700	4,248	1,548		
543.000 POLICE TRAINING GRANT	7,000	7,000	0	6,898	(102)	-1.5%	
576.000 LIQUOR LICENSES	0	13,000	13,000	13,307	307		
624.000 LIVESCAN APPLICANT FINGERPRINTING	8,000	8,000	0	11,758	3,758	47.0%	
627.000 DUPLICATING & PHOTOSTATS	2,500	4,000	1,500	4,465	465	11.6%	
656.000 PARKING FINES	11,000	20,000	9,000	19,199	(801)	-4.0%	3am-6am Citywide
659.000 ORDINANCE FINES & COSTS	80,000	80,000	0	82,441	2,441	3.1%	
660.000 TOW & IMPOUND FEES	20,000	12,000	(8,000)	12,315	315	2.6%	
676.701 CONTRIB-TRUST FUND	0	28,300	28,300	28,205	(95)	-0.3%	Drug Forfeitures
683.000 SALE OF PROPERTY	8,000	0	(8,000)	0	0		See Sale of Equipment
684.000 SAFETY CITY	2,000	500	(1,500)	1,805	1,305	261.0%	
685.000 SALE OF EQUIPMENT	0	8,000	8,000	4,500	(3,500)		
689.000 MOTORCYCLE SPONSORSHIP	2,000	1,000	(1,000)	1,200	200	20.0%	
694.000 SEX OFFENDER REGISTRATION	420	620	200	665	45	7.3%	
695.000 OTHER	0	5,000	5,000	8,096	3,096		Reimb. Driving School
Total - Dept 301.00	\$153,370	\$206,870	\$53,500	\$207,081	\$211	0.1%	
Dept 336.00: FIRE DEPARTMENT							
502.000 PL CODE PROJECT-FIRE	\$2,000	\$2,000	\$0	\$0	(\$2,000)	-100.0%	
686.000 FIRE TRAINING CLASSES	500	500	0	0	(500)	(1)	
Total - Dept 336.00	\$2,500	\$2,500	\$0	\$0	(\$2,500)	-100.0%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
Dept 371.00: INSPECTION DEPARTMENT							
452.000 ELECTRICAL CONTRACTORS	\$100	\$0	(\$100)	\$0	\$0		
453.000 HEATING & PLUMBING	100	0	(100)	0	0		
454.000 JUNK DEALERS & SCAVENGERS	100	0	(100)	210	210		
456.000 TAXI	100	0	(100)	0	0		
458.000 VENDORS-HAULERS & PEDDLERS	0	400	400	680	280	70.0%	
460.000 BOWLING & BILLIARD	100	0	(100)	0	0		
463.000 PERMITS-SIGNS & HANGERS	1,500	1,500	0	1,228	(272)	-18.1%	
477.000 BUILDING	150,000	120,000	(30,000)	111,014	(8,986)	-7.5%	Economic Downturn
478.000 ELECTRICAL	40,000	38,000	(2,000)	33,993	(4,007)	-10.5%	
479.000 HEATING	35,000	30,000	(5,000)	26,517	(3,483)	-11.6%	
482.000 PLUMBING	15,000	15,000	0	11,712	(3,288)	-21.9%	
483.000 SEWER TAPPING	200	200	0	41	(159)	-79.5%	
485.000 ZONING PERMITS & FEES	5,000	5,000	0	4,632	(368)	-7.4%	
486.000 MISCELLANEOUS	100	500	400	570	70	14.0%	
487.000 RENTAL HOUSING REGISTRATION	10,000	10,000	0	11,997	1,997	20.0%	
Total - Dept 371.00	\$257,300	\$220,600	(\$36,700)	\$202,594	(\$18,006)	-8.2%	
Dept 441.00: DEPARTMENT OF PUBLIC WORKS							
481.000 SIDEWALK-CURB & EXCAVATING	\$100	\$1,300	\$1,200	\$1,836	\$536	41.2%	
631.000 REFUSE COLLECTION	400	300	(100)	180	(120)	-40.0%	
Total - Dept 441.00	\$500	\$1,600	\$1,100	\$2,016	\$416	26.0%	
Dept 443.00: MOTOR VEHICLE POOL							
683.000 SALE OF PROPERTY	\$0	\$2,500	\$2,500	\$2,451	(\$49)		Sale -1997 Sky Lark
Total - Dept 443.00	\$0	\$2,500	\$2,500	\$2,451	(\$49)		
Dept 449.00: ENGINEERING DEPARTMENT							
671.000 RENTS	\$24,000	\$30,000	\$6,000	\$33,153	\$3,153	10.5%	
Total - Dept 449.00	\$24,000	\$30,000	\$6,000	\$33,153	\$3,153	10.5%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
Dept 691.00: RECREATION DEPARTMENT							
651.053 USE/ADM FEES-REC-CONCESSIONS	\$24,000	\$24,000	\$0	\$25,432	\$1,432	6.0%	
651.054 USE/ADM FEES-REC-YOUTH SPORTS	9,000	9,000	0	17,416	8,416	93.5%	
651.055 USE/ADM FEES-REC-ADULT SPORTS	80,000	80,000	0	76,833	(3,167)	-4.0%	
651.056 USE/ADM FEES-REC-YOUTH PROGRAM	14,000	14,000	0	14,463	463	3.3%	
651.058 USE/ADM FEES-REC-SPECIAL EVENT	27,000	27,000	0	21,090	(5,910)	-21.9%	
651.059 USE/ADM FEES-REC-PIOTTER CENTE	37,000	37,000	0	37,644	644	1.7%	
651.060 USE/ADM FEES-REC-SKATE PARK	6,000	6,000	0	5,801	(199)	-3.3%	
651.061 USE/ADM FEES-REC-AQUATICS	90,000	90,000	0	93,959	3,959	4.4%	
651.062 USE/ADM FEES-REC-ADULT CLASSES	12,000	12,000	0	12,761	761	6.3%	
651.070 USE/ADM FEES-REC-AMUSE TCKS	7,000	7,000	0	5,460	(1,540)	-22.0%	
651.071 USE/ADM FEES-REC-HAUNTED BARN	100	100	0	0	(100)	-100.0%	
651.072 USE/ADM FEES-REC-SHELTER USE	8,000	8,000	0	7,481	(519)	-6.5%	
675.000 DONATIONS - PRIVATE	0	9,500	9,500	9,500	0	0.0%	
Total - Dept 691.00	\$314,100	\$323,600	\$9,500	\$327,840	\$4,240	1.3%	
Dept 691.01: ADRIAN AREA LITTLE LEAGUE							
651.041 USE/ADM FEES-REC-TBALL	\$5,000	\$5,000	\$0	\$5,076	\$76	1.5%	
651.042 USE/ADM FEES-REC-MACHINE PITCH	5,000	5,000	0	6,781	1,781	35.6%	
651.043 USE/ADM FEES-REC-MINORS	5,720	5,720	0	6,912	1,192	20.8%	
651.044 USE/ADM FEES-REC-MAJORS	4,290	4,290	0	3,911	(379)	-8.8%	
651.045 USE/ADM FEES-REC-JUNIORS	2,475	2,475	0	3,570	1,095	44.2%	
675.000 DONATIONS - PRIVATE	7,650	7,650	0	12,222	4,572	59.8%	
Total - Dept 691.01	\$30,135	\$30,135	\$0	\$38,472	\$8,337	27.7%	
Dept 691.02: ADRIAN AREA SOCCER CLUB							
651.046 USE/ADM FEES-REC-TBALL	\$3,000	\$0	(\$3,000)	\$0	\$0		
651.047 USE/ADM FEES-REC-MACHINE PITCH	4,000	0	(4,000)	0	0		
651.048 USE/ADM FEES-REC-MINORS	1,500	0	(1,500)	0	0		
651.049 USE/ADM FEES-REC-MAJORS	1,500	0	(1,500)	0	0		
Total - Dept 691.02	\$10,000	\$0	(\$10,000)	\$0	\$0		
Dept 697.00: PARKS & FORESTRY DEPARTMENT							
673.106 WEED MOWING	\$11,000	\$12,500	\$1,500	\$32,693	\$20,193		
Total - Dept 697.00	\$11,000	\$12,500	\$1,500	\$32,693	\$20,193	161.5%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	<u>FY2008-09</u>	<u>FY2008-09</u>	<u>AMENDED</u>	<u>YEAR-TO-DATE</u>	<u>VARIANCE</u>		<u>EXPLANATION</u>
	<u>ADOPTED</u>	<u>AMENDED</u>	<u>over/(under)</u>		<u>ACTUAL TO BUDGET</u>	<u>PERCENT</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>ADOPTED</u>	<u>ACTUAL</u>	<u>AMOUNT</u>		
Dept 738.00: ADRIAN PUBLIC LIBRARY							
567.000 LIBRARY STATE AID	\$8,000	\$8,000	\$0	\$12,089	\$4,089	51.1%	
627.000 DUPLICATING & PHOTOSTATS	2,000	2,000	0	1,586	(414)	-20.7%	
651.000 APPLICATION FEE	500	500	0	45	(455)	-91.0%	
657.000 LIBRARY BOOK FINES	13,000	13,000	0	10,155	(2,845)	-21.9%	
658.000 PENAL FINES	130,000	128,000	(2,000)	127,760	(240)	-0.2%	
671.000 RENTS	1,000	1,000	0	250	(750)	-75.0%	
Total - Dept 738.00	\$154,500	\$152,500	(\$2,000)	\$151,885	(\$615)	-0.4%	
Dept 990.00: NON-DEPARTMENTAL							
404.000 CURRENT REAL PROPERTY TAX	\$5,350,464	\$5,350,464	\$0	\$5,212,026	(\$138,438)	-2.6%	Board of Review Adjustments
405.000 CURRENT PERS PROP TAX	1,018,997	1,018,997	0	1,021,037	2,040	0.2%	and Act 425 Payments to
407.000 CURRENT REFUSE MILLAGE	467,336	467,336	0	463,581	(3,755)	-0.8%	Adrian & Madison Twps
425.000 PAYMENT IN LIEU OF TAXES	40,000	41,100	1,100	41,067	(33)	-0.1%	
457.000 TRAILER	4,600	4,600	0	4,170	(430)	-9.3%	
575.000 SALES & USE TAX	2,339,217	2,370,466	31,249	2,338,104	(32,362)	-1.4%	
644.000 PRINTED MATERIALS	100	100	0	0	(100)	-100.0%	
661.000 CIVIL INFRACTIONS	3,000	1,000	(2,000)	300	(700)	-70.0%	
671.000 RENTS	0	3,000	3,000	2,975	(25)	-0.8%	Rent-153 E. Maumee
675.000 DONATIONS-PRIVATE	100	5,100	5,000	448	(4,652)	-91.2%	Youth Symposium
675.059 DONATIONS-PRIVATE-SENIOR CENTER	100	100	0	2,393	2,293	2293.0%	
675.073 DONATIONS-PRIVATE-LIBRARIES	63,500	96,486	32,986	91,328	(5,158)	-5.3%	
675.077 DONATIONS-PRIVATE-TV CABLE	185,000	185,000	0	199,161	14,161	7.7%	
675.080 DONATIONS-CITY WIDE CITY PRIDE	500	0	(500)	0	0		
675.275 CONTRIBUTION-COMM DEVEL	39,000	3,000	(36,000)	3,000	0	0.0%	See Contrib. Econ. Dev.
675.276 CONTRIBUTION-ECON DEVEL	0	39,000	39,000	39,000	0	0.0%	
676.590 CONTRIB-WASTEWATER	20,000	20,000	0	0	(20,000)	-100.0%	See Finance Dept. Distrib.
676.591 CONTRIB-WATER	20,000	20,000	0	0	(20,000)	-100.0%	of Wages & Fringes
676.701 CONTRIB-TRUST FUND	100	100	0	0	(100)	-100.0%	
676.702 CONTRIB-ENDOWMENT TRUST FUND	100	100	0	5	(95)	-95.0%	
676.711 CONTRIB-PERPETUAL CARE FUND	30,000	30,000	0	30,444	444	1.5%	
695.000 OTHER	185,000	185,000	0	188,727	3,727	2.0%	Planned Use of Fund
697.000 PRIOR YEARS REVENUE	455,585	1,357,543	901,958	0	(1,357,543)	-100.0%	Balance
698.000 SALE OF BONDS/NOTES	0	1,000,000	1,000,000	1,000,000	0		Parks & Forestry Bldg.
Total - Dept 990.00	\$10,222,699	\$12,198,492	\$1,975,793	\$10,637,766	(\$1,560,726)	-12.8%	Financing
Total Revenues	\$11,890,752	\$13,775,045	\$1,884,293	\$12,293,342	(\$1,481,703)	-10.8%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
GENERAL FUND EXPENDITURES (101):							
101.00 CITY COMMISSION							
SALARIES & FRINGE BENEFITS	\$11,912	\$11,912	\$0	\$11,723	\$189	1.6%	
OPERATING	135,219	136,911	1,692	115,933	20,978	15.3%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$147,131	\$148,823	\$1,692	\$127,656	\$21,167	14.2%	
172.00 CITY ADMINISTRATOR							
SALARIES & FRINGE BENEFITS	\$216,115	\$216,115	\$0	\$219,178	(\$3,063)	-1.4%	
OPERATING	21,084	40,507	19,423	34,988	5,519	13.6%	
CAPITAL OUTLAY	<u>10,000</u>	<u>15,000</u>	<u>5,000</u>	<u>14,245</u>	<u>755</u>	5.0%	
TOTAL	\$247,199	\$271,622	\$24,423	\$268,411	\$3,211	1.2%	
191.00 ELECTION DEPARTMENT							
SALARIES & FRINGE BENEFITS	\$9,700	\$8,700	(\$1,000)	\$8,575	\$125	1.4%	
OPERATING	13,500	10,000	(3,500)	10,425	(425)	-4.3%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$23,200	\$18,700	(\$4,500)	\$19,000	(\$300)	-1.6%	
201.00 FINANCE DEPARTMENT							
SALARIES & FRINGE BENEFITS	\$437,292	\$437,292	\$0	\$443,725	(\$6,433)	-1.5%	Distrib. Of Wages
OPERATING	(72,078)	(69,878)	2,200	(67,603)	(2,275)	3.3%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$365,214	\$367,414	\$2,200	\$376,122	(\$8,708)	-2.4%	
209.00 CITY ASSESSOR							
SALARIES & FRINGE BENEFITS	\$141,490	\$118,755	(\$22,735)	\$126,350	(\$7,595)	-6.4%	
OPERATING	54,754	66,254	11,500	55,260	10,994	16.6%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$196,244	\$185,009	(\$11,235)	\$181,610	\$3,399	1.8%	
210.00 CITY ATTORNEY							
SALARIES & FRINGE BENEFITS	\$146,249	\$146,249	\$0	\$147,844	(\$1,595)	-1.1%	
OPERATING	21,808	21,808	0	16,197	5,611	25.7%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$168,057	\$168,057	\$0	\$164,041	\$4,016	2.4%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
June 30, 2009

FUND/DEPARTMENT	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
215.00 CITY CLERK							
SALARIES & FRINGE BENEFITS	\$73,563	\$73,563	\$0	\$77,579	(\$4,016)	-5.5%	
OPERATING	22,111	22,111	0	19,519	2,592	11.7%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$95,674	\$95,674	\$0	\$97,098	(\$1,424)	-1.5%	
226.00 HUMAN RESOURCES DEPARTMENT							
SALARIES & FRINGE BENEFITS	\$86,964	\$86,964	\$0	\$85,772	\$1,192	1.4%	
OPERATING	96,703	120,675	23,972	55,578	65,097	53.9%	Legal Fees:
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		Labor Negotiations
TOTAL	\$183,667	\$207,639	\$23,972	\$141,350	\$66,289	31.9%	
265.00 CITY HALL							
SALARIES & FRINGE BENEFITS	\$2,200	\$2,200	\$0	\$166	\$2,034	92.5%	
OPERATING	174,300	174,300	0	159,729	14,571	8.4%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$176,500	\$176,500	\$0	\$159,895	\$16,605	9.4%	
276.00 CEMETERY							
SALARIES & FRINGE BENEFITS	\$318,926	\$318,926	\$0	\$293,990	\$24,936	7.8%	
OPERATING	95,265	95,265	0	93,086	2,179	2.3%	
CAPITAL OUTLAY	<u>48,500</u>	<u>48,500</u>	<u>0</u>	<u>46,506</u>	<u>1,994</u>	4.1%	
TOTAL	\$462,691	\$462,691	\$0	\$433,582	\$29,109	6.3%	
301.00 POLICE DEPARTMENT							
SALARIES & FRINGE BENEFITS	\$2,653,624	\$2,653,624	\$0	\$2,617,617	\$36,007	1.4%	
OPERATING	319,714	334,583	14,869	267,662	66,921	20.0%	Workers' Comp.
CAPITAL OUTLAY	<u>10,000</u>	<u>31,338</u>	<u>21,338</u>	<u>31,472</u>	<u>(134)</u>	-0.4%	
TOTAL	\$2,983,338	\$3,019,545	\$36,207	\$2,916,751	\$102,794	3.4%	
336.00 FIRE DEPARTMENT							
SALARIES & FRINGE BENEFITS	\$1,455,568	\$1,455,568	\$0	\$1,456,934	(\$1,366)	-0.1%	
OPERATING	290,065	300,484	10,419	246,707	53,777	17.9%	Vehicle Maint-Motor Pool
CAPITAL OUTLAY	<u>45,000</u>	<u>45,000</u>	<u>0</u>	<u>6,250</u>	<u>38,750</u>	86.1%	
TOTAL	\$1,790,633	\$1,801,052	\$10,419	\$1,709,891	\$91,161	5.1%	
371.00 INSPECTION DEPARTMENT							
SALARIES & FRINGE BENEFITS	\$356,280	\$356,280	\$0	\$327,977	\$28,303	7.9%	
OPERATING	69,690	69,690	0	78,460	(8,770)	-12.6%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$425,970	\$425,970	\$0	\$406,437	\$19,533	4.6%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

FUND/DEPARTMENT	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
441.00 DEPARTMENT OF PUBLIC WORKS							
SALARIES & FRINGE BENEFITS	\$377,256	\$377,256	\$0	\$362,246	\$15,010	4.0%	
OPERATING	(66,424)	(66,424)	0	(54,614)	(11,810)	17.8%	
CAPITAL OUTLAY	40,000	40,000	0	16,732	23,268	58.2%	
TOTAL	\$350,832	\$350,832	\$0	\$324,364	\$26,468	7.5%	
442.00 CENTRAL STORES SUPPLY							
SALARIES & FRINGE BENEFITS	\$5,200	\$5,200	\$0	\$4,508	\$692	13.3%	
OPERATING	(5,200)	16,800	22,000	52,056	(35,256)	-209.9%	Supplies: Salt
CAPITAL OUTLAY	0	0	0	0	0		
TOTAL	\$0	\$22,000	\$22,000	\$56,564	(\$34,564)		
443.00 MOTOR VEHICLE POOL							
SALARIES & FRINGE BENEFITS	\$50,000	\$50,000	\$0	\$51,422	(\$1,422)	-2.8%	
OPERATING	(310,400)	(310,400)	0	(524,168)	213,768	68.9%	Distrib. Equipment & Gas
CAPITAL OUTLAY	212,000	212,000	0	185,827	26,173	12.3%	
TOTAL	(\$48,400)	(\$48,400)	\$0	(\$286,919)	\$238,519	492.8%	
449.00 ENGINEERING DEPARTMENT							
SALARIES & FRINGE BENEFITS	\$194,615	\$194,615	\$0	\$178,948	\$15,667	8.1%	
OPERATING	(98,932)	(98,932)	0	(36,675)	(62,257)	-62.9%	Distrib. Eng. Svcs
CAPITAL OUTLAY	0	0	0	0	0		
TOTAL	\$95,683	\$95,683	\$0	\$142,273	(\$46,590)	-48.7%	
450.00 STREET LIGHTING							
SALARIES & FRINGE BENEFITS	\$6,000	\$6,000	\$0	\$3,234	\$2,766	46.1%	
OPERATING	128,000	128,000	0	139,034	(11,034)	-8.6%	
CAPITAL OUTLAY	0	0	0	0	0		
TOTAL	\$134,000	\$134,000	\$0	\$142,268	(\$8,268)	-6.2%	
528.00 WASTE COLLECTION & DISPOSAL							
SALARIES & FRINGE BENEFITS	\$41,200	\$41,200	\$0	\$21,838	\$19,362	47.0%	
OPERATING	704,700	704,700	0	634,230	70,470	10.0%	
CAPITAL OUTLAY	0	0	0	0	0		
TOTAL	\$745,900	\$745,900	\$0	\$656,068	\$89,832	12.0%	
550.00 FIXED EXPENSES							
BOND INTEREST EXPENSE	\$96,000	\$221,341	\$125,341	\$32,787	\$188,554	85.2%	Parks & Forestry Bldg.
TOTAL	\$96,000	\$221,341	\$125,341	\$32,787	\$188,554	85.2%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
June 30, 2009

