



PRE-MEETING AGENDA

ADRIAN CITY COMMISSION
AGENDA
PRE-MEETING STUDY SESSION
OCTOBER 18, 2010
5:30 P.M.

The City Commission will meet for a pre-meeting study session on Monday, October 18, 2010 at 5:30 p.m. at the City Chambers Building, 159 E. Maumee St., to discuss the following:

- I. Annual Recap of Lenawee Economic Development Corp.
- Jim Gartin, President and CEO
- II. Other Items as Time Permits



COMMISSION AGENDA

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

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- II. ROLL CALL
- III. APPROVAL OF MINUTES OF THE OCTOBER 4, 2010 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- IV. PRESENTATION OF ACCOUNTS
- V. PRESENTATION
 - 1. Thomas Skrobola, representing the Government Finance Officers Association of the United States & Canada, will present the GFOA Award for Excellence in Financial Reporting to the City of Adrian. This is the highest form of recognition for the provision of public financial information and is accorded to fewer than five (5%) percent of the almost 1,800 Michigan municipalities.
- VI. COMMUNICATION
 - 1. **C-1. Finance Department.** Report from Finance Director regarding the Michigan Government Finance Officers Association's 61st Annual Fall Training Institute
- VII. PUBLIC COMMENTS
- VIII. CONSENT AGENDA
 - A. RESOLUTIONS
 - 1. **CR10-065. Planning Commission.** Resolution to approve the appointment of Chuck Jacobson to the Planning Commission to fill the unexpired term of Ken Tokarz. Term will expire in 2012.
 - 2. **CR10-066. Engineering Department.** Resolution designating Kristin Bauer, City Engineer, as the street administrator to represent the City of Adrian in transactions with the State Transportation Department, pursuant to Section 13(9) of Act 51, Public Acts of 1951 adopted.
 - 3. **CR10-067. Utilities Department.** Resolution to award bid for replacement of 29 commercial/ industrial meters that will be equipped with radio-read devices.
- IX. REGULAR AGENDA

A. SPECIAL ORDERS

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

B. RESOLUTIONS

1. **R10-124. Community Development.** Resolution to approve an application for an Obsolete Property Rehabilitation Certificate for property at 125 E. Maumee St., owned by Al & Phyllis Wilkerson, for a period of nine (9) years.
2. **R10-125. Community Development.** Resolution to approve an application for an Obsolete Property Rehabilitation Certificate for property at 149 N. Main St., owned by David & Kim Horstman, for a period of nine (9) years.
3. **R10-126. Finance Department.** Resolution to approve a Special Assessment District for downtown parking lots to partially defray the operating expenses of the lots.
4. **R10-127. Engineering Department.** Resolution to grant a Metro Act Permit to Merit Network, Inc. for use of certain City of Adrian street right-of-ways for maintenance and installation of telecommunication facilities.
5. **R10-128. Engineering Department.** Resolution to award the annual bid for snow removal from private walks, miscellaneous city properties and along 13 railroad properties.
6. **R10-129. Engineering Department.** Resolution to retain Associated Engineers for design/survey work on the Beecher Street Project (from Treat to city limits), to waive the bid process and approve the resulting budget amendments.
7. **R10-130. Utilities Department.** Resolution to award bid for a boiler installation at the Water Treatment Plant and approval of the resulting budget amendments.
8. **R10-131. Community Development.** Resolution to rescind a resolution approved May 18, 1998 for installation of awning at 132-140 S. Main Street and allowing city staff to pursue the

removal of the awning. Business has not been in operation for 10 years and awning has become a visual nuisance and detraction from surrounding businesses.

9. **R10-132. City Commission.** Resolution authorizing the City Administrator to enter into an agreement with the Adrian Ecumenical Forum for use of city-owned properties for use as community gardens.
10. **R10-133. Engineering Department.** Resolution to approve a change order to the contract with Smith Paving to include additional concrete behind City Hall, additional islands on the east and west side of the S. Toledo St. lot and cement work for the flag poles and light foundations.
11. **R10-134. Parks & Recreation.** Resolution to approve a land exchange between the City of Adrian and the property owner of 513 Merrick Street and authorizing the City Administrator to complete, sign and file all documents relative to the property exchange transaction. Property exchange will enable implementation of the pedestrian bridge to Riverside Park, as well as completion of the sanitary sewer project.
12. **R10-135. Finance Department.** Resolution to approve a modified special assessment and payment plan for a water line extension to the Country Club Professional Park located at 1136 Country Club Road.
13. **R10-136. Finance Department.** Resolution to approve a modified special assessment and payment plan for a sanitary sewer extension to the Country Club Professional Park located at 1136 Country Club Road.

X. MISCELLANEOUS

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

X I. PUBLIC COMMENTS

X I I. COMMISSION COMMENTS



MINUTES

**MINUTES
ADRIAN CITY COMMISSION
OCTOBER 4, 2010
7:00 P.M.**

Official proceedings of the October 4, 2010 regular meeting of the City Commission, Adrian, Michigan.

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

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

Mayor McDowell in the Chair.

Commissioner DuMars moved to approve the minutes of the September 20, 2010 regular meeting of the Adrian City Commission, seconded by Commissioner Clegg, motion carried by a unanimous vote.

PRESENTATION OF ACCOUNTS

Utility Department Receiving Fund Voucher #3337 through #3344	\$ 54,751.88
General Fund Vouchers #20089 through #20110	\$401,329.61
Clearing Account Vouchers amounting to	<u>\$342,689.91</u>
TOTAL EXPENDITURES	<u>\$798,771.40</u>

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

COMMUNICATIONS

1. **C-1. Finance Department.** Report on FY2010-11 Special Assessment - Auto Parking Financial Plan and Work Program

PUBLIC COMMENTS

No comments

CONSENT AGENDA

RESOLUTION CR10-061

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

Commissioner Carrico requested that Consent Resolution CR10-061 be removed from the Consent Agenda and placed on the Regular Agenda (Resolution R10-123).

RESOLUTION CR10-062

RE: COMMUNITY DEVELOPMENT – RESCHEDULE PUBLIC HEARING DATE FOR AN OBSOLETE PROPERTY REHABILITATION ACT EXEMPTION CERTIFICATE - 125 EAST MAUMEE STREET, ADRIAN

WHEREAS, on September 20, 2010, the Adrian City Commission adopted Resolution CR10-059 to set a Public Hearing date of October 4, 2010 to hear and consider comments to approval of an application for an Obsolete Property Rehabilitation Act Exemption Certificate for 125 E. Maumee Street, owned by Al and Phyllis Wilkerson; and

WHEREAS, due to unforeseen circumstances, it is necessary to reschedule the hearing to Monday, October 18, 2010; and

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by resolution, hereby sets an official Public Hearing for the Regular Meeting of the Adrian City Commission to be held on Monday, October 18, 2010 at 7:00 PM in the City Commission Chambers, 159 East Maumee Street, Adrian, Michigan 49221, to discuss the application of an Obsolete Property Rehabilitation Exemption Certificate from Mr. & Mrs. Wilkerson, property owners of 125 East Maumee Street; and

BE IT, FURTHER, RESOLVED that the Adrian City Clerk will provide official notice via United States Postal Service Certified Mail to the legislative bodies of each taxing unit that levies ad valorem property taxes in the qualified local governmental unit in which the obsolete facility is located, and to the applicant submitting the exemption certificate.

RESOLUTION CR10-063

RE: COMMUNITY DEVELOPMENT – RESCHEDULE PUBLIC HEARING DATE FOR AN OBSOLETE PROPERTY REHABILITATION ACT EXEMPTION CERTIFICATE - 149 NORTH MAIN STREET, ADRIAN

WHEREAS, on September 20, 2010, the Adrian City Commission adopted Resolution CR10-060 to set a Public Hearing date of October 4, 2010 to hear and consider comments to approval of an application for an Obsolete Property Rehabilitation Act Exemption Certificate for 149 N. Main Street, owned by David and Kim Horstman; and

WHEREAS, due to unforeseen circumstances, it is necessary to reschedule the hearing to Monday, October 18, 2010; and

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by resolution, hereby sets an official Public Hearing for the Regular Meeting of the Adrian City Commission to be held on Monday, October 18, 2010 at 7:00 PM in the City Commission Chambers, 159 East Maumee Street, Adrian, Michigan 49221, to discuss the application of an Obsolete Property Rehabilitation Exemption Certificate from Mr. & Mrs. Horstman, property owners of 149 N. Main Street; and

BE IT, FURTHER, RESOLVED that the Adrian City Clerk will provide official notice via United States Postal Service Certified Mail to the legislative bodies of each taxing unit that levies ad valorem property taxes in the qualified local governmental unit in which the obsolete facility is located, and to the applicant submitting the exemption certificate.

RESOLUTION CR10-064

RE: CITY COMMISSION – Authorizing Votes to be Cast for Nominees to Serve as Directors of the Michigan Municipal League Liability and Property Pool

WHEREAS, the Michigan Municipal League Board of Trustees has approved six (6) nominees to serve as Directors of the Liability and Property Pool for three (3) year terms beginning January 1, 2011; and

WHEREAS, Article 3, Section 1, of the Pool's By-Laws state, "The vote for each member for Pool Director shall be cast as may be determined by the governing body of the member."

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission authorizes its vote to be cast to elect six (6) nominees as indicated on the official ballot by the Board of Trustees of the Michigan Municipal League.

On motion by Commissioner DuMars, seconded by Commissioner Warren, Consent Resolutions CR10-062 through CR10-064 were adopted by a unanimous vote.

REGULAR AGENDA

RESOLUTION R10-120

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

WHEREAS, the Adrian City Commission, by Resolution #R10-082 dated July 7, 2010, authorized the Parks & Recreation Department to purchase t-shirts and sweatshirts for various Recreation programs from Austin, Inc, Milford, MI at an estimated cost (depending on volume purchased) of \$8,000-\$10,000; and

WHEREAS, Austin, Inc., due to increased cost of sales, can no longer honor the original bid price, increasing their unit price from \$3.11 to \$5.09, equivalent to an increase of 64%; and

WHEREAS, the Purchasing Office respectfully recommends termination of the Austin, Inc. purchase order contract and substitution of the next lowest bidder, Pro Med Uniform, Adrian, MI, at an increased cost of 25% (\$3.90/shirt), with an estimated cost between \$10,000 and \$12,500 depending on volume; and

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

WHEREAS, the City Administrator recommends approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission by this resolution hereby approves the termination of the Austin, Inc. purchase order contract for Parks & Recreation T-shirt purchase and substitution of the next lowest bidder, Pro Med Uniform, Adrian, MI, at the following unit prices:

\$3.90/shirt – Light
\$4.20/shirt – Dark

BE IT, FURTHER, RESOLVED that the City Attorney make every effort to recover the resultant increased cost owing to the terminated purchase order contract.

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

RESOLUTION R10-121

RE: POLICE DEPARTMENT –UTILIZATION OF DRUG FORFEITURE FUNDS FOR THE K9 UNIT

WHEREAS, the Adrian Police Department uses its police dog, Copper, to deter and detect drugs in the City of Adrian,

WHEREAS, OMNI Team III, in appreciation for the many times Copper has been of assistance to the team, has purchased a device to allow the remote operation of the K9 unit's doors; and

WHEREAS, installation of the device has been performed by Continental Service of Adrian, for \$597.75,

WHEREAS, the Police Chief is desirous of using drug forfeiture funds to defray the cost of this expense; and

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

WHEREAS, the City of Adrian currently has a total of \$29,614 in a Trust Account as a result of Court-distributed drug forfeiture property seizures; and

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

NOW, THEREFORE, BE IT RESOLVED that \$600 be appropriated from the Drug Forfeiture Trust Fund (701-000.00-280.000) and that the FY2010-11 Budget be amended as follows:

GENERAL FUND (101)

Police Department:

Revenue:

(101-301.00-676.701) Contribution - Trust Fund

Amount

\$600

Expenditures:

(101-301.00-801.000) Contract Services

600

Total

\$ -0-

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

RESOLUTION R10-122

RE: COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT– Vibrant Small Cities Grant Amendment – Pearl Street Properties Demolition Revised

WHEREAS, the Adrian City Commission, by Resolution #R10-111 dated September 7, 2010, authorized the utilization of Vibrant Small Cities Grant funds to engage Beal, Inc., Ann Arbor, MI for the demolition of five (5) properties in the Pearl Street area of downtown at a cost not to exceed \$48,375; and

WHEREAS, said grant program is expiring this month with all work to be accomplished, paid and reimbursement requested from the Office of Community Development Michigan State Housing Development Authority (MSHDA) by October 29, 2010; and

WHEREAS, the City of Adrian Community Development Director has determined that Beal, Inc. is unable to perform the requested services within the required timeframe and, therefore, recommends that the City Commission authorize the next lowest bidder, Slusarski Excavating, Adrian, MI for engagement in the City's Standard Professional Services Contract to perform such services at a cost not to exceed \$53,890; and

WHEREAS, the Vibrant Small Cities Grant funds will defray fifty (50%) percent of the aforementioned cost or \$26,945, with the balance coming from local matching funds; and

WHEREAS, \$24,187.50 was appropriated for both the grant and local match in the original resolution, leaving \$2,757.50 to be appropriated from each due to the increased cost; and

WHEREAS, the Finance Director indicates that sufficient funds are available for the City's 50% matching requirement (\$2,757.50) in the Vibrant Small Cities Initiative Grant Fund Unreserved Fund Balance, and the State's 50% share (\$2,757.50) should be added to Estimated Revenue, with the appropriations made to the following expenditure accounts in the FY2010-11 Budget, (283-484.00-801.007) and (283-484.00-801.008), respectively; and

WHEREAS, The Office of Community Development - Michigan State Housing Development Authority (MSHDA) has reviewed the bid documents and agrees to the reassignment of work to the next lowest bidder, Slusarski Excavating, Adrian, MI; and

WHEREAS, the City Administrator recommends approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the selection and engagement of Slusarski Excavating, Adrian, MI in the City's Standard Professional Services Contract for the purpose of providing demolition services in the Pearl Street area at a cost not to exceed \$53,890, the properties being 218 W. Church Street, 236 W. Church Street, 250 W. Church Street, 211 Pearl Street and 138 S. Winter Street.

BE IT, FURTHER, RESOLVED that the \$2,757.50 be appropriated from the Vibrant Small Cities Grant Fund Unreserved Fund Balance (283-000.00-390.000) and that the FY2010-11 Budget be amended as follows:

Vibrant Small Cities Grant Fund (283)

	<u>Amount</u>
Revenue:	
(283-000.00-519.001) CDBG Vibrant Cities Grant	\$2,757.50
(283-000.00-697.000) Prior Years' Revenue	<u>2,757.50</u>
Total Revenue	<u>\$5,515.00</u>

Expenditures:	
(283-484.00-801.007) Blight Reduction/Property Demolition-CDBG	\$2,757.50
(283-484.00-801.008) Blight Reduction/Property Demolition-Local	<u>2,757.50</u>
Total Expenditures	<u>\$5,515.00</u>

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

RESOLUTION R10-123

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

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

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

WHEREAS, the cost to maintain parking lots in the Downtown Development District for FY2010-11 amount to \$72,000, detailed as follows:

Operating Budget	\$72,000
Capital Budget	<u>-0-</u>
Total Expenses	\$72,000

WHEREAS, estimated Revenue for FY2010-11 is detailed as follows:

Parking Permits	\$ 2,000
Parking Fines	1,000
Investment Earnings	1,000
Fee Estate Contribution	25,000
Contribution-DDA	60,000
Contribution-General Fund	60,000
Special Assessment	60,000
Total Revenue	<u>\$209,000</u>
Annual Surplus Available	<u>\$137,000</u>
For Capital Improvements	

WHEREAS, the City Administrator recommends that a \$60,000 special assessment be levied upon the taxable value of real and personal property of downtown business owners who benefit from the removal of parking meters and maintenance of a viable downtown parking system for the purpose of revitalizing the central business district; and

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

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

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

1. Approves the FY2010-11 Auto Parking Fund Financial Plan, including:

Revenues

Dept 000.00		
652.310	PARKING FEES	\$0
652.312	PARKING PERMITS	2,000
656.000	PARKING FINES	1,000
664.000	INVESTMENT EARNINGS	1,000
698.000	FEE ESTATE CONTRIB.	25,000
699.101	CONTRIB-GENERAL FUND	60,000
699.280	TRANSFER IN - DDA	60,000
699.599	CONTRIBUTION-SPEC ASSESS	60,000
Total Revenues		<u>\$209,000</u>

Expenditures

Dept 546.00: OPERATING EXPENDITURES		
702.000	WAGES	\$0
702.111	WAGES-SNOW REMOVAL	6,700
702.290	WAGES-EQUIP MAINT & COLL	7,200
704.111	OVERTIME	4,000
708.111	OVERHEAD-SNOW REMOVAL	5,000
715.000	SOCIAL SECURITY	0
719.000	UNEMPLOY COMP	0
741.000	OPER SUPPLIES	1,400
776.111	SUPPLIES-SNOW REMOVAL	5,000
801.000	CONTRACT SERVICES	5,000
801.291	CONTRACTED-GEN LOT MAINT	1,000
802.000	AUDIT FEES	1,000
912.000	LIABILITY INSURANCE	200
914.000	WORKER'S COMPENSATION	0
921.000	ELECTRICAL	10,000
943.111	VEH RENT-SNOW REMOVAL	9,000
951.000	TAXES-STORM WATER UTILITY	1,500
967.000	DEPRECIATION EXPENSE	15,000
975.000	CAPITAL IMPROVEMENTS	0
Total Expenditures		<u>\$72,000</u>

NET OF REVENUES AND EXPENDITURES

\$137,000

2. As indicated in the aforementioned Financial Plan, the City intends to levy a Special Assessment in the amount of \$60,000.
3. The Special Assessment proposed to partially defray the operating expenses detailed in the Auto Parking Fund Financial Plan and, in addition, provide an accumulated fund balance to draw upon for future capital improvements, shall be levied on the lands and premises within the proposed Special Assessment District according to the methodology employed by the City Assessor and on file with the City Clerk.
4. The Report, including the Proposed Special Assessment, shall be filed with the City Clerk forthwith to be available for public examination.
5. The City Commission will meet at a Public Hearing in the Adrian City Commission Chambers (159 E. Maumee Street) at 7:00 p.m. on Monday, October 18, 2010, for the purpose of hearing and considering comments regarding the Proposed Special Assessment District, or to the inclusion of any property within the proposed Special Assessment District.
6. The City Clerk shall mail notice of the intention to adopt said Special Assessment to all interested parties pursuant to the provisions of Article I, Section 70-6 of the Adrian City Code of Ordinances.