FUND/DEPARTMENT	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
691.00 RECREATION DEPARTMENT							
SALARIES & FRINGE BENEFITS	\$623,269	\$623,269	\$0	\$606,671	\$16,598	2.7%	
OPERATING	273,822	295,799	21,977	247,271	48,528	16.4%	
CAPITAL OUTLAY	<u>20,500</u>	<u>97,300</u>	<u>76,800</u>	<u>65,212</u>	<u>32,088</u>	33.0%	
TOTAL	\$917,591	\$1,016,368	\$98,777	\$919,154	\$97,214	9.6%	
691.01 ADRIAN AREA LITTLE LEAGUE							
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$4,197	(\$4,197)		
OPERATING	30,000	30,000	0	13,141	16,859	56.2%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$30,000	\$30,000	\$0	\$17,338	\$12,662	42.2%	
691.02 ADRIAN AREA SOCCER CLUB							
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0		
OPERATING	9,910	9,910	0	2,691	7,219	72.8%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$9,910	\$9,910	\$0	\$2,691	\$7,219	72.8%	
696.00 PARKS & FORESTRY GARAGE							
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0		
OPERATING	19,340	19,340	0	4,956	14,384	74.4%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$19,340	\$19,340	\$0	\$4,956	\$14,384	74.4%	
697.00 PARKS & FORESTRY DEPARTMENT							
SALARIES & FRINGE BENEFITS	\$292,821	\$292,821	\$0	\$298,647	(\$5,826)	-2.0%	
OPERATING	159,933	170,383	10,450	175,754	(5,371)	-3.2%	
CAPITAL OUTLAY	<u>104,000</u>	<u>1,190,576</u>	<u>1,086,576</u>	<u>777,340</u>	<u>413,236</u>	34.7%	Parks & Forestry
TOTAL	\$556,754	\$1,653,780	\$1,097,026	\$1,251,741	\$402,039	24.3%	Facility Renovation
698.00 PARKS & FORESTRY - HERITAGE PARK							
SALARIES & FRINGE BENEFITS	\$93,921	\$93,921	\$0	\$91,062	\$2,859	3.0%	
OPERATING	69,100	69,100	0	53,477	15,623	22.6%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$163,021	\$163,021	\$0	\$144,539	\$18,482	11.3%	
699.00 FEE ESTATE MAINTENANCE							
SALARIES & FRINGE BENEFITS	\$0	\$6,000	\$6,000	\$0	\$6,000	100.0%	
OPERATING	0	9,500	9,500	0	9,500	100.0%	New Fee Fund
CAPITAL OUTLAY	<u>0</u>	<u>11,598</u>	<u>11,598</u>	<u>0</u>	<u>11,598</u>	100.0%	
TOTAL	\$0	\$27,098	\$27,098	\$0	\$27,098	100.0%	
700.00 ADRIAN FENCE PROPERTY							
SALARIES & FRINGE BENEFITS	\$100	\$100	\$0	\$0	\$100	100.0%	
OPERATING	10,900	10,900	0	6,260	4,640	42.6%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$11,000	\$11,000	\$0	\$6,260	\$4,740	43.1%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
738.00 ADRIAN PUBLIC LIBRARY							
SALARIES & FRINGE BENEFITS	\$512,059	\$512,059	\$0	\$535,221	(\$23,162)	-4.5%	
OPERATING	319,000	351,986	32,986	356,194	(4,208)	-1.2%	
CAPITAL OUTLAY	<u>12,000</u>	<u>233,084</u>	<u>221,084</u>	<u>709,106</u>	<u>(476,022)</u>	-204.2%	Building Renovation
TOTAL	\$843,059	\$1,097,129	\$254,070	\$1,600,521	(\$503,392)	-45.9%	
801.00 PLANNING COMMISSION							
OPERATING	\$78,500	\$78,500	\$0	\$10,978	\$67,522	86.0%	Consultant Fees
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$78,500	\$78,500	\$0	\$10,978	67,522	86.0%	
836.00 OTHER PROJECTS							
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$6,205	(\$6,205)		Contract Services:
OPERATING	66,422	66,422	0	353,018	(286,596)	-431.5%	J.E.Johnson
CAPITAL OUTLAY	<u>124,817</u>	<u>264,817</u>	<u>140,000</u>	<u>538,298</u>	<u>(273,481)</u>	-103.3%	Acctg. Bldg. Debt Servc.
TOTAL	\$191,239	\$331,239	\$140,000	\$897,521	(\$566,282)	-171.0%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
903.00 BEAUTIFICATION - PARKS (FEE)							
OPERATING	\$0	\$0	\$0	\$0	\$0		
CAPITAL OUTLAY	<u>0</u>	<u>68,283</u>	<u>68,283</u>	<u>65,229</u>	<u>3,054</u>	4.5%	
TOTAL	\$0	\$68,283	\$68,283	\$65,229	\$3,054	4.5%	
903.36 BEAUT - PARKS (FEE)-BURR PONDS							
OPERATING	\$0	\$16,689	\$16,689	\$16,689	\$0	0.0%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$0	\$16,689	\$16,689	\$16,689	\$0	0.0%	
904.00 PARK CAPITAL							
OPERATING	\$0	\$0	\$0	\$0	\$0		
CAPITAL OUTLAY	<u>0</u>	<u>112,193</u>	<u>112,193</u>	<u>113,824</u>	<u>(1,631)</u>	-1.5%	Island Park Restroom
TOTAL	\$0	\$112,193	\$112,193	\$113,824	(\$1,631)	-1.5%	Kiwanis Trail Paving
910.00 CRIMP SAVINGS							
GENERAL FUND	\$0	\$0	\$0	\$0	\$0		
DPW	0	0	0	0	0		
PARKS	<u>0</u>	<u>27,036</u>	<u>27,036</u>	<u>27,036</u>	<u>0</u>	0.0%	
TOTAL	\$0	\$27,036	\$27,036	\$27,036	\$0	0.0%	
965.00 TRANSFERS OUT							
CONTRIBUTION - AUTO PARKING	\$6,000	\$6,000	\$0	\$6,000	\$0	0.0%	
CONTRIBUTION - DIAL-A-RIDE	<u>109,568</u>	<u>109,568</u>	<u>0</u>	<u>119,758</u>	<u>(10,190)</u>	-9.3%	
TOTAL	\$115,568	\$115,568	\$0	\$125,758	(\$10,190)	-8.8%	
990.00 NON-DEPARTMENTAL							
CONTINGENCY	<u>\$315,237</u>	<u>\$127,839</u>	<u>(\$187,398)</u>	<u>\$0</u>	<u>\$127,839</u>	100.0%	
TOTAL	\$315,237	\$127,839	(\$187,398)	\$0	\$127,839	100.0%	
TOTAL GENERAL FUND EXPENDITURES	\$11,890,752	\$13,775,045	\$1,884,293	\$13,273,484	\$501,561	3.6%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$980,142)	(\$980,142)		

CITY OF ADRIAN
 FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

FUND/DEPARTMENT	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED REVENUE	YEAR-TO-DATE ACTUAL	VARIANCE		EXPLANATION
					ACTUAL TO BUDGET AMOUNT	PERCENT	
<u>RECONCILIATION BETWEEN ADOPTED AND AMENDED BUDGET</u>							
ADOPTED BUDGET			\$11,890,752				
Sale of Note: Parks & Forestry Bldg Renovation			1,000,000				
Encumbrances & Carry Forwards			700,207				
Acquisition of 159 E. Maumee Street			140,000				
First Quarter Budget Amendments			(114,000)				
Library Elevator Installation			61,751				
Library Security Gates			25,866				
Adrian Training School Land Use Grant			24,000				
Drug Forfeiture Funds - Mibile Video Cameras			20,900				
Donations-Private-Piotter Kitched Renovation			9,500				
Library - New Book Return and Carts			7,120				
Drug Forfeiture Funds - K9 Program Transportation			6,000				
Third Quarter Budget Amendments			2,949				
AMENDED BUDGET			\$13,775,045				
INCREASE/(DECREASE)			\$1,884,293				
 <u>CONTINGENCY ACCOUNT RECONCILIATION</u>							
ADOPTED BUDGET			\$315,237				
First Quarter Budget Amendments			(\$118,000)				
Hybrid Pension Feasibility Study			(\$2,200)				
County Equalization Assessing Contract			\$12,235				
Third Quarter Budget Amendments			(\$79,433)				
AMENDED BUDGET			\$127,839				
INCREASE/(DECREASE)			(\$187,398)				

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
MAJOR STREET FUND REVENUE (202):							
516.202 BEECHER STREET PAVING GRANT	\$375,000	\$0	(\$375,000)	\$0	0		Received in 2007
517.000 MAPLE AVENUE PAVING GRANT	281,250	0	(281,250)	0	0		Received in 2007
527.202 CMAQ GRANT-KIWANIS TRAIL EXT.	0	25,000	25,000	25,000	0	0.0%	
546.000 GAS & WEIGHT TAX	1,000,000	920,000	(80,000)	997,591	77,591	8.4%	
547.000 STATE TRUNKLINE MAINTENANCE	<u>46,000</u>	<u>52,000</u>	<u>6,000</u>	<u>57,519</u>	<u>5,519</u>	10.6%	
INTERGOVERNMENTAL REVENUE	\$1,702,250	\$997,000	(\$705,250)	\$1,080,110	\$83,110	8.3%	
664.000 INVESTMENT INCOME	20,000	4,000	(16,000)	2,865	(1,135)	-28.4%	
676.283 CONTRB.-VIBRANT CITY GRANT FUND	1,489,244	0	(1,489,244)	0	0		
676.599 CONTRB.-CAP PROJ REV FUND	0	63,804	63,804	63,803	(1)	0.0%	
695.000 OTHER	0	101,736	101,736	101,736	0	0.0%	
697.000 PRIOR YEARS' REVENUE	0	183,060	183,060	0	(183,060)	-100.0%	Planned Use of Fund
TOTAL MAJOR STREET FUND REVENUE	\$3,211,494	\$1,349,600	(\$1,861,894)	\$1,248,514	(\$101,086)	-7.5%	Balance

MAJOR STREET FUND EXPENDITURES (202):

STREET CONSTRUCTION

SALARIES & FRINGES	\$0	\$0	\$0	\$0	\$0		
OPERATING	<u>2,375,184</u>	<u>405,001</u>	<u>(1,970,183)</u>	<u>560,853</u>	<u>(155,852)</u>	-38.5%	
SUBTOTAL	\$2,375,184	\$405,001	(\$1,970,183)	\$560,853	(\$155,852)	-38.5%	

ROUTINE ROAD MAINTENANCE

SALARIES & FRINGES	\$51,800	\$51,800	\$0	\$35,905	\$15,895	30.7%	
OPERATING	153,250	153,250	0	92,671	60,579	39.5%	
CAPITAL EQUIPMENT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
SUBTOTAL	\$205,050	\$205,050	\$0	\$128,576	\$76,474	37.3%	

ROUTINE BRIDGE MAINTENANCE

SALARIES & FRINGES	\$1,000	\$1,000	\$0	\$0	\$1,000		
OPERATING	<u>12,500</u>	<u>12,500</u>	<u>0</u>	<u>4,950</u>	<u>7,550</u>	60.4%	
SUBTOTAL	\$13,500	\$13,500	\$0	\$4,950	\$8,550	63.3%	

TRAFFIC SERVICE MAINTENANCE

SALARIES & FRINGES	\$48,000	\$48,000	\$0	\$15,599	\$32,401	67.5%	
OPERATING	87,500	87,500	0	45,137	42,363	48.4%	
CAPITAL EQUIPMENT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
SUBTOTAL	\$135,500	\$135,500	\$0	\$60,736	\$74,764	55.2%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	<u>FY2008-09 ADOPTED BUDGET</u>	<u>FY2008-09 AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>VARIANCE ACTUAL TO BUDGET</u>		<u>EXPLANATION</u>
					<u>AMOUNT</u>	<u>PERCENT</u>	
WINTER MAINTENANCE							
SALARIES & FRINGES	\$17,000	\$22,000	\$5,000	\$22,851	(\$851)	-3.9%	
OPERATING	<u>59,000</u>	<u>100,000</u>	<u>41,000</u>	<u>95,167</u>	<u>4,833</u>	4.8%	
SUBTOTAL	\$76,000	\$122,000	\$46,000	\$118,018	\$3,982	3.3%	
NON-MOTORIZED TRANSPORTATION							
SALARIES & FRINGES	\$17,300	\$17,300	\$0	\$645	\$16,655	96.3%	
OPERATING	41,500	43,517	2,017	6,431	37,086	85.2%	
CAPITAL IMPROVEMENTS	<u>0</u>	<u>60,272</u>	<u>60,272</u>	<u>79,882</u>	<u>(19,610)</u>	-32.5%	Kiwanis Trail
SUBTOTAL	\$58,800	\$121,089	\$62,289	\$86,958	\$34,131	28.2%	
STATE TRUNKLINE MAINTENANCE (US223)							
SALARIES & FRINGES	\$4,400	\$4,400	\$0	\$2,010	\$2,390	54.3%	
OPERATING	<u>11,000</u>	<u>11,000</u>	<u>0</u>	<u>12,595</u>	<u>(1,595)</u>	-14.5%	
SUBTOTAL	\$15,400	\$15,400	\$0	\$14,605	\$795	5.2%	
STATE TRUNKLINE MAINTENANCE (M-52)							
SALARIES & FRINGES	\$7,500	\$7,500	\$0	\$4,595	\$2,905	38.7%	
OPERATING	<u>26,500</u>	<u>26,500</u>	<u>0</u>	<u>28,941</u>	<u>(2,441)</u>	-9.2%	
SUBTOTAL	\$34,000	\$34,000	\$0	\$33,536	\$464	1.4%	
STATE TRUNKLINE MAINTENANCE (M-34)							
SALARIES & FRINGES	\$1,500	\$1,500	\$0	\$1,540	(\$40)	-2.7%	
OPERATING	<u>10,700</u>	<u>10,700</u>	<u>0</u>	<u>7,838</u>	<u>2,862</u>	26.7%	
SUBTOTAL	12,200	12,200	\$0	9,378	2,822	23.1%	
ADMIN & RECORD KEEPING	35,860	35,860	0	32,939	\$2,921	8.1%	
CONTRIBUTION - LOCAL STREET FUND	250,000	250,000	0	150,000	100,000		
TOTAL MAJOR STREET FUND EXP. (202)	\$3,211,494	\$1,349,600	(\$1,861,894)	\$1,200,549	\$149,051	11.0%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$47,965	\$47,965		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	<u>FY2008-09 ADOPTED BUDGET</u>	<u>FY2008-09 AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>VARIANCE ACTUAL TO BUDGET</u>		<u>EXPLANATION</u>
					<u>AMOUNT</u>	<u>PERCENT</u>	
LOCAL STREET FUND REVENUE (203):							
546.000 GAS & WEIGHT TAX	\$330,000	\$310,000	(\$20,000)	\$335,270	\$25,270	8.2%	
577.000 METRO ACT	60,000	60,000	0	60,485	485	0.8%	
664.000 INVESTMENT EARNINGS	2,000	2,000	0	925	(1,075)	-53.8%	
676.202 CONTRIBUTION - MAJOR STREET FUND	250,000	250,000	0	150,000	(100,000)	-40.0%	
676.599 CONTRIBUTION - CAPITAL PROJ. REV. FUND	120,628	257,628	137,000	256,986	(642)	-0.2%	
695.000 OTHER	0	721	721	704	(17)	-2.4%	
697.000 PRIOR YEARS' REVENUE	110,614	0	(110,614)	0	0		
699.204 TRANSFER IN - MUNICIPAL STREET FUND	473,839	459,485	(14,354)	459,465	(20)	0.0%	
TOTAL LOCAL STREET FUND REVENUE	\$1,347,081	\$1,339,834	(\$7,247)	\$1,263,835	(\$75,999)	-5.7%	
LOCAL STREET FUND EXPENDITURES (203):							
SIDEWALKS							
SALARIES & FRINGES	\$6,500	\$6,500	\$0	\$169	\$6,331		
OPERATING	<u>53,000</u>	<u>53,000</u>	<u>0</u>	<u>12,881</u>	<u>40,119</u>	75.7%	
SUBTOTAL	\$59,500	\$59,500	\$0	\$13,050	\$46,450	78.1%	
STREET CONSTRUCTION							
SALARIES & FRINGES	\$305,728	\$305,728	\$0	\$75,865	\$229,863		
OPERATING	<u>436,793</u>	<u>381,724</u>	<u>(55,069)</u>	<u>865,977</u>	<u>(484,253)</u>	-126.9%	
SUBTOTAL	\$742,521	\$687,452	(\$55,069)	\$941,842	(\$254,390)	-37.0%	
ROUTINE ROAD MAINTENANCE							
SALARIES & FRINGES	\$106,250	\$106,250	\$0	\$46,845	\$59,405	55.9%	
OPERATING	304,450	304,450	0	104,155	200,295	65.8%	
CAPITAL OUTLAY	<u>0</u>	<u>8,822</u>	<u>8,822</u>	<u>0</u>	<u>8,822</u>	100.0%	
SUBTOTAL	\$410,700	\$419,522	\$8,822	\$151,000	\$268,522	64.0%	
ROUTINE BRIDGE MAINTENANCE							
SALARIES & FRINGES	\$100	\$100	\$0	\$0	\$100		
OPERATING	<u>900</u>	<u>900</u>	<u>0</u>	<u>0</u>	<u>900</u>	100.0%	
SUBTOTAL	\$1,000	\$1,000	\$0	\$0	\$1,000	100.0%	
TRAFFIC SERVICE MAINTENANCE							
SALARIES & FRINGES	\$17,200	\$17,200	\$0	\$14,578	\$2,622	15.2%	
OPERATING	<u>20,300</u>	<u>20,300</u>	<u>0</u>	<u>14,972</u>	<u>5,328</u>	26.2%	
SUBTOTAL	\$37,500	\$37,500	\$0	\$29,550	\$7,950	21.2%	
WINTER MAINTENANCE							
SALARIES & FRINGES	\$13,000	\$25,000	\$12,000	\$20,668	\$4,332	17.3%	
OPERATING	<u>43,000</u>	<u>70,000</u>	<u>27,000</u>	<u>70,193</u>	<u>(193)</u>	-0.3%	
SUBTOTAL	\$56,000	\$95,000	\$39,000	\$90,861	\$4,139	4.4%	
ADMIN & RECORD KEEPING							
DISTRB. - IT SERVICES	4,860	4,860	0	4,860	0	0.0%	
TOTAL LOCAL STREET FUND EXP (203)	\$1,347,081	\$1,339,834	(\$7,247)	\$1,256,806	\$83,028	6.2%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$7,029	\$7,029		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
MUNICIPAL STREET FUND REVENUE (204):							
402.000 PROPERTY TAXES - SPECIAL VOTED	\$461,789	\$455,465	(\$6,324)	\$460,330	\$4,865	1.1%	
664.000 INVESTMENT INCOME	10,000	4,000	(6,000)	3,035	(965)	-24.1%	
695.000 OTHER	0	0	0	0	0		
TOTAL MUNICIPAL STREET FUND REVENUE	\$471,789	\$459,465	(\$12,324)	\$463,365	\$3,900	0.8%	
MUNICIPAL STREET FUND EXPENDITURES:							
CONTRIBUTION - LOCAL STREETS	\$471,789	\$459,465	(\$12,324)	\$459,465	\$0	0.0%	
TOTAL MUNICIPAL ST. FUND EXP.(204)	\$471,789	\$459,465	(\$12,324)	\$459,465	\$0	0.0%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$3,900	\$3,900		
FEE ESTATE (205):							
664.000 INVESTMENT INCOME	\$10,000	\$0	(\$10,000)	\$0	\$0		
675.076 DONATIONS-PRIVATE-FEE ESTATE	870,674	795,674	(75,000)	931,564	135,890	17.1%	Total Return: \$14.3 M
695.000 OTHER (undistributed net income)	267,704	232,704	(35,000)	0	(232,704)	-100.0%	Undistributed Income:
TOTAL FEE ESTATE FUND REVENUE	\$1,148,378	\$1,028,378	(\$120,000)	\$931,564	(\$96,814)	-9.4%	\$280,757 as of 6-30-09
696.00 PARKS & FORESTRY GARAGE							
SALARIES & FRINGES	\$0	\$0	\$0	\$0	\$0		
OPERATING	19,340	19,340	0	4,150	15,190	78.5%	
SUBTOTAL	\$19,340	\$19,340	\$0	\$4,150	\$15,190	78.5%	
699.00 FEE ESTATE MAINTENANCE							
SALARIES & FRINGES	\$518,705	\$518,705	\$0	\$489,960	\$28,745	5.5%	
OPERATING	229,433	239,433	10,000	242,429	(2,996)	-1.3%	
CAPITAL OUTLAY	380,900	250,900	(130,000)	111,897	139,003	55.4%	West Maumee Trailhead
SUBTOTAL	\$1,129,038	\$1,009,038	(\$120,000)	\$844,286	\$164,752	16.3%	
TOTAL FEE ESTATE FUND	\$1,148,378	\$1,028,378	(\$120,000)	\$848,436	\$179,942	17.5%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$83,128	\$83,128		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
OMNI FUND REVENUE (267):							
663.000 OMNI FORFEITURES	\$80,800	\$80,800	\$0	\$108,533	\$27,733	34.3%	
664.000 INVESTMENT INCOME	4,000	4,000	0	949	(3,051)	-76.3%	
671.000 RENTS	2,000	2,000	0	9,750	7,750	387.5%	
675.000 DONATIONS - PRIVATE	100	100	0	0	(100)	-100.0%	
TOTAL OMNI FUND REVENUE	\$86,900	\$86,900	\$0	\$119,232	\$32,332	37.2%	
OMNI FUND EXPENDITURES (267):							
SALARIES & FRINGE BENEFITS	\$26,000	\$26,000	\$0	\$25,879	\$121	0.5%	
OPERATING	60,900	60,900	0	52,937	7,963	13.1%	
CAPITAL OUTLAY	0	0	0	0	0		
TOTAL OMNI FUND EXPENDITURES (267)	\$86,900	\$86,900	\$0	\$78,816	\$8,084	9.3%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$40,416	\$40,416		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
COMMUNITY DEVELOPMNT FUND REV (275):							
520.000 CDBG GRANT	\$24,000	\$0	(\$24,000)	\$0	\$0		
521.000 REVOLVING LOAN INCOME	10,000	0	(10,000)	0	0		
529.000 COMMUNITY DEVELOPMENT GRANT	246,000	0	(246,000)	0	0		
530.000 DOWNTOWN RENTAL REHAB	183,600	0	(183,600)	0	0		
531.000 PROPERTY IMPROVEMENT PROGRAM	50,000	0	(50,000)	0	0		
632.000 ADMINISTRATIVE FEES	84,000	84,000	0	42,776	(41,224)	-49.1%	
651.000 APPLICATION FEE	1,000	100	(900)	10	(90)	-90.0%	
664.000 INVESTMENT INCOME	4,000	3,000	(1,000)	3,032	32	1.1%	
676.281 CONTRIB-DDA-TIF FUND	0	2,000	2,000	2,000	0	0.0%	
683.000 SALE OF PROPERTY	120,000	46,343	(73,657)	0	(46,343)	-100.0%	HUD Foreclosure Sales
TOTAL COMMUNITY DEVELOPMNT FUND REV	\$722,600	\$135,443	(\$587,157)	\$47,818	(\$87,625)	-64.7%	
COMMUNITY DEVELOPMNT FUND EXP (275):							
ADM CD BLOCK GRANT							
SALARIES & FRINGE BENEFITS	\$123,414	\$94,400	(\$29,014)	\$101,569	(\$7,169)	-7.6%	
OPERATING	40,543	40,543	0	30,223	10,320	25.5%	
CAPITAL OUTLAY	0	0	0	0	0		
TOTAL CDBG GRANT	\$163,957	\$134,943	(\$29,014)	\$131,792	\$3,151	2.3%	
COMMUNITY DEVELOPMENT GRANT	\$246,000	\$246,000	\$0	\$0	\$246,000	100.0%	
CDBG PROGRAM EXPENSES	19,200	19,200	0	0	19,200	100.0%	
PROPERTY IMPROVEMENT PROGRAM	50,000	50,000	0	0	50,000	100.0%	
PROPERTY ACQUISITION EXPENSES	500	500	0	1,053	(553)	-110.6%	
DOWNTOWN RENTAL REHAB	183,700	183,700	0	0	183,700	100.0%	
CONTINGENCY	59,243	88,257	29,014	0	88,257	100.0%	
TOTAL COMM DEVLP FUND EXP (275)	\$722,600	\$722,600	\$0	\$132,845	\$589,755	81.6%	
REVENUE OVER/(UNDER) EXP.	\$0	(\$587,157)	(\$587,157)	(\$85,027)	\$502,130		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

FUND/DEPARTMENT	FY2008-09	FY2008-09	AMENDED	YEAR-TO-DATE	VARIANCE		EXPLANATION
	ADOPTED BUDGET	AMENDED BUDGET	over/(under) ADOPTED	ACTUAL	ACTUAL TO BUDGET AMOUNT	PERCENT	
ECONOMIC DEVELOPMENT FUND REV (276)							
503.000 MDEQ SILO DEMOLITION GRANT	\$0	\$89,000	\$89,000	\$88,434	(\$566)		
533.000 USEPA ASSESSMENT GRANT	100,000	100,000	0	67,835	(32,165)	-32.2%	
535.000 MDEQ SITE ASSESSMENT GRANT	20,000	20,000	0	7,710	(12,290)	-61.5%	
664.000 INVESTMENT INCOME	3,000	1,300	(1,700)	1,167	(133)	-10.2%	
675.075 DONATIONS - PRIVATE	150,000	150,000	0	150,000	0	0.0%	
695.000 OTHER	24,000	6,000	(18,000)	0	(6,000)	-100.0%	
697.000 PRIOR YEAR'S REVENUE	40,667	18,000	(22,667)	0	(18,000)	-100.0%	Planned Use of Fund
TOTAL ECONOMIC DEVELOPMENT FUND REV	\$337,667	\$384,300	\$46,633	\$315,146	(\$69,154)	-18.0%	Balance
ECONOMIC DEVELOPMENT FUND EXP (276):							
CONTRIBUTION - GENERAL FUND	\$ 39,000	\$ 39,000	\$0	\$ 39,000	\$ -	0.0%	
PROGRAM ADMINISTRATION	0	1,400	1,400	1,025	375	26.8%	
HAZARDOUS SUBSTANCE SITE ASSESSMENT	21,500	1,500	(20,000)	1,254	246	16.4%	
PETROLEUM SITE ASSESSMENT	78,500	8,500	(70,000)	13,947	(5,447)	-64.1%	
WATERFRONT SITE ASSESSMENT	20,000	5,000	(15,000)	0	5,000	100.0%	
MDEQ SILO DEMOLITION GRANT	0	11,000	11,000	10,177	823	7.5%	
ECONOMIC DEVELOPMENT	178,667	127,612	(51,055)	103,335	24,277	19.0%	
CONTRIBUTION - IT FUND	0	17,080	17,080	17,080	0	0.0%	
NON-DEPT CONTINGENCY	0	173,208	173,208	0	173,208	100.0%	
TOTAL ECONOMIC DEVELOPMENT FUND EXP (276)	\$ 337,667	\$ 384,300	\$46,633	\$ 185,818	\$ 198,482	51.6%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$129,328	\$129,328		
BROWNFIELD REDEVELOPMENT AUTHORITY (279):							
404.000 CURRENT PROPERTY TAX	\$14,000	\$14,000	\$0	\$10,665	(\$3,335)	-23.8%	
664.000 INVESTMENT EARNINGS	0	0	0	75	75		
676.282 CONTRIB-LDFA FUND	37,000	37,000	0	37,000	0	0.0%	
TOTAL REVENUE	\$51,000	\$51,000	\$0	\$47,740	(\$3,260)	-6.4%	
BROWNFIELD REDEVELOPMENT AUTHORITY (279):							
ADMINISTRATION	\$51,000	\$51,000	\$0	\$0	\$51,000	100.0%	
TOTAL EXPENDITURES	\$51,000	\$51,000	\$0	\$0	\$51,000	100.0%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$47,740	\$47,740		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
DOWNTOWN DEVLPMNT AUTH REV (280):							
404.000 CURRENT REAL PROPERTY TAX	\$34,000	\$34,000	\$0	\$35,420	\$1,420	4.2%	
631.000 REFUSE COLLECTION	22,000	0	(22,000)	0	0		(See Fund 281)
664.000 INVESTMENT EARNINGS	1,000	1,000	0	207	(793)	-79.3%	
671.000 RENTS	1,000	1,000	0	0	(1,000)	-100.0%	
695.000 OTHER	4,000	4,000	0	6	(3,994)	-99.9%	
695.001 OTHER-ARTS FESTIVAL	10,000	10,000	0	9,201	(799)	-8.0%	
697.000 PRIOR YEAR'S REVENUE	56,000	64,200	8,200	0	(64,200)	-100.0%	Planned Use of Fund
699.281 TRANSFER IN TIFA	0	0	0	2,000	2,000		Balance
TOTAL DOWNTOWN DEV AUTH. REV.	\$128,000	\$114,200	(\$13,800)	\$46,834	(\$67,366)	-59.0%	
DOWNTOWN DEVLPMNT AUTH. EXP. (280):							
SALARIES & FRINGE BENEFITS	\$6,600	\$6,600	\$0	\$9,031	(\$2,431)	-36.8%	
OPERATING	75,400	41,600	(33,800)	34,110	7,490	18.0%	
CONTRIBUTION - AUTO PARKING	10,000	10,000	0	10,000	0	0.0%	
CAPITAL OUTLAY	56,000	56,000	0	13,625	42,375	75.7%	
TOTAL DOWNTOWN DEVLPMNT AUTH EXP	\$128,000	\$114,200	(\$13,800)	\$66,766	\$47,434	41.5%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$19,932)	(\$19,932)		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

FUND/DEPARTMENT	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
DDA - TIF FUND REVENUE (281):							
404.000 CURRENT REAL PROPERTY TAX	\$260,000	\$260,000	\$0	\$444,268	\$184,268	70.9%	
631.000 REFUSE COLLECTION	0	22,000	22,000	19,381	(2,619)	-11.9%	
664.000 INVESTMENT EARNINGS	20,000	20,000	0	7,126	(12,874)	-64.4%	
697.000 PRIOR YEAR'S REVENUE	134,859	109,859	(25,000)	0	(109,859)	-100.0%	
698.000 SALE OF BONDS/NOTES	250,000	0	(250,000)	0	0		
699.283 CONTRIB - VSCI FUND	350,000	0	(350,000)	0	0		
TOTAL DOWNTOWN DEV AUTH. REV.	\$1,014,859	\$411,859	(\$3,000)	\$470,775	\$58,916	14.3%	
DDA-TIF FUND EXP. (281):							
SALARIES & FRINGE BENEFITS	\$44,442	\$44,442	\$0	\$34,335	\$10,107	22.7%	
OPERATING	176,937	(426,063)	(603,000)	61,901	(487,964)	114.5%	
CAPITAL OUTLAY	600,000	600,000	0	22,098	577,902	96.3%	Postponed Projects
CONTRIBUTION-COMMUNITY DEVELOP	2,000	2,000	0	2,000	0	0.0%	
CONTRIBUTION-DDA	6,000	6,000	0	2,000	4,000	66.7%	
TRANSFER OUT - DEBT	100,480	100,480	0	100,480	0	0.0%	
TRANSFER OUT - SCHOOLS	85,000	85,000	0	(94,900)	179,900	211.6%	
TOTAL DDA-TIF FUND EXP	\$1,014,859	\$411,859	(\$603,000)	\$127,914	\$283,945	68.9%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$342,861	\$342,861		
LDFA-GAIDC FUND REVENUE (282):							
404.000 CURRENT REAL PROPERTY TAX	\$51,000	\$51,000	\$0	\$53,179	\$2,179	4.3%	
664.000 INVESTMENT INCOME	10,000	10,000	0	2,842	(7,158)	-71.6%	
671.000 RENTS	0	0	0	3,975	3,975		
676.000 CONTRIB-PRIVATE	0	0	0	32,153	32,153		GAIDC Final Paymnt
697.000 PRIOR YEARS' REVENUE	307,000	307,000	0	0	(307,000)	-100.0%	Planned Use of Fund
TOTAL LDFA FUND REVENUE	\$368,000	\$368,000	\$0	\$92,149	(\$275,851)	-75.0%	Balance
LDFA-GAIDC FUND - EXPENDITURES (282):							
SALARIES & FRINGE BENEFITS	\$79,174	\$79,174	\$0	\$90,416	(\$11,242)	-14.2%	
OPERATING	288,826	288,826	0	55,809	233,017	80.7%	
CAPITAL OUTLAY	0	0	0	0	0		
TOTAL LDFA-GAIDC FUND EXP (282)	\$368,000	\$368,000	\$0	\$146,225	\$221,775	60.3%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$54,076)	(\$54,076)		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	<u>FY2008-09</u>	<u>FY2008-09</u>	<u>AMENDED</u>	<u>YEAR-TO-DATE</u>	<u>VARIANCE</u>		<u>EXPLANATION</u>
	<u>ADOPTED</u>	<u>AMENDED</u>	<u>over/(under)</u>		<u>ACTUAL</u>	<u>ACTUAL TO BUDGET</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>ADOPTED</u>		<u>AMOUNT</u>		
VIBRANT SMALL CITIES GRANT FUND REVENUE (283)							
519.001 VIBRANT SMALL CITIES GRANT-CDBG	\$1,000,000	\$1,000,000	\$0	\$144,375	(\$855,625)		-85.6%
519.002 VIBRANT SMALL CITIES GRANT-LOCAL	1,185,000	1,185,000	0	0	(1,185,000)		-100.0%
519.003 VIBRANT SMALL CITIES GRANT-PRIVATE	295,000	295,000	0	0	(295,000)		-100.0%
664.000 INVESTMENT EARNINGS	0	0	0	12,895	12,895		
TOTAL VSCI GRANT FUND REVENUE (283)	\$2,480,000	\$2,480,000	\$0	\$157,270	(\$2,322,730)		-93.7%
VIBRANT SMALL CITIES GRANT FUND EXPENDITURES (283)							
TWO-WAY TRAFFIC CIRCULATION	\$1,508,000	\$1,508,000	\$0	\$127,606	\$1,380,394		91.5%
FAÇADE IMPROVEMENTS	458,000	458,000	0	4,736	453,264		99.0%
DOWNTOWN WIRELESS NETWORK	58,000	58,000	0	1,500	56,500		97.4%
BLIGHT REDUCTION	258,000	258,000	0	190,756	67,244		26.1%
RENTAL REHABILITATION	198,000	198,000	0	0	198,000		100.0%
TOTAL VSCI GRANT FUND EXPENDITURES (283)	\$2,480,000	\$2,480,000	\$0	\$324,598	\$2,155,402		86.9%
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$167,328)	(\$167,328)		
LDFA DEBT FUND REVENUE (310):							
664.000 INTEREST EARNINGS	\$0	\$0	\$0	\$309	\$309		
TOTAL LDFA DEBT FUND REVENUE	\$0	\$0	\$0	\$309	\$309		
LDFA DEBT FUND EXPENDITURES (310):							
695.000 OTHER	\$0	\$0	\$0	\$17,796	(\$17,796)		Close Out
TOTAL LDFA FUND EXPENDITURES	\$0	\$0	\$0	\$17,796	(\$17,796)		
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$17,487)	(\$17,487)		

CITY OF ADRIAN
 FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	<u>VARIANCE ACTUAL TO BUDGET</u>		EXPLANATION
					AMOUNT	PERCENT	
BUILDING AUTHORITY DEBT FUND (369):							
664.000 INTEREST EARNINGS	\$100	\$100	\$0	\$0	(\$100)	-100.0%	
TOTAL BLDG AUTHORITY DEBT FUND REV.	\$100	\$100	\$0	\$0	(\$100)	-100.0%	
BLDG AUTH. FUND EXPENDITURES (369):							
BOND INTEREST EXPENSE	\$0	\$0	\$0	\$0	\$0		
PAYING AGENT FEES	0	0	0	0	0		
CONTINGENCY	100	100	0	0	100	100.0%	
TOTAL BLDG AUTH FUND EXP (369)	\$100	\$100	\$0	\$0	\$100	100.0%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$0	\$0		
DDA DEBT FUND REVENUE (394):							
664.000 INTEREST EARNINGS	\$425	\$425	\$0	\$23	(\$402)	-94.6%	
699.000 APPROP TRANSFER IN	100,480	100,480	0	100,480	0	0.0%	
TOTAL DDA DEBT FUND REVENUE	\$100,905	\$100,905	\$0	\$100,503	(\$402)	-0.4%	
DDA DEBT FUND EXPENDITURES (394):							
BOND INTEREST EXPENSE	\$20,480	\$20,480	\$0	\$10,240	\$10,240	50.0%	
PAYING AGENT FEES	425	425	0	425	0	0.0%	
CONTINGENCY	80,000	80,000	0	0	80,000	100.0%	
TOTAL DDA DEBT FUND EXP (394)	\$100,905	\$100,905	\$0	\$10,665	\$90,240	89.4%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$89,838	\$89,838		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

FUND/DEPARTMENT	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
WATER-CAPITAL PROJECTS FUND REVENUE (496)							
664.000 INTEREST EARNINGS	\$0	\$0	\$0	\$0	\$0		
676.591 CONTRIBUTION- WATER FUND	474,000	474,000	0	201,185	(272,815)	-57.6%	
697.000 PRIOR YEAR'S REVENUE	0	116,220	116,220	0	(116,220)	-100.0%	
TOTAL DDA DEBT FUND REVENUE	\$474,000	\$590,220	\$116,220	\$201,185	(\$389,035)	-65.9%	
WATER-CAPITAL PROJECTS FUND EXPENDITURES (496)							
ADMINISTRATION	\$3,000	\$3,000	\$0	\$0	\$3,000	100.0%	
METER READING & MAINT.	75,000	86,907	11,907	37,620	49,287	56.7%	
OAKWOOD FACILITY	5,000	5,000	0	4,516	484	9.7%	
WATER PLANT CAPITAL EQUIP	61,000	61,000	0	22,950	38,050	62.4%	
WATER PLANT CAPITAL IMPRVMT	80,000	139,733	59,733	78,804	60,929	43.6%	
WATER DISTRB CAPITAL EQUIP	120,000	164,580	44,580	45,407	119,173	72.4%	
WATER DISTRB CAPITAL IMPRVMT	130,000	130,000	0	11,888	118,112	90.9%	
TOTAL EXPENDITURES	\$474,000	\$590,220	\$116,220	\$201,185	\$389,035	65.9%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$0	\$0		
SEWER-CAPITAL PROJECTS FUND REVENUE (497)							
676.590 CONTRIBUTION- WASTEWATER FUND	\$722,084	\$722,084	\$0	\$442,152	(\$279,932)	-38.8%	
697.000 PRIOR YEAR'S REVENUE	0	349,869	349,869	0	(349,869)	-100.0%	
TOTAL DDA DEBT FUND REVENUE	\$722,084	\$1,071,953	\$349,869	\$442,152	(\$629,801)	-58.8%	
SEWER-CAPITAL PROJECTS FUND EXPENDITURES (497)							
WWTP CAPITAL IMPROVEMENTS	\$274,484	\$419,484	\$145,000	\$237,689	\$181,795	43.3%	
WWTP CAPITAL EQUIPMENT	155,000	133,219	(21,781)	60,185	73,034	54.8%	
SEWER COLLECTION SYSTEM	292,600	519,250	226,650	144,278	374,972	72.2%	
TOTAL EXPENDITURES	\$722,084	\$1,071,953	\$349,869	\$442,152	\$629,801	58.8%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$0	\$0		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	<u>FY2008-09</u>	<u>FY2008-09</u>	<u>AMENDED</u>	<u>YEAR-TO-DATE</u>	<u>VARIANCE</u>		<u>EXPLANATION</u>
	<u>ADOPTED</u>	<u>AMENDED</u>	<u>over/(under)</u>		<u>ACTUAL</u>	<u>ACTUAL TO BUDGET</u>	
	<u>BUDGET</u>	<u>BUDGET</u>	<u>ADOPTED</u>		<u>AMOUNT</u>		
AUTO PARKING FUND REVENUE (585):							
652.000 PARKING FEES	\$40,100	\$40,100	\$0	\$24,966	(\$15,134)	-37.7%	
656.000 PARKING FINES	30,000	30,000	0	5,051	(24,949)	-83.2%	Enforcement
664.000 INVESTMENT EARNINGS	100	100	0	154	54	54.0%	
697.000 PRIOR YEARS' REVENUE	0	420	420	0	(420)	-100.0%	
699.101 CONTRIBUTION - GENERAL FUND	6,000	6,000	0	6,000	0	0.0%	
699.280 TRANSFER IN - DDA	10,000	10,000	0	10,000	0	0.0%	
699.599 SPECIAL ASSESSMENT	30,000	30,000	0	25,253	(4,747)	-15.8%	
TOTAL AUTO PARKING FUND REVENUE	\$116,200	\$116,620	\$420	\$71,424	(\$45,196)	-38.8%	
AUTO PARKING FUND EXPENDITURES (585):							
SALARIES & FRINGE BENEFITS	\$45,889	\$45,889	\$0	\$30,409	\$15,480	33.7%	
OPERATING	70,311	70,731	420	51,933	18,798	26.6%	
CAPITAL OUTLAY	0	0	0	0	\$0		
TOTAL AUTO PARKING FUND EXP (585)	\$116,200	\$116,620	\$420	\$82,342	34,278	29.4%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$10,918)	(\$10,918)		
TRANSPORTATION SYSTEM FUND REV (588):							
511.000 FEDERAL GRANTS	\$67,445	\$67,445	\$0	\$35,849	(\$31,596)	-46.8%	
571.000 STATE CAPITAL GRANT	229,000	229,000	0	639	(228,361)	-99.7%	
571.001 TRANSPORTATION FACILITY GRANT	1,268,000	800,000	(468,000)	800,140	140		
572.000 STATE ACT 51 OPERATING	152,385	152,385	0	185,219	32,834	21.5%	
633.000 PASSENGER FARES	91,000	91,000	0	98,642	7,642	8.4%	
676.101 CONTRIBUTION - GENERAL FUND	110,503	110,503	0	119,758	9,255	8.4%	
697.000 PRIOR YEARS' REVENUE	0	550,993	550,993	0	(550,993)	-100.0%	
TOTAL TRANSPRTN SYSTEM FUND REV	\$1,918,333	\$2,001,326	\$82,993	\$1,240,247	(\$761,079)	-38.0%	
TRANSPORTATION FUND EXPENDITURES:							
SALARIES & FRINGE BENEFITS	\$288,730	\$288,730	\$0	\$296,644	(\$7,914)	-2.7%	
OPERATING	132,603	132,603	0	143,463	(10,860)	-8.2%	
CAPITAL OUTLAY	1,497,000	2,047,993	550,993	540,083	\$1,507,910	73.6%	
TOTAL TRANSPORTATION FUND EXP (588)	\$1,918,333	\$2,469,326	\$550,993	\$980,190	\$1,489,136	60.3%	
REVENUE OVER/(UNDER) EXP.	\$0	(\$468,000)	(\$468,000)	\$260,057	\$728,057		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
SEWER FUND REVENUE (590):							
647.000 CHARGES FOR SERVICES	\$3,647,000	\$3,647,000	\$0	\$3,696,441	\$49,441	1.4%	
653.000 PENALTIES	50,000	50,000	0	76,460	26,460	52.9%	
654.000 I.P.P. FINES & FEES	500	500	0	0	(500)	-100.0%	
664.000 INVESTMENT EARNINGS	70,000	70,000	0	23,230	(46,770)	-66.8%	Reduced Cash Flow
681.000 TAPS & SERVICE	30,000	30,000	0	26,830	(3,170)	-10.6%	
695.000 OTHER	20,000	20,000	0	22,886	2,886	14.4%	
697.000 PRIOR YEARS' REVENUE	1,087,552	1,102,815	15,263	0	(1,102,815)	-100.0%	Planned Use of Fund
TOTAL SEWER FUND REVENUE	\$4,905,052	\$4,920,315	\$15,263	\$3,845,847	(\$1,074,468)	-21.8%	Balance
SEWER FUND EXPENDITURES (590):							
WASTE WATER TREATMENT PLANT							
SALARIES & FRINGE BENEFITS	\$664,136	\$664,136	\$0	\$620,548	\$43,588	6.6%	
OPERATING	900,100	903,243	3,143	833,213	70,030	7.8%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$1,564,236	\$1,567,379	\$3,143	\$1,453,761	\$113,618	7.2%	
ADMINISTRATION & OVERHEAD							
SALARIES & FRINGE BENEFITS	\$397,773	\$397,773	\$0	\$344,230	\$53,543	13.5%	
OPERATING	392,752	399,843	7,091	378,576	21,267	5.3%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$790,525	\$797,616	\$7,091	\$722,806	\$74,810	9.4%	
SANITARY SEWERS							
SALARIES & FRINGE BENEFITS	\$198,000	\$198,000	\$0	\$132,672	\$65,328	33.0%	
OPERATING	126,900	127,267	367	88,665	38,602	30.3%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$324,900	\$325,267	\$367	\$221,337	\$103,930	32.0%	
BROAD STREET LIFT STATION							
SALARIES & FRINGE BENEFITS	\$10,000	\$10,000	\$0	\$7,511	\$2,489	24.9%	
OPERATING	36,500	36,500	0	34,633	1,867	5.1%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$46,500	\$46,500	\$0	\$42,144	\$4,356	9.4%	
LIFT STATIONS							
SALARIES & FRINGE BENEFITS	\$12,000	\$12,000	\$0	\$10,757	\$1,243	10.4%	
OPERATING	30,000	34,662	4,662	19,331	15,331	44.2%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$42,000	\$46,662	\$4,662	\$30,088	\$16,574	35.5%	

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE		EXPLANATION
					ACTUAL TO BUDGET AMOUNT	PERCENT	
RETENTION BASIN							
SALARIES & FRINGE BENEFITS	\$3,000	\$3,000	\$0	\$2,062	\$938	31.3%	
OPERATING	14,000	14,000	0	8,005	5,995	42.8%	
SUBTOTAL	\$17,000	\$17,000	\$0	\$10,067	\$6,933	40.8%	
DEPRECIATION EXPENSE	\$1,000,000	\$1,000,000	\$0	\$989,184	\$10,816	1.1%	
BOND INTEREST EXPENSE	315,000	315,000	0	321,749	(6,749)	-2.1%	
INSTALLMENT PURCHASE DEBT SVC	82,807	82,807	0	92,784	(9,977)	-12.0%	
CONTRIBUTION - CAPITAL PROJECTS	722,084	722,084	0	0	\$722,084	100.0%	
FIXED EXPENSES	\$2,119,891	\$2,119,891	\$0	\$1,403,717	\$716,174	33.8%	
TOTAL SEWER FUND EXPENDITURES (590)	\$4,905,052	\$4,920,315	\$15,263	\$3,883,920	\$1,036,395	21.1%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$38,073)	(\$38,073)		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
WATER FUND REVENUE (591):							
634.000 NEW ACCOUNT CHARGES	\$15,000	\$15,000	\$0	\$15,090	\$90	0.6%	
646.000 CHARGES FOR SERVICES - SALES	3,097,000	3,097,000	0	3,048,393	(48,607)	-1.6%	
653.000 PENALTIES	65,000	65,000	0	71,649	6,649	10.2%	
654.000 I.P.P. FINES & FEES	100	100	0	0	(100)	-100.0%	
664.000 INVESTMENT EARNINGS	18,000	18,000	0	18,822	822	4.6%	
667.000 HYDRANT RENTAL	42,000	42,000	0	45,261	3,261	7.8%	
680.000 MERCHANDISE	1,000	1,000	0	1,353	353	35.3%	
681.000 TAPS & SERVICE	50,000	50,000	0	39,297	(10,703)	-21.4%	
695.000 OTHER	20,000	20,000	0	39,025	19,025	95.1%	
697.000 PRIOR YEARS' REVENUE	811,899	831,332	19,433	0	(831,332)	-100.0%	Planned Use of Fund
TOTAL WATER FUND REVENUE	\$4,119,999	\$4,139,432	\$19,433	\$3,278,890	(\$860,542)	-20.8%	Balance
WATER FUND EXPENDITURES (591):							
MERCHANDISE	\$40,000	\$40,000	\$0	\$84,686	(\$44,686)	-111.7%	
TAPS & SERVICE							
SALARIES & FRINGE BENEFITS	\$9,000	\$9,000	\$0	\$0	\$9,000	100.0%	
OPERATING	3,000	3,000	0	0	3,000	100.0%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$12,000	\$12,000	\$0	\$0	\$12,000	100.0%	
PURIFICATION & PUMPING							
SALARIES & FRINGE BENEFITS	\$407,829	\$407,829	\$0	\$398,194	\$9,635	2.4%	
OPERATING	918,300	933,442	15,142	778,002	155,440	16.7%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$1,326,129	\$1,341,271	\$15,142	\$1,176,196	\$165,075	12.3%	
TRANSMISSION & DISTRIBUTION							
SALARIES & FRINGE BENEFITS	\$349,600	\$349,600	\$0	\$364,565	(\$14,965)	-4.3%	
OPERATING	206,200	209,291	3,091	192,870	16,421	7.8%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$555,800	\$558,891	\$3,091	\$557,435	\$1,456	0.3%	
CUSTOMER SERVICE & OVERHEAD							
SALARIES & FRINGE BENEFITS	\$686,618	\$686,618	\$0	\$609,200	\$77,418	11.3%	
OPERATING	(22,048)	(20,848)	1,200	(15,537)	(5,311)	25.5%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$664,570	\$665,770	\$1,200	\$593,663	\$72,107	10.8%	