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

There was discussion by the Commission on the Auto Parking Plan and Administrator Nelson explained the financial plan.

MISCELLANEOUS

1. Parks & Recreation Quarterly Report

PUBLIC COMMENTS

- Emily Lutsko, 517 Comstock, refused to have Stevens Disposal pick up her trash.

COMMISSION COMMENTS

- Mayor McDowell referenced a letter to the Telegram regarding the City hiring local contractors.

The next regular meeting of the Adrian City Commission will meet on Monday, October 18, 2010, at 7:00 p.m. in the Chambers Building located at 159 E. Maumee St., Adrian, MI 49221.

Gary E. McDowell
Mayor

Pat Baker
City Clerk



CHECK REGISTER

October 18, 2010

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



Dane C. Nelson
City Administrator

DCN:bjw

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

Utility Department Vouchers	
Vouchers #3345 through #3348.....	\$121,385.46
General Fund	
Vouchers #20111 through #20126	\$277,413.43
Clearing Account Vouchers	
amounting to	<u>\$456,940.39</u>
TOTAL EXPENDITURES	<u>\$855,739.28</u>

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

October 18, 2010

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
<u>Receiving</u>			
3345	City of Adfrian: Payroll	Payroll for Oct 1	\$ 64,943.82
3346	Consumers Energy	Various Electric Bills	\$ 56,401.71
3347	Frontier	Wastewater Phone Bill	\$ 39.93
3348	City of Adrian: Clearing Acct	Oct 4 Check Register	\$ 107,382.31
Total			\$ 228,767.77
Less: CK #3348			\$ 107,382.31
TOTAL			\$ 121,385.46

WW = \$ 147,507.99

WAT= \$ 81,259.78

18-Oct-10

GENERAL FUND
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
20111	\$ 215,935.50	City of Adrian: Payroll	Payroll for Oct 1
20112	\$ 16,125.20	First Federal Bank	Soc Security for Oct 1
20113	\$ 18,685.12	Consumers Energy	Various Electric Bills
20114	\$ 210.88	Frontier	Police Phone Bill
20115	\$ 19.00	Anayeli Hernandez	Recreation Refund
20116	\$ 285.87	Frontier	Various Phone Bills
20117	\$ 209,048.59	City of Adrian: Clearing Acct	Oct 4 Check Register
20118	\$ 1,132.98	Quick Service Transportation	Work Comp & Lighting Exp
20119	\$ 4,368.60	Quick Service Transportation	Payroll W/E Oct 2
20120	\$ 515.71	City of Adrian: Utilities	Bohn Pool Water Bill
20121		City of Adrian: Utilities	Transfer State MI Funds
20122	\$ 19.00	Katie Phillips	Recreation Refund
20123		City of Adrian: Utilities	Transfer State MI Funds
20124	\$ 4,838.45	Quick Service Transportation	Payroll W/E Oct 9
20125	\$ 14,857.29	Consumers Energy	Various Electric Bills
20126	\$ 419.83	Frontier	Various Phone Bills

\$ 486,462.02

\$ (209,048.59) Less: CK# 20117

\$ 277,413.43

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. A.M.E. ENTERPRISES, LLC	48.00		
2. ABB INC	2,918.02		
3. ACORN FARMS	4,330.00		
4. ADRIAN CHARTER TOWNSHIP	175.50		
5. ADRIAN COMMUNICATIONS	336.00		
6. ADRIAN LANDFILL	346.16		
7. ADRIAN MECHANICAL SERVICES C	1,284.50		
8. ADRIAN WATER CONDITIONING IN	19.50		
9. AIRGAS GREAT LAKES	333.33		
10. ALL AMERICAN SEWER & DRAIN S	500.00		
11. ALL AREA MECHANICAL, LLC	4,850.00		
12. ALLIED WASTE SERVICES	47,639.52		
13. ALLIED WASTE SERVICES #259	4,768.73		
14. AMERICAN LIBRARY ASSOC	449.00		
15. AMERICAN OFFICE SOLUTIONS	65.56		
16. AMERICAN SOCIETY OF CIVIL	236.00		
17. AMERICAS	158.03		
18. AMVETS	128.00		
19. APPLE MAT RENTAL	330.05		
20. ASSOCIATED ENGINEERS	3,816.00		
21. AUSTIN INC	196.09		
22. BAKER & TAYLOR BOOKS	786.85		
23. THE BANK OF NEW YORK	120,717.20		
24. BARRETT'S GARDEN CENTER	136.11		
25. BATTERY WHOLESALE	165.84		
26. KRISTIN BAUER	20.00		
27. BEAUBIEN INC.	130.00		
28. BILL'S SERVICE, INC.	285.79		
29. ROBERT BISHOP	233.15		
30. BLACK SWAMP EQUIPMENT	7,152.50		
31. JASON BLICKENSDORF	28.78		
32. BOOK OF THE MONTH CLUB	39.42		
33. BRADY SAND & GRAVEL INC	500.00		
34. BRAKES-N-MORE	603.62		
35. BREATHING AIR SYSTEMS	175.00		
36. TODD BROWN	20.00		
37. BUCK & KNOBBY EQUIP CO INC	13,540.00		
38. PAM BUNCH	30.00		
39. BWI	204.07		
40. C-N CONSTRUCTION SUPPLIES IN	119.50		
41. CDW-G COMPUTER SUPPLIES	1,028.00		
42. CHAMBERS CONTROL COMPANY	1,354.00		
43. CHRISTENSEN'S PLANT CENTER	594.50		
44. CLIFT BUICK-PONTIAC-GMC	14.32		
45. COLE-PARMER INSTRUMENT CO	44.30		
46. JUSTIN COMBS	1,758.36		
47. COMCAST	4.45		
48. CONTINENTAL SERVICE	747.70		
49. CUDA UNIFORM INC	377.70		
50. CUTLER DICKERSON CO	262.80		
51. CUTTING EDGE ENGRAVING	70.00		
52. D & N UPHOLSTERY, INC.	107.50		
53. D&P COMMUNICATIONS, INC.	1,876.56		
54. THE DAILY TELEGRAM	824.90		
55. DALE'S FENCING	12,477.37		
56. DAN'S FARM SUPPLY INC	954.00		
57. DEMCO INC	48.82		
58. JOHN DENNIS JR	20.00		
59. DOAN CONSTRUCTION CO	225.75		
60. JACK DOHENY SUPPLIES	610.59		
61. GREG DUMARS	536.94		
62. E & B SALVAGE LLC	30.60		
63. EASY WAY WIRELESS, LLC	44.98		
64. STEVE EBERLE	20.00		
65. SHIRLEY EHNIS	45.57		
66. EMERY FLOWERS	211.25		
67. ENGLEWOOD ELECTRICAL SUPPLY	650.80		
68. EXECUTONE COMMUNICATIONS LLC	156.00		
69. FAMILY SERVICE & CHILDREN'S	1,731.60		
70. FASTENAL COMPANY	554.23		
71. FLORIDA MICRO LLC	3,414.84		
72. FRANK'S AMERICAN CONCRETE, I	35,345.46		
73. FYR-FYTER SALES & SERVICE	1,658.10		
74. GALL'S INC	214.17		
75. J.O. GALLOUP COMPANY	1,093.05		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. RICHARD GARNO	492.81		
77. GAYLORD BROS INC	254.41		
78. MARK GIGAX	20.00		
79. GOODWILL INDUSTRIES	46.00		
80. GORDON FOOD SERVICE	285.30		
81. GRAINGER INC.	92.97		
82. GRAPHICS UNLIMITED	575.00		
83. DENISE GRITZMAKER	20.00		
84. H & H REPAIR	406.44		
85. HABITEC SECURITY INC	132.00		
86. HADDEN TIRE COMPANY	56.00		
87. HALL INDUSTRIAL CO	3,300.00		
88. HASSELBRING CLARK CO.	11,219.00		
89. HOBBY LOBBY	15.96		
90. SHANE HORN	20.00		
91. HOUR MEDIA L.L.C.	39.95		
92. HUBBARD AUTO CENTER	421.80		
93. I C M A VANTAGE POINT	6,092.01		
94. I.T. RIGHT	101.25		
95. ICMA RETIREMENT CORPORATION	155.76		
96. IDEXX LABORATORIES, INC.	2,709.40		
97. INDIANA BRICK PANEL MFG, INC	4,274.91		
98. INGRAM LIBRARY SERVICES	248.64		
99. ITT WATER & WASTEWATER	1,048.98		
100. JACKSON TRUCK SERVICE INC.	104.28		
101. JOHN DEERE LANDSCAPES	330.12		
102. K & B ASPHALT SEALCOATING, I	8,327.85		
103. KAPNICK INSURANCE GROUP	945.00		
104. KELLER THOMA, P.C.	8,559.58		
105. LAB SAFETY SUPPLY INC.	208.88		
106. LANDSCAPE ARCHITECTS & PLANN	1,257.50		
107. WALTER GREG LANFORD	220.90		
108. LANSING SANITARY SUPPLY INC	784.11		
109. LEGACY PRINTING	136.23		
110. LENAWEE COUNTY EQUALIZATION	3,500.00		
111. LENAWEE COUNTY PRINTER	216.89		
112. LENAWEE COUNTY TREASURER	45.00		
113. LENAWEE ECONOMIC DEVELOPMENT	3,750.00		
114. LENAWEE TIRE & SUPPLY CO	586.16		
115. LEWIS AUTO TRIM	165.00		
116. LEXIS NEXIS RM INC	150.00		
117. LOWE'S CREDIT SERVICES	5.97		
118. MANPOWER OF LANSING MI INC.	2,584.24		
119. MARSHALL DISTRICT LIBRARY	35.00		
120. MASSON'S ELECTRIC, INC	45.00		
121. GARY MCDOWELL	20.00		
122. MCGOWAN ELECTRIC SUPPLY INC	907.89		
123. JIM MCKINNEY	500.00		
124. MCMASTER- CARR SUPPLY CO.	387.68		
125. EDWARD G MCNULTY JR	39.72		
126. MERGENT INC.	4,654.00		
127. MICHIGAN EMPLOYMENT RELATION	316.88		
128. MICHIGAN LIBRARY ASSOC	85.00		
129. MICHIGAN MUNICIPAL LEAGUE	10.00		
130. MICHIGAN OFFICE SOLUTIONS	277.28		
131. MICHIGAN POLICE EQUIP. CO	190.00		
132. MICHIGAN REC & PARK ASSOC	55.00		
133. STATE OF MICHIGAN	611.47		
134. MICHIGAN STATE POLICE	3,265.00		
135. MICHIGAN WATER ENVIROMENT AS	210.00		
136. MICROMARKETING LLC	315.60		
137. MIDWEST COLLABORATIVE FOR	3,121.00		
138. MIDWEST TAPE	30.18		
139. MORLEY'S FLOOR COVERING	2,433.97		
140. MUNICIPAL WEB SERVICES	290.00		
141. NATARE CORPORATION	6,726.00		
142. NEOPOST INC.	355.00		
143. NETWORK REPORTING	102.55		
144. NEXTEL COMMUNICATIONS	1,312.25		
145. NORTH EASTERN UNIFORMS & EQU	5,022.42		
146. OHIO CAT	2,209.86		
147. OLIVER OF ADRIAN, INC.	375.00		
148. OMNIGRAPHICS INC.	163.70		
149. ORIENTAL TRADING CO. INC.	123.99		
150. MIKE OSBORN	20.00		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
151. ROBERT OSBURN	75.00		
152. PALMER ENVELOPE CO.	413.00		
153. PARAGON LABORATORIES INC	60.00		
154. PEERLESS SUPPLY INC	53.04		
155. PET'S SUPPLIES PLUS	52.98		
156. PINNACLE IRRIGATION INC.	1,900.00		
157. PIONEER MANUFACTURING CO.	1,425.00		
158. GLENN PRESTON	20.00		
159. PROFESSIONAL INFORMATION CEN	863.00		
160. PROMEDICA PHYSICIANS GROUP	90.00		
161. PROTECH ENVIRONMENTAL SERVIC	270.00		
162. QUICK SERVICE TRANSPORTATION	9,114.31		
163. RAFT	85.00		
164. RECORDED BOOKS LLC.	177.80		
165. RIO SUPPLY MICHIGAN METER, I	693.75		
166. TIM RITCHIE	20.00		
167. ROBERTSON, EATON & OWEN, PC	22,700.00		
168. SAFEWAY MOVING & STORAGE	1,021.00		
169. SEBCO BOOKS	1,385.46		
170. SHERWIN-WILLIAMS CO	546.40		
171. SHINE'S AUTO CLEAN	140.00		
172. SIGNAL 88 SECURITY	1,434.00		
173. CAROL SOUCHOCK	259.09		
174. SPENCER MANUFACTURING INC.	320.00		
175. STANDARD & POOR'S CORP	1,435.92		
176. STATE CHEMICAL MFG CO.	96.85		
177. STEVE AMICK	300.00		
178. STEVENSON LUMBER, INC.	835.38		
179. JEFFREY A. STICKNEY, DO,PC	178.00		
180. STONE'S CAFE & CATERING	59.50		
181. STONEY CREEK NURSERY	1,055.00		
182. STRATOS MICROSYSTEMS LLC	302.99		
183. T & K LAWN CARE	600.00		
184. TA INDUSTRIAL SOLUTIONS, INC	641.72		
185. TDS SECURITY	404.25		
186. THOMSON WEST	366.72		
187. TRACY TIME SYSTEMS	16.50		
188. PAUL TRINKA	20.00		
189. TTB CLEANING LLC	3,100.00		
190. U S POSTMASTER	1,800.00		
191. ULOTH FARMS & GREENHOUSE	596.00		
192. UNIQUESCREEN MEDIA INC.	280.00		
193. UNITED PARCEL SERVICE	22.88		
194. US CALVARY	209.04		
195. UTILITIES INSTRUMENTATION SE	2,043.42		
196. VAN BRUNT TRANSPORT INC	365.40		
197. WENN SEAL COATING	5,862.00		
198. WESTERN LIME CORPORATION	4,920.00		
199. KRISTEN WETZEL	177.12		
200. WOODLANDS LIBRARY COOPERATIV	2,200.40		
201. F.B. WRIGHT CO	564.70		
202. WRIGHT SIGNS INC.	325.00		
TOTAL ALL CLAIMS	456,940.39		



COMMUNICATIONS



MEMO

Date: October 4, 2010

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

From: Jeffrey C. Pardee, Finance Director
Cindy L. Prue, Assistant Finance Director

Handwritten signatures of Jeffrey C. Pardee and Cindy L. Prue.

Re: MGFOA 61st Annual Fall Training Institute Report

The following report provides a synopsis of the 61st Annual Michigan Government Finance Officers Association (MGFOA) Fall Training Institute, held at Amway Grand Hotel & Resort in Grand Rapids MI. September 19-22, 2010. The Fall Training Institute provides an intensive 2 ½ day series of seminars to Michigan Public Finance Officers covering a variety of subjects from current legislation to economic conditions to new financial reporting requirements. The conference marks the end of my unprecedented third term on the MGFOA Board of Directors. However, I intend to remain active on various standing committees, such as the Professional Development Committee, Legislative Committee and Mentor Committee. In fact, I have been appointed Chairman of the Intergovernmental Collaboration Committee.