CITY OF ADRIAN
 FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
DEPRECIATION EXPENSE	\$764,000	\$764,000	\$0	\$472,908	\$291,092	38.1%	
BOND INTEREST EXPENSE	283,500	283,500	0	204,557	78,943	27.8%	
CONTRIBUTION - CAPITAL PROJECTS	474,000	474,000	0	0	474,000	100.0%	
OTHER - WILLIAMS PROPERTY	0	0	0	457,886	(457,886)		Purchase Contract
TOTAL WATER FUND EXPENSES (591)	\$4,119,999	\$4,139,432	\$19,433	\$3,547,331	\$592,101	14.3%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$268,441)	(\$268,441)		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09	FY2008-09	AMENDED	YEAR-TO-DATE	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)		ACTUAL	ACTUAL TO BUDGET	
	BUDGET	BUDGET	ADOPTED	ACTUAL	AMOUNT	PERCENT	
STORM WATER UTILITY FUND REV (598):							
522.000 ILLICIT CONNECTION GRANT	\$9,000	\$9,000	\$0	\$9,948	\$948	10.5%	
648.000 STORM SEWER CHARGES	260,000	260,000	0	267,997	7,997	3.1%	
664.000 INVESTMENT EARNINGS	100	100	0	142	42		
697.000 PRIOR YEARS' REVENUE	0	14,430	14,430	0	(14,430)		
TOTAL STORM WATER UTILITY FUND REV.	\$269,100	\$283,530	\$14,430	\$278,087	(\$5,443)	-1.9%	
STORM WATER UTILITY FUND EXP. (598):							
DRAINS - PUBLIC BENEFIT							
SALARIES & FRINGE BENEFITS	\$55,600	\$55,600	\$0	\$38,161	\$17,439	31.4%	
OPERATING	159,800	174,230	14,430	88,514	85,716	49.2%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$215,400	\$229,830	\$14,430	\$126,675	\$103,155	44.9%	
DRAINS - ILLICIT CONNECTION							
SALARIES & FRINGE BENEFITS	\$1,000	\$1,000	\$0	\$5,132	(\$4,132)	-413.2%	
OPERATING	1,000	1,000	0	9,321	(8,321)	-832.1%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$2,000	\$2,000	\$0	\$14,453	(\$12,453)	-622.7%	
ENGINEERING							
SALARIES & FRINGE BENEFITS	\$4,000	\$4,000	\$0	\$8,546	(\$4,546)	-113.7%	
OPERATING	600	600	0	2,030	(1,430)	-238.3%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$4,600	\$4,600	\$0	\$10,576	(\$5,976)	-129.9%	
ENGINEERING - INFILTRATION GRANT							
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0		
OPERATING	100	100	0	0	100	100.0%	
CAPITAL OUTLAY	0	0	0	0	0		
SUBTOTAL	\$100	\$100	\$0	\$100	\$100	100.0%	
CONTINGENCY							
	\$31,100	\$31,100	\$0	\$0	\$31,100	100.0%	
ADMIN. & RECORD KEEPING							
	16,000	\$16,000	\$0	10,606	5,394	33.7%	
TOTAL STORM WATER UTILITY FUND EXP	\$269,100	\$283,530	\$14,430	\$162,310	\$121,220	42.8%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$115,777	\$115,777		

CITY OF ADRIAN
 FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

FUND/DEPARTMENT	FY2008-09	FY2008-09	AMENDED	YEAR-TO-DATE	VARIANCE		EXPLANATION
	ADOPTED	AMENDED	over/(under)		ACTUAL	ACTUAL TO BUDGET	
	BUDGET	BUDGET	ADOPTED		AMOUNT		
CAPITAL PROJECTS REVOLVING FUND REVENUE (599)							
408.203 SPECIAL ASSESSMENTS	\$95,628	\$95,628	\$0	\$0	(\$95,628)		-100.0%
664.000 INVESTMENT EARNINGS	25,000	25,000	0	27,406	2,406		9.6%
TOTAL REVENUE	\$120,628	\$120,628	\$0	\$27,406	(\$93,222)		-77.3%
CAPITAL PROJECTS REVOLVING FUND EXPENDITURES (599)							
TRANSFERS OUT							
CONTRIB - MAJOR STREET	\$0	\$0	\$0	\$0	\$0		
CONTRIB - LOCAL STREET	120,628	120,628	0	0	120,628		100.0%
SUBTOTAL	\$120,628	\$120,628	\$0	\$0	\$120,628		100.0%
NON-DEPARTMENTAL							
CONTINGENCY	\$0	\$0	\$0	\$0	\$0		
TOTAL EXPENDITURES	\$120,628	\$120,628	\$0	\$0	\$120,628		100.0%
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$27,406	\$27,406		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

FUND/DEPARTMENT	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE ACTUAL TO BUDGET		EXPLANATION
					AMOUNT	PERCENT	
INFORMATION TECHNOLOGY FUND REVENUE (661)							
636.000 INFO TECH SERVICES	\$339,216	\$339,216	\$0	\$340,218	\$1,002	0.3%	
637.000 GIS/CAD SERVICES	97,200	97,200	0	99,238	2,038	2.1%	
676.701 CNTRB.-ECON DEV FUND	0	17,080	17,080	17,080	0	0.0%	
676.701 CNTRB.-TRUST FUND	0	2,432	2,432	2,432	0	0.0%	
695.000 OTHER	50	50	0	221	171	342.0%	
697.000 PRIOR YEARS' REVENUE	3,603	111,092	107,489	0	(111,092)	-100.0%	Planned Use of Fund
TOTAL REVENUE	\$440,069	\$567,070	\$127,001	\$459,189	(\$107,881)	-19.0%	Balance
INFORMATION TECHNOLOGY FUND EXPENDITURES (661)							
GIS SERVICES							
SALARIES & FRINGE BENEFITS	\$68,418	\$32,063	(\$36,355)	\$26,791	\$5,272	16.4%	
OPERATING	29,000	50,457	21,457	31,270	19,187	38.0%	
CAPITAL OUTLAY	0	41,710	41,710	6,922	34,788	83.4%	
SUBTOTAL	\$97,418	\$124,230	\$26,812	\$64,983	\$59,247	47.7%	
TELECOMMUNICATIONS							
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0		
OPERATING	14,000	14,000	0	4,564	9,436	67.4%	
CAPITAL OUTLAY	20,731	20,731	0	748	19,983		
SUBTOTAL	\$34,731	\$34,731	\$0	\$5,312	\$29,419	84.7%	
ADMINISTRATION							
SALARIES & FRINGE BENEFITS	\$66,235	\$66,235	\$0	\$64,071	\$2,164	3.3%	
OPERATING	176,685	230,492	53,807	144,708	85,784	37.2%	
CAPITAL OUTLAY	65,000	90,027	25,027	46,853	43,174	48.0%	
SUBTOTAL	\$307,920	\$386,754	\$78,834	\$255,632	\$131,122	33.9%	
CONTINGENCY	0	21,355	21,355	0	21,355	100.0%	
TOTAL EXPENDITURES	\$440,069	\$567,070	\$105,646	\$325,927	\$241,143	42.5%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$133,262	\$133,262		

CITY OF ADRIAN
FY2008-09 YEAR-END FINANCIAL REPORT - UNAUDITED
 June 30, 2009

<u>FUND/DEPARTMENT</u>	FY2008-09 ADOPTED BUDGET	FY2008-09 AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	VARIANCE		EXPLANATION
					ACTUAL TO BUDGET AMOUNT	PERCENT	
FIRE DEPARTMENT - MOTOR POOL FUND REVENUE (662)							
675.101 CONTRIBUTION - GENERAL FUND	\$129,961	\$129,961	\$0	\$129,961	\$0	0.0%	
685.000 SALE OF EQUIPMENT	0	0	0	4,250	4,250		
697.000 PRIOR YEARS' REVENUE	0	25,497	25,497	0	(25,497)	-100.0%	
TOTAL FIRE DEPARTMENT - MOTOR POOL FUND RE	\$129,961	\$155,458	\$25,497	\$134,211	(\$21,247)	-13.7%	
FIRE DEPARTMENT - MOTOR POOL FUND EXPENSES (662)							
SALARIES & FRINGE BENEFITS	\$600	\$600	\$0	\$0	\$600	100.0%	
OPERATING	99,361	99,361	0	26,470	72,891	73.4%	
CAPITAL OUTLAY	30,000	55,497	25,497	47,526	7,971		
TOTAL FIRE DEPARTMENT - MOTOR POOL FUND EX	\$129,961	\$155,458	\$25,497	\$73,996	\$81,462	52.4%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	\$60,215	\$60,215		
PERPETUAL CARE FUND REVENUE (711)							
664.000 INVESTMENT EARNINGS	\$30,000	\$30,000	\$0	\$29,441	(\$559)	-1.9%	
TOTAL REVENUE	\$30,000	\$30,000	\$0	\$29,441	(\$559)	-1.9%	
PERPETUAL CARE FUND EXPENDITURES (711)							
CONTRIBUTION - GENERAL FUND	\$30,000	\$30,000	\$0	\$30,000	\$0	0.0%	
TOTAL EXPENDITURES	\$30,000	\$30,000	\$0	\$30,000	\$0	0.0%	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$559)	(\$559)		
TOTAL REVENUES - ALL FUNDS	\$36,604,951	\$36,081,581	(\$523,370)	\$27,606,475	(\$8,475,106)	-23.5%	
TOTAL EXPENDITURES - ALL FUNDS	36,604,951	37,136,738	531,787	27,859,536	9,277,202	25.0%	
NET OF REVENUE AND EXPENDITURES	0	(1,055,157)	(\$1,055,157)	(253,061)	802,096		

CONSENT AGENDA

CR-1

CR09-044

August 3, 2009

WHEREAS, the terms of office of Margaret Noe, Waneta Raloff and Jane Castle on the Election Commission have expired, which has created vacancies; and

WHEREAS, these vacancies must be filled in accordance with the Adrian City Charter; and

WHEREAS, Margaret Noe, Waneta Raloff and Jane Castle have expressed a willingness to serve on the Election Commission if reappointed; and

WHEREAS, the City Commission has given careful consideration to the reappointment of the above named individuals.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission does hereby approve the reappointment of Margaret Noe, Waneta Raloff and Jane Castle to the Election Commission for a one-year term, expiring in 2010.

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

CR-2

CR09-045

August 3, 2009

WHEREAS, the terms of office of Clarke Baldwin and Brian Boze on the Historic District Commission have expired, which has created vacancies; and

WHEREAS, these vacancies must be filled in accordance with the Adrian City Charter; and

WHEREAS, Mr. Baldwin and Mr. Boze have expressed a willingness to serve on the Historic District Commission if reappointed; and

WHEREAS, the City Commission has given careful consideration to the reappointment of the above named individuals.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission does hereby approve the reappointment of Clarke Baldwin and Brian Boze to the Historic District Commission for three-year terms, expiring in 2012.

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

REGULAR
AGENDA

0-1

ORDINANCE 09-08

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

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

Article V of Chapter 90 Motor Carriers.

DIVISION 1. SAFETY

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

- (1) The City of Adrian hereby adopts the following provisions of Title 49 of the Code of Federal Regulations, on file with the office of the Secretary of State except where modified by this division, to provide for the safe transportation of persons and property with the intent of following the policies and procedures of the United States Department of Transportation's Federal Highway Administration as they relate to Title 49 of the Code of Federal Regulations and the North American Standard Uniform Out-Of-Service Criteria and Inspection Procedures.
 - (a) Hazardous materials regulations, being 49 CFR parts 100 through 180 except for the transportation of agricultural products for which an exception from the application of 49 CFR subchapter C and 49 CFR subchapters G and H, part 172, is provided under 49 CFR 173.5, is specifically authorized if the transportation is in compliance with this act and other state law.
 - (b) Motor Carrier Safety Regulations, being 49 CFR parts 40, 356, 365, 368, 371 through 373, 375, 376, 379, 382, 385, 387, 390 through 393, 395 through 399 including the appendices of each part except for the following:
 1. Except as provided in this subparagraph, where the term "United States Department of Transportation", "federal motor carrier safety administration", "federal motor carrier safety administrator", "director", "bureau of motor carrier safety", "pipeline and hazardous materials administration", or "associate administrator for hazardous materials safety" appears, it refers to the department of state police. If the term is being used for the purposes of 49 CFR 397 as it relates to routing and movement of hazardous materials, it refers to the Michigan state transportation department.
 2. Where "interstate" appears, it shall mean intrastate or interstate, or both, as applicable, except as specifically provided in this act.
 3. Where "special agent of the federal motor carrier safety administration", "administration personnel", or "hazardous materials enforcement specialist" appears, it either means a peace officer or an enforcement member of the motor carrier division of the department of state police.
 4. Where MCS 63 appears, it means MC 9 and MC 9b.
 5. Where MCS 64 appears, it means UD-70.
 6. Exempt intracity zones and the regulations applicable to exempt intracity zones do not apply to this act.
- (2) This act does not apply to a bus operated by a public transit agency operating under any of the following:

- (a) A county, city, township, or village as provided by law, or other authority incorporated under 1963 PA 55, MCL 124.351 to 124.359. Each authority and governmental agency incorporated under 1963 PA 55, MCL 124.351 to 124.359, has the exclusive jurisdiction to determine its own contemplated routes, hours of service, estimated transit vehicle miles, costs of public transportation services, and projected capital improvements or projects within its service area.
 - (b) An authority incorporated under the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426, or that operates a transportation service pursuant to an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
 - (c) A contract entered into pursuant to 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536, or 1951 PA 35, MCL 124.1 to 124.13.
 - (d) An authority incorporated under the public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479, or a nonprofit corporation organized under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, that provides transportation services.
 - (e) An authority financing public improvements to transportation systems under the revenue bond act or 1933, 1933 PA 94, MCL 141.101 to 141.140.
- (3) As used in this act, “hazardous material vehicle inspection or repair facility” means a commercial enterprise that performs inspections, certification, testing, or repairs to commercial motor vehicles transporting hazardous materials as required by 49 CFR parts 100 to 180 and includes motor carriers that perform the inspections, certification, testing, or repairs to vehicles owned or leased by the motor carrier.

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

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

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

A person who applies to operate a commercial motor vehicle as defined by section 7a of the Michigan vehicle code, Act No. 300 of the Public Acts of 1949, being section 257.7a of the Michigan Compiled Laws, shall submit a list of the names and addresses of the applicant’s employers during the 7-year period preceding the 3-year period required by 49 C.F.R.

391.21(b)(10) for which the applicant was an operator of a commercial motor vehicle, together with the dates of employment and the reasons for leaving such employment.

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

- (1) A person who is not physically qualified to drive under CFR 391.41 and who is otherwise qualified to drive a commercial motor vehicle may drive a commercial motor vehicle if the motor carrier division of the department of state police or the appeal board has granted a waiver to that person.
- (2) An application for a waiver shall be submitted jointly by the person who seeks a waiver of his or her physical disqualification and by the motor carrier that will employ the person if the application is granted. The application shall be delivered to the headquarters of the motor carrier division of the department of state police.
- (3) An application for a waiver shall contain all of the following:
 - (a) A description of all of the following:
 1. The type, size, and special equipment, if any, of the vehicles the individual applicant intends to drive.
 2. The general area and type of roads the individual applicant intends to traverse while driving.
 3. The maximum distances the individual applicant intends to drive.
 4. The nature of the commodities or cargo the individual applicant intends to support.
 5. The methods the applicant or any other person will use to load and secure the commodities or cargo.
 6. The nature and extent of the individual applicant's experience at operating commercial motor vehicles of the type he or she intends to drive.
 - (b) An agreement that the motor carrier will promptly file with the motor carrier division of the department of state police reports that the division may require, including accident reports.
 - (c) An agreement that if a waiver is granted, it authorizes the individual applicant to drive intrastate only when employed by the motor carrier that joined in the individual's application.
- (4) An application for a waiver shall be accomplished by all of the following:
 - (a) Not less than 2 reports of medical examinations, conducted within the preceding 60 days of the date of the application, pursuant to 49 CFR 391.43, each of which includes the medical examiner's opinion concerning the individual applicant's ability to operate safely a vehicle of the type the applicant intends to drive.
 - (b) A copy of the individual applicant's application for employment made pursuant to 49 CFR 391.21 or this act.
- (5) An application for a waiver shall be signed by both the individual applicant and the motor carrier. If the motor carrier is a corporation, the application shall be signed by an officer of the corporation. If the motor carrier is a partnership, the application shall be signed by a general partner.
- (6) The driver applicant or motor carrier applicant shall not falsify information in the letter of application or the renewal application.
- (7) The motor carrier division of the department of state police may deny the application or

may approve the application, in whole or in part, and issue a waiver subject to the terms, conditions, and limitations as it considers consistent with safety and the public interest. A waiver is valid for not more than 2 years, and a waiver may be renewed upon submission of a new application under this act.

- (8) If the motor carrier division of the department of state police grants a waiver, it shall notify each applicant by a letter, that sets forth the terms, conditions, and limitations of the waiver. The motor carrier shall retain the letter or a legible copy of it and a copy of the medical waiver card in the driver's qualification file as long as the individual applicant is employed by that motor carrier and for 3 years thereafter. The individual applicant shall have the current medical waiver card in his or her possession when he or she drives a commercial motor vehicle or is otherwise on duty.
- (9) The motor carrier division of the department of state police may suspend a waiver at any time. The motor carrier division may revoke a waiver after the person to whom it was issued is given notice of the proposed revocation and a reasonable opportunity to appeal for review.
- (10) An applicant who was denied in whole or in part his or her application for a waiver of physical defect under this act or conflict of medical evaluation under 49 CFR 391.47 may make an appeal for review by contacting the motor carrier division.
- (11) Notwithstanding any other provisions of this section, the determination of the motor carrier safety appeal board shall have no bearing on worker's compensation status.

Section 90.204. Trailers or trailer-vehicle combinations; surge brakes equipment for intrastate operation.

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

Section 90.205. Exceptions to act and federal provisions; exemption from medical qualification; grandfather rights; preexisting conditions; maintaining copy of grandfather card.

- (1) The provisions of this act and 49 CFR 391.21 relating to applications for employment, 49 CFR 391.23 relating to investigations and inquiries, and 49 CFR 391.33 relating to road tests do not apply to a driver who has been a regularly employed driver of an intrastate motor carrier of property for a continuous period which began on or before June 10, 1984, as long as he or she continues to be a regularly employed driver of that motor carrier or to a driver who has been a regularly employed driver of an intrastate motor carrier of passengers for a continuous period which began on or before March 3, 1991, as long as he or she continued to be a regularly employed driver of that motor carrier. Such a driver is qualified to drive a commercial motor vehicle if he or she fulfills the requirements of section 90-201(2).
- (2) The provisions in this act pertaining to an intrastate driver's medical qualifications do not apply to any driver who:
 - (a) Has been a regularly employed driver of the motor carrier for a continuous period that began on or before June 10, 1984.
 - (b) Has continued to be a regularly employed driver of that motor carrier.
 - (c) Is otherwise qualified to drive a commercial motor vehicle under this act.
 - (d) Has made application to the appeal board claiming grandfathering rights.
 - (e) Has received a grandfather rights card from the motor carrier division of the

department of state police. The grandfather rights card shall be carried at all times on the person of the driver while he or she is operating a commercial motor vehicle. The original grandfather rights application form or a legible copy of it will be retained in the driver's qualification file in accordance with this act.

- (3) Notwithstanding subsection (2), the provisions of this act pertaining to random, reasonable cause, and postaccident drug and alcohol testing apply to all drivers as required by 49 CFR part 382 granted grandfather rights under this section.
- (4) Grandfather rights shall remain valid until December 31, 2014.
- (5) The exemption from medical qualification under this section applies only to preexisting conditions before January 1, 1996. Any medical condition that would normally disqualify a driver under this act automatically voids any grandfather rights. Any driver who develops a normally disqualifying medical condition or violates any provision of subsection (2) of this section after being issued a grandfather card must return the grandfather card to the motor carrier division of the department of state police and apply for a medical waiver as provided in this act.
- (6) A motor carrier shall maintain the original or a legible copy of the grandfather card issued under this act in the file of each driver that has been issued one.

Section 90-206. Intrastate transportation; exceptions; applicability to farm vehicle driver, public utility driver, government-owned commercial motor vehicle, certain combination of vehicles, and buses; definitions.

- (1) In the case of intrastate transportation, the provisions of 49 CFR 391.21 relating to application for employment, 49 CFR 391.23 relating to investigations and inquiries, 49 CFR 391.31 relating to road tests, 49 CFR part 395 relating to hours of service, 49 CFR 391.41 to 391.45 to the extent that they require a driver to be medically qualified or examined and to have a medical examiner's certificate on his or her person and the provisions of this act relating to files and records do not apply to a farm vehicle driver as defined in 49 CFR 390.5.
- (2) For intrastate transportation, the provisions of this act do not apply to a self-propelled implement of husbandry or an implement of husbandry being drawn by a farm tractor or another implement of husbandry.
- (3) The provisions of this act related to driver qualifications do not apply to a public utility, telephone, and cable television company service employees if those employees are not otherwise being used as a regularly employed driver and are not operating a vehicle that meets the definitions of a commercial motor vehicle in 49 CFR part 383.
- (4) The requirements of 49 CFR part 395 do not apply to any driver of a public utility service vehicle when being used in cases of emergency. As used in this subsection, "emergency" means any instance of loss of public utility service due to an unforeseen circumstance, a natural disaster, or an act of God. A declaration of emergency by a public official is not required to constitute an emergency under this subsection.
- (5) A commercial motor vehicle constructed and maintained so that the body chassis or other parts of the vehicle afford the rear end protection required by 49 CFR 393.86 is in compliance with that section.
- (6) This ordinance does not apply to a commercial motor vehicle owned and operated by a unit of government or its employees, except as otherwise provided by this act, and except for all of the following parts of 49 CFR:
 - (a) Part 382.

- (b) Part 391.
- (c) Part 392
- (d) Part 393.
- (7) A combination of vehicles with an actual combination gross vehicle weight or a gross combination weight rating of 26,000 pounds or less, provided the trailer or semitrailer has an actual gross vehicle weight or gross vehicle weight rating of 15,000 pounds or less, may be equipped with surge brakes for intrastate operation as allowed by section 705(1)(c) of the Michigan vehicle code, 1949 PA 300, MCL 257.705. Vehicles of any size that are transporting hazardous materials in an amount that requires placarding or vehicles that are designed to transport more than 8 passengers, including the driver, are prohibited from being equipped with surge brakes for intrastate operation.
- (8) This ordinance does not apply to a school bus as defined in the pupil transportation act, 1990 PA 187, MCL 257.1801 to 257.1877, or a bus defined and certificated under the motor bus transportation act, 1982 PA 432, MCL 474.101 to 474.414.
- (9) As used in subsections (3) and (4), "public utility" means a person or corporation operating equipment or facilities for producing, generating, transmitting, delivering, or furnishing gas or electricity for the production of light, heat, or power for the public for compensation.
- (10) As used in this section:
 - (a) "Implement of husbandry" means that term as defined in section 21 of the Michigan vehicle code, 1949 PA 300, MCL 257.21.
 - (b) "Farm tractor" means that term as defined in section 16 of the Michigan vehicle code, 1949 PA 300, MCL 257.16.

Section 90-207. Motor carriers; submission of documents to motor carrier officer; inspection of cargo.

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

Section 90-208. Violation of act or rules; penalty.

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

Section 90-209. Serious safety defect.

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

Section 90-210. Transporting package relating to hazardous material required to be marked or labeled; violation; penalty; owner or user of hazardous materials vehicle inspection or repair facility; violation as a misdemeanor.

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

Section 90-211. Definitions; compliance order; shut down order; noncompliance as misdemeanor; impoundment of vehicle.

- (1) As used in this section:
 - (a) "Immediate destination" means the next scheduled stop of a commercial motor vehicle already in motion where the cargo on board can be safely secured.
 - (b) "Motor carrier division" means the motor carrier division of the department of state police.
 - (c) "Person" means an individual, driver, or employee or a firm, motor carrier, lessee, lessor, association, partnership, or corporation, and their affiliated or related successors, that undertakes to control, direct, conduct, or otherwise perform transportation by commercial motor vehicle upon the public highways of the City.
 - (d) "Shut down order" means a court order issued to a motor carrier upon proof shown of unreasonable risk or an imminent hazard.
 - (e) "Unreasonable risk or an imminent hazard" shall be defined as any condition of commercial motor vehicle, employee, or commercial motor vehicle operation which creates, causes, or compounds the substantial likelihood that death, serious illness, or severe personal injury may occur if not discontinued immediately.
- (2) Upon determination that the continued operation of commercial motor vehicles by a person upon the highways of this state poses an unreasonable risk or an imminent hazard to the public safety, the motor carrier division shall issue a compliance order. The order may direct a person to make certain changes, repairs, or alterations to the person's vehicles or operations, to comply with the laws of this state. In making an order, restrictions shall not be imposed on any employee or person beyond that required to abate the hazard. Any vehicle or driver operating during the specified time period of the order shall be in compliance with all applicable laws and rules.
- (3) A compliance order shall include the name and address of the person and the chief operating officer of the person, the reason or reasons for the order, and the requirements or conditions that must be met for rescission of the order. The order shall also include a statement that the person has a set time limit to comply with the order. If the set time limit expires and the person is not in compliance with the order, the motor carrier division may seek a shut down order from a circuit court. The motor carrier division shall set the time limit for compliance with the compliance order to be not less than 30 days and not more than 180 days.
- (4) Upon petition to the circuit court having jurisdiction by the motor carrier division, the court may issue a shut down order. The order shall direct a vehicle or vehicles or employee or employees out of service from further operations, or shall direct a person to cease all or part of the person's commercial motor vehicle operation. In making such an order, restrictions shall not be imposed on any employee or person beyond that required to abate the hazard.
- (5) A shut down order shall include the name and address of the person and the chief operating officer of the person, the reason or reasons for the order, the requirements or conditions that must be met for rescission of the order, and a statement of the right to appeal.
- (6) An order to any person to cease all or part of its operation shall not prevent vehicles in transit at the time the order is served from proceeding to their immediate destinations, unless that vehicle or person is specifically ordered out of service. However, vehicles

and drivers proceeding to their immediate destination shall be subject to compliance upon arrival.

- (7) A person who fails to comply with a shut down order is guilty of a misdemeanor, punishable by a fine of not more than \$500.00 for each violation, or by imprisonment for not more than 90 days, or both. A person or vehicle found operating on the highways of the City while under a shut down order shall be immediately stopped, and impounded or arrested. The owner or lessee of the vehicle shall be responsible for any costs incurred during impoundment. The vehicle shall be released upon the court's determination that the order has been complied with.

Section 90-212. Venue.

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

Section 90-213. Notification of incident; definition.

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

Section 90-214. Vehicle combination transporting combustible liquid; requirements; information required to be on file; retention and transfer of information; applicability of requirements in subsections (2) and (3); transport of flammable liquids, gases, or compressed gases.

- (1) A truck tractor pulling a semitrailer and a trailer, or pulling 2 semitrailers, shall not transport a combustible liquid unless the vehicle combination meets the following requirements:
 - (a) Is equipped with a device that restricts the horizontal and vertical rotation of the dolly assemblage of the vehicle combination in a manner that maintains the longitudinal tracking of the dolly and semitrailer in a truck tractor, semitrailer, and trailer combination, or the dolly and the truck in a truck and trailer combination. This device shall be welded to the vehicle in a workmanlike manner, and the efficiency of a weld shall not be less than 85% of the mechanical properties of the adjacent metal in the chassis.

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

Section 90-215. Fine for operating vehicle with a serious safety defect; exception, issuance of more than 1 citation; requirements as motor carrier enforcement officer.

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

Section 90-216. Transfer of hazardous materials.

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

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

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

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

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

INTRODUCTION.....July 20, 2009
 SUMMARY PUBLISHEDJuly 30, 2009
 ADOPTION
 COMPLETE PUBLICATION.....
 EFFECTIVE DATE

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



MEMO

Date: July 21, 2009

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

From: Jeffrey C. Pardee, Finance Director

Re: **FINANCE DEPARTMENT - RESOLUTIONS AUTHORIZING LIMITED TAX GENERAL OBLIGATION BONDS – Series A (Non-Taxable) and Series B (Taxable)**

Please find attached subject resolutions prepared by Miller Canfield (bond counsel) authorizing the issuance of \$6,900,000 of non-taxable Municipal Limited Tax General Obligation (LTGO) Bonds (Series A) and \$5,740,000 of taxable LTGO Bonds (series B). Also attached is a schedule detailing the project expenses for the two (2) bond issues. Those expenses incurred prior to February 17, 2009, the date on which the federal government approved the American Recovery & Reinvestment Act (Stimulus Act), are not eligible for interest subsidy by the Department of Treasury. Those expenses incurred after February 17 are eligible for the interest subsidy.

Although the City Administration's plan is to issue only \$1,260,000 of Series A debt, bond counsel recommends obtaining authorization for the full project amount (\$6,900,000), to maintain flexibility in the event complications arise on the Series B taxable bonds, since the latter are relatively new to the public sector. Issuance of the Series B bonds (\$5,740,000) as Recovery Zone Bonds is predicated on obtaining approval from the Lenawee County Board of Commissioners, if the City is to benefit from the full 45% interest subsidy from the Department of Treasury.

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

**CITY OF ADRIAN
DOWNTOWN GOVERNMENT COMPLEX BOND ISSUE**

**SERIES A - MUNICIPAL LIMITED FULL-FAITH & CREDIT BONDS (NON-TAXABLE)
SERIES B - RECOVERY ZONES ECONOMIC DEVELOPMENT BONDS (TAXABLE)**

July, 2009

<u>DESCRIPTION</u>	<u>Issue No. 1 Amount Prior to Feb. 17 2009</u>	<u>Issue No. 2 Amount After Feb. 17 2009</u>	<u>TOTAL</u>
CITY HALL			
Acquisition - Land Contract (4.0%); December 31, 2008	\$1,285,000		\$1,285,000
Interest on Land Contract - First Federal Bank Corp.	4,283	25,700	29,983
Renovations		340,000	340,000
Furnishings		100,000	100,000
Security Locks		3,500	3,500
Cooling Tower		12,000	12,000
Lead Paint Removal		5,000	5,000
Total City Hall	\$1,289,283	\$486,200	\$1,775,483
ADRIAN PUBLIC LIBRARY			
Renovations	\$267,909	\$565,091	\$833,000
Furnishings		50,000	50,000
Elevator		61,751	61,751
Well		12,405	12,405
Total Library	\$267,909	\$689,247	\$957,156
POST OFFICE/ADULT EDUCATION BUILDING			
Acquisition from Adrian Public Schools- Cash; July 2, 2008	\$140,000		\$140,000
Renovations		666,000	666,000
Furnishings		25,000	25,000
Audio-Visual System		20,000	20,000
Front Doors		10,000	10,000
Total Post Office Building	\$140,000	\$721,000	\$861,000
POLICE FACILITY			
Acquisition 153-155 E. Maumee; May 6, 2008	\$542,000		\$542,000
Interest on Installment Purchase Agreement with First Federal Bank (3.3%)	9,092	8,656	17,748
Demolition - Dept of Public Works		27,109	27,109
Construction		2,150,000	2,150,000
Furnishings		15,000	15,000
Audio-Visual System		10,000	10,000
Total Police Facility	\$551,092	\$2,210,765	\$2,761,857
PARKING LOT RENOVATION			
		\$250,000	\$250,000
Total Downtown Governmnt Complex	\$2,248,284	\$4,357,212	\$6,605,496

**CITY OF ADRIAN
DOWNTOWN GOVERNMENT COMPLEX BOND ISSUE**

SERIES A - MUNICIPAL LIMITED FULL-FAITH & CREDIT BONDS (NON-TAXABLE)

SERIES B - RECOVERY ZONES ECONOMIC DEVELOPMENT BONDS (TAXABLE)

July, 2009

<u>DESCRIPTION</u>	<u>Issue No. 1 Amount Prior to Feb. 17 2009</u>	<u>Issue No. 2 Amount After Feb. 17 2009</u>	<u>TOTAL</u>
<u>MISCELLANEOUS EXPENSES</u>			
Old City Hall Demolition		\$100,000	\$100,000
Misc. Contingent Expenses	\$46,878	158,122	205,000
Bond Issuance Expenses:			
Bond Counsel		\$25,000	\$25,000
Financial Advisory Services		15,400	15,400
Bond Underwriting Fees		40,000	40,000
Administrative Fees		5,000	5,000
Total Bond Issuance Expenses	\$0	\$85,400	\$85,400
Total Miscellaneous Expenses	\$46,878	\$343,522	\$390,400
<u>REFINANCING OF PREVIOUS DEBT OBLIGATIONS</u>			
<u>PARKS & FORESTRY MAINTENANCE FACILITY</u>			
Acquisition 381 Miles Dr.; July 16, 2007	\$550,000		\$550,000
Interest on Installment Purchase Agreement with Huntington Bank (4.88%)	13,606	28,381	41,987
Renovations; March 6, 2009 Ongoing Through July, 2009		1,000,000	1,000,000
Interest on Installment Purchase Agreement with Huntington Bank (4.88%)		4,171	4,171
Total Parks & Forestry Facility	\$563,606	\$1,032,552	\$1,596,158
<u>MARVIN FARM REFINANCING</u>			
Remaining Balance June 30, 2009	\$532,432		\$532,432
Original Issue \$1,200,000; May 23, 2003 (3.64%)			
<u>TAXI CAB BUILDING REFINANCING</u>			
Acquisition 250 W. Church St.; May 21, 2007	\$111,900		\$111,900
Interest on Land Contract - Bruce Benedict (6.0%)	6,900	6,714	13,614
Total Taxi Cab Building Refinancing	\$118,800	\$6,714	\$125,514
Total Refinancing Costs	\$1,214,838	\$1,039,266	\$2,254,104
TOTAL PROJECT COSTS	\$3,510,000	\$5,740,000	\$9,250,000
LESS: GENERAL FUND CONTRIBUTION	(2,250,000)		(2,250,000)
TOTAL AMOUNT OF BOND ISSUE	\$1,260,000	\$5,740,000	\$7,000,000

R-1

**RESOLUTION AUTHORIZING
LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2009A**

CITY OF ADRIAN
COUNTY OF LENAWEE, STATE OF MICHIGAN

Minutes of a regular meeting of the City Commission of the City of Adrian, County of Lenawee, State of Michigan (the "City"), held on August 3, 2009, at 7:00 o'clock p.m., Eastern Daylight Savings Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City of Adrian, County of Lenawee, Michigan (the "City") has determined to proceed with the acquisition, construction, furnishing and equipping of a municipal complex housing municipal, police and library facilities together with all necessary and related appurtenances and attachments (the "Project"); and

WHEREAS, in order to pay part of the cost of the Project, the City intends to issue and sell two series of its general obligation capital improvement bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), in a total amount not to exceed Seven Million Dollars (\$7,000,000), to be paid from legally available funds of the City; and

WHEREAS, a notice of intent was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication; and

WHEREAS, more than 45 days have elapsed since the date of such publication without the filing of a petition for referendum thereon.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated **LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2009 A** (the "Bonds"), are authorized to be issued in the aggregate principal sum of not to exceed Six Million Nine Hundred Thousand Dollars (\$6,900,000) for the purpose of paying part of the costs of the Project, and the costs

incidental to the issuance, sale and delivery of the Bonds. The Bonds and any additional series of bonds issued to pay the costs of the Project shall not exceed in par amount the amount of bonds referenced in the notice of intent published in connection their issuance. The issue shall consist of bonds in fully-registered form of the denomination of \$5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the date of delivery, or such other date as shall be determined in the Bond Purchase Agreement, as defined below. The Bonds shall bear interest, mature, and be payable at the times and in the manner set forth in the Bond Purchase Agreement (as hereinafter defined).

The Bonds of this issue shall be subject to redemption as provided in Section 6 or as otherwise provided in the Bond Purchase Agreement.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable at a bank or financial institution qualified to act as registrar and transfer agent for the bonds to be designated by Finance Director of the City (the "Transfer Agent").

The Bonds may be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the Mayor, City Manager, City Clerk and Finance Director (the "Authorized Officers") are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond Form within the parameters of this resolution as may be required to accomplish the foregoing.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the City with the facsimile signatures of the Mayor and Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from an Authorized Officer of the City upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental

charge required to be paid with respect to the transfer.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The City each year shall budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The City Finance Director is authorized and directed to open a depository account with a bank or trust company designated by the City Commission, to be designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2009 DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds and the Series B Bonds (as set forth below) as they mature.

The Bonds shall be of equal standing of priority with the City's Limited Tax General Obligation Bonds, Series 2009 B (the "Series B Bonds"). The Debt Retirement Fund set forth above shall be for the benefit of the Bonds herein authorized and the Series B Bonds, provided however, that monies representing credits received from the United States Treasury in respect of the Series B Bonds and deposited in the sub-account in the Debt Retirement Fund established for that purpose shall be solely for the benefit of the Series Bonds.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Construction Fund; Proceeds of Bond Sale. The City Finance Director is authorized and directed to open a separate depository account with a bank or trust company designated by the City Commission, to be designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2009 CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds and the Series B Bonds less accrued interest and premium, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF LENAWEE

CITY OF ADRIAN

LIMITED TAX GENERAL OBLIGATION BOND, SERIES 2009A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	___ 1, ___	___, 2009	

Registered Owner:

Principal Amount: _____ Dollars

The **CITY OF ADRIAN**, County of Lenawee, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on ___ 1, 20__ and semiannually thereafter. Principal of this bond is payable at the designated office of _____, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$____,000, issued for the purpose of paying all or part of the cost of certain capital improvements for the City. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended, the City's Charter, and a duly adopted resolution of the City.

Bonds of this issue maturing in the years 20__ to 20__, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 of this issue maturing in the year 2020 and thereafter, shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after ___ 1, 20__, at par and accrued interest to the date fixed for redemption, without premium.

[ADD TERM BOND LANGUAGE IF NECESSARY]

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, charter and statutory tax rate limitations.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond, does not exceed any

constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, by its City Commission, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF ADRIAN
County of Lenawee
State of Michigan

By _____ [facsimile] _____

Its Mayor

(SEAL)

By _____ [facsimile] _____

Its Clerk

(Form of Transfer Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

, Michigan
Transfer Agent

By _____

Authorized Signatory

[Bond printer to insert form of assignment]

7. Sale of Bonds. Given the volatile nature of the bond market and in order to achieve sale efficiencies so as to reduce the cost of issuance and interest expense it is hereby determined in the best interests of the City to negotiate the sale of the Bonds. Stifel, Nicolaus & Company Inc. (the “Underwriter”) has offered to underwrite the issuance of the Bonds and the offer to do so be and is hereby accepted. The Authorized Officers are authorized to negotiate, execute and deliver in behalf of the City an agreement with the Underwriter (the “Bond Purchase Agreement”) which will finalize the terms of the Bonds and the purchase of same.

8. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than thirty (30) years.

9. Tax Covenant; Qualified Tax Exempt Obligations. The City shall, to the extent permitted by law, take all actions within its control necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditures and investment of Bond proceeds and moneys deemed to be Bond proceeds. The City hereby designates the Bonds as “qualified tax exempt obligations” for purposes of deduction of interest expense by financial institutions pursuant to the Code.

10. Official Statement; Insurance; Ratings; Agreements. If deemed necessary, the Authorized Officers are each authorized and directed to cause the preparation and circulation of a preliminary and final Official Statement with respect to the Bonds; to procure a policy of municipal bond insurance with respect to the Bonds or cause the qualification of the Bonds therefor if, upon the advice of the Financial Advisors to the City, the acquisition of such insurance would be of economic benefit to the City; to obtain ratings on the Bonds; and to take all other actions necessary or advisable, and to make such other filings with the Michigan Department of Treasury or with other parties, to enable the sale and delivery of the Bonds as contemplated herein.

11. Continuing Disclosure. In conformity with Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the City shall enter into an undertaking for the benefit of the holders and beneficial owners of the Bonds (the “Undertaking”). The City Finance Director is hereby appointed as the City’s disclosure representative in accordance with the Rule and as such is authorized to execute and deliver the Undertaking on behalf of the City.

12. Authorization of Other Actions. The Authorized Officers are each severally authorized and directed to, without additional action from this City Commission, sell and deliver the Bonds pursuant to the Bond Purchase Agreement, and through the Bond Purchase Agreement to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing to exercise the authority and make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series and other matters, within the parameters

established by this Resolution, provided that the principal amount of the Bonds shall not exceed \$1,260,000, the Bonds shall bear interest at a true interest rate not to exceed six percent (6%), and the Bonds shall mature in not more than 30 years.

14. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

15. Immediate Effect. This Resolution shall be effective immediately.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Adrian, County of Lenawee, State of Michigan, at a regular meeting held on August 3, 2009, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

City Clerk

DELIB:3110076.2\002187-00018

**RESOLUTION AUTHORIZING
LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2009B**

CITY OF ADRIAN
COUNTY OF LENAWEЕ, STATE OF MICHIGAN

Minutes of a regular meeting of the City Commission of the City of Adrian, County of Lenawee, State of Michigan (the "City"), held on August 3, 2009, at 7:00 o'clock p.m., Eastern Daylight Savings Time.

PRESENT: Members _____

ABSENT: Members _____

The following preamble and resolution were offered by Member _____ and supported by Member _____:

WHEREAS, the City of Adrian, County of Lenawee, Michigan (the "City") has determined to proceed with the acquisition, construction, furnishing and equipping of a municipal complex housing municipal, police and library facilities together with all necessary and related appurtenances and attachments (the "Project"); and

WHEREAS, in order to pay part of the cost of the Project, the City intends to issue and sell two series of its general obligation capital improvement bonds, pursuant to Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), in a total amount not to exceed Seven Million Dollars (\$7,000,000), to be paid from legally available funds of the City; and

WHEREAS, a notice of intent was published in accordance with Act 34 which provides that the capital improvement bonds may be issued without a vote of the electors of the City unless a proper petition for an election on the question of the issuance of the bonds is filed with the City Clerk within a period of forty-five (45) days from the date of publication; and

WHEREAS, more than 45 days have elapsed since the date of such publication without the filing of a petition for referendum thereon.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Authorization of Bonds; Bond Terms. Bonds of the City designated **LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2009 B** (the "Bonds" or "Series B Bonds"), are authorized to be issued in the aggregate principal sum of not to exceed Five Million Seven Hundred and Forty Thousand Dollars (\$5,740,000) for the purpose of paying part

of the costs of the Project, and the costs incidental to the issuance, sale and delivery of the Bonds. The Bonds and any additional series of bonds issued to pay the costs of the Project shall not exceed in par amount the amount of bonds referenced in the notice of intent published in connection with their issuance. The issue shall consist of bonds in fully-registered form of the denomination of \$5,000, or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, numbered consecutively in order of registration, dated as of the date of delivery, or such other date as shall be determined in the Bond Purchase Agreement, as defined below. The Bonds shall bear interest, mature, and be payable at the times and in the manner set forth in the Bond Purchase Agreement (as hereinafter defined).

The Bonds of this issue shall be subject to redemption as provided in Section 6 or as otherwise provided in the Bond Purchase Agreement.

Interest shall be payable to the registered owner of record as of the 15th day of the month prior to the payment date for each interest payment. The record date of determination of registered owner for purposes of payment of interest as provided in this paragraph may be changed by the City to conform to market practice in the future. Interest shall be payable to the registered owner of record as of the 15th day of the month preceding the payment date for each interest payment. The principal of the Bonds shall be payable at a bank or financial institution qualified to act as registrar and transfer agent for the bonds to be designated by Finance Director of the City (the "Transfer Agent").

The Bonds may be issued in book-entry only form through The Depository Trust Company in New York, New York ("DTC") and the Mayor, City Manager, City Clerk and Finance Director (the "Authorized Officers") are each authorized to execute such custodial or other agreement with DTC as may be necessary to accomplish the issuance of the Bonds in book-entry only form and to make such changes in the Bond Form within the parameters of this resolution as may be required to accomplish the foregoing.

2. Execution of Bonds. The Bonds of this issue shall be executed in the name of the City with the facsimile signatures of the Mayor and Clerk of the City and shall have the seal of the City, or a facsimile thereof, printed or impressed on the Bonds. No Bond shall be valid until authenticated by an authorized officer or representative of the Transfer Agent. The Bonds shall be delivered to the Transfer Agent for authentication and be delivered by the Transfer Agent to the purchaser or other person in accordance with instructions from an Authorized Officer of the City upon payment of the purchase price for the Bonds in accordance with the bid therefor when accepted.

3. Transfer of Bonds. The Transfer Agent shall keep the books of registration for this issue on behalf of the City. Any Bond may be transferred upon such registration books by the registered owner of record, in person or by the registered owner's duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Transfer Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental

charge required to be paid with respect to the transfer.

4. Limited Tax Pledge; Debt Retirement Fund; Defeasance of Bonds. The City hereby pledges its limited tax full faith and credit for the prompt payment of the Bonds. The City each year shall budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general funds available therefor, or, if necessary, levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year.

The City Finance Director is authorized and directed to open a depository account with a bank or trust company designated by the City Commission, to be designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2009 DEBT RETIREMENT FUND (the "Debt Retirement Fund"), the moneys to be deposited into the Debt Retirement Fund to be specifically earmarked and used solely for the purpose of paying principal of and interest on the Bonds and the Series A Bonds (as set forth below) as they mature.

Except as otherwise set forth herein the Bonds shall be of equal standing of priority with the City's Limited Tax General Obligation Bonds, Series 2009A (the "Series A Bonds"). The Debt Retirement Fund set forth above shall be for the benefit of the Bonds herein authorized and the Series A Bonds, provided, however, any monies received from the United States Treasury as interest credits pursuant to the American Recovery and Reinvestment Act of 2009 and deposited in the Debt Retirement Fund sub-account (as provided in section 9 hereof) shall be for the exclusive benefit of the Series B Bonds.

In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall be deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

5. Construction Fund; Proceeds of Bond Sale. The City Finance Director is authorized and directed to open a separate depository account with a bank or trust company designated by the City Commission, to be designated LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2009 CONSTRUCTION FUND (the "Construction Fund") and deposit into said Construction Fund the proceeds of the Bonds and the Series A Bonds less accrued interest and premium, if any, which shall be deposited into the Debt Retirement Fund. The moneys in the Construction Fund shall be used solely to pay the costs of the Project and the costs of issuance of the Bonds.

6. Bond Form. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF LENAWEЕ

CITY OF ADRIAN

LIMITED TAX GENERAL OBLIGATION BOND, SERIES 2009B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
	___ 1, ___	___, 2009	

Registered Owner:

Principal Amount: _____ Dollars

The CITY OF ADRIAN, County of Lenawee, State of Michigan (the "City"), acknowledges itself to owe and for value received hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, unless prepaid prior thereto as hereinafter provided, with interest thereon from the Date of Original Issue specified above or such later date to which interest has been paid, until paid, at the Interest Rate per annum specified above, first payable on ___ 1, 20__ and semiannually thereafter. Principal of this bond is payable at the designated office of _____, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner not less than sixty (60) days prior to any interest payment date (the "Transfer Agent"). Interest on this bond is payable to the registered owner of record as of the fifteenth (15th) day of the month preceding the interest payment date as shown on the registration books of the City kept by the Transfer Agent by check or draft mailed to the registered owner of record at the registered address. For prompt payment of this bond, both principal and interest, the full faith, credit and resources of the City are hereby irrevocably pledged.

This bond is one of a series of bonds aggregating the principal sum of \$____,000, issued for the purpose of paying all or part of the cost of certain capital improvements for the City. This bond is issued under the provisions of Act 34, Public Acts of Michigan, 2001, as amended, the City's Charter, and a duly adopted resolution of the City.

Bonds of this issue maturing in the years 20__ to 20__, inclusive, shall not be subject to redemption prior to maturity. Bonds or portions of bonds in multiples of \$5,000 of this issue maturing in the year 2020 and thereafter, shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and by lot within any maturity, on any date on or after ___ 1, 20__, at par and accrued interest to the date fixed for redemption, without premium.

[ADD TERM BOND LANGUAGE IF NECESSARY]

This bond is transferable only upon the registration books of the City kept by the Transfer Agent by the registered owner of record in person, or by the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the registered owner or the registered owner's attorney duly authorized in writing, and thereupon a new registered bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the resolution authorizing this bond and upon the payment of the charges, if any, therein prescribed.

This bond, including the interest thereon, is payable as a first budget obligation from the general funds of the City, and the City is required, if necessary, to levy ad valorem taxes on all taxable property in the City for the payment thereof, subject to applicable constitutional, charter and statutory tax rate limitations.