Monday, September 20th, 2010

9:00 – 9:50 am General Session: Michigan Economic and Budget Outlook

Presiding: Luke Huelskamp, Finance Director, Municipal Employees Retirement System (MERS)

Speaker: Robert J. Kleine, Treasurer, State of Michigan

Michigan and the nation have been going through the worst economic downturn since the 1930s. The impact on state and local budgets has been unprecedented. The presentation focused on the outlook for the national and state economies and the impact on local government finances. The “Great Recession” officially ended June 30, 2009 and the economy has grown modestly at the rate of 1.6%, 6.0%, 3.7% and 1.6% during each of the last four quarters. Gross Domestic Product (GDP) is forecasted to grow a meager 1.3%, 1.6%, 2.3% and 2.1% during the next four quarters, with a boost to 2.7% and 3.6% in the last half of 2011. Although corporate profits are up sharply for 2009-2010 and over 750,000 jobs have been created since December 2009, unemployment remains at 9.6%. Arguing for a structural change in the way State government is financed, Mr. Kleine proposed adoption of a graduated income tax based on the fact that, during the past three decades, the bottom 60% of income earners have experienced less than 25% income growth, whereas the top two-fifths have grown 35% and 95%, respectively. He also argued for expansion of the sales tax to cover personal services as well as

consumer goods, noting that consumption of goods has declined since 1950 from 60% to 32.3%, while consumption of services has grown from 40% to 67.7%. Sales tax revenue, the source of state shared revenue, has not kept pace with the growth in personal income during this same time period, currently lagging 35% behind.

The implications of the state budget cuts and declining property values for local government finances were also discussed. State Revenue Sharing has been recommended by the Governor to be maintained at its present level.

10:00 - 10:50 am General Session: Legislative Update

Presiding: President Jeffrey Budd, City Manager, City of Coldwater

Speaker: Summer Minnick, Director of State Affairs, Michigan Municipal League

The session provided an overview of the legislative issues that will affect local governments in the coming months. A compendium is available on the Michigan Municipal League website, MML.org.

11:00 – 11:50 am Keynote: Leading with Laughter: How U.S. Presidents Use Humor to Relate, Motivate and Communicate and How YOU Can Too!

Presiding: Karen Lancaster, Finance Director, City of Ann Arbor

Speaker: Malcolm Kushner, AFHC, America's Favorite Humor Consultant, Malcolm Kushner & Associates

Video clips of U.S. Presidents using humor intentionally and successfully were presented. The speaker explained the simple techniques used by the Presidents utilize as a powerful on-the-job asset.

1:10 – 2:00 pm General Session: Workplace Violence

Presiding: Becky Jacques, Treasurer, Village of Milford

Speaker: Dr. Kenneth Wolf PhD, Director, Center for Workplace Violence Prevention

This session defined behavioral indicators of potentially violent individuals during periods of organizational change and when individuals may choose to direct anger against co-workers, supervisors, or the organization. Strategies to manage the potentially violent individual were discussed, including videotapes of actual individuals in actual cases.

2:10 – 3:00 pm Personal Property Collections and Seizures

Presiding: Jeffrey C. Pardee, C.P.F.O., Finance Director, City of Adrian

Speaker: Al Mooney, Treasurer, City of Grand Rapids

Strategies were presented for getting paid by asserting priority lien rights, with steps to take toward seizure and sale as collection is pursued in the courts. Personal Property Tax collections are governed by MCL.211.40, *All personal taxes levied or assessed for state and local taxes are also a first lien, prior, superior, and paramount, on all personal property of the persons assessed on December 1.* Jeopardy assessments, which in effect accelerate the due date, may be filed when a determination has been made that there is a flight risk due to pending or actual business closure. The lien priority extends to bankruptcy proceedings, whereby the personal property can still be seized to settle the tax liability prior to sale of the assets.

Because the City of Grand Rapids has an Income Tax, I took the opportunity to obtain information regarding its history and implementation, and made arrangements to visit and review administrative procedures in the event such a tax gains traction for the City of Adrian.

3:10 – 4:00 pm Banking Industry Update

Presiding: Laura Branchick, Associate, Comerica Bank

Speaker: Greg Post, Chief Investment Officer, Ambassador Capital Management

This session included a brief summary of the current economic environment followed by a detailed discussion of the overall financial condition of Michigan banks.

4:10 – 5:00 pm Multi-Year Budgeting and Long-Term Financial Forecasting

Presiding: Karen Lancaster, Finance Director, City of Ann Arbor

Speakers: Mark Hurst, Partner, Plante & Moran, PLLC; Tim Soave, Manager of Fiscal Services, Oakland County; Tom Skrobola, CFO, City of Kalamazoo

Under the heading of advanced budgeting techniques, this session explored best practices and procedures related to the trend of multi-year budgeting and forecasting. A multi-year budget is simply a long-term financial plan; state law (PA621 of 1978) allows local governing boards to adopt spending authority only one year at a time. Therefore, the General Appropriations Act only adopts the first year of the multi-year budget.

Budget issues and problems are not limited to a single year, they trend over several years. A multi-year budget allows a unit to monitor those trends and employ current year strategies to deal with identified long-term issues. The multi-year budget also has the advantage of providing continuity of purpose and financial support to management for current programs and new program initiatives. Amending the multi-year budget for the entire planning period ensures its currency as a planning tool and streamlines the budget process going forward by requiring a cursory review each year rather than a full blown budget process, starting from scratch each year.

Tuesday, September 21, 2010

8:30 - 9:05 am President's Welcome / Committee Reports

Board of Directors: Jeffrey Budd, MGFOA President and City Manager, City of Coldwater

Strategic Planning: Tim Soave, CPFO, Manager Fiscal Services, Oakland County

Legislative Committee: Catherine McCleary, Treasurer, Washtenaw County

Mentoring Committee: Tim Haney, Finance Director, City of St. Clair Shores

Professional Development Committee: Tom Colis, Partner, Miller Canfield, Paddock & Stone

Standards Committee: Joe Heffernan, Partner, Plante & Moran

Technology Resource Committee: Mark Warner, Manager Plante & Moran, LLC

Intergovernmental Collaboration Committee: Art Holdsworth, Director Dept. of Facilities & Operations, Oakland County

9:15 – 10:05 am General Session: What Do We Do About the 45-Year Old Former Manufacturing Worker?

Presiding: Laura Branchick, Associate, Comerica Bank

Speaker: George A. Erickcek, Senior Regional Analyst, W.E. Upjohn Institute for Employment Research

After a brief review of the uneasy economic conditions facing the state, the speaker addressed the question: What can be done to help a 45-year old former manufacturing worker, who is trying to raise two kids on her own, make it to retirement? Where do incentives, geared to attracting knowledge-based workers, and training fit into the answer? During the first half of 2010, the nation's manufacturers added 102,000 jobs (31,000 in Michigan), many making new products in the field of energy (solar, wind, geothermal, etc.) chemistry and bio-tech. This is where knowledge workers fit in the model. Evidence suggests that the attraction of highly-educated workers is strongly related to increased income growth.

However, they are not statistically related to employment growth. The speaker professed that the greatest economic development returns to education can be earned by investing in Pre-K education. For each dollar a state invests in universal preschool, the present value of earnings of state residents would increase almost three times as much. He further concludes that in the long run, universal preschool has greater effects than business subsidies of the same cost: twice the effect on jobs for state residents, and a 15% greater effect on earnings for state residents.

10:15 am – 11:05 pm General Session: Inside Michigan Politics
Presiding: Pat McGow, Partner, Miller, Canfield, Paddock & Stone
Speaker: William Ballenger, Editor of Inside Michigan Politics Newsletter

Mr. Ballenger had an insightful presentation providing timely information about election issues, candidates, and their potential effect on the municipal environment. Never before have races for the state's four constitutional offices (Governor, Lieutenant Governor, Attorney General and Secretary of State), the entire U.S House delegation, every seat in both the state House and Senate, and two seats on the state Supreme Court appeared on the same ballot on the eve of a census and reapportionment, while terms limits are in full sway. More than five dozen state legislators will reach term limits at the end of 2010. Nearly half of the 148-member legislature currently serving could be gone from office by 2011, replaced by the largest infusion of rookie lawmakers since the Depression. Control of the Supreme Court again hangs in the balance. Democrats could easily regain a majority of the justices for the first time since 1998 by winning just one of the two seats that will be on the ballot in 2010. 2010 is also the year the question of Constitutional Convention (every 16 years) must be on the ballot.

11:15 – 12:05 pm ACH Payments: Cranking Up the Volume
Presiding: Karen Lancaster, Finance Director, City of Ann Arbor
Speaker: Amy Smith, President and CEO, Payment Authority

The Payments Authority is a not-for-profit trade association whose membership includes over 450 financial institutions, companies, municipalities and solution providers who share a common strategy... maximize business efficiencies, improve payment processes, reduce risk and cost, and increase customer satisfaction. Mission: to grow the use of electronic payments through education, marketing and support.

ACH volume grew in 2009 to 18.76 billion transactions, a 2.6 percent increase over 2008 activity. Total dollar value in pay for 2009 was nearly \$30 billion. Direct Deposit (4.9%), consumer Internet transactions (8.75%), B2B transactions (3.2%), and back office check conversion (104%) were the bright spots in 2009. ACH payments are expected to out number payments by check in the near future. Legislation is pending at both the federal and state level that would allow employers to require direct payroll deposit.

Risk Management is a growing concern regarding Corporate Account takeover. Paper payments converting to ACH brings fraud to the ACH payment system. Many National ACH Association initiatives are focused on keeping the “bad guys” out and ensuring financial institutions understand the rules and who they are doing business with.

12:15 – 1:10 pm Annual Business Meeting

Presiding: Jeffrey Budd, MGFOA President and City Manager, City of Coldwater

New Board Members were elected and retiring Board Members were acknowledged. By-Laws were amended to enhance membership and training.

1:10 – 2:00 pm Social Media 101: Tools for Community Engagement

Presiding: Karen Lancaster, Finance Director, City of Ann Arbor

Speaker: Lisa Wondrash, Communications Unit Manager, City of Ann Arbor

This session addressed the benefits and pitfalls of using social media in the public sector to improve communications with constituents through such tools as Twitter, Facebook, Animoto and more.

↳ Social Media a Fad?

Years to reach 50 million users—

__ Radio – 38 years

__ TV – 12 years

__ Internet – 4 years

__ iPod – 3 years

__ Facebook added 100 million users in less than 9 months.

In 2010, Generation Y outnumbered Baby Boomers and 90 percent of the Generation Y population has joined a social networking site and consider e-mail passé. Social media is a shift in the way the world communicates and connects. Social Media uses include:

Communication:

__ Blogs: Blogger, ExpressionEngine, LiveJournal, Open Diary, TypePad, WordPress

__ Microblogging: Foursquare, Tumblr, Twitter, Yammer

__ Social networking: Facebook, LinkedIn, MySpace

__ Events: Eventful, Meetup.com, Upcoming, Google Calendar

Collaboration:

__ Wikis: PBworks, Wetpaint, Wikia, Wikipedia

__ Social bookmarking (or social tagging): CiteULike, Delicious, Google Reader, StumbleUpon

__ Social news: Digg, Mixx, NowPublic, Reddit, Newsvine

Multimedia:

__ Photography and art sharing: Flickr, Animoto, Photobucket, Picasa, SmugMug, Zoomr,

__ Video sharing: YouTube, Dailymotion, Metacafe,

__ Livecasting: Justin.tv, Livestream, OpenCU, Skype, Stickam, Ustream

__ Music and audio sharing: Last.fm, MySpace Music, ReverbNation.com, ShareTheMusic, iTunes

Reviews and opinions:

__ Product reviews: epinions.com, MouthShut.com

__ Business reviews: Customer Lobby, Yelp, Inc.

__ Community Q&A: Askville, WikiAnswers, Yahoo! Answers

Ann Arbor Social Media Timeline

•Summer of 2009: Social media charter team formed

•Team began to explore social media usage to promote parks and

recreation events and activities

- Social media city usage promoted to City Council and managers
- Other city business units began to use specific social media tools
- In early 2010, the City of Ann Arbor official Facebook, Twitter, Flickr and YouTube sites were launched
- Spring of 2010, the City of Ann Arbor Social Media policy was created to establish employee guidelines and usage

More information is available upon request.

2:10 – 3:00 pm Consolidating Services: Overcoming the Roadblocks to Achieve Financial and Operational Success

Presiding: Luke Huelskamp, Finance Director, Municipal Employees Retirement System (MERS)

Speakers: Christine Andrysiak, Manager, Plante & Moran, PLLC

In these challenging economic times there has been significant effort put toward the idea of consolidating government services. The reality is that fully integrated collaborative efforts can be difficult to approach, contemplate and implement. This session provided insight about overcoming the roadblocks to consolidation in order to assist in making consolidation efforts successful.

3:10 – 4:00 pm Fiscal Scoring at the State Level

Presiding: Jeffrey C. Pardee, C.P.F.O., Finance Director, City of Adrian

Speakers: Tim Soave, CPFO, Manager Fiscal Services, Oakland County; Suzanne Schaffer, Administrator, Local Audit and Finance, Michigan Department of Treasury, and Eric Scorsone, PhD, Senior Economist, Senate Fiscal Agency

This session consisted of three areas related to fiscal scoring. The first was a discussion of the current fiscal scoring system implemented by the State Department of Treasury, including information regarding the factors, as well as how the Department uses (and DOESN'T use) the scores. The scores are primarily used as an objective third-party evaluation to help local government recognize how their unit compares fiscally with other governmental units throughout the state. The Department DOES NOT use the scores to determine if a financial manager should be assigned to a distressed community; an unfavorable score only serves to corroborate what is likely a foregone conclusion.

In addition, the current policy issues and potential future policy impacts of State fiscal scoring were explored. And finally, the session concluded with a discussion of what a community's fiscal score means to the City Commission and citizenry at-large.

Wednesday, September 22 2010

9:00 – 9:50 am Collective Bargaining 2010

Presiding: Jeffrey Budd, MGFOA President and City Manager, City of Coldwater

Speaker: George Butler, Attorney, Dickinson, Wright

The laws governing public sector collective bargaining were discussed at this session, as well as trends occurring in that context and the rules and interpretations governing such major issues as what happens when a collectively bargained agreement expires/terminates, what defines an impasse, when can an employer impose a contract, communicating during bargaining, and the Act 312 standards.

10:00 – 10:50 am Statutory Supports for Cooperative/Contractual Arrangements between Different Public Entities in 2010

Presiding: Tom Skrobola, CFO, City of Kalamazoo

Speaker: George Butler, Attorney, Dickinson, Wright

This session introduced the major statutory provisions enabling such arrangements, comparing and contrasting them as to their applicability, purpose and requirements. Also discussed were the opportunities these provisions represent for creative solutions to declining public sector revenues and for economies of scale. A 73-page White Paper is available upon request.

11:50 – 11:50 am What the New Health Care Plan Means to Governments

Presiding: Becky Jacques, Treasure, Village of Milford

Speaker: Justin Spewock, CEO, Ballard Benefits

The Health Care Reform legislation - Patient Protection & Affordability Care Act (PPACA) - will implement sweeping reform of all aspects of the Health Care Finance and Delivery System over the next several years. These pending changes have both confused and frightened the marketplace. The speaker sought to present a simplified, up to date, over view of Health Care Reform and what it means to governmental entities. A difficult challenge, in less than one hour's time. I'm not sure he met the challenge. His presentation consisted of almost 70 slides, which consumed 7.26 MBs of memory and took over two minutes to download, and proceeded with the fact that 39 state legislatures and 20 Attorneys General are raising legal challenges to the Act and closed with the possible consequences of its repeal, if the Republicans recapture Congress in November.

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



CONSENT AGENDA

CR-1

CR10-065

October 18, 2010

RE: PLANNING COMMISSION – Appointment to Planning Commission

RESOLUTION

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

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

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

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

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

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

Charles R. Jacobson

204 Clinton Street, Adrian, MI 49221(517)-263-7767 CRJCBSN@UMICH.EDU

Experience

Manager

(Oct. 1994-present), International Diamond, Adrian, MI

- Oversee all day to day operations of store including sales, inventory control, monitoring sales people's performance and coaching them to help them improve, purchasing, advertising, leasing, negotiating, devising new methods to improve profitability, customer relations, managing cash flow, budgeting.

Merchandiser

(2005-2007), Procter and Gamble, Adrian, MI

- Reset displays and integrated new merchandise

Asst. Mgr.

(Nov. 1990-Oct. 1994), Merksamer Jewelers, Ann Arbor, MI

- Assisted manager in all day to day operations of store, including inventory control, reaching sales goals, monitoring sales people's performance and coaching them to help them improve.

Head Teller

(88-Nov. 1990), Michigan National Bank, Ann Arbor, MI

- In charge of everything involved with the physical cash on hand and the employees involved with it. This included shipping and receiving cash to and from the main vault. The balancing of cash in the branch as a whole and per teller. Customer relations.

Education

University of Michigan, Ann Arbor, MI

Sept. 1986-Jan. 1990 and 2002-2004

Charles Jacobson

204 Clinton St. Adrian, MI 49221, (517)-263-7767 CRJCBSN@UMICH.EDU

Michigan Department
of Transportation
2012 (07/09)

RESOLUTION FOR DESIGNATION OF STREET ADMINISTRATOR

This information is required by Act 51, P.A. 1951 as amended. Failure to supply this information will result in funds being withheld.

MAIL TO: Michigan Department of Transportation, Bureau of Finance and Administration, P.O. Box 30050, **Lansing, MI 48909.**
or Fax to: 517-241-2589

NOTE: Indicate, if possible, where Street Administrator can usually be reached during normal working hours, if different than City or Village Office. List any other office held by the Administrator.

Councilperson or Commissioner _____
offered the following resolution and moved its adoption:

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

Therefore, be it resolved, that this Honorable Body designate Kristin Bauer, City Engineer

_____ as the single Street Administrator for the City or Village of

City of Adrian _____ in all transactions with the State Transportation Department as provided in Section 13 of the Act.

Supported by the Councilperson or Commissioner _____

Yeas _____

Nays _____

I hereby certify that the foregoing is a true and correct copy of a resolution made and adopted at a regular meeting of the governing body of this municipality on the 18th day of October, 2010

CITY OR VILLAGE CLERK (SIGNATURE)	EMAIL ADDRESS	DATE
	pbaker@ci.adrian.mi.us	October 19, 2010
STREET ADMINISTRATOR (SIGNATURE)	EMAIL ADDRESS	DATE
	kbauer@ci.adrian.mi.us	October 19, 2010
ADDRESS OF CITY OR VILLAGE OFFICE		P.O.BOX
City of Adrian 135 E. Maumee Street		
CITY OR VILLAGE	ZIP CODE	PHONE NUMBER
Adrian, MI	49221	(517) 264-4894

MEMORANDUM – UTILITIES DEPARTMENT

DATE: October 12, 2010
TO: Dane C. Nelson, City Administrator
FROM: Shane A. Horn, Utilities Director 
SUBJECT: Water Meter Repair and Replacement

I concur with the recommendation of the Utilities Director to award the bid for the installation of water meters with radio-read devices to SLC Meter Service of Davisburg, MI in the amount of \$61,047.84. Meters will be replaced at 29 commercial/industrial sites, and in most cases, will eliminate the need for employees to enter confined spaces.

Two firms responded to the offer to bid. There are sufficient funds in the Water Capital budget for this expense.

Respectfully submitted,


Dane C. Nelson
City Administrator

Sealed bids were received at the purchasing office on September 23, 2010 for a water meter replacement project. These water meters are located in our more difficult to access meter pit locations throughout the city. Each listed location will receive a new meter and a radio read device that will allow us to read each location in a more efficient manner and in some locations eliminate entering a confined space. SLC Meter Service of Davisburg, MI was the low bidder for this project with a total of \$61,047.84. This project will allow us to replace 29 commercial/industrial meters with the majority being over 30 years old. We will continue to utilize Neptune meters as we continue to upgrade our existing infrastructure to this equipment and meter reading technology.

I respectfully recommend that we proceed with this project utilizing the services of SLC Meter Service. Funds for this project have been budgeted in the water capital budget (496-531.00-977.504) and 496-531.00-977.502).

cc: Jeff Pardee, Finance Director
Nancy Dart, Office Manager

CITY OF ADRIAN, MICHIGAN
WATER METER REPAIR & REPLACEMENT
DUE DATE: SEPTEMBER 23, 2010

	Rio Supply Mich Meter Madison Heights MI	SLC Meter Service Davisburg, MI
Adrian Village – Test Only	\$ 300.00	\$145.00
Test & Repair	\$500.00	\$275.00
Test & Replace	\$5,536.00	\$7,100.00
Friendly Village – Test Only	\$300.00	\$145.00
Test & Repair	\$500.00	\$275.00
Test & Replace	\$5,536.00	\$7,100.00
Maplewood Estates-Test Only	\$300.00	\$145.00
Test & Repair	\$500.00	\$275.00
Test & Replace	\$1,200.00	\$600.00
Ervin Amsteel – Test Only	\$300.00	\$145.00
Test & Repair	\$500.00	\$275.00
Test & Replace	\$5,536.00	\$3,900.00
Biolab Inc -Test Only	\$200.00	\$140.00
Test & Repair	\$350.00	\$250.00
Test & Replace	\$3,366.00	\$2,900.00
Maple City Auto Wash-Test Only	\$200.00	\$140.00
Test & Repair	\$350.00	\$240.00
Test & Replace	\$2,545.00	\$2,091.00
Adrian College, Estes Hall		
Test Only		\$140.00
Test & Repair	\$350.00	\$240.00
Test & Replace		\$2,091.00
APS-655 Springbrook		
Test Only	\$200.00	\$140.00
Test & Repair	\$350.00	\$240.00
Test & Replace	\$2,545.00	\$2,091.00
JC Penney		
Test Only	\$200.00	\$140.00
Test & Repair	\$350.00	\$240.00
Test & Replace	\$2,545.00	\$2,091.00
Sears		
Test Only	\$200.00	\$140.00
Test & Repair	\$350.00	\$240.00
Test & Replace	\$2,545.00	\$2,091.00
APS-801 E Maumee		
Test Only	\$200.00	\$120.00
Test & Repair	\$300.00	*
Test & Replace	\$1,760.00	\$1,684.88
College Court Apts-Test Only	\$200.00	\$120.00
Test & Repair	\$300.00	*
Test & Replace	\$1,760.00	\$1,684.88
YMCA		
Test Only	\$200.00	\$120.00
Test & Repair	\$300.00	*
Test & Replace	\$1,760.00	\$1,684.88
Bob Evans		
Test Only	\$200.00	\$140.00
Test & Repair	\$300.00	*
Test & Replace	\$1,760.00	\$1,684.88

City of Adrian	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
Landis Stewart	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
Orchard Apts	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
Maple Village High Rise	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	\$220.00
	Test & Replace	\$1,760.00	\$1,684.88
Meijer Inc	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	\$220.00
	Test & Replace	\$1,760.00	\$1,684.88
Big Lots Store	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
Maple Village	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	\$220.00
	Test & Replace	\$1,760.00	\$1,684.88
Madison Apts	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
Cutler Dickerson	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
Adrian Foodland	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
Berean Baptist Church	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
Bank of America	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
First Methodist Church	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
Innisbrook Apts	Test Only	\$200.00	\$120.00
	Test & Repair	\$300.00	*
	Test & Replace	\$1,760.00	\$1,684.88
YMCA	Test Only	\$50.00	\$120.00
	Test & Repair	\$50.00	*
	Test & Replace	\$200.00	\$516.00
	Begin within 40 days and complete within 30 days.		* Is not repairable
			Test & repair does not include parts
			Test & replace includes new meter & R900, plumbing, parts, accessories to complete

CR10-067

October 18, 2010

RE: UTILITIES DEPARTMENT – Water Meter Repair and Replacement

RESOLUTION

WHEREAS, the Adrian City Commission, by Resolution #R10-057 dated May 3, 2010, approved the FY2010-11 Budget and General Appropriations Act and unspent carry-forward funds, which included \$30,000 (Acct. # 496-531.00-977.502) for ARB large meters and \$50,000 (Acct. #496-531.00-977.504) for the Meter Replacement Program; and

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

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

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

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

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



REGULAR AGENDA

SO-11R-1

October 18, 2010

SPECIAL ORDER

The Mayor called for the hearing and consideration of comments to approval of an application for an Obsolete Property Rehabilitation Exemption Certificate for property located at 125 E. Maumee Street owned by Al and Phyllis Wilkerson.

Discussion

When the Mayor called for final objections _____

and he declared the hearing closed.



MEMO

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

DATE: September 30, 2010

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

FROM: Chris Atkin
Director of Community Development

SUBJECT: 125 East Maumee Street OPRA Exemption Certificate Recommendation

Attached you will find an Obsolete Property Rehabilitation Act (OPRA) Exemption Certificate application from Al and Phyllis Wilkerson, owner's of 125 East Maumee Street in downtown Adrian. The proposed rehabilitation project will result in the conversion of the "functionally obsolete" structure to a fully functional, code compliant commercial structure. The estimated personal investment rehabilitation cost is \$104,361.00, not including the purchase price of the building.

Mr. & Mrs. Wilkerson are petitioning the City of Adrian for an OPRA tax freeze per the city's OPRA policies and procedures. It is the recommendation of the city's Community Development Department for the City Commission to approve the attached resolution granting a nine (9) year OPRA Exemption Certificate for 125 East Maumee Street rehabilitation project. The nine year period is consistent with the City of Adrian OPRA Application Process and Review Criteria as approved by the Adrian City Commission in the fall of 2006.

Property Eligibility

Functionally Obsolete

The property at 125 East Maumee Street is "functionally obsolete" by definition per Section 2(h) of Public Act 146 of 2000. Such is reflected in the attached independent finding by local architect, Mr. Michael Nicklowitz, and supported by an Assessor's Affidavit of Functional Obsolescence as obtained from Mr. Martin Marshall, Director of the Lenawee County Equalization Department.

Commercial Property

The first floor will function as "Governor Crowell's Tea Room" and the second floor will remain as it; two separate rental apartments.

Property Ownership

The subject property is currently owned by Mr. & Mrs. Wilkerson.

Applicant Assurance that the Project would not have been completed without exemption certificate.

The applicant has provided a statement to the Community Development Department indicating that the OPRA exemption certificate represents a necessary incentive to make this rehabilitation project feasible and that the project would not have been considered without.

Rehabilitation Project was not started prior to establishment of OPRA District.

No rehabilitation work on the project commenced prior to the Adrian City Commission establishing the City's Downtown Development District as an Obsolete Property Rehabilitation District per Public Act 146 of 2000. This occurred after a duly noticed public hearing on October 16, 2003.

No delinquent taxes on the facility or structure being renovated.

A review of the city's tax record reveals that there are no outstanding or delinquent tax obligations at this time.

Project has a reasonable likelihood of increasing commercial activity, create/retain employment, prevent a loss of employment and revitalize urban areas.

The 2003 Blueprint for Downtown Adrian is explicit in its suggestion for economic growth and vibrancy, the proposed rehabilitation is consistent with the suggestion. This rehabilitation project will result in the creation of 12 jobs, including expected construction employment, and the nature of the business ensures that commercial activity will increase hence promoting the revitalization of the downtown area.

Applicant must provide a statement of determined economic impact.

This project represents the renovation and reuse of a historic downtown building that has been home to a variety of commercial uses since 1910. The applicants are making a significant financial and personal investment into the downtown community and the City of Adrian with the anticipation that this project will spur future economic development interest in the downtown. The applicant estimates the rehabilitation project will result in the creation of 12 jobs, including expected construction employment. This project is consistent with the recommendation of the economic vitality of the City's Blueprint for downtown Adrian revitalization.

The applicant will indicate the period of time in which the rehabilitation project will be completed.

The applicant has indicated that they expect to commence rehabilitation work in October 2010 and complete the project by late December 2010.

The applicant may request an exemption for up to twelve (12) years and must explain why the abatement is required for the number of years requested.

The applicants request that the City of Adrian approve the exemption certificate for nine (9) years for the subject property. The applicants have state they have and will be devoting a significant amount personal time and investment into the downtown district.

The City of Adrian Commission, per the recommendation of the Downtown Development Authority Board of Directors and city staff has approved policies relative to the use of the Obsolete Property Rehabilitation Act. The policy includes a score sheet by which projects are judged. The proposed project at 125 East Maumee Street has scored 340 points on the score sheet. Per the city's policy, this score makes the project eligible for a nine (9) year Exemption Certificate.

All applicants must be in compliance with the City of Adrian zoning ordinance and the City of Adrian Master Land Use Plan.

The proposed project is located within the Central Business District and is consistent with the use requirements. The proposed project is also consistent with the city's Comprehensive Plan.

The applicant will also include a history of the property use and any environmental concerns and procedures to abate any hazardous conditions.

There are no identifiable or known environmental concerns that would prohibit this type of rehabilitation.

Rehabilitation Project must result in a true cash value aggregation 10% or more of the true cash value at commencement of the rehabilitation project.

True cash value of the property will increase upon project completion.

Conclusions and Findings

It is the opinion of Community Development Department staff that this project will provide continued momentum and influence to downtown Adrian that will be represented through personal investment and rehabilitation/reuse of a "functionally obsolete" building. As a result, the City's Community Development Department respectfully requests that the City of Adrian Commission approve the attached resolution granting a nine (9) year OPRA Exemption Certificate for 125 East Maumee Street.

Respectfully submitted,



Chris Atkin
Community Development Director

sweetaftontearoom@comcast.net



450 Forest Ave
Plymouth, MI 48170
734.454.0777

September 14, 2010

Mrs. Pat Baker, Clerk
City of Adrian
135 E. Maumee St.
Adrian, MI 49221

RE: OPRA EXEMPTION APPLICATION – 125 East Maumee Street

Dear Mrs. Baker,

Please accept this letter, the attached application, and required submittals as our, Al & Phyllis Wilkerson, application to the City of Adrian for an Obsolete Property Rehabilitation Certificate pursuant to the provisions of Public Act 146 of 2000.

We are currently working with local Architect Mike Nicklowitz of Adrian Design Group (ADG) and expect to invest approximately \$104,361 in combined rehabilitation expenses into the building not including the December 2009 purchase price. It is our intention to rehabilitate one of the most characteristically aesthetic buildings in downtown Adrian to a functional use that will service the public with high standards.

We, Al & Phyllis Wilkerson, respectfully request that the Adrian City Commission grant an Obsolete Property Rehabilitation Exemption Certificate pursuant to the City of Adrian's OPRA guidelines. We are requesting and exemption of nine (9) years for the property located at 125 East Maumee Street as permitted by statute.

The following represents responses to the required submittals per PA 146 of 2000.

1. General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage).

Our intention is to rehabilitate the building located at 125 East Maumee Street. The building was erected in 1910 by C. Frederick Matthes and his son, architect Arthur Matthes. From the building's construction until 1967 a prominent millinery and women's dress shop was operated at the site. Following this, until 1998, the property was site of Judge's Jewelry and the most recent use was a women's resale clothing store.

The building is approximately 3,500 gross square feet and comprised of two levels and a mezzanine.

2. General description of the proposed use of the rehabilitated facility.

The subject property will be returned to a viable use as a 'Tea Room' for the general public on the first floor and the two apartments will remain on the second floor.

3. Description of the general nature and extent of the rehabilitation to be undertaken.

The project will include façade renovations and rehabilitation to restore the integrity of the original appearance. The roof will be replaced to eliminate the leaks as they are currently damaging the front apartment. The interior rehabilitation will include the addition of a fully functional kitchen, new electrical panel and wiring to meet local code, new plumbing for the kitchen and first floor bathroom and the windows and doors will be rehabbed to assist with energy efficiency.

4. A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility.

No information is available at this time.

5. A time schedule for undertaking and completing the rehabilitation of the facility.

We expect to commence rehabilitation during the month of September/October 2010 with an anticipated/expected completion in December 2010 or earlier.

6. A statement of the economic advantages expected from the exemption.

This project represents the renovation and reuse of an obsolete property located in downtown Adrian. We will be making a significant financial and personal investment to the downtown community and expect our investment to spur future economic development interest into the heart of the city. We estimate that this project will create 5-6 new employment opportunities and provide work to qualified local contractors during the renovation/rehabilitation process. This project is consistent with the recommendation set forth in the City's Blueprint study to encourage economic vitality into downtown Adrian.

7. A statement from the assessor describing the building's obsolescence.

The assessor's affidavit of functional obsolescence for the structure is attached.

Thank you for taking the time to review our application. If you have any questions or require additional information, please do not hesitate to contact us.

Respectfully,

Al Wilkerson
Owner

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by P.A. 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. Rehabilitation may commence after establishment of district.