It is hereby certified and recited that all acts, conditions and things required by law to be done, precedent to and in the issuance of this bond and the series of bonds of which this is one, exist and have been done and performed in regular and due form and time as required by law, and that the total indebtedness of the City, including this bond, does not exceed any

constitutional, statutory or charter debt limitation.

This bond is not valid or obligatory for any purpose until the Transfer Agent's Certificate of Authentication on this bond has been executed by the Transfer Agent.

IN WITNESS WHEREOF, the City, by its City Commission, has caused this bond to be signed in the name of the City by the facsimile signatures of its Mayor and City Clerk and a facsimile of its corporate seal to be printed hereon, all as of the Date of Original Issue.

CITY OF ADRIAN
County of Lenawee
State of Michigan

By _____ [facsimile] _____

Its Mayor

(SEAL)

By _____ [facsimile] _____

Its Clerk

(Form of Transfer Agent's Certificate of Authentication)

DATE OF AUTHENTICATION:

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned resolution.

_____, Michigan
Transfer Agent

By _____

Authorized Signatory

[Bond printer to insert form of assignment]

7. Sale of Bonds. Given the volatile nature of the bond market and in order to achieve sale efficiencies so as to reduce the cost of issuance and interest expense it is hereby determined in the best interests of the City to negotiate the sale of the Bonds. Stifel, Nicolaus & Company Inc. (the “Underwriter”) has offered to underwrite the issuance of the Bonds and the offer to do so be and is hereby accepted. The Authorized Officers are authorized to negotiate, execute and deliver in behalf of the City an agreement with the Underwriter (the “Bond Purchase Agreement”) which will finalize the terms of the Bonds and the purchase of same.

8. Useful Life of Project. The estimated period of usefulness of the Project is hereby declared to be not less than thirty (30) years.

9. Taxable Bonds. The Series B Bonds shall be offered as taxable bonds. Depending upon prevailing market conditions and the availability of necessary allocations the Series B Bonds shall be either direct payment Build America Bonds or Recovery Zone Economic Development bonds issued pursuant to the American Recovery and Reinvestment Act of 2009. The determination of bond type and the pledge of credits shall be made by an Authorized Officer at the time the Series B bonds are offered for sale. In the event the Series B Bonds are issued pursuant to the American Recovery of Reinvestment Act of 2009 the City may elect to receive credits from the United States Treasury equal to a percentage of the stated interest paid on the Bonds as specified in the relevant section of the Internal Revenue Code of 1986, as amended. Upon receipt, the funds representing such credits shall be deposited in a sub-account established in the Debt Retirement Fund and used solely to pay a portion of the interest next due and payable on the Series B Bonds.

10. Official Statement; Insurance; Ratings; Agreements. If deemed necessary, the Authorized Officers are each authorized and directed to cause the preparation and circulation of a preliminary and final Official Statement with respect to the Bonds; to procure a policy of municipal bond insurance with respect to the Bonds or cause the qualification of the Bonds therefor if, upon the advice of the Financial Advisors to the City, the acquisition of such insurance would be of economic benefit to the City; to obtain ratings on the Bonds; and to take all other actions necessary or advisable, and to make such other filings with the Michigan Department of Treasury or with other parties, to enable the sale and delivery of the Bonds as contemplated herein.

11. Continuing Disclosure. In conformity with Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the City shall enter into an undertaking for the benefit of the holders and beneficial owners of the Bonds (the “Undertaking”). The City Finance Director is hereby appointed as the City’s disclosure representative in accordance with the Rule and as such is authorized to execute and deliver the Undertaking on behalf of the City.

12. Authorization of Other Actions. The Authorized Officers are each severally authorized and directed to, without additional action from this City Commission, sell and deliver the Bonds pursuant to the Bond Purchase Agreement, and through the Bond Purchase Agreement to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing to exercise the authority and

make the determinations authorized pursuant to Section 315(1)(d) of Act 34, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, designation of series and other matters, within the parameters established by this Resolution, provided that the principal amount of the Bonds shall not exceed \$5,740,000, the Bonds shall bear interest at a true interest rate not to exceed six percent (6%), and the Bonds shall mature in not more than 30 years.

14. Rescission. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

15. Immediate Effect. This Resolution shall be effective immediately.

AYES: Members _____

NAYS: Members _____

RESOLUTION DECLARED ADOPTED.

City Clerk

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission of the City of Adrian, County of Lenawee, State of Michigan, at a regular meeting held on August 3, 2009, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

City Clerk

DELIB:3110113.1\002187-00018

R-3

DATE: July 27, 2009
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Compost Fees

The current fees charged for delivery of compost to City residents is not covering the cost of delivery. Kristin Bauer, City Engineer, has recommended the fees be increased as follows:

	<u>NEW</u>	<u>OLD</u>
1 yd. of compost (delivered within City limits)	\$50.00	\$15.00
2 yds. Of compost (delivered within City limits)	\$75.00	\$30.00

I concur with her recommendation and urge your favorable consideration to establish new delivery fees for compost as outlined above.



Dane C. Nelson
City Administrator

DCN:bjw

July 24, 2008

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Compost Fees



On August 4, 2009 we will again have compost available for use/purchase by City Residents. After review of the fees previously paid for the delivery of compost to residents it was determined we were not covering the costs of this delivery and as a result we are requesting the new fees for delivery of compost be changed to the following:

	<u>New</u>	<u>Old</u>
1 yd of compost (delivered within the City Limits) -	\$50.00	\$15.00
2 yd of compost (delivered within the City Limits) -	\$75.00	\$30.00
Limit of 4 yd per year per city address		

Free self pick up and shovel loading (**City Residents Only**) will be available at the following locations and times:

231 Race Street (east yard) – Monday through Friday – 7:00am to 3:00pm

Compost Site – Wednesday 3:30pm to 7:00 pm
Saturday 8:00 am to 2:00pm

All revenue from delivery of compost shall be placed in the general revenue fund, for tracking purposes: 101-441.00-690.000.

R09-133

August 3, 2009

RE: DEPARTMENT OF PUBLIC WORKS/CITY ENGINEER – Compost Delivery Fee Revision

RESOLUTION

WHEREAS, the City of Adrian has had a long-standing practice of providing City residents free compost when they load and deliver it themselves; and

WHEREAS, the City of Adrian’s current Compost Delivery Fee Schedule for delivery services does not cover the cost of providing delivery services to City residents; and

WHEREAS, the following proposed change in compost delivery fees would fully defray the cost of providing delivery services:

	<u>NEW</u>	<u>OLD</u>
1 yd. of compost (delivered within City limits)	\$50.00	\$15.00
2 yds. Of compost (delivered within City limits)	\$75.00	\$30.00

WHEREAS, the Finance Director indicates that revenue from this source will be recorded in the Department of Public Works Compost Revenue Account in the General Fund (101-441.00-690-000); and

WHEREAS, the City Engineer and City Administrator recommend approval of this resolution to revise the Compost Delivery Fee Schedule in order to fully defray the cost of providing delivery services to City residents:

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the following revised Compost Delivery Fee Schedule in order to fully defray the cost of providing delivery services to City residents:

	<u>NEW</u>	<u>OLD</u>
1 yd. of compost (delivered within City limits)	\$50.00	\$15.00
2 yds. Of compost (delivered within City limits)	\$75.00	\$30.00

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

B-4

DATE: July 29, 2009
TO: Honorable Mayor and City Commissioners
FROM: Dane C. Nelson, City Administrator
SUBJECT: Telecommunication Systems

The City's IT Director, Paul Trink, solicited a quote for the installation of telecommunications hardware and software, data & voice termination at the new City Hall, and reconfiguration of telecommunication hardware and software systems for the Police and Fire Departments. Executone, Inc. of Troy, MI, our current provider of telecommunications systems, submitted a proposal in the amount of \$30,636.00. Due to Executone's familiarity with the City's system, Paul has recommended that Executone's proposal be accepted and the bid process waived.

The City Charter allows the bid process to be waived when it is determined that no advantage to the City would result in obtaining additional quotes. I, therefore, recommend acceptance of Executone's proposal in the amount of \$30,636 and that the bid process be waived.



Dane C. Nelson
City Administrator

DCN:bjw

R-4



MEMO

Date: June 9, 2009

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

From: Paul Trinka, Information Technology Director

Re: Installation of Telecommunications Hardware & Software and Data & Voice Wire Termination at New City Hall and Reconfiguration of Telecommunications Hardware & Software Systems for Police and Fire Departments

The Adrian City Commission has authorized the purchase and renovation of the former Bank of Lenawee Building for the purpose of housing City Hall Offices. Executone, Inc., Troy, MI, the current provider of telecommunications systems to the City of Adrian, has submitted a proposal amounting to \$30,636 for installation of telecommunications hardware & software and data & voice wire termination at new city hall, as well as reconfiguration of telecommunications hardware & software systems for police and fire departments.

The quotes are broken down into three parts:

1. Voice and Data Termination - \$7325.15
 2. Move and Upgrade City Hall - \$11,406.86
 3. Fire and Police System - \$11,903.50
-
1. A number of staff members have worked under Glenn Preston's supervision to do the physical labor involved in pulling the wire for both voice and data. Executone will terminate all of the wires.
 2. The hardware in the basement of the current City Hall will be moved and software upgraded to the new building, extensions set up on desks and the system operational
 3. The hardware to keep police and fire phones running after the move.

I respectfully recommend waiving the competitive bid process, due to the vendor's knowledge of the City's present hardware and software telecommunications systems, and engaging Executone, Inc., Troy, MI in the City's Standard Professional Services Contract to acquire and install the aforementioned equipment. Please find attached copy of detailed proposal submitted by Executone.

The attached resolution has been prepared for consideration by the City Commission at their regularly scheduled meeting of August 3rd, 2009. If you have any questions or need for further information, please contact my office.



EXECUTONE
SINCE 1946

Schedule A

City Hall move and Software Expansion
July 23, 2009

- 1-CS5400 Upgrade Kit
Allows an Inter-Tel CS-5200 to be upgraded to an Inter-Tel CS-5400
Included:
-Processor Expansion Card 1
-Upgrade from Inter-Tel CS-5200 to Inter-Tel CS-5400 Base
Requirements:
1-CS5400 IP Networking (Any 175 IP Resources)
1-CT Gateway Software Single App
2-Program system labor
3-Program telephones labor
2-Reconfigure DEI/DEM labor
5-move/install system labor
12-install IP&Digital phones labor
6-Cut day coverage labor
1-Software upgrade to 3.1
2-Labor to upgrade
3-Networking labor
2-48 port patch panel
4-Install and punch down to phone system labor

MATERIAL:	\$7,462.86
LABOR:	\$3,944.00
ESTIMATED SALES TAX:	\$exempt
TOTAL:	\$11,406.86

BY _____
PURCHASER ACCEPTANCE

BY _____
EXECUTONE ACCEPTANCE

PRINT NAME _____

ITS (TITLE) _____

ITS (TITLE) _____

DATE _____

DATE _____



Schedule A

Data and Voice Wire Termination
July 23, 2009

Data Wire Terminations

- 43-Duplex Plate OFC WHT
- 18-Surface Mount Duplex OFC WHT
- 61-Mod 8 Pin CAT6 568B Blue
- 3-24 port Patch Panel CAT6 568B
- 72-Patch Panel Termination
- 70-8 pin patch cord 3 foot
- 10-Labor install rack and PP
- *-CPE RACK

Material:	\$1,708.23
Labor	\$2,076.80
Estimated sales Tax:	\$exempt
Total:	\$3,785.03

Voice Wire Terminations

- 2-Flush Wall Mount Jack (Non-IP)
- 61-Mod 8 Pin CAT6 568B Black
- 2-110 (50PR C5) Block Kit
- 2-24 port Patch Panel CAT5E 568B
- 3-24 port Patch Panel CAT6 568B
- 96-Patch Panel Termination
- 87-8 pin patch cord 3 foot
- 6-Labor
- *-CPE Data Racks

MATERIAL:	\$1,898.55
LABOR:	\$1,641.60
ESTIMATED SALES TAX:	\$exempt
TOTAL:	\$3,540.15

BY _____
PURCHASER ACCEPTANCE

BY _____
EXECUTONE ACCEPTANCE

PRINT NAME _____

ITS (TITLE) _____

ITS (TITLE) _____

DATE _____

DATE _____



Schedule A

Fire and Police System

July 23, 2009

1-KIT MT 5000 W/5 M5312 & Business Dashboard Software No PC

INCLUDES:

- CHASSIS BASE 1U RACKMOUNT
- PCBA PROCESSOR MODULE (PM-1)
- SW PROG MEM MT 5000 512MB C FLASH
- LICENSE INTL5200 BASE
- LIC MT 5000 SOFTWARE V3.1
- SW LICENSE KEY INTER-TEL 5000 S
- KIT SOFTWARE SITE LICENSE
- 5312 IP PHONE (Qty 5)
- LICENSE INTL5000 IP ENDPOINT D (QTY 5)
- SW MT 5000 V3.1 CD
- LICENSE INTL5000 IP ENDPOINTS ENABL
- LICENSE INTL5000 DEI 1 ENABLE
- LICENSE INTL5000 BVM SINGLE PT (Qty 4)
- LICENSE IT 5000 ENABLE 99 NODES
- PROMO CCS WORK GROUP PROD SOL V4.0
- LIC INTL5000 SYSTEM OAI EVENTS
- LIC INTL5000 SYSOAI 3RD PTY CALLCTR
- 1-Quad Loop Start Module (LSM-4)
- 1-CS5200 IP Networking (Any 75 IP Resources)
- 1-CS5000 OAI Events
- 1-CS5000 OAI 3rd call control
- 1-BR1200 battery back-up approx. 1/2 hour
- 4- OT Labor
- 4-Program system labor
- 8.5-Program telephones labor
- 3-Reconfigure DEI/DEM labor
- 4-move/install system labor
- 9-cables/cross connects labor
- 8-Cut day coverage labor
- *-All Quotes good for 30 Days

MATERIAL:	\$7,976.50
LABOR:	\$3,927.00
ESTIMATED SALES TAX:	\$exempt
TOTAL:	\$11,903.50

BY _____
PURCHASER ACCEPTANCE

BY _____
EXECUTONE ACCEPTANCE

PRINT NAME _____

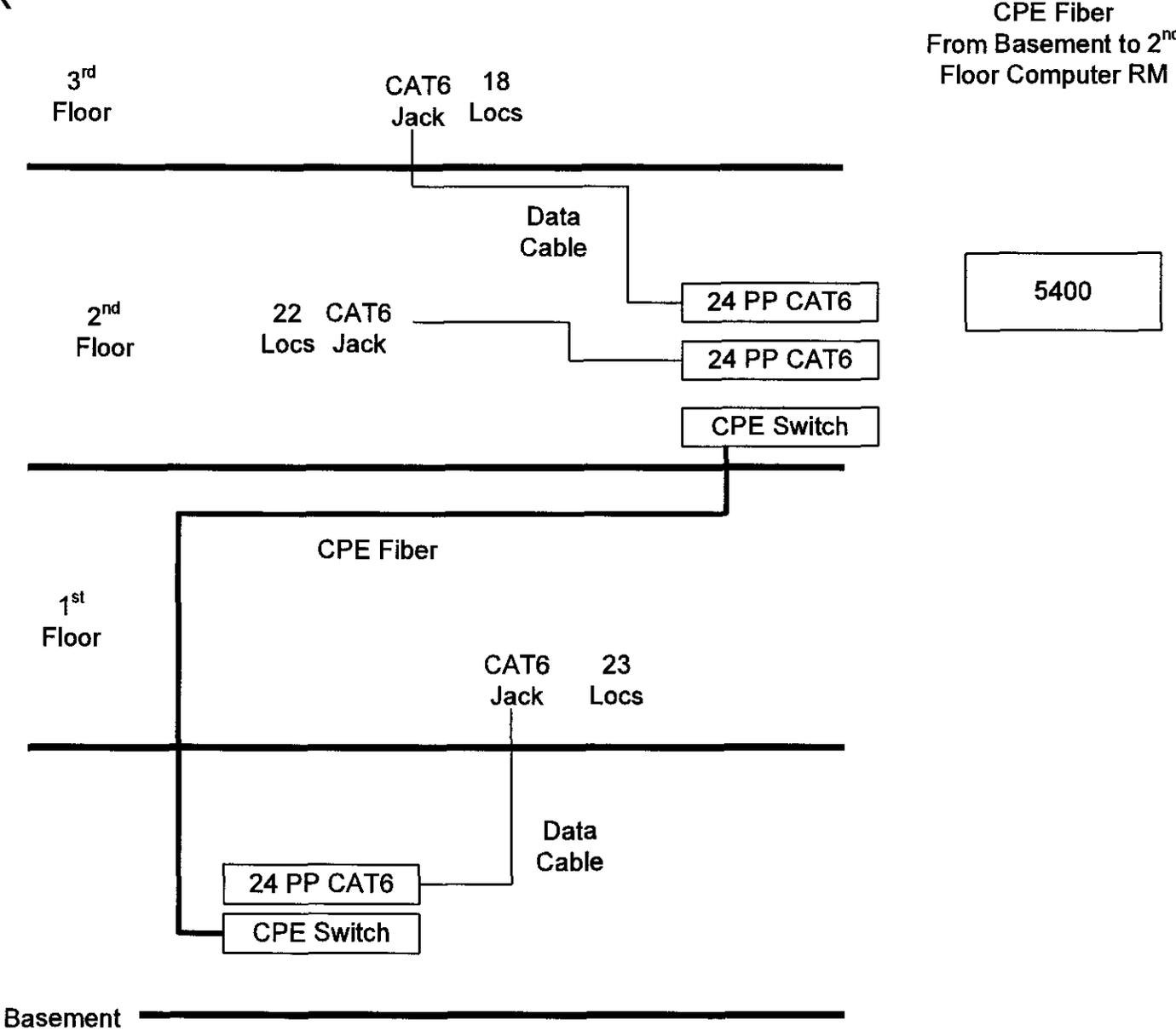
ITS (TITLE) _____

ITS (TITLE) _____

DATE _____

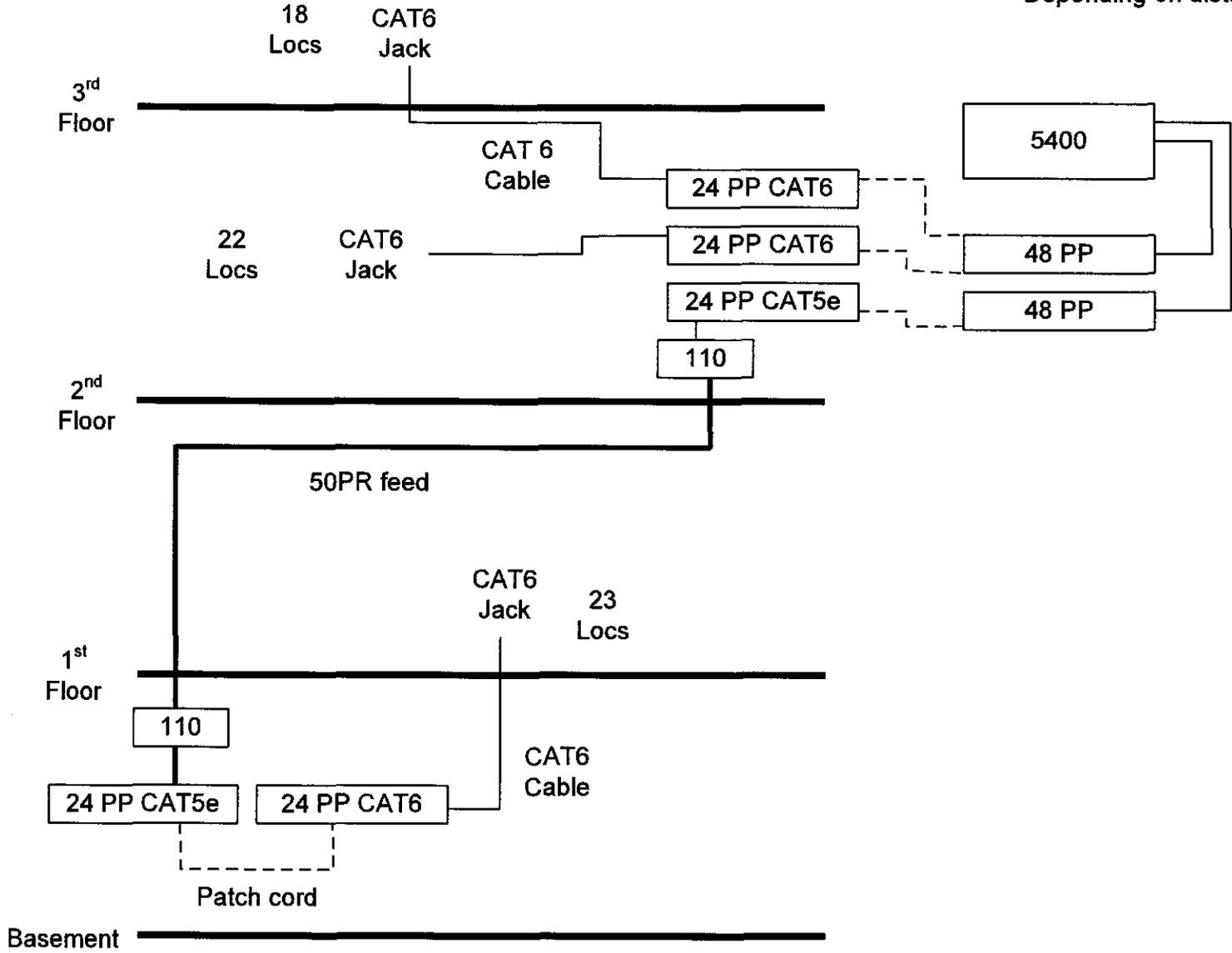
DATE _____

Data Network CAT 6



Telephone Jacks and Patch Panels CAT 6

CPE 50 Pair feed
T-Shield should be run
Depending on distance



**RE: INFORMATION TECHNOLOGY DEPARTMENT – Installation of Telecommunications Hardware & Software and Data & Voice Wire Termination at New City Hall and Reconfiguration of Telecommunications Hardware & Software Systems for Police and Fire Departments
RESOLUTION**

WHEREAS, the Adrian City Commission has authorized the purchase and renovation of the former Bank of Lenawee Building for the purpose of housing City Hall Offices; and

WHEREAS, Executone, Inc., Troy, MI, the current provider of telecommunications systems to the City of Adrian, has submitted a proposal amounting to \$30,636 for installation of telecommunications hardware & software and data & voice wire termination at the new city hall, as well as reconfiguration of telecommunications hardware & software systems for police and fire departments; and

WHEREAS, the Director of Information Technology recommends waiving the competitive bid process, due to the vendors knowledge of the City’s present hardware and software telecommunications systems, and engaging Executone, Inc., Troy, MI in the City’s Standard Professional Services Contract to acquire and install the aforementioned equipment; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the Information Technology Telecommunications Undesignated Fund Balance Account (661-000.00-390.000); and

WHEREAS, the City Administrator recommends approval of this resolution, waiving the competitive bid process and authorization of appropriate amendments to the FY2009-10 Budget and General Appropriations Act.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the engagement of Executone, Inc., Troy, MI in the City’s Standard Professional Services Contract for acquisition and installation of telecommunications hardware & software and data & voice wire termination at the new City Hall, as well as reconfiguration of telecommunications hardware & software systems for police and fire departments, at a cost not to exceed \$30,636.

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

BE IT, FURTHER, RESOLVED that \$30,636 be appropriated from the Information Technology Fund Undesignated Fund Balance (661-000.00-390.000) and that the FY2009-10 Budget be amended as follows:

<u>Telecommunications Fund (661)</u>		<u>Amount</u>
Revenue:		
(661-000.00-697.000)	Prior Year’s Revenue	\$30,636
Expenditures:		
(661-221.00-977.000)	Telecommunications – Capital Equip.	<u>30,636</u>
	Total	<u>\$ -0-</u>

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

R-5

MEMO



DATE: July 30, 2009
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Service & Lease Agreement – Coffee Shop at Library

Attached is a resolution to approve a service and lease agreement with Stone's Catering, LLC to operate a "coffee shop" at the Adrian Public Library. An extensive request for proposals had been sent out to prospective bidders. The City received a broad, well designed proposal from Stone's, which has been thoroughly reviewed by City staff and further discussed with the owner of this company. Stone's is a local business, which operates a similar enterprise for Jackson Community College at its Adrian campus.