Applicant (Company) Name (applicant must be the OWNER of the facility) Al & Phyllis Wilkerson		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP code) 6164 Gloucester Dr., Canton, MI. 48187		
Location of obsolete facility (No. and street, City, State, ZIP Code) 125 East Maumee Street Adrian, MI 49221		
City, Township, Village (indicate which) City of Adrian		County Lenawee
Date of Commencement of Rehabilitation (mm/dd/yyyy) 09/31/10	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 12/31/10	School District where facility is located (include school code) Adrian 46010
Estimated Cost of Rehabilitation \$104,361.00	Number of years exemption requested 9	Attach Legal description of Obsolete Property on separate sheet
Expected project likelihood (check all that apply):		
<input checked="" type="checkbox"/> Increase Commercial activity	<input type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas
<input checked="" type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment <u>12</u>		
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. <input checked="" type="checkbox"/>		

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by P.A. 146 of 2000 may be in jeopardy.

The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by P.A. 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of P.A. 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) Al Wilkerson	Telephone Number (734) 459-0721	Fax Number
Mailing Address 6164 Gloucester Dr., Canton, MI. 48187		Email Address alwilkerson@comcast.net
Signature of Company Officer (no authorized agents)		Title Owner

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 to be completed by the assessor.

Signature	Date application received
-----------	---------------------------

FOR STATE TAX COMMISSION USE

Application Number	Date Received	LUCI Code
--------------------	---------------	-----------

LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date: _____		
<input type="checkbox"/> Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)		
<input type="checkbox"/> Denied		
Date District Established 10/16/2006	LUCI Code 46201	School Code 46010

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

<p>A statement that the local unit is a Qualified Local Governmental Unit.</p> <p>A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of P.A. 146 of 2000.</p> <p>A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under P.A. 146 of 2000 and under P.A. 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit.</p> <p>A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.</p> <p>A statement that the application was approved at a public hearing as provided by section 4(2) of P.A. 146 of 2000 including the date of the hearing.</p> <p>A statement that the applicant is not delinquent in any taxes related to the facility.</p> <p>If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit.</p> <p>A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.</p>	<p>A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.</p> <p>A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.</p> <p>A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of P.A. 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under P.A. 146 of 2000 to establish such a district.</p> <p>A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in.</p> <p>A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of P.A. 146 of 2000.</p> <p>A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.</p>
--	---

PART 3: ASSESSOR RECOMMENDATIONS

Taxable Value and State Equalized Value of Obsolete Property, as provided in P.A. 146 of 2000, as amended, Section 6(2)c...taxable value of the obsolete property, separately stated for real and personal property, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC)...

	Taxable Value	State Equalized Value (SEV)
Land		
Building(s)	\$65,100	\$65,100
Name of Local Government Body City of Adrian	Date of Action on application	Date of Statement of Obsolescence

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by P.A. 146 of 2000 may be in jeopardy.

Name of Clerk Pat Baker	Clerk Signature	Date
Clerk's Mailing Address 135 E. Maumee St.	City Adrian	State MI
	ZIP Code 49221	
	Telephone Number (517) 264-4866	Fax Number (517) 265-8698
	Email Address pbaker@ci.adrian.mi.us	

Mail completed application and attachments to: State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-3272.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

**CITY OF ADRIAN, MICHIGAN
PUBLIC ACT 146 OF 2000
OBSOLETE PROPERTY REHABILITATION ACT**

Name of Applicant: Al & Phyllis Wilkerson, 125 E. Maumee St.

Date: September 14, 2010

		Points Available	Points Awarded
Exterior Treatments are Consistent with the Secretary of Interior Standards for Historic Building Restoration	Yes No	30 0	30
Private Dollars Being Invested (hard costs only) Purchase Price: \$210,000 Rehabilitation Cost: \$104,361 Total Private Investment: \$314,361	\$10,000 - \$50,000 \$50,001 - \$100,000 \$100,001 - \$250,000 \$251,000 - \$500,000 \$500,001 - \$999,999 \$1million - \$2,500,000 \$2,500,001 - \$4,999,999 \$5million +	10 20 30 40 50 75 100 150	40
Number of Code Enforcement Categories Being Resolved (i.e. plumbing, electrical, HVAC, handicapped accessibility, structural, fire code)	1-2 3-4 5-6	10 20 30	20
Property is located within a National or Local Historic District	Yes No	10 0	10
Number of Permanent, Full-Time Equivalent Jobs Created: (two permanent part-time equivalent jobs represents one FTE)	1-5 6-10 11-25 26-50 51-100 100 +	20 35 50 75 110 150	50
Number of loft apartment units:	1-5 6-10 11+	20 40 60	20
Number of owner occupied units and/or individually occupied condominium units:	1-3 4-7 8+	50 70 90	0
Rehabilitation Project Results in Blueprint Recommended Use (see attached sheet for approved uses)	Yes No	75 0	75
Rehabilitation Project Includes 5% of total private rehabilitation work investment in public infrastructure	Yes No	25 0	25
Private Dollars Being Invested in Relation to the Existing Property Value as Determined by the State Equalized Value (SEV) (i.e. \$50,000 private investment in a structure with a \$25,000 SEV equates a 100% improvement on the true cash value of the property) Investment: \$314,361 2010 SEV: \$65,100	50% 75% 100% 125% 150% 175% 200%+	10 20 30 40 50 60 70	70
		Total Points Awarded	340

Total Points	Exemption Certificate (Abatement) in Years
100 - 150	4
151 - 175	5
176 - 225	6
226 - 275	7
276 - 325	8
326 - 375	9
376 - 425	10
426 - 475	11
476 - 500 plus	12

LENAWEE COUNTY EQUALIZATION DEPARTMENT

Martin D. Marshall, Director
Courthouse, 301 North Main Street
Adrian, Michigan 49221
(517) 264-4522

Assessor Affidavit of Functional Obsolescence

**Functionally Obsolete Status
for Brownfield Redevelopment Financing Act
property pursuant to Public Act 381 of 1996.**

Subject Property: 125 E Maumee St Adrian Michigan
Property Numbers: XA0-100-0164-00
Property Description: E 10 FT OF S 93 FT OF W 30 FT & E 5 FT OF S 119 FT OF
W 20 FT & E 5.25 FT OF S 145 FT OF W 15 FT LOT 31
ORIGINAL PLAT CITY OF ADRIAN.

Subject property XA0-100-0164-00 is a two story masonry (brick) building with retail on the main floor and residential apartments on the second floor. The property consists of a parcel 2,358 square feet and a two story masonry building with a basement. The building foot print occupies 1,763 square feet of the parcel.

The Brownfield Redevelopment Financing Act, MCL 125.2652(2)(q), provides that "Functionally Obsolete means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property."

Examples of functional obsolescence offered by the Michigan State Tax Commission include:

- 1) A floor plan which is inappropriate for the highest and best use of the property.
- 2) A heating system which is inadequate for the highest and best use of the property.
- 3) Excessively high or low ceilings for the highest and best use of the property.
- 4) Partition walls which restrict the highest and best use of the property.
- 5) Mechanical systems which are inadequate for the highest and best use of the property.

The subject property suffers from several forms of functional obsolescence.

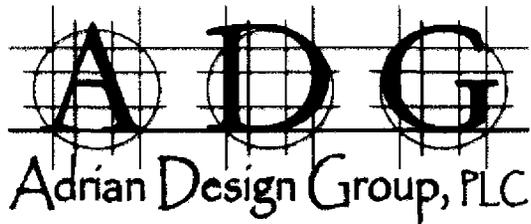
- 1) The layout of the building, the floor plan, is obsolete by current retail and residential design standards. The access to the residential rentals is by narrow stairs and the building does not have an elevator.
- 2) The subject property suffers from outdated and inadequate plumbing, mechanical and electrical services.

- 3) While the basement is superior to many basements in the downtown area it is shallow by current standards is accessed by a narrow stairwell that makes use for storage difficult.
- 4) The property has a mezzanine level previously used as an office with a ceiling height of less than 7 feet.

Based on the listed characteristics it is my opinion that the subject property suffers from functional obsolescence and meets the Functionally Obsolete definition of the Brownfield Redevelopment Act.

A handwritten signature in black ink, appearing to read "Martin D. Marshall". The signature is written in a cursive, flowing style.

Martin D. Marshall, CMAE 4
Director, Lenawee County Equalization



January 5, 2010

Chris Atkin
Community Development Director
135 E. Maumee Street
Adrian, Michigan 49221

RE: Property Functional Obsolescence Assessment
125 East Maumee Street Adrian, Michigan 49221

This report is an assessment of the "Hoefler Building" located at 125 E. Maumee Street in Adrian, Michigan to determine if this building meets the definition of functionally obsolete.

Under MCL 125.2652(p) "functionally obsolete" means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property's relationship with surrounding property.

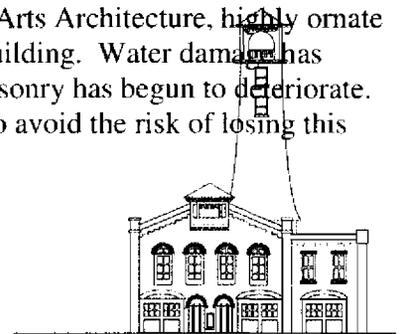
A formal investigation of the building was completed on December 29th, 2009. Observations are listed in the following report.

Property Description;

Address 125 E. Maumee Street.

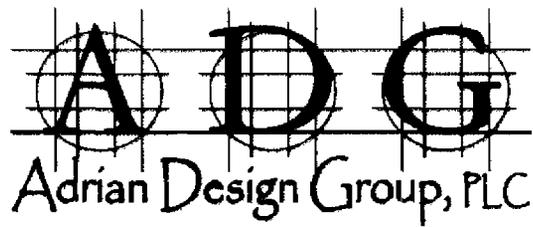
Recorded Description E 10 FT OF S 93 FT OF W 30 FT & E 5 FT OF S 119 FT OF W 20 FT & E 5.25 FT OF S 145 FT OF W 15 FT LOT 31 ORIGINAL PLAT

Physical Description Built in 1910, this masonry and wood framed two story building has solid load bearing masonry walls along the east and west 82' sides. The 20' wide façade of the building is a historically significant example of Beaux Arts Architecture, highly ornate glazed terra cotta extends the full height of the front of this building. Water damage has affected the top east side of the parapet and the terra-cotta masonry has begun to deteriorate. Immediate attention must be given to this area of the façade to avoid the risk of losing this portion of the building.



Adrian Design Group PLC
adriandesigngroup.com

126 E. Church St. ~ Adrian, MI 49221 ~ ph. (517) 265-2700



The building has a total area of approximately 3,500 gsf. The second level has two residential apartment units, which are currently occupied. The main level is vacant and has been previously occupied by a retail store owner. A mezzanine level of approximately 500 sf. is located at the north side of the main level. This level has a small toilet room and mechanical ventilation system. The floor to ceiling height at the mezzanine level is 6'-0". This is a non occupiable space based on current building code standards. The area below the mezzanine has a floor to ceiling height of 7'-0". The basement is below grade and houses a boiler used for building radiant heating.

Physical Location This property is zoned B-3 located in the central business district. The building shares a party wall on the east with the Historic Crosswell Opera House.

Economic Factors;

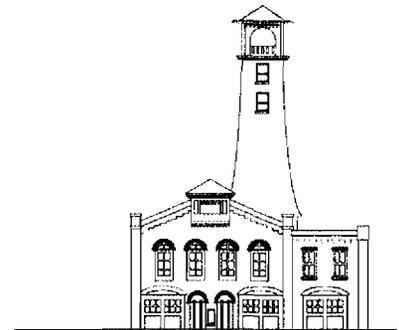
Functional Ability The new owners of this building intend to successfully create and operate a small Tea Room / Restaurant. This building has several shortcomings that cause it to be obsolete in its present condition.

- Doors and windows are not energy efficient and create problems with heat loss and air infiltration.
- Repair to the exterior terra-cotta façade and roof will need to be completed before further dilapidation occurs.
- The interior lacks an adequate kitchen to function for the proposed use; extensive renovation will be required to conform to current code standards and current kitchen equipment standards.
- Barrier Free Restroom facilities and access routes do not exist within the building, extensive renovation will be required to conform to the current building codes.

Summary

It is my professional opinion that this building be declared functionally obsolete because it can not be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors stated above.

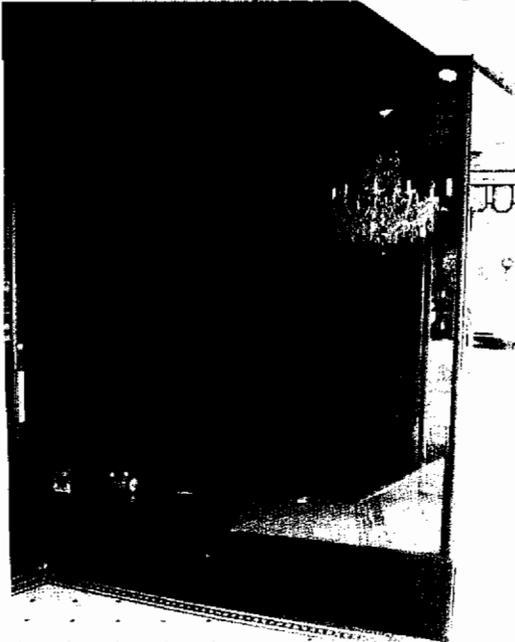
From; Mike Nicklowitz, AIA, LEED AP



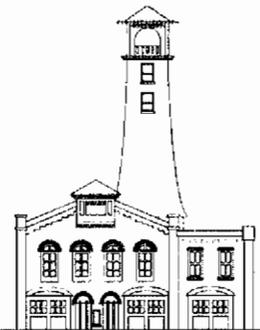
A D G
Adrian Design Group, PLC



Front Façade – (damaged terra-cotta at parapet)



Storefront entry is not insulated



Adrian Design Group PLC
adriandesigngroup.com

126 E. Church St. ~ Adrian, MI 49221 ~ ph. (517) 265-2700

A D G

Adrian Design Group, PLC

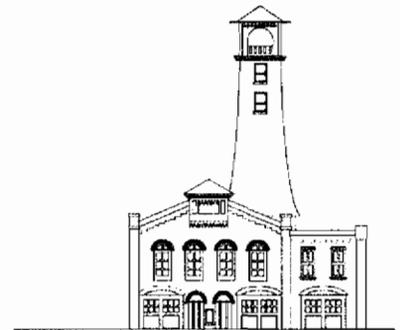


Low ceiling height above and below mezzanine



Non-working kitchen - Obsolete

Adrian Design Group PLC
adriandesigngroup.com



126 E. Church St. ~ Adrian, MI 49221 ~ ph. (517) 265-2700

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

RESOLUTION

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

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

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

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

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

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

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

WHEREAS, the applicant has supplied to the City of Adrian all of the items described on line 9 of the Application for Obsolete Property Rehabilitation Exemption

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

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

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

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

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

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

SO-2, R-2

October 18, 2010

SPECIAL ORDER

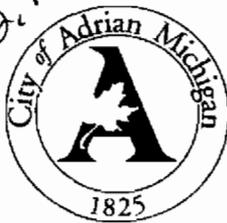
The Mayor called for the hearing and consideration of comments to approval of an application for an Obsolete Property Rehabilitation Exemption Certificate for property located at 149 N. Main owned by David & Kim Horstman.

Discussion

When the Mayor called for final objections _____

_____ and he declared the hearing closed.

5-2, R-2



MEMO

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

DATE: September 30, 2010

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

FROM: Chris Atkin
Director of Community Development

SUBJECT: 149 North Main Street OPRA Exemption Certificate Recommendation

Attached you will find an Obsolete Property Rehabilitation Act (OPRA) Exemption Certificate application from David and Kim Horstman, owner's of 149 North Main Street in downtown Adrian. The proposed rehabilitation project will result in the conversion of the "functionally obsolete" structure to a fully functional, code compliant commercial structure. The estimated personal investment rehabilitation cost is \$151,500.00, not including the purchase price of the building.

Mr. & Mrs. Horstman are petitioning the City of Adrian for an OPRA tax freeze per the city's OPRA policies and procedures. It is the recommendation of the city's Community Development Department for the City Commission to approve the attached resolution granting a nine (9) year OPRA Exemption Certificate for 149 North Main Street rehabilitation project. The nine year period is consistent with the City of Adrian OPRA Application Process and Review Criteria as approved by the Adrian City Commission in the fall of 2006.

Property Eligibility

Functionally Obsolete

The property at 149 North Main Street is "functionally obsolete" by definition per Section 2(h) of Public Act 146 of 2000. Such is reflected in the attached independent finding by local architect, Mr. Michael Nicklowitz, and supported by an Assessor's Affidavit of Functional Obsolescence as obtained from Mr. Martin Marshall, Director of the Lenawee County Equalization Department.

Commercial Property

The first floor will function as "Sauce, Italian Grill & Pub" and the second floor will be rehabilitated to a two bedroom apartment.

Property Ownership

The subject property is currently owned by Mr. & Mrs. Horstman.

Applicant Assurance that the Project would not have been completed without exemption certificate.

The applicant has provided a statement to the Community Development Department indicating that the OPRA exemption certificate represents a necessary incentive to make this rehabilitation project feasible and that the project would not have been considered without.

Rehabilitation Project was not started prior to establishment of OPRA District.

No rehabilitation work on the project commenced prior to the Adrian City Commission establishing the City's Downtown Development District as an Obsolete Property Rehabilitation District per Public Act 146 of 2000. This occurred after a duly noticed public hearing on October 16, 2003.

No delinquent taxes on the facility or structure being renovated.

A review of the city's tax record reveals that there are no outstanding or delinquent tax obligations at this time.

Project has a reasonable likelihood of increasing commercial activity, create/retain employment, prevent a loss of employment and revitalize urban areas.

The 2003 Blueprint for Downtown Adrian is explicit in its suggestion for economic growth and vibrancy, the proposed rehabilitation is consistent with the suggestion. This rehabilitation project will result in the creation of 30 jobs, including expected construction employment, and the nature of the business ensures that commercial activity will increase hence promoting the revitalization of the downtown area.

Applicant must provide a statement of determined economic impact.

Since as early as 1940, the building has been operated as a local tavern and eating establishment. The applicants are making a significant financial and personal investment into the downtown community and the City of Adrian with the anticipation that this project will spur future economic development interest in the downtown. The applicant estimates the rehabilitation project will result in the creation of 30 jobs, including expected construction employment. This project is consistent with the recommendation of the economic vitality of the City's Blueprint for downtown Adrian revitalization.

The applicant will indicate the period of time in which the rehabilitation project will be completed.

The applicant has indicated that they expect to commence rehabilitation work in October 2010 and complete the project by February 2011.

The applicant may request an exemption for up to twelve (12) years and must explain why the abatement is required for the number of years requested.

The applicants request that the City of Adrian approve the exemption certificate for nine (9) years for the subject property. The applicants have state they have and will be devoting a significant amount personal time and investment into the downtown district.

The City of Adrian Commission, per the recommendation of the Downtown Development Authority Board of Directors and city staff has approved policies relative to the use of the Obsolete Property Rehabilitation Act. The policy includes a score sheet by which projects are judged. The proposed project at 149 North Main Street has scored 335points on the score sheet. Per the city's policy, this score makes the project eligible for a nine (9) year Exemption Certificate.

All applicants must be in compliance with the City of Adrian zoning ordinance and the City of Adrian Master Land Use Plan.

The proposed project is located within the Central Business District and is consistent with the use requirements. The proposed project is also consistent with the city's Comprehensive Plan.

The applicant will also include a history of the property use and any environmental concerns and procedures to abate any hazardous conditions.

There are no identifiable or known environmental concerns that would prohibit this type of rehabilitation.

Rehabilitation Project must result in a true cash value aggregation 10% or more of the true cash value at commencement of the rehabilitation project.

True cash value of the property will increase upon project completion.

Conclusions and Findings

It is the opinion of Community Development Department staff that this project will provide continued momentum and influence to downtown Adrian that will be represented through personal investment and rehabilitation/reuse of a "functionally obsolete" building. As a result, the City's Community Development Department respectfully requests that the City of Adrian Commission approve the attached resolution granting a nine (9) year OPRA Exemption Certificate for 149 North Main Street.

Respectfully submitted,

A handwritten signature in cursive script, reading "Chris Atkin", positioned above a horizontal line.

Chris Atkin
Community Development Director



149 N. Main St.
Adrian, MI 49221
586.909.6385

September 16, 2010

Mrs. Pat Baker, Clerk
City of Adrian
135 E. Maumee St.
Adrian, MI 49221

RE: OPRA EXEMPTION APPLICATION – 149 North Main St

Dear Mrs. Baker,

Please accept this letter, the attached application, and required submittals as our, David and Kim Horstman's, application to the City of Adrian for an Obsolete Property Rehabilitation Certificate pursuant to the provisions of Public Act 146 of 2000.

We are currently working with local Architect Mike Nicklowitz of Adrian Design Group (ADG) and expect to invest approximately \$151,500 in combined rehabilitation expenses into the building not including the September 2010 purchase price. It is our intention to rehabilitate a vacant landmark restaurant building in downtown Adrian to a functional use that will service the public with high standards of quality and family atmosphere.

We, David and Kim Horstman, respectfully request that the Adrian City Commission grant an Obsolete Property Rehabilitation Exemption Certificate pursuant to the City of Adrian's OPRA guidelines. We are requesting and exemption of nine (9) years for the property located at 149 North Main Street as permitted by statute.

The following represents responses to the required submittals per PA 146 of 2000.

1. General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage).

Our intention is to rehabilitate the property located at 149 North Main back into a full service eating establishment. The building was constructed in the mid 1900's and the earliest recorded material located is from a 1940 City of Adrian Polk Directory and it indicates the structure to be the North End Tavern. Sometime around 1964 or 1965 the property changed ownership and it was then known as Mr. Ed's, a family restaurant, until it closed in 2007.

The building has a total ground floor area of approximately 3,500 gross square feet and the second level, a residential apartment unit, is approximately 1,300 gross square feet.

2. General description of the proposed use of the rehabilitated facility.

The subject property will be returned to operation as an Italian family restaurant for the general public on the first floor and single apartment will be rehabilitated on the second floor.

3. Description of the general nature and extent of the rehabilitation to be undertaken.

The project will include façade renovations; roof repair to prevent further interior damage; new energy efficient doors and windows; extensive renovations to the kitchen to create adequate space and meet current code and equipment standards; barrier free restrooms will be brought to code as well. The second floor apartment will see extensive rehabilitation as well including meeting current code standards too; this has been a nonfunctional residence for an unknown amount of time

4. A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility.

No information is available at this time.

5. A time schedule for undertaking and completing the rehabilitation of the facility.

We expect to commence rehabilitation during the month of October 2010 with an anticipated/expected completion in February 2011.

6. A statement of the economic advantages expected from the exemption.

This project represents the renovation and reuse of an obsolete property located in downtown Adrian. We will be making a significant financial and personal investment to the downtown community and expect our investment to spur future economic development interest into the heart of the city. We estimate that this project will create 18-22 new employment opportunities and provide work to qualified local contractors during the renovation/rehabilitation process. This project is consistent with the recommendation set forth in the City's Blueprint study to encourage economic vitality into downtown Adrian.

7. A statement from the assessor describing the building's obsolescence.

The assessor's affidavit of functional obsolescence for the structure is attached.

Thank you for taking the time to review our application. If you have any questions or require additional information, please do not hesitate to contact us.

Respectfully,

Kim M. Horstman
Owner

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by P.A. 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. Rehabilitation may commence after establishment of district.

Applicant (Company) Name (applicant must be the OWNER of the facility) David and Kim Horstman		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP code) 3139 Birch Run Adrian, MI 49221		
Location of obsolete facility (No. and street, City, State, ZIP Code) 149 North Main Street Adrian, MI 49221		
City, Township, Village (indicate which) City of Adrian		County Lenawee
Date of Commencement of Rehabilitation (mm/dd/yyyy) 09/31/2010	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 02/31/2011	School District where facility is located (include school code) Adrian 46010
Estimated Cost of Rehabilitation \$151,500.00	Number of years exemption requested 9	Attach Legal description of Obsolete Property on separate sheet
Expected project likelihood (check all that apply):		
<input checked="" type="checkbox"/> Increase Commercial activity	<input type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas
<input checked="" type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment <u>30</u>		
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. <input checked="" type="checkbox"/>		

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by P.A. 146 of 2000 may be in jeopardy.

The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by P.A. 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of P.A. 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) Kim Horstman	Telephone Number (586) 909-6385	Fax Number
Mailing Address 3139 Birch Run Adrian, MI 49221		Email Address dhorstman@pga.com
Signature of Company Officer (no authorized agents)		Title Owner

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 to be completed by the assessor.

Signature	Date application received
-----------	---------------------------

FOR STATE TAX COMMISSION USE

Application Number	Date Received	LUCI Code
--------------------	---------------	-----------

LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date: _____		
<input type="checkbox"/> Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)		
<input type="checkbox"/> Denied		
Date District Established 10/16/2006	LUCI Code 46201	School Code 46010

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

<p>A statement that the local unit is a Qualified Local Governmental Unit.</p> <p>A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of P.A. 146 of 2000.</p> <p>A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under P.A. 146 of 2000 and under P.A. 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit.</p> <p>A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.</p> <p>A statement that the application was approved at a public hearing as provided by section 4(2) of P.A. 146 of 2000 including the date of the hearing.</p> <p>A statement that the applicant is not delinquent in any taxes related to the facility.</p> <p>If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit.</p> <p>A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.</p>	<p>A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.</p> <p>A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.</p> <p>A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of P.A. 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under P.A. 146 of 2000 to establish such a district.</p> <p>A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in.</p> <p>A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of P.A. 146 of 2000.</p> <p>A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.</p>
--	---

PART 3: ASSESSOR RECOMMENDATIONS

Taxable Value and State Equalized Value of Obsolete Property, as provided in P.A. 146 of 2000, as amended, Section 6(2)c...taxable value of the obsolete property, separately stated for real and personal property, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC)...

	Taxable Value	State Equalized Value (SEV)
Land		
Building(s)	\$84,100	\$84,100
Name of Local Government Body City of Adrian	Date of Action on application	Date of Statement of Obsolescence

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by P.A. 146 of 2000 may be in jeopardy.

Name of Clerk Pat Baker	Clerk Signature	Date
Clerk's Mailing Address 135 E. Maumee St.	City Adrian	State MI
	ZIP Code 49221	
Telephone Number (517) 264-4866	Fax Number (517) 265-8698	Email Address pbaker@ci.adrian.mi.us

Mail completed application and attachments to: State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-3272.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

**CITY OF ADRIAN, MICHIGAN
PUBLIC ACT 146 OF 2000
OBSOLETE PROPERTY REHABILITATION ACT**

Name of Applicant: David and Kim Horstman 149 N. Main Street Date: September 16, 2010

		Points Available	Points Awarded
Exterior Treatments are Consistent with the Secretary of Interior Standards for Historic Building Restoration	Yes No	30 0	30
Private Dollars Being Invested (hard costs only) Purchase Price: \$75,000 Rehabilitation Cost: \$151,500 Total Private Investment: \$226,500	\$10,000 - \$50,000 \$50,001 - \$100,000 \$100,001 - \$250,000 \$251,000 - \$500,000 \$500,001 - \$999,999 \$1million - \$2,500,000 \$2,500,001 - \$4,999,999 \$5million +	10 20 30 40 50 75 100 150	30
Number of Code Enforcement Categories Being Resolved (i.e. plumbing, electrical, HVAC, handicapped accessibility, structural, fire code)	1-2 3-4 5-6	10 20 30	30
Property is located within a National or Local Historic District	Yes No	10 0	0
Number of Permanent, Full-Time Equivalent Jobs Created: (two permanent part-time equivalent jobs represents one FTE)	1-5 6-10 11-25 26-50 51-100 100 +	20 35 50 75 110 150	75
Number of loft apartment units:	1-5 6-10 11+	20 40 60	20
Number of owner occupied units and/or individually occupied condominium units:	1-3 4-7 8+	50 70 90	0
Rehabilitation Project Results in Blueprint Recommended Use (see attached sheet for approved uses)	Yes No	75 0	75
Rehabilitation Project Includes 5% of total private rehabilitation work investment in public infrastructure	Yes No	25 0	25
Private Dollars Being Invested in Relation to the Existing Property Value as Determined by the State Equalized Value (SEV) (i.e. \$50,000 private investment in a structure with a \$25,000 SEV equates a 100% improvement on the true cash value of the property) Investment: \$226,500 2010 SEV: \$84,100	50% 75% 100% 125% 150% 175% 200%+	10 20 30 40 50 60 70	50
		Total Points Awarded	335

Total Points	Exemption Certificate (Abatement) in Years
100 - 150	4
151 - 175	5
176 - 225	6
226 - 275	7
276 - 325	8
326 - 375	9
376 - 425	10
426 - 475	11
476 - 500 plus	12

LENAWEE COUNTY EQUALIZATION DEPARTMENT

Martin D. Marshall, Director
Courthouse, 301 North Main Street
Adrian, Michigan 49221
(517) 264-4522

Assessor Affidavit of Functional Obsolescence

**Functionally Obsolete Status
for Brownfield Redevelopment Financing Act
property pursuant to Public Act 381 of 1996.**

Subject Property: 149 N Main St Adrian Michigan
Property Numbers: XA0-100-0191-00
Property Description: BEG 50.66 FT S FR SW COR WASHBURN & MAIN STS TH
S 19 FT TH W 92 FT TH N 69.66 FT TH E 21 FT TH S 35 FT
TH E 23.6 FT TH S 15.66 FT TH E 47.4 FT TO POB,
ORIGINAL PLAT, CITY OF ADRIAN.

Subject property XA0-100-0191-00 is a two story masonry (brick) building with restaurant on the main floor and a residential apartment on the second floor. A portion of the building is single story masonry construction. The property consists of a parcel approximately 3,100 square feet and the above described building with a partial basement. The building foot print occupies 100% of the parcel.

The Brownfield Redevelopment Financing Act, MCL 125.2652(2)(q), provides that “Functionally Obsolete means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property’s relationship with other surrounding property.”

Examples of functional obsolescence offered by the Michigan State Tax Commission include:

- 1) A floor plan which is inappropriate for the highest and best use of the property.
- 2) A heating system which is inadequate for the highest and best use of the property.
- 3) Excessively high or low ceilings for the highest and best use of the property.
- 4) Partition walls which restrict the highest and best use of the property.
- 5) Mechanical systems which are inadequate for the highest and best use of the property.

The subject property suffers from several forms of functional obsolescence.

- 1) The layout of the building, the floor plan, is obsolete by current restaurant and residential design standards. The access to the residential rental is by narrow stairs exiting onto the public sidewalk and the building does not have an elevator.

- 2) The restaurant area of the subject property suffers from outdated and inadequate kitchen facilities and bar area and the restrooms are not ADA compliant.
- 3) The bedroom areas of the residential unit do not meet current egress standards.

Based on the listed characteristics it is my opinion that the subject property suffers from functional obsolescence and meets the Functionally Obsolete definition of the Brownfield Redevelopment Act.

A handwritten signature in black ink, appearing to read "Martin D. Marshall". The signature is written in a cursive, flowing style.

Martin D. Marshall, CMAE 4
Director, Lenawee County Equalization



The building has a total ground floor area of approximately 3,500 gsf. The second level has a residential apartment unit of approximately 1,300 gsf.

Physical Location This property is zoned B-3 located in the central business district. The building shares a party wall on the north The Tailor Shop, and on the south with Phillip A. Schaedler Attorney at Law.

Economic Factors;

Functional Ability The new owners of this building intend to successfully create and operate a Bar / Restaurant. This building has several shortcomings that cause it to be obsolete in its present condition.

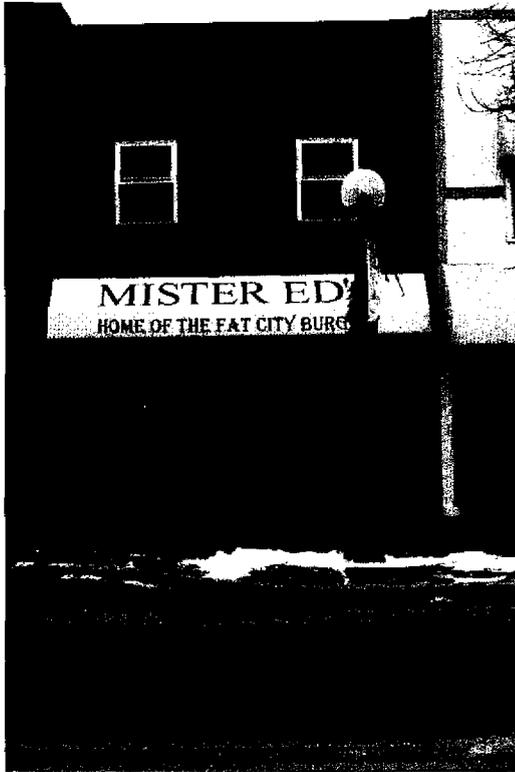
- Doors and windows are not energy efficient and create problems with heat loss and air infiltration.
- Repair to the exterior façade and roof will need to be completed before further dilapidation occurs.
- The interior lacks an adequate kitchen to function for the proposed use; extensive renovation will be required to conform to current code standards and current kitchen equipment standards.
- Barrier Free Restroom facilities and access routes do not conform to the current building codes standards.
- Interior finishes are damaged and will need to be replaced.
- Interior lighting is inadequate.
- Kitchen ventilation and make-up air are nonfunctional.