The proposal will provide services far more expansive than just a coffee shop and will offer sandwiches, soups and other items at the City Library. The agreement also sets forth a 2-year lease agreement at a rate of \$440.00 per month. Certain equipment will need to be purchased for this area of the library by the City, which will be determined shortly. I, therefore, request approval of the attached resolution.

A handwritten signature in black ink, appearing to read 'Dane C. Nelson', written over a horizontal line.

Dane C. Nelson
City Administrator

DCN:bjw

R-5



Adrian Public Library

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

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

July 28, 2009

To: Honorable Mayor Gary McDowell and City Commission
From: Carol Souchock, Adrian Public Library Director
CC: Dane Nelson, City Administrator and Jeff Pardee, Finance Director
Re: Library Café – Stone’s Café and Catering

The City Commission approved the establishment of a Café at the Adrian Public Library in early 2008 as part of the south entrance renovations. Over this past year, City Administrator, Dane Nelson, and I have been researching and analyzing possible Café vendors. After releasing a request for qualifications and conducting interviews, we are in agreement in our desire to move forward with leasing the Library Café space to Stone’s Café and Catering (Legal Name-Stone Catering LLC).

I have been very impressed with Stone’s Café and Catering’s commitment to customer service, the quality of their beverage and food products, their experience in running a coffee shop, professionalism and presentation at both of their current locations in Lenawee County. Stone’s Café opened in January of 2008 at 1567 W. Maumee Street in Adrian and Mrs. Stone also runs a Café at Jackson Community College’s Lenawee location. I look forward to this opportunity to work with Annette Stone and her staff as we move forward with this exciting, and much anticipated, opportunity. We expect to open the Café this fall during, or soon after, the reopening of the library’s newly renovated south entrance and façade.

The Café intends to serve beverages such as coffee, espresso, and other coffee specialty drinks, teas, juices, frozen and soft drinks. Food products, including pastries and deserts, muffins, sandwiches, soups and salads, all of which will be prepared off site, will be offered. The Café will open before the library to attract early morning beverage clients, will be open during regular library hours, and is expected to offer expanded hours during downtown events.

Stone’s Café and Catering, as tenant, will pay rent in a sum of \$440.00 per month and will be responsible for various expenses including electricity, janitorial service, telephone service, State and County permit and licensing fees and will provide all of the coffee equipment. The City, as landlord, will provide gas and water, café furniture, and refrigeration equipment. City Attorney, Sarah Osburn, has designed the attached two year lease agreement.



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

Adrian Public Library

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

I request permission from the City Commission to authorize The City of Adrian to enter into a lease agreement with Stone's Café and Catering as the Café vendor and tenant at the Adrian Public Library. The attached resolution has been prepared for consideration by the City Commission at their meeting of August 3, 2009.

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

LEASE AGREEMENT

This lease has been entered into as of _____, 2009 between the City of Adrian, 100 East Church Street, Adrian, Michigan 49221 ("Landlord") and Stone's Café and Catering, LLC, 1567 West Maumee Street, Adrian, Michigan 49221 ("Tenant").

In consideration of the mutual covenants contained herein, Landlord and Tenant agree as follows:

1. *Lease of Premises.* Landlord leases to Tenant on the terms and subject to the conditions herein contained, the Library Café (the "Café"), located at 143 East Maumee Street, Adrian, Michigan 49221 in an area more specifically described in the Request for Qualifications.
2. *Term.* The term of this lease shall commence on a date to be agreed upon between the parties, and shall continue for a term of two years.
3. *Renewal and Early Termination.* The tenant must provide notice at least 90 days before the expiration of the current lease as to whether it intends to negotiate a renewal of the lease agreement. If either party desires to terminate the lease before the end of the term of the lease said party must provide the other party with 180 days written notice.
4. *Rent.* As rent Tenant shall pay Landlord in advance, on or before the first day of each calendar month the sum of \$444.00, to be made payable directly to the City of Adrian, at the City Treasurer's office or at such other place as Landlord may from time to time designate. The first rent payment shall be due on the first day of occupancy. In the event occupancy commences after the first of the month, the rent payment will be prorated on a per diem basis.
5. *Utilities and Other Expenses.* The Tenant shall be responsible for and pay the following expenses:
 - Electricity
 - Telephone Service, local and long distance calls
 - Pest control
 - Taxes (tenant's personal property and income taxes).
 - State and County permit and licensing fees.
 - Janitorial Service: Tenant responsible for cleaning, cleaning equipment and supplies for Café and Café storage area in the basement. Café cleaning will be conducted by Café employees or a janitorial service at the discretion of the tenant. The Café bathroom will be cleaned by the landlord's janitorial service.

The landlord shall be responsible for and pay:

- Basic Cable Service
- Gas
- Water
- Trash Removal
- Landlord hereby agrees to pay property tax, if any, on all personal property it provides due on said property with the exception of personal property taxes on any equipment or goods owned by Tenant, and any other taxes, all of which are to be paid by Tenant in a timely manner when due. Further, Landlord will obtain and pay for insurance in order to cover the building against damage or destruction. Landlord, in addition, will be responsible and pay for any necessary repairs to the roof, electrical system, plumbing system, heating system and for any necessary repairs to the roof, electrical system, plumbing system, heating system and structure so long as any damages are caused by normal wear and tear. It is specifically agreed by Tenant that if any damages are caused because of Tenant's conduct then Tenant will bear all costs of said repairs. It is understood by and between the parties hereto that the intent of this provision is for Landlord to bear the cost of all repairs to major systems, specified above, unless the repairs are caused by Tenant's conduct in which case Tenant will assume liability for the costs of said repairs. Tenant shall be liable for ordinary maintenance and repairs.

6. *Equipment.* The Tenant agrees to provide the following or comparable equipment for operation of the Café:

- Toaster: Waring 4-Slice Commercial Toaster MFR #WCT704
- Microwave: Amana Microwave MFR #LD-10D2
- Blender: Waring Commercial Blender MFR #MMB-142C
- Bunn Air Pot Brewer: MFR #332.00.0010
- Soup Crocks: Server Products TWIN FS-4 81200
- Espresso Machine: Rosito Bisani Portifno DEL-2
- Espresso Bean Grinder: Cecilware Grinder, Model #260-052 VG-A
- Air Pots: Bun-O-Matic Airpot MFR #32125.0000
- Storage Shelves to be used downstairs: Eagle Wire Shelving 18"x60"x74.5"
- Telephone: Panasonic 1-line corded phone KX-TS600B
- Credit Card Terminal: Omni 3730
- Steaming Pitchers
- Thermometers
- Packing Mat
- Cash Register: SHARP XE-A102

The landlord reserves the right of approval for all equipment and furnishings brought into the Café.

The Landlord agrees to provide the following or comparable equipment for the operation of the Café:

- 1-door 6.5 Cubic foot Turbo Air TUR-28SD Display Refrigerator
- Mira Cool by Beverage Air 1-door 26.5 Cubic foot 5 shelves
- Holiday 5.0 Cubic foot chest freezer

The landlord will provide:

- Lighting and electrical receptacles
- Data, cable and telephone lines
- Ceiling and flooring
- Plumbing- TBD based on construction
- Tables and seating- Exact quantity TBD based on construction
- Counters for service
- Cabinets and shelves for storage and display
- Refrigerator and/or Refrigerated cases for food and bottled beverage display
- Ice Machine
- Storage area in the lower level
- Access to basement janitorial closet

7. *Signage.* Tenant may erect, at its own expense, signage within the area of the Café and immediately outside of the Café. Signage must be in compliance with current City sign ordinances. Inside and outside signage must also be approved by the Landlord. Tenant will provide signage bearing their name and landlord will provide signage indicating open status.
8. *Hours of Operation.* The Café shall open prior to library hours and shall remain open during regular library hours. Tenant may extend its hours of operation as they see fit. When operating the Café when the library is closed Tenant will be responsible for maintaining limiting access of the premises to the Café only. Landlord will provide a chain mall type of gate with a lock to limit access to the library. Library Café employees shall have the ability to access storage outside of library hours.
9. *Insurance and Indemnification.*
 - a. The Tenant will keep the Café insured to protect its interests, including but not limited to insurance for the contents of the premises and liability insurance in a minimum amount of \$500,000.00 with the City of Adrian named as an additional insured.
 - b. Tenant will indemnify and hold Landlord harmless from damages which are incurred by the Tenant by any person or entity, to the extent arising from the negligent acts, performances, willful misconduct, errors or omissions of Tenant or Tenant's employees, or material breach of

this agreement, including without limitation, all claims relating to injury or death of any person or damage to any property. The indemnity obligations do not apply to the extent that any damages for any claim are caused by the negligence of the Landlord.

- c. The indemnification rights contained in the contract shall not be limited to collectible insurance rights/policies. Tenant's indemnification obligations as described herein shall remain in full force and effect regardless of any dispute with any of its insurance companies. Tenant shall have no rights against the Landlord for any indemnification (e.g. contractual, equitable, or by implication), contribution, subrogation, and/or any other right to be reimbursed by the Landlord except as expressly provided herein.
- d. It is understood and agreed that if the premises hereby leased be damaged or destroyed in whole or in part by fire or other casualty during the term of this Lease, or any extensions thereof, Landlord will repair and restore the same to tenantable condition with reasonable dispatch, and that the rent provided for therein shall abate entirely in case the entire premises be untenable and pro rata for the portion rendered untenable in case a part only is untenable, until the same shall be restored to tenantable condition; provided, however, that if Tenant shall fail to adjust his insurance or to remove his damaged goods, wares, equipment or property within a reasonable time, and as a result thereof the repairing and restoration is delayed, there shall be no abatement of rent during the period of such resulting delay, and provided further that there shall be no abatement or rent if such fire or other cause damaging or destroying the leased premises shall result from the negligent or willful conduct of Tenant, his agents or employees, and provided further that if Tenant shall use any part of the leased premises for storage during the period of repair a reasonable charge shall be made therefore against Tenant and provided further that in case the leased property, shall be destroyed to the extent of more than one-half of the value thereof, Landlord may at his option terminate this Lease forthwith by written notice to Tenant.

10. Assignment and Subletting. Tenant shall not assign this Lease in whole or in part or sublet all or any portion of the Café, without written consent of the Landlord.

11. Condition of Premises; Alteration, Maintenance, Repairs.

- a. Tenant agrees to be responsible for any damage caused to the Café by it or its employees, guests, invitees, and customers and further agrees to promptly report to landlord any damage caused to or discovered in the premises.

- b. Landlord, at its option, may, upon discovery of damage to the Café, make such repairs as are necessary to restore the Café to its original condition, and Tenant shall reimburse the Landlord for the total cost of any repairs for which it is responsible hereunder.
- c. Landlord and Tenant each hereby release the other, including employees, agents, family members, invitees and guests of the other, from all liability arising from loss, damage or injury caused by fire or other casualty to the extent of any recovery by the injured party under a policy of insurance which permits waiver of liability and waives the insurer's rights of subrogation.
- d. The Tenant is responsible for restoring the Café to its original condition upon termination of the lease absent ordinary wear and tear.

12. Inspection. Landlord, or its agent, shall have the right to enter the Café at any reasonable time and upon any reasonable notice for the purpose of inspecting the Café or for the purpose of making necessary repairs or for regular maintenance. In the event of an emergency, Landlord shall be permitted to enter the Café without notice for any purpose reasonable connected with the emergency.

13. Default.

- a. Tenant's failure to pay rent when due, or to perform any of its obligations hereunder, shall constitute a default. This includes the failure to make any and all necessary repairs to the structure to ensure that it is in compliance with all City of Adrian codes. If a default occurs, Landlord may, at its option, terminate this Lease and regain possession of the Café in accordance with applicable law. If Tenant shall be absent from the Café for a period of five consecutive days while in default, Tenant shall, at Landlord's option, be deemed to have abandoned the Café. Recovery of the Café by Landlord shall not relieve Tenant of any obligation hereunder, and upon default, Landlord shall be permitted to accelerate the rent due throughout the term of this Lease and demand immediate payment thereof. Tenant may not be liable for the total accelerated amount of rent due hereunder because of Landlord's obligation to minimize damages through attempted re-renting of the Café.
- b. In the event of a default, it is understood that either party to this Agreement has the right to have a court determine the actual amount due and owing the other.
- c. Neither party to this Lease shall be liable for legal costs or attorneys' fees incurred by the other in connection with a dispute arising

hereunder except to the extent that such costs or fees are specifically permitted by statute.

14. *Waiver.* Landlord's failure to enforce any term of this Lease shall not be deemed a waiver of the enforcement of that or any other term, nor shall any acceptance of a partial payment of rent be deemed a waiver of Landlord's right to the full amount thereof.

15. *Notices.* Any notice which either party may, or is required to, give hereunder may be served personally or sent by first-class mail, postage prepaid, as follows:

a. to Tenant:

1567 W. Maumee Street
Adrian, Michigan 49221

b. to Landlord:

City Administrator
135 E. Maumee St.
Adrian, Michigan 49221

or at such other places as may be designated in writing by the parties from time to time.

16. *Severability.* In the event that any part of this Agreement shall be held invalid, the remainder thereof shall remain in full force and effect.

17. *Fire or Destruction.* If the Premises, or any substantial part thereof, shall be destroyed by fire or other casualty so as to render them untenable, either Landlord or Tenant shall have the right to terminate this Lease upon written notice.

18. *Entire Agreement.* The foregoing constitutes the entire agreement between the parties and may not be modified except in writing, signed by both parties.

IN WITNESS WHEREOF, the undersigned have executed this Lease as of the date first written above.

WITNESSES:

THE CITY OF ADRIAN

BY: _____

Gary E. McDowell

ITS: MAYOR

BY: _____
Pat Baker

ITS: CITY CLERK

STONE'S CAFÉ AND
CATERING LLC

BY: _____

ITS: Member

R09-135

August 3, 2009

RE: ADRIAN PUBLIC LIBRARY –Lease Approval for Library Café

RESOLUTION

WHEREAS, the Adrian City Commission, by resolution #R07-179 dated November 5, 2007, authorized the engagement of a vendor in the City’s Standard Professional Services Contract for the purpose of designing the Adrian Public Library Facade Restoration Project; and

WHEREAS, out of this effort arose the concept of a coffee shop as a complimentary enhancement to the Library, which was included in the eventual design of the Restoration Project; and

WHEREAS, Stone Catering, LLC, Adrian, MI has submitted a proposal to lease the space provided at a monthly rate of \$440.00, or \$5,280 annually, for purposes of operating a coffee shop/ café; and

WHEREAS, the Library Director and City Administrator recommend approval of this resolution providing authorization for the Mayor and City Clerk to sign all necessary documents to implement the proposed lease agreement, as well as approve the related FY2009-10 Budget Amendment recognizing the anticipated revenue for the balance of the fiscal year.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the Mayor and City Clerk to sign all necessary documents to implement the proposed lease agreement with Stone Catering, LLC, Adrian, MI for purposes of operating a coffee shop/café as a complimentary service of the Adrian Public Library.

BE IT, FURTHER, RESOLVED that the FY2009-10 Budget be amended as follows to recognize the anticipated lease revenue for the period October, 2009 through June, 2010:

General Fund (101)

Revenue:

(101-738.00-671.000)	Adrian Public Library – Rent	\$3,960
----------------------	------------------------------	---------

Appropriations:

(101-990.00-990.000)	General Fund Contingency	<u>3,960</u>
	Total	<u>\$ -0-</u>

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

R-6



MEMO

Date: July 29, 2009

To: Dane C. Nelson, City Administrator

From: Jeffrey C. Pardee, Finance Director

Re: Liability, Property and Vehicle Fleet Insurance Renewal

The City of Adrian's current Liability, Property and Vehicle Fleet Insurance Policy expires July 27, 2009 and

The City of Adrian has been a member of the Michigan Municipal League (MML) Liability and Property Pool (serviced by the Meadowbrook Insurance Group) since July 27, 1984; FY2008-09 premium was \$226,997 and FY2009-10 proposed premium is \$221,053, a 2.6% decrease, for coverage with a \$2,000,000 liability limit and \$5,000 deductible per occurrence.

After considering alternative carriers, I respectfully recommend remaining with MML Liability and Property Pool for the following reasons:

- Superior Property Coverage with no coinsurance – the insurer assumes risk on property claims up to \$103,127,609 (\$1,000 Deductible) for each covered occurrence;
- Liability coverage on an occurrence basis – no time limit for reporting claims, the Pool is perpetually obligated to indemnify the City;
- Comprehensive coverage on 114 vehicles (\$250 deductible);
- Treasurer/Clerk Bond for \$100,000 and Sewer Back-Up Liability for \$100,000;
- Claims expertise – City has experienced excellent claims resolution;
- Loss Control and Administration Services – National League of Cities recognized model program Law Enforcement Risk Reduction and Control;
- Board members are peers – Elected Officials of Michigan Municipalities, including former Adrian Mayor, serve on Board of Directors providing interactive opportunities for improved risk management;

- No Profit Motive – Surplus is either returned to Members in the form of dividends, premium stability, or coverage enhancements;
- Consulting Services – provided by MML and Meadowbrook staff; and

Sufficient funds are available in the FY2009-10 Budget to cover all of the aforementioned insurance premiums. The attached resolution has been prepared for consideration by the City Commission at their regularly scheduled meeting of August 3, 2009. If you have any questions or need for additional information, please contact my office.



michigan municipal league

Liability & Property Pool

Proposal

for

the

City of Adrian

Presented By:

Brian Steckroth

Meadowbrook® Insurance Group, Service Provider

248-204-8283, or
800-482-2726, ext. 8283

July 20, 2009

Table of Contents

Executive Overview	3
OUR MISSION	3
Introduction	4
WHAT YOU CAN EXPECT OF US	4
YOUR POOL INSURES MORE THAN . . .	4
Your team of experts	5
BENEFITS OF POOLING WITH THE MML	8
CITY OF ADRIAN HAS . . .	9
INCREASED LIABILITY LIMITS	9
Cost and Coverage Summary	8
Highlights of Coverages Provided	9
WHO IS INSURED?	9
GENERAL LIABILITY	9
GENERAL LIABILITY EXCLUSIONS . . .	9
PUBLIC OFFICIALS LIABILITY COVERAGE	10
PUBLIC OFFICIALS LIABILITY EXCLUSIONS	10
PERSONAL INJURY & ADVERTISING / BROADCASTERS LIABILITY COVERAGE	10
POLICE PROFESSIONAL LIABILITY COVERAGE	10
PROPERTY COVERAGE	11
PROPERTY EXCLUSIONS	11
COMPREHENSIVE CRIME COVERAGE	12
AUTOMOBILE COVERAGE HIGHLIGHTS	12
WHAT IS COVERED?	12
AUTO COVERAGES PROVIDED	12
Pool Risk Management Services	13
MEMBER EDUCATION	13
ONLINE SERVICES	13
Membership Responsibilities	14
References - Your Peers are Members	15

This proposal is intended to be only a summary of coverages and services. For specific details on coverage terms and conditions, please refer to the Michigan Municipal League Liability and Property Pool coverage document.

Executive Overview

The Michigan Municipal League Liability and Property Pool is administered by the Risk Management staff of the Michigan Municipal League, and serviced by Meadowbrook Insurance Group. Since 1982, the Pool has been a stable source of comprehensive municipal insurance and risk management services. It is financially secure and positioned for long-term stability.

The **City of Adrian** has been a Pool member since **July 27, 1984**.

The League administrative staff and the dedicated Pool staff at Meadowbrook Insurance Group are municipal insurance experts. Municipal risk management is our only business, and we're proud of it!

The Pool provides insurance coverage designed specifically for Michigan municipal exposures, combined with a package of loss control programs, claims administration, legal defense and membership services that you won't find anywhere else in Michigan.

This quotation is based on the limits of coverage requested by the **City of Adrian**. Higher limits may be available, subject to underwriting review by Pool Management. Please submit requests for higher limits in writing to your Account Executive. Your request will be considered by Pool Management.

The insurance and related services described more fully in this proposal are being offered to the **City of Adrian** for an annual premium of **\$221,053**.

We encourage you to compare the Pool with our competition. Compare us based on price, coverage, service, financial security, experience and commitment to municipal risk management. When you do, the advantages of Pool membership become clear.

Thank you for being a Pool member. We look forward to servicing your risk management program for many years to come.

Our Mission

To be a long-term, stable, cost-effective risk management alternative for members of the Michigan Municipal League Liability and Property Pool.

Introduction

What You Can Expect Of Us

- ✓ A commitment to learn, understand and respond to your insurance needs;
- ✓ Continuous planning and innovation in product development and service delivery;
- ✓ Products that meet your needs in terms of price, coverage and service;
- ✓ Prompt, accurate, and courteous response to your questions, problems and claims; and
- ✓ Knowledgeable and professional staff serving your needs consistently and with integrity.

Your Pool Insures More Than . . .

- | | |
|--------------------------------|------------------------------------|
| ✓ 400 Public Entity Members | ✓ 197 Law Enforcement Agencies |
| ✓ 17,685 Employees | ✓ 22 Electric Utilities |
| ✓ 2,550 Elected Officials | ✓ 26 Municipal Marinas |
| ✓ 110 Fire Departments | ✓ 4,340 Miles of Streets/Roads |
| ✓ 7,200 Vehicles | ✓ \$3.1 Billion of Property Values |
| ✓ 200 Water Service Operations | ✓ 175 Sewer Operations |

Your Team of Experts



Judy Thomson-Torosian
Municipal Service and Sales Manager
(248) 204-6137



Michael J. Forster
Pool Administrator
(734) 669-6340



Ellen Skender
248-204-8582



Joan Opett
248-204-8579

Customer Service Representatives



Tom Weed
Claims Supervisor
(616) 942-0311, ext. 4123



Rod Pearson
Loss Control Supervisor
(248) 204-8036

Benefits of Pooling with the MML

- ✓ Proven long-term availability and stability
- ✓ Broad coverage document written specifically for Michigan municipalities
- ✓ Services tailored to unique needs of Michigan municipalities
- ✓ Member assets controlled by an elected Board of municipal officials
- ✓ Equitable rating based on Pool experience in Michigan
- ✓ Aggressive defense strategy – positive impact on case law
- ✓ Professional, dedicated, and experienced local management, oversight and service
- ✓ Decisions made and problems resolved by a group of your peers
- ✓ Investment income and underwriting surplus used to benefit members
- ✓ Lower expenses through tax-exempt and non-profit status
- ✓ Special loss avoidance training sessions including:
 - ✓ Safety aspects of emergency vehicle operations
 - ✓ Accident investigation for supervisors
 - ✓ Confined spaces training

The advantages of pooling can be summarized by:

Service + Control + Value

City of Adrian Has . . .

- ✓ \$8,672,335 Annual Payroll
- ✓ \$103,127,609 of total values for real and personal property
- ✓ 33 Law enforcement officers
- ✓ 116 Vehicles

Increased Liability Limits

We cannot guarantee the adequacy of any limit of liability. Due to the following factors, it may be prudent to consider higher limits:

- ✓ Increased jury awards in your jurisdiction
- ✓ Increased litigation trends
- ✓ Protection of tax base against judgments in excess of your policy limits

If you are interested in increasing your liability limits please contact your Account Executive for pricing.

City Of Adrian

Coverage and Cost Summary

Effective 7/27/2009 - 7/27/2010

Coverages	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
Municipal General Liability (Coverage A)	\$2,000,000	N/A	\$5,000
Sewer Back-Up Sublimit	\$100,000	\$100,000	\$0
Personal Injury Liability (Coverage B)	\$2,000,000	N/A	\$5,000
Medical Payments (Coverage C)	\$10,000	N/A	N/A
Public Officials Liability (Coverage D)	\$2,000,000	N/A	\$5,000
Law Enforcement Liability (Coverages A, B, and D)	\$2,000,000	N/A	\$5,000
Employee Benefit Liability	\$1,000,000	\$1,000,000	\$5,000
Fire Legal Liability	\$100,000	N/A	N/A
Dam Liability	No Coverage	N/A	N/A
Marina Operator's Liability	No Coverage	N/A	N/A
Per Vessel:			
Automobile Liability (Coverages A and B)	\$2,000,000	N/A	\$0
# Vehicles	Comp	Coll	
99	\$250	\$1,000	
15	\$250	NO COV	
2	NO COV	NO COV	
Agreed Amount, if applicable			

Coverages A, B, and D are provided with a combined single limit of liability. The most the Pool will pay for any one occurrence is \$2,000,000 regardless of the number of coverages involved in the occurrence.

Property - Blanket Basis	\$103,127,609	N/A	\$1,000
Property - Limited Replacement Cost, if applicable	\$0	N/A	\$0
Earthquake	\$2,000,000	\$2,000,000	\$5,000
Flood (Except for Members located in Flood Zone A, AO, AH, A1-A999, AE, or AR)	\$1,000,000	\$1,000,000	\$5,000
Personal Effects and Property of Others	\$500	\$2,500	\$1,000
Extra Expense	\$100,000	N/A	\$0
Valuable Papers	\$100,000	N/A	\$1,000
Loss of Rents	\$100,000	N/A	\$0
Loss of Income	\$100,000	N/A	\$0
Accounts Receivable	\$100,000	N/A	\$1,000
Demolition/Increased Cost of Construction	\$100,000	N/A	\$1,000
Boiler and Machinery	Included	N/A	\$1,000
Expediting Expense	\$100,000	N/A	\$1,000
Fine Arts	\$100,000	N/A	\$1,000
Ornamental Trees, Shrubs, Plants or Lawns	\$5,000	\$10,000	\$1,000
Computer Equipment and Media	\$1,078,902	N/A	\$1,000
Audio & Video Equipment	\$285,435	N/A	\$1,000
Contractors Equipment	\$938,511	N/A	\$1,000
German Shepherd Named Copper	\$15,000	N/A	\$1,000
Miscellaneous Equipment	\$1,812,437	N/A	\$1,000
On & Off Vehicle Equipment	\$416,418	N/A	\$1,000
Radio Equipment	\$345,377	N/A	\$1,000
Comprehensive Crime Coverage			
Employee Dishonesty Blanket/Faithful Performance	\$100,000	N/A	N/A

City Of Adrian Coverage and Cost Summary

Effective 7/27/2009 - 7/27/2010

Coverages	Limit of Liability	Aggregate Limit	Per Occurrence Deductible
Money and Securities Inside	\$100,000	N/A	N/A
Money and Securities Outside	\$100,000	N/A	N/A
Money Orders and Counterfeit Paper	\$100,000	N/A	N/A
Depositors Forgery	\$100,000	N/A	N/A
Bonds			
Bond #: A Treasurer	\$100,000	N/A	N/A

Only one deductible applies to claims involving two or more property coverages.

The Michigan Municipal League Liability and Property Pool is pleased to offer all coverages and services described in this proposal for an annual premium of \$221,053.

Highlights of Coverages Provided

Who Is Insured?

The Pool member entity, elected and appointed officials, employees and authorized volunteers, and any person officially appointed to a Board or Commission

General Liability

In addition to standard liability coverages (bodily injury, property damage, products and completed operations) the Pool provides coverages that municipalities need on an **occurrence basis with no aggregate liability limits**:

- ✓ Liability resulting from mutual aid agreements
- ✓ Premises medical payments
- ✓ Host liquor liability
- ✓ Fire legal liability for real property
- ✓ Watercraft liability, owned less than 26' and non-owned less than 50'
- ✓ Ambulance and EMT malpractice
- ✓ Special events **excluding** -
 - Fireworks
 - Liquor Liability
 - Mechanical Amusement Rides
- ✓ Athletic participation liability
- ✓ Employee benefit liability
- ✓ Cemetery operations coverage
- ✓ Pollution coverage for Hazardous Response Teams
- ✓ Marina Operators coverage available
- ✓ Up to \$10 million in liability limits available

General Liability Exclusions . . .

The following is a partial list of general liability coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Pollution (except for Hazmat operations).
- ✓ Nuclear energy / nuclear material hazards
- ✓ Aircraft Liability
- ✓ Breach of contract
- ✓ Failure of dams
- ✓ Backup of Sewers and Drains (exception -- \$100,000 Annual Aggregate Sublimit for Sewer and Drain Liability)
- ✓ Criminal activity / Intentional acts with knowledge of wrongdoing
- ✓ Medical malpractice for doctors and physicians
- ✓ Contractual Liability
- ✓ Failure to supply utilities
- ✓ Expected or intended injury
- ✓ Electromagnetic radiation

Public Officials Liability Coverage

"Wrongful Acts", including intentional acts, defined as any actual or alleged error, misstatement, act of omission, neglect or breach of duty including:

- ✓ Neglect of duty
- ✓ Zoning defense and land use litigation
- ✓ Malfeasance
- ✓ Violation of civil rights
- ✓ Discrimination
- ✓ Employment practices
- ✓ Misfeasance
- ✓ Cable TV broadcasting

Public Officials Liability Exclusions

The following is a partial list of public officials' liability coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Pollution and Nuclear Energy
- ✓ Fraud, dishonesty, intentional and criminal acts
- ✓ Failure to purchase coverage or adequate coverage
- ✓ Return of governmental grants or subsidies
- ✓ Intentional acts with knowledge of wrongdoing
- ✓ Eminent domain / takings
- ✓ Illegal profit
- ✓ Labor union actions
- ✓ ERISA violations
- ✓ Backup of Sewers and Drains

Personal Injury & Advertising / Broadcasters Liability Coverage

- ✓ Mental anguish and stress
- ✓ Libel, slander or defamation of character; violation of an individual's right of privacy
- ✓ Proactive services for non-monetary damage claims

Police Professional Liability Coverage

Police Professional Liability coverage is contained within the General Liability and Public Official Liability Coverage Parts

- ✓ Discrimination
- ✓ Violation of civil rights
- ✓ Jail operations
- ✓ False arrest, detention or imprisonment, or malicious prosecution
- ✓ Wrongful entry or eviction or other invasion of the right of private occupancy
- ✓ Assault or battery
- ✓ Improper service of suit
- ✓ Coverage assumes officers act with intent

Property Coverage

In addition to covering buildings, contents and personal property, the Pool provides:

- ✓ Blanket coverage -- All member-owned property insured (unless specifically excluded)
- ✓ Coverage based on ownership rather than on a "schedule on file" avoids coverage gaps due to errors or oversight
- ✓ Property of others in custody of the Member for which the Member has an obligation to provide coverage
- ✓ Boiler & Machinery coverage, including Boiler certification inspections
- ✓ Replacement Cost or Actual Cash Value available
- ✓ Fungal Pathogens (Mold) Limited Coverage
- ✓ Demolition/increased cost of construction
- ✓ No coinsurance
- ✓ Valuable papers
- ✓ Loss of Rents
- ✓ Property in the open
- ✓ Extra expense
- ✓ Expediting expense

Property Exclusions

The following is a partial list of property coverage exclusions. Consult the coverage document for the complete listing:

- ✓ Nuclear reaction/ contamination
- ✓ War
- ✓ Cyber Risk
- ✓ Fungal Pathogens (Mold) excess of sub-limit
- ✓ Failure to supply utilities
- ✓ Transmission Lines and Poles
- ✓ Dishonest acts
- ✓ Acts of Terrorism
- ✓ Wear and tear
- ✓ Computer failures/ viruses

Only one deductible applies to claims involving two or more property coverages.

Comprehensive Crime Coverage

- ✓ Employee Dishonesty/ Faithful Performance of Duty coverage provided on a blanket basis
- ✓ Loss Inside the Premises
- ✓ Loss Outside the Premises
- ✓ Money Orders/ Counterfeit Currency
- ✓ Depositors Forgery
- ✓ Up to \$500,000 limits available
- ✓ Peak Season, Obligee, Official Bond and Oath, Position Fidelity Bond endorsements available

Automobile Coverage Highlights

What Is Covered?

Coverage is afforded while operating land motor vehicles, trailers or semi-trailers designed for travel on public roads.

Auto Coverages Provided

- ✓ Michigan No-Fault Coverage, includes mini-tort coverage for no extra charge
- ✓ Excess protection for use of personal automobile for municipal business
- ✓ Uninsured motorist for municipally owned vehicles
- ✓ Underinsured motorists
- ✓ Non-owned and hired auto
- ✓ Comprehensive - actual cash value basis
- ✓ Collision - actual cash value basis
- ✓ Volunteer firefighter auto accident liability coverage
- ✓ Agreed value coverage for emergency vehicles is available

Pool Risk Management Services

- ✓ Review and service of all municipal insurance matters
- ✓ Public entity experts address various liability issues
- ✓ Aggressive, member-oriented defense strategy
- ✓ Former police officials address law enforcement risks
- ✓ Physical inspection by municipal loss control engineers
- ✓ Training video library available to members
- ✓ Law enforcement risk control programs (LEAF and LERC)
- ✓ Property appraisal services available

Member Education

- ✓ Land use litigation awareness programs
- ✓ Sidewalk liability reduction programs
- ✓ Sexual harassment awareness training
- ✓ Hiring and employment practices
- ✓ Confined spaces entry training
- ✓ Barricading safety training
- ✓ Blood borne pathogens
- ✓ Liability issues for fire and EMS
- ✓ Occupational health concerns
- ✓ Back injury prevention

Online Services

www.mml.org (click on the *Insurance* button) – offers Pool members an outstanding resource for municipal risk management information and self-help tools in one attractive, simple-to-navigate location. File a claim on line. Download your renewal application. Request a loss control service visit. E-mail us a question. Other services available online include:

- ✓ Publications, including Risk Management Newsletter
- ✓ Loss Control Tools, including: Tip Sheets (PERC\$) & Law Enforcement Newsletter
- ✓ MML Pool Financial Statements
- ✓ Board of Director action items
- ✓ General Policies
- ✓ Coverage Document
- ✓ Frequently Asked Questions
- ✓ Staff and Director Profiles

In order to access the *Members Only* section of the Pool website, you need a Password and User ID, which you can get by calling Jennifer Orr (MML staff) at (734) 669-6341

Membership Responsibilities

Membership in the Michigan Municipal League Liability and Property Pool provides numerous benefits. Likewise, individual members have certain responsibilities to the other members, which are detailed in the Intergovernmental Contract. The following is a summary of the membership responsibilities. Please refer to the Intergovernmental Contract, Articles 5 and 6, for more information.

- ✓ If a Member intends to leave the Pool, the Member must send a written notice to the Pool at least 60 days prior to its next renewal date.
- ✓ A Member must pay its premium when due. The Pool must give each member 20 days written notice of intent to terminate membership for nonpayment of premium. Payment of premium before the 20 days notice is effective will entitle the Member to reinstatement.
- ✓ Members must maintain membership or associate membership status in the Michigan Municipal League.
- ✓ A Member will allow attorneys employed by the Pool to represent the Member in defense of any claim made against the Member within the scope of coverage provided by the Pool. A Member will cooperate with the assigned attorneys, claims adjusters, service company or other agents of the Pool relating to the defense of claims for which the Pool is providing coverage.
- ✓ A Member will follow loss reduction and prevention measures established by the Pool.
- ✓ A Member will report to the Pool as promptly as possible all incidents that the Member reasonably believes may result in a claim against the Member.

Your Peers are Members

"...You set high standards of ethics and integrity. Our office has a substantial amount of comfort in knowing all our insurance affairs are handled by you. The amount of support material you provided is unmatched by any company we have dealt with. We feel that your company makes enormous efforts to make our jobs easier, which cut down on numerous man-hours. We are also very pleased to receive the competitive rates that are provided by the MML Liability & Property Pool. We look forward to working with you."

Mike Zinn
Clio Area Library Board
President
February 20, 2008

Stacy Hardy
Insurance Coordinator/
Bookkeeper

"I enjoy the relationship I have with you and the individuals that serve us and appreciate the education in risk management that you all continue to offer. I am a better manager with the MML Liability & Property Pool as part of my team..."

Denise M. Parisian, Village Manager
Village of Dimondale
February 15, 2007

"...We have been a member of both programs (the Liability & Property Pool and the Workers' Compensation Fund) for a number of years and have always enjoyed excellent services and coverage.

Because of the poor economic conditions, we felt that it was necessary to at least look at alternative insurance products. After careful review, I found that the Pool and Fund products were superior, many times exceeding coverage provided by other traditional carriers. It would be easy to decide to be insured with a lower cost alternative. However, in the end, the cost of claims handling and uninsured coverage would far exceed any short-term savings.

...we have always received very quality services."

Kevin M. Welch, City Manager
City of Tecumseh
February 5, 2008

"On behalf of the City of Ionia, I would like to thank you and the Pool for continuing to provide the City, and all Pool members, with quality insurance and risk management services. The City continues to be a proud member and subscriber of the Pool's services and programs.

During the course of my municipal career I have had the opportunity to be exposed to a full range of the services that the Pool offers. I have also been involved in major losses and found that the Pool was prompt and fair in responding to the community's needs.

... Again, thank you for the quality services that you and the Pool provide."

Jason Eppler, City Manager
City of Ionia
February 12, 2007

RE: DEPARTMENT OF FINANCE – AUTHORIZATION TO RENEW LIABILITY, PROPERTY AND VEHICLE FLEET INSURANCE

RESOLUTION

WHEREAS, the City of Adrian’s current liability, property and vehicle fleet insurance policy expires July 27, 2009; and

WHEREAS, the City of Adrian has been a member of the Michigan Municipal League (MML) Liability and Property Pool (serviced by the Meadowbrook Insurance Group) since July 27, 1984; FY2008-09 premium was \$226,997 and FY2009-10 proposed premium is \$221,053, a 2.6% decrease, for coverage with a \$2,000,000 liability limit and \$5,000 deductible per occurrence; and

WHEREAS, the City Finance Director/Risk Manager, after considering alternative carriers, recommends remaining with MML Liability and Property Pool for the following reasons:

- Superior Property Coverage with no co-insurance – the insurer assumes risk on property claims up to \$103,127,609 (\$1,000 Deductible) for each covered occurrence;
- Liability coverage on an occurrence basis – no time limit for reporting claims, the Pool is perpetually obligated to indemnify the City;
- Comprehensive coverage on 114 vehicles (\$250 deductible);
- Treasurer/Clerk Bond for \$100,000 and Sewer Back-Up Liability for \$100,000;
- Claims expertise – City has experienced excellent claims resolution;
- Loss Control and Administration Services – National League of Cities recognized model program Law Enforcement Risk Reduction and Control;
- Board members are peers – Elected Officials of Michigan Municipalities, including former Adrian Mayor, serve on Board of Directors providing interactive opportunities for improved risk management;
- No profit motive – Surplus is either returned to Members in the form of dividends, premium stability, or coverage enhancements;
- Consulting Services – provided by MML and Meadowbrook staff; and

WHEREAS, the Finance Director indicates that sufficient funds are available in the FY2009-10 Budget to cover all of the aforementioned insurance premiums; and

WHEREAS, the City Administrator recommends approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes renewal of property damage, liability and vehicle fleet insurance with the Michigan Municipal League Liability and Property Pool, including the additional endorsement for sewer and storm drain liability exposure, as well as Treasurer/Clerk Bond, for a total annual premium of \$221,053.

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

R-1
R09-137

August 3, 2009

RE: UTILITIES DEPARTMENT – Authorization to Sell Property Located at 1802 Hamilton Highway

RESOLUTION

WHEREAS, the Adrian City Commission, by Resolution R09-095 dated June 1, 2009, authorized the engagement of Goedert Real Estate, Inc., Adrian, MI, to market city-owned property located at 1802 Hamilton Highway at a proposed listing price of \$249,900; and

WHEREAS, the Utilities Director and City Administrator recommend approval of the sale of the City-owned property located at 1802 Hamilton Highway at a price of \$249,900.00, that the City Administrator and City Clerk be authorized to sign all necessary documents to close the transaction, and that the proceeds from the sale (less selling expenses) be returned to the Water Fund (590).

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the sale of the City-owned property located at 1802 Hamilton Highway at a price of \$249,900.00, that the City Administrator and City Clerk be authorized to sign all necessary documents to close the transaction, and that the proceeds from the sale (less selling expenses) be returned to the Water Fund (590).

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



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®

Page 1 of 5



Listing Office Goedert Real Estate
 Office Address 1324 N. MAIN ST ADRIAN MI
 Telephone _____ Fax _____
 Listing Agent Mark Goedert
 Telephone _____ Fax _____
 E-mail _____

Selling Office Goedert Real Estate
 Office Address 1324 N. MAIN ST ADRIAN MI
 Telephone _____ Fax _____
 Selling Agent Steve Brandt
 Telephone _____ Fax _____
 E-mail _____

Agency Status:
 Seller's Dual Transaction Coordinator

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

THIS CONTRACT is dated 7/24/2009

1. THE PROPERTY COMMONLY KNOWN AS 1802 Hamilton, Adrian, MI
(Street, City, Zip Code)
 TAX / PARCEL ID ADD-02265000 LEGAL DESCRIPTION Sec 32

PURCHASER Terry Brandt
 Address _____
 SELLER City of Adrian
 Address _____

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

SALE PRICE: Two hundred forty nine thousand nine hundred DOLLARS (\$ 249,900)

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

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

~~NEW~~ MORTGAGE - Contingent upon Purchaser's ability to obtain a 30 year conventional mortgage, which Purchaser agrees to apply for such mortgage loan within 5 days from the date of acceptance of this offer at his own expense and accept promptly if tendered. This financing contingency is to be removed in writing by _____

NOTE: Approved Buyer BY CITIZENS BANK
Purchase APRIL * 150,000 Down Payment

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

EXCLUSIONS: _____

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

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

No Tax Proration

Other _____

Buyers Initials TJB Date 7-24-09

Sellers Initials _____ Date _____



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®



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

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

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

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

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

Property exempt from Lead-based Paint Disclosure. Built After 1978

Check One:

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

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

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

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

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

	PAID BY	Waiver	To be removed in writing on or before
<input checked="" type="checkbox"/> Contractor/Home Inspection	<u>Purchaser</u>	Seller []	<u>10 DAYS FROM ACCEPTANCE</u>
<input checked="" type="checkbox"/> Pest Inspection	<u>Purchaser</u>	Seller []	
<input checked="" type="checkbox"/> Well/Water Inspection	<u>Purchaser</u>	Seller []	
<input checked="" type="checkbox"/> Septic/Drainfield Inspection	<u>Purchaser</u>	Seller []	
<input checked="" type="checkbox"/> Radon Inspection	<u>Purchaser</u>	Seller []	
<input type="checkbox"/> Lead Base Paint Inspection	<u>Purchaser</u>	Seller []	
<input checked="" type="checkbox"/> Mold Inspection	<u>Purchaser</u>	Seller []	
<input type="checkbox"/> Other _____	<u>Purchaser</u>	Seller []	

Property Address: 1802 Hamilton, Adrian, MI

Buyers Initials TJG Date 2-24-09 Sellers Initials _____ Date _____



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®



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

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

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

Purchaser waives Home Warranty.

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

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

(a) The grantor grants to the grantees the right to make All (insert "none", "all" or a specific number, as appropriate) division(s) under section 108 of the land division act, Act No. 288 of the Public Acts of 1967 as amended.

(b) This property may be located within the vicinity of farm land or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act. CAUTION: If the space contained in paragraph (a) above is left blank, the deed will NOT grant Purchaser the right to any divisions.

14. PRIVATE ROAD DISCLOSURE:

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

The property does not abut a private road.

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

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

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

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

18. CLOSING: Close of sale shall be no sooner than Aug 1 / 2009 and no later than Aug 31st / 2009
Any extensions on closing date shall be in writing and agreed to by both Seller and Purchaser. TIME IS OF THE ESSENCE.

19. POSSESSION to be given no later than AT Close after close of sale, subject to Tenants Rights, if any, with payment of rent, or with payment of rent of \$ _____ per day, including the day of closing through the day keys are delivered. Rent in the sum of \$ _____ will be withheld from Seller at closing and held in escrow by _____ Within 7 days after delivery of keys by Seller, the funds will be distributed according to the terms of this Purchase Agreement. Sellers will be responsible for utilities, lawn care/snow removal during occupancy.

Other provisions: _____

Property Address: 1802 Hamilton

Buyers Initials TJG

Date 7/24/09

Sellers Initials _____

Date _____



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®



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

20. **EARNEST MONEY:** Purchaser will deposit \$ 1,000^F upon acceptance evidencing Purchaser's good faith. Said deposit to be held by POSTAL BANK and may apply as part of the purchase price or purchaser's closing costs. If title is not marketable, or insurable or if the terms of purchase are contingent upon ability to obtain a new mortgage or if sale is on contract, subject to sale of such contract, or any other contingencies as specified, which cannot be met, this deposit to be refunded forthwith. In the event of default by Purchaser, all deposits made hereunder may be forfeited as liquidated damages at Seller's election, or alternatively, Seller may retain such deposits as part payment of the purchase price and pursue his legal or equitable remedies hereunder against Purchaser.

21. **SELLER RESPONSE TIME:** Purchaser gives the Seller to and including (Date) 7/27 (Time) 5 AM PM for written acceptance of this offer and agrees that this offer, when accepted binds the Purchaser, Seller, their heirs and personal representatives and anyone succeeding to their interest in the property. Purchaser will not assign this contract without Seller's prior written permission. Unless modified or waived in writing, all covenants, warranties and representations contained herein will survive the closing.

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

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

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

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

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

24. SEE ATTACHED ADDENDUM FOR ADDITIONAL TERMS.

Property Address: 1804 Hamilton, Adrian MI
Buyers Initials: TLG Date: 7-24-09 Sellers Initials: _____ Date: _____



PURCHASE AGREEMENT

LENAWEE COUNTY ASSOCIATION OF REALTORS®



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

X Buyer X _____
(Note: Please sign all you wish your name to appear on final papers)

Witness: [Signature] Date: 7/24/2009
(Salesperson)

SELLER'S ACCEPTANCE:

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

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

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

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

X _____ X _____
SELLER SELLER

Witness: _____ Date: _____

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

X _____ X _____
PURCHASER PURCHASER

Witness: _____ Date: _____

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

X _____ X _____
SELLER SELLER

Witness: _____ Date: _____

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

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

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

Property Address: 1802 Hamilton, Adrian MI
Buyer Initials _____ Date _____ Seller Initials _____ Date _____

RESOLUTION

WHEREAS, efficient operation of the HVAC system at the new City Hall includes a "cooling tower", which is located on the roof of said structure; and

WHEREAS, the cooling tower currently on the structure, which was originally installed in 1986, has required repairs on three separate occasions during this cooling season, requires further repairs at this time, and has several leaks on the perimeter of the device; and

WHEREAS, the City Mechanical Inspector believes that the tower should be replaced at this time and has contacted the company that originally provided the resisting equipment, Sarmento Mechanical Sales, Inc.; and

WHEREAS, said company has submitted a written quote to furnish a replacement cooling tower for the sum of \$11,200, freight included, and for replacement vibration isolation rails, if necessary, in the amount of \$1,000, which the City Mechanical Inspector indicates to be reasonable; and

WHEREAS, prices will need to be obtained for the removal of the current tower and installation of the new tower, which is not expected to exceed \$5,000; and

WHEREAS, the City Administrator deems that it is prudent to replace the tower at this time to add efficiency to the system and to avoid further, more extensive, repairs in the near future and believes that there is no advantage to the City to obtain competitive bids for this item.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the proposal from Sarmento Mechanical Sales, Inc. for Model VTO-057-K cooling tower in the amount of \$11,200 is hereby accepted, along with the proposal for replacement vibration isolation rails, if needed, in the amount of \$1,000, and that the bid process be waived.

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