Summary

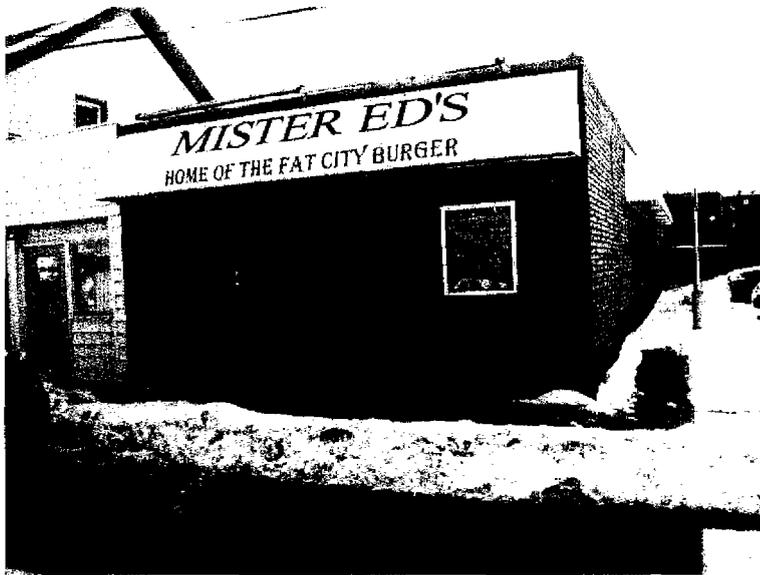
It is my professional opinion that this building be declared functionally obsolete because it can not be used in it's present state to adequately perform the function for which it was intended.

From; Mike Nicklowitz, AIA, LEED AP

A D G
Adrian Design Group, PLC



Main Street Façade – East Side



Toledo Street Façade – North Side

Adrian Design Group PLC
adriandesigngroup.com

126 E. Church St. ~ Adrian, MI 49221 ~ ph. (517) 265-2700

A D G
Adrian Design Group, PLC



Parking Lot Façade – West Side

Adrian Design Group PLC
adriandesigngroup.com

126 E. Church St. ~ Adrian, MI 49221 ~ ph. (517) 265-2700

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

RESOLUTION

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

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

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

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

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

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

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

WHEREAS, the applicant has supplied to the City of Adrian all of the items described on line 9 of the Application for Obsolete Property Rehabilitation Exemption

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

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

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

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

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

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

SO-3, R-3

October 18, 2010

SPECIAL ORDER

The Mayor called for the hearing and consideration of comments to approval of a Special Assessment District for downtown parking lots to partially defray the operating expenses of the lot.

Discussion

When the Mayor called for final objections _____

_____ and he declared the hearing closed.

RESOLUTION

RE: FINANCE DEPARTMENT – Downtown Parking Special Assessment

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

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

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

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

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

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

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

R-4

October 7, 2010

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Merit Metro Act Application



The City has received an application for access to our rights-of-way through a Metro Act Telecommunications Right-of-Way (ROW) permit. This permit is a permit for use of the City's ROW for purposes of installation and maintenance of Telecommunication Facilities.

I have reviewed this application and recommend acceptance of this permit for the requested term of 15 years from the date of issuance, followed by three subsequent renewal terms of 5 years.

Please add approval of this application to the agenda for the October 18, 2010 meeting of the City Commission.

**METRO Act Permit Application Form
Revised 12/06/02**

**City of Adrian
Name of Local Unit of Government**

**APPLICATION FOR
ACCESS TO AND ONGOING USE OF PUBLIC WAYS BY
TELECOMMUNICATIONS PROVIDERS
UNDER
METROPOLITAN EXTENSION TELECOMMUNICATIONS
RIGHTS-OF-WAY OVERSIGHT ACT
2002 PA 48
MCLA SECTIONS 484.3101 TO 484.3120**

BY

**Merit Network, Inc.
("APPLICANT")**

Unfamiliar with METRO Act?--Assistance: Municipalities unfamiliar with Michigan Metropolitan Extension Telecommunications Rights-of-Way Oversight Act ("METRO Act") permits for telecommunications providers should seek assistance, such as by contacting the Telecommunications Division of the Michigan Public Service Commission at 517-241-6200 or via its web site at http://www.michigan.gov/mpsc/0,1607,7-159-16372_22707---,00.html.

45 Days to Act—Fines for Failure to Act: The METRO Act states that "A municipality shall approve or deny access under this section within 45 days from the date a provider files an application for a permit for access to a public right-of-way." MCLA 484.3115(3). The Michigan Public Service Commission can impose fines of up to \$40,000 per day for violations of the METRO Act. It has imposed fines under the Michigan Telecommunications Act where it found providers or municipalities violated the statute.

Where to File: Applicants should file copies as follows [municipalities should adapt as appropriate—unless otherwise specified service should be as follows]:

-- Three (3) copies (one of which shall be marked and designated as the master copy) with the Clerk at 135 E. Maumee St. 2nd Floor, Adrian, MI 49221.

City of Adrian
Name of local unit of government

**APPLICATION FOR
ACCESS TO AND ONGOING USE OF PUBLIC WAYS BY
TELECOMMUNICATIONS PROVIDERS**

**By
Merit Network, Inc
("APPLICANT")**

This is an application pursuant to Sections 5 and 6 of the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, 2002 PA 48 (the "METRO Act") for access to and ongoing usage of the public right-of-way, including public roadways, highways, streets, alleys, easements, and waterways ("Public Ways") in the Municipality for a telecommunications system. The METRO Act states that "A municipality shall approve or deny access under this section within 45 days from the date a provider files an application for a permit for access to a public right-of-way." MCLA 484.3115(3).

This application must be accompanied by a one-time application fee of \$500, unless the applicant is exempt from this requirement under Section 5(3) of the METRO Act, MCLA 484.3105(3).

1 GENERAL INFORMATION:

1.1 Date: July, 2010

1.2 Applicant's legal name: Merit Network, Inc
Mailing Address: 1000 Oakbrook Drive, Suite 200
Ann Arbor, MI 48104-6794
Telephone Number: 734-527-5700
Fax Number: 734-527-5790
Corporate website: http://www.merit.edu/

Name and title of Applicant's local manager (and if different) contact person regarding this application:

Robert (Bob) Stovall, Vice President, Network Operation & Engineering

Mailing Address: Same as above

Telephone Number: 734-476-2288

Fax Number: Same as above

E-mail Address: bes@merit.edu

1.3 Type of Entity: (Check one of the following)

- Corporation
- General Partnership
- Limited Partnership
- Limited Liability Company
- Individual
- Other, please describe: private non-profit 501(c)(3) corporation

1.4 Assumed name for doing business, if any: Merit Network, Inc.

1.5 Description of Entity:

- 1.5.1 Jurisdiction of incorporation/formation; Michigan
- 1.5.2 Date of incorporation/formation; October 17, 1966
- 1.5.3 If a subsidiary, name of ultimate parent company; N/A
- 1.5.4 Chairperson, President/CEO, Secretary and Treasurer (and equivalent officials for non-corporate entities).
Chairman, David Gift, Michigan State University
President: Donald J. Welch
Secretary: Brenda Helminen, Michigan Technology University
Treasurer: James Gilchrist, Western Michigan University

1.6 Attach copies of Applicant's most recent annual report (with state ID number) filed with the Michigan Department of Consumer and Industry Services and certificate of good standing with the State of Michigan. For entities in existence for less than one year and for non-corporate entities, provide equivalent information. **State ID: 38-2210903**

Is Applicant aware of any present or potential conflicts of interest between Applicant and Municipality? If yes, describe: **No**

1.7 In the past three (3) years, has Applicant had a permit to install telecommunications facilities in the public right of way revoked by any Michigan municipality?

Circle: Yes No

If "yes," please describe the circumstances.

1.8 In the past three (3) years, has an adverse finding been made or an adverse final action been taken by any Michigan court or administrative body against Applicant under any law or regulation related to the following:

1.8.1 A felony; or

1.8.2 A revocation or suspension of any authorization (including cable franchises) to provide telecommunications or video programming services?

Circle: Yes No

If "yes," please attach a full description of the parties and matters involved, including an identification of the court or administrative body and any proceedings (by dates and file numbers, if applicable), and the disposition of such proceedings.

1.9 If Applicant has been granted and currently holds a license to provide basic local exchange service, no financial information needs to be supplied.] If publicly held, provide Applicant's most recent financial statements. If financial statements of a parent company of Applicant (or other affiliate of Applicant) are provided in lieu of those of Applicant, please explain. **Not Applicable, Merit Network is a non-profit corporation governed by Michigan's public universities.**

1.9.1 If privately held, and if Municipality requests the information within 10 days of the date of this Application, the Applicant and the Municipality should make arrangements for the Municipality to review the financial statements.

If no financial statements are provided, please explain and provide particulars.

Merit Network, Inc. is privately held. Latest financial statement is attached. See Exhibit A.

2 DESCRIPTION OF PROJECT:

2.1 Provide a copy of authorizations, if applicable, Applicant holds to provide telecommunications services in Municipality. If no authorizations are applicable, please explain.

No authorizations are applicable. Merit Network is only offering data services for schools, government organizations, health care organizations, businesses, and households.

2.2 Describe in plain English how Municipality should describe to the public the telecommunications services to be provided by Applicant and the telecommunications facilities to be installed by Applicant in the Public Ways.

A fiber optic network working to improve broadband in the State of Michigan.

2.3 Attach route maps showing the location (including whether overhead or underground) of Applicant's existing and proposed facilities in the public right-of-way. To the extent known, please identify the side of the street on which the facilities will be located. (If construction approval is sought at this time, provide engineering drawings, if available, showing location and depth, if applicable, of facilities to be installed in the public right-of-way).

See Exhibit B

2.4 Please provide an anticipated or actual construction schedule.

The project is scheduled for completion by December 2012

Please list all organizations and entities which will have any ownership interest in the facilities proposed to be installed in the Public Ways.

**Merit Network, Inc., LYNX Network Group, LLC, KEPS Technologies, Inc. (ACD.net),
The Computer Care Company (TC3Net)**

2.5 Who will be responsible for maintaining the facilities Applicant places in the Public Ways and how are they to be promptly contacted? If Applicant's facilities are to be installed on or in existing facilities in the Public Ways of existing public utilities or incumbent telecommunications providers, describe the facilities to be used, and provide verification of their consent to such usage by Applicant.

Merit Network, Inc.

See Exhibit C for Emergency call out list.

Construction will primarily aerial on existing power poles. Merit Network, Inc. will provide copies of joint use agreements upon request.

3 TELECOMMUNICATION PROVIDER ADMINISTRATIVE MATTERS:

Please provide the following or attach an appropriate exhibit.

- 3.1 Address of Applicant's nearest local office;
Merit Network, Inc.
1000 Oakbrook
Suite 200
Ann Arbor, MI 48104-6794
- 3.2 Location of all records and engineering drawings, if not at local office;
Local office will have a copy of all records and engineering drawings.
- 3.3 Names, titles, addresses, e-mail addresses and telephone numbers of contact person(s) for Applicant's engineer or engineers and their responsibilities for the telecommunications system;
see local contact information above
- 3.4 Provide evidence of self-insurance or a certificate of insurance showing Applicant's insurance coverage, carrier and limits of liability for the following:

- 3.4.1 Worker's compensation;
See Exhibit E, a letter from the University of Michigan Risk Management Services office regarding Merit's converge under the University of Michigan.
- 3.4.2 Commercial general liability, including at least:
 - 3.4.2.1 Combined overall limits;
 - 3.4.2.2 Combined single limit for each occurrence of bodily injury;
 - 3.4.2.3 Personal injury;
 - 3.4.2.4 Property damage;
 - 3.4.2.5 Blanket contractual liability for written contracts, products, and completed operations;
 - 3.4.2.6 Independent contractor liability;
 - 3.4.2.7 For any non-aerial installations, coverage for property damage from perils of explosives, collapse, or damage to underground utilities (known as XCU coverage);
 - 3.4.2.8 Environmental contamination;
- 3.4.3 Automobile liability covering all owned, hired, and non-owned vehicles used by Applicant, its employee, or agents.

Merit Network is covered by the University of Michigan's policy for automobile coverage. No non-UM vehicles will be used.

- 3.5 Names of all anticipated contractors and subcontractors involved in the construction, maintenance and operation of Applicant's facilities in the Public Ways.

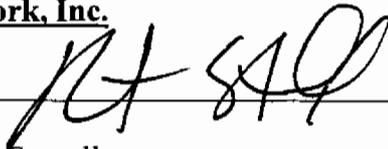
Contractors to be determined.

4 CERTIFICATION:

All the statements made in the application and attached exhibits are true and correct to the best of my knowledge and belief.

Merit Network, Inc.

Signature: _____



Print: Robert Stovall

Title: Vice President,
Network Engineering & Operations

SEP 01 2010

Date: _____

::ODMA\PCDOCS\GRR\759295\5

Merit Network, Inc.

Financial Report
June 30, 2009

Merit Network, Inc.

Contents

Report Letter	1
Financial Statements	
Balance Sheet	2
Statement of Activities and Changes in Net Assets	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6-11



Plante & Moran, PLLC
Suite 300
750 Trade Centre Way
Portage, MI 49002
Tel: 269.567.4500
Fax: 269.587.4501
plante Moran.com

Independent Auditor's Report

To the Board of Directors
Merit Network, Inc.

We have audited the accompanying balance sheet of Merit Network, Inc. (the "Organization") as of June 30, 2009 and 2008 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Merit Network, Inc. at June 30, 2009 and 2008 and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Plante & Moran, PLLC

November 16, 2009

Merit Network, Inc.

Balance Sheet

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Assets		
Cash and cash equivalents	\$ 5,239,445	\$ 5,305,736
Accounts receivable (Note 2)	713,361	562,165
Prepaid expenses and other:		
Prepaid expenses	332,989	400,745
Bond financing fees - Net of amortization of \$50,605 in 2009 and \$40,484 in 2008	101,203	111,324
Property and equipment - Net (Note 3)	8,886,916	8,219,532
Software licenses - Net	467,294	-
Total assets	<u>\$ 15,741,208</u>	<u>\$ 14,599,502</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 420,525	\$ 378,048
Accrued liabilities and other:		
Accrued wages and other liabilities	517,226	480,640
Deferred revenue	1,051,148	824,467
Debt (Note 4)	3,797,933	4,524,551
Total liabilities	5,786,832	6,207,706
Net Assets		
Unrestricted	9,954,376	8,391,453
Temporarily restricted net assets	-	343
Total net assets	<u>9,954,376</u>	<u>8,391,796</u>
Total liabilities and net assets	<u>\$ 15,741,208</u>	<u>\$ 14,599,502</u>

Merit Network, Inc.

Statement of Activities and Changes in Net Assets

	Year Ended					
	June 30, 2009			June 30, 2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and Support						
Grant revenue	\$ 616,946	\$ -	\$ 616,946	\$ 140,359	\$ -	\$ 140,359
Membership fees	6,348,520	-	6,348,520	6,348,519	-	6,348,519
MichNet affiliate and service fees	6,618,567	-	6,618,567	6,266,162	-	6,266,162
Global routing and operations	607,647	-	607,647	455,885	-	455,885
NANOG fees	881,052	-	881,052	972,798	-	972,798
Other service revenue	997,429	-	997,429	757,625	-	757,625
Merit email services	489,550	-	489,550	-	-	-
Interest income	82,153	-	82,153	293,949	13,662	307,611
Miscellaneous income	650	-	650	-	-	-
Total revenue and support	16,642,514	-	16,642,514	15,235,297	13,662	15,248,959
Net Assets Released from Restrictions	343	(343)	-	161,807	(161,807)	-
Total revenue, support, and net assets released from restrictions	16,642,857	(343)	16,642,514	15,397,104	(148,145)	15,248,959
Expenses						
Program services	13,045,902	-	13,045,902	12,142,196	-	12,142,196
Management and general	2,034,032	-	2,034,032	1,696,537	-	1,696,537
Total expenses	15,079,934	-	15,079,934	13,838,733	-	13,838,733
Increase (Decrease) in Net Assets	1,562,923	(343)	1,562,580	1,558,371	(148,145)	1,410,226
Net Assets - Beginning of year	8,391,453	343	8,391,796	6,833,082	148,488	6,981,570
Net Assets - End of year	\$ 9,954,376	\$ -	\$ 9,954,376	\$ 8,391,453	\$ 343	\$ 8,391,796

See Notes to Financial Statements.

Merit Network, Inc.

Statement of Functional Expenses

	Year Ended June 30, 2009		
	Program Services	Management and General	Total
Salaries, wages, and fringe benefits	\$ 5,530,737	\$ 592,560	\$ 6,123,297
Data circuits	4,323,776	-	4,323,776
Office phones	33,729	3,336	37,065
Materials and services	528,356	16,341	544,697
Travel and professional development	192,137	-	192,137
Host agreement fees	-	75,432	75,432
Other expenses	1,149,482	10,883	1,160,365
Rental expense	-	856,755	856,755
Interest expense	-	155,788	155,788
Amortization of bond fees	-	10,121	10,121
Depreciation and amortization	1,287,685	311,803	1,599,488
Bad debt	-	1,013	1,013
Total functional expenses	<u>\$ 13,045,902</u>	<u>\$ 2,034,032</u>	<u>\$ 15,079,934</u>

	Year Ended June 30, 2008		
	Program Services	Management and General	Total
Salaries, wages, and fringe benefits	\$ 4,710,087	\$ 486,190	\$ 5,196,277
Data circuits	4,511,947	-	4,511,947
Office phones	37,433	3,864	41,297
NOC	482,127	-	482,127
Materials and services	582,482	18,015	600,497
Travel and professional development	207,710	-	207,710
Host agreement fees	-	74,390	74,390
Other expenses	487,467	9,948	497,415
Rental expense	-	688,007	688,007
Interest expense	-	184,866	184,866
Amortization of bond fees	-	10,121	10,121
Depreciation and amortization	1,122,943	221,136	1,344,079
Total functional expenses	<u>\$ 12,142,196</u>	<u>\$ 1,696,537</u>	<u>\$ 13,838,733</u>

Merit Network, Inc.

Statement of Cash Flows

	Year Ended	
	June 30, 2009	June 30, 2008
Cash Flows from Operating Activities		
Increase in net assets	\$ 1,562,580	\$ 1,410,226
Adjustments to reconcile increase in net assets to net cash from operating activities:		
Depreciation	1,477,677	1,344,079
Amortization of intangible assets	121,811	-
Amortization of debt costs	10,121	10,121
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(151,196)	(133,850)
Prepaid expenses	67,756	(194,148)
Accounts payable	42,477	(313,752)
Accrued wages and other liabilities	36,586	100,177
Deferred revenue	226,681	(29,839)
Net cash provided by operating activities	3,394,493	2,193,014
Cash Flows from Investing Activities		
Purchase of property and equipment	(2,113,393)	(2,672,861)
Purchases of software licenses	(589,105)	-
Net cash used in investing activities	(2,702,498)	(2,672,861)
Cash Flows from Financing Activities		
Proceeds from debt	722,551	-
Payments on debt	(1,480,837)	(2,035,701)
Net cash used in financing activities	(758,286)	(2,035,701)
Net Decrease in Cash and Cash Equivalents	(66,291)	(2,515,548)
Cash and Cash Equivalents - Beginning of year	5,305,736	7,821,284
Cash and Cash Equivalents - End of year	<u>\$ 5,239,445</u>	<u>\$ 5,305,736</u>
Supplemental Disclosure of Cash Flow Information - Cash paid for interest	<u>\$ 155,788</u>	<u>\$ 184,866</u>

Merit Network, Inc.

Notes to Financial Statements June 30, 2009 and 2008

Note 1 - Nature of Business and Significant Accounting Policies

Nature of Organization - Merit Network, Inc. (the "Organization") is a not-for-profit organization serving more than one million people within Michigan. The Organization's mission is to develop and promote advanced Internet services for research and education. The Organization's network connects universities, community colleges, K-12 schools, libraries, state agencies, and cultural organizations.

Method of Accounting and Basis of Presentation - The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting. The Organization's significant accounting policies are presented below.

Revenue Recognition - Merit Network, Inc.'s main source of funding comes from the membership fees of the 12 governing member universities as well as service fees from other member organizations. Governing members include Central Michigan University, Eastern Michigan University, Ferris State University, Grand Valley State University, Lake Superior State University, Michigan State University, Michigan Tech, Northern Michigan University, Oakland University, University of Michigan, Wayne State University, and Western Michigan University. Merit Network, Inc. reports this funding as unrestricted support.

Merit Network, Inc. also receives grants related to certain projects. These grants are exchange-type grants, therefore revenue is recognized as services are provided.

Deferred revenue represents unused portions of Internet service agreements, which will be recognized in subsequent years as services are rendered.

Equipment - Purchased equipment is stated at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The assets of the Organization are estimated to have useful lives of 3, 6, and 20 years.

Intangible Assets - Intangible assets consist of \$589,105 software licenses. These costs are being amortized on a straight-line basis over the term of the licenses. Amortization expense and accumulated amortization was \$121,811 for 2009.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

Hosting Agreement with University of Michigan - Merit Network, Inc. has a hosting agreement with the University of Michigan (the "University"), in which the University will provide general and administrative services such as billing, collections, accounts payable, and payroll services to the Organization for an annual fee. As part of this agreement, the University will assign employees and provide facilities and other support to the Organization as necessary to perform operating activities.

Merit Network, Inc.

Notes to Financial Statements June 30, 2009 and 2008

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Employees are covered under the University's retirement plan and Merit Network, Inc. is charged 10 percent of the employees' annual salary to fund the plan. If the hosting agreement were to terminate, the University would negotiate in good faith a settlement covering net retirement costs. The settlement would determine a schedule of payments to cover the anticipated future costs of retirement benefits that the University will pay to staff who retire from University employment while working at Merit Network, Inc. At June 30, 2009, there are no plans to terminate the agreement and it is not feasible to estimate what the future retirement costs would be.

Cash Equivalents - Merit Network, Inc.'s cash is held at the University and is commingled with other University cash. The Organization has unlimited access to this cash and, therefore, considers the balance as cash and cash equivalents.

Accounts Receivable - The Organization's accounts receivable are stated at the net invoice amount. Management reviews accounts receivable balances greater than 90 days from invoice date and, based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected as well as a general valuation allowance for those accounts based on historical experience. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for bad debts.

Tax Status - Merit Network, Inc. is a nonprofit tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes.

Functional Allocation of Expenses - The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and support services benefited. The basis used is considered appropriate; however, other methods could be used that would produce different results.

Net Assets - For financial statement purposes, the Organization distinguishes between unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization reports net assets that are not subject to imposed stipulations as unrestricted net assets. Net assets subject to stipulations that may or will be met by actions of the Organization and/or the passage of time are recorded as temporarily restricted net assets. Temporarily restricted net assets at June 30, 2009 was zero. Temporarily restricted net assets at June 30, 2008 totaled \$343, that was restricted for the purchase of fiber optic lines.

Subsequent Events - The financial statements and related disclosures include evaluation of events up through and including November 16, 2009, which is the date the financial statements were available to be issued.

Merit Network, Inc.

Notes to Financial Statements June 30, 2009 and 2008

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Reclassification - Certain reclassifications were made to amounts in the 2008 financial statements conform to the classifications used in 2009. The reclassifications did not impact the overall change in net assets for 2008.

Note 2 - Accounts Receivable

The details of accounts receivable are as follows:

	2009	2008
Accounts receivable	\$ 550,650	\$ 560,429
Due from member organizations	162,711	5,911
Less allowance for doubtful accounts	-	(4,175)
Total	<u>\$ 713,361</u>	<u>\$ 562,165</u>

Note 3 - Property and Equipment

The cost of property and equipment is summarized as follows:

	2009	2008
Office equipment	\$ 1,263,420	\$ 1,104,329
Capital lease equipment	1,924,814	1,893,146
Field equipment	5,850,571	8,675,524
Field equipment - Fiber optic lines	6,037,692	5,214,345
Leasehold improvement	735,365	735,365
Total cost	15,811,862	17,622,709
Accumulated depreciation	<u>(6,924,946)</u>	<u>(9,403,177)</u>
Net carrying amount	<u>\$ 8,886,916</u>	<u>\$ 8,219,532</u>

Depreciation for capital lease equipment was \$375,785 for 2009 and \$373,610 for 2008. Total depreciation expense was \$1,477,677 for 2009 and \$1,344,079 for 2008.

Merit Network, Inc.

Notes to Financial Statements June 30, 2009 and 2008

Note 4 - Debt

The following is a summary of debt at June 30:

	2009	2008
Note payable to Michigan Information Technology Center (MITC), a related party, in annual installments of \$82,000 through 2010. There is no interest on this note	\$ 64,746	\$ 239,167
Capital lease at 3.336 percent with Cisco Systems, due in annual installments ranging from \$90,224 to \$183,547, including interest, through 2011. The note is collateralized by the equipment	171,800	343,863
Michigan Strategic Fund Limited Obligation Revenue Bonds Series 2005 in the amount of \$4,204,000, which have an original maturity date of March 1, 2012. The bonds bear interest at 3.87 percent annually. Annual principal payments began in 2007, ranging from \$533,474 to \$926,120, and are due on the first day of each month. The bonds are collateralized by all equipment and assets of the Organization	2,412,305	3,227,871
Capital lease at 2.035 percent with Steelcase Financial Services, Inc., due in monthly installments of \$8,135, including interest, through 2010. The note is collateralized by the equipment	47,672	137,391
Note payable at 6.86 percent with United Bank & Trust - Washtenaw, due in monthly installments of \$8,719, including interest, through 2013. The note is collateralized by the equipment	336,027	414,646
Note payable at 6.95 percent with United Bank & Trust - Washtenaw, due in monthly installments of \$6,962, including interest, through 2010. The note is collateralized by the equipment	86,947	161,613
Capital lease at 8.15 percent with Key Group, due in monthly installments of \$1,074, including interest, through 2012. The note is collateralized by the equipment	31,018	-

Merit Network, Inc.

Notes to Financial Statements June 30, 2009 and 2008

Note 4 - Debt (Continued)

	<u>2009</u>	<u>2008</u>
Note payable at 1.5 percent over prime rate (5.00 percent at June 30, 2009) with United Bank & Trust - Washtenaw in the amount of \$722,551, due in monthly installments of \$21,674, including interest, through 2012. The note is collateralized by the equipment	\$ 647,418	\$ -
Total	<u>\$ 3,797,933</u>	<u>\$ 4,524,551</u>

The debt service requirements of the long-term debt based on the terms of the bonds and notes payable for the succeeding years are as follows:

<u>Years Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 1,595,690	\$ 133,295
2011	1,327,372	73,533
2012	809,701	19,289
2013	<u>65,170</u>	<u>1,629</u>
Total	<u>\$ 3,797,933</u>	<u>\$ 227,746</u>

Note 5 - Related Party Transactions

The Organization receives revenue and purchases services from various organizations that are members of the board of directors. Following is a summary of transactions and balances with member organizations:

	<u>2009</u>	<u>2008</u>
Revenue from member organizations	\$ 7,659,216	\$ 6,652,444
Due from member organizations (included in accounts receivable)	162,711	7,163
Services purchased from member organizations	702,166	1,122,765

In addition to transactions with member organizations, Merit Network, Inc. has a note payable of \$57,912 and \$232,333 due to MITC, a related party, as of June 30, 2009 and 2008, respectively.

Merit Network, Inc. also has a rental agreement for office space with MITC. Rental payments made to MITC totaled \$825,011 and \$702,434 for the years ended June 30, 2009 and 2008, respectively.

Merit Network, Inc.

Notes to Financial Statements June 30, 2009 and 2008

Note 5 - Related Party Transactions (Continued)

Future rental obligations related to this agreement are as follows:

2010	\$	617,834
2011		636,369
2012		636,369
2013		636,369
2014		655,460
2015-2019		3,336,293
2020 and thereafter		<u>1,043,067</u>
Total	\$	<u>7,561,761</u>

Note 6 - Operating Leases

The Organization leases various circuits and telecommunication lines under operating leases that include provisions for ongoing maintenance expiring at various dates through June 2030. The following is a schedule of future minimum rental payments for the years ending June 30:

2010	\$	1,878,853
2011		1,367,824
2012		717,292
2013		586,643
2014		409,826
2015 and thereafter		<u>5,185,503</u>
Total	\$	<u>10,145,941</u>

Total rent expense on these leases for 2009 and 2008 was \$2,179,644 and \$2,902,130, respectively.

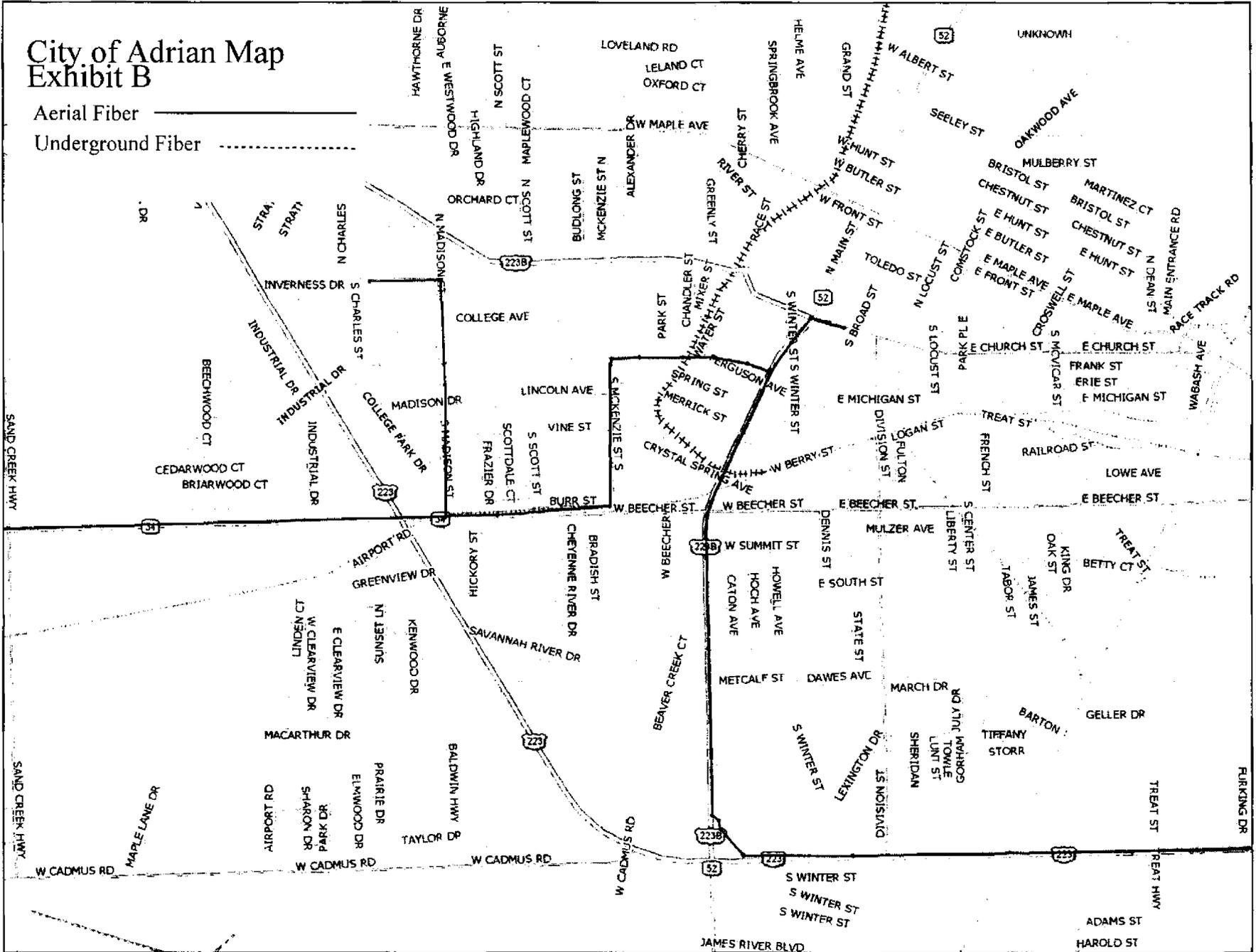
Note 7 - Cash Flows

During the year ended June 30, 2009, Merit Network, Inc. entered into a capital lease resulting in a noncash transaction in the amount of \$31,668.

City of Adrian Map Exhibit B

Aerial Fiber

Underground Fiber



Data use subject to license.

© DeLorme, DeLorme Street Atlas USA® 2010.

www.delorme.com

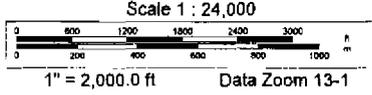


Exhibit C
Merit Network, Inc.
1000 Oakbrook Dr.
Ann Arbor, MI 48104

Bob Stovall

Title: Vice President, Network Operations and Engineering

Role: Oversee the issuance of permits and an overall overseer of the Project(s).

Email Address: bes@merit.edu

Phone Number: 734-476-2288

Pete Empie

Title: Project Manager

Role: On the road working directly with Turnkey, the construction company, and the pole utilities overseeing the work done on the ground. Will be reviewing and submitting permits as well.

Email Address: ictpete@aol.com or pempie@merit.edu

Phone Number: 517-420-1600

Robert Duncan

Title: Network Engineering Director

Role: Pole engineering and planning on overall infrastructure.

Email Address: rduncan@merit.edu

Phone Number: 734-527-5700

Glenn Wiltse

Title: DNS and IP Registration Administration

Role: Assist in developing maps and general consultation.

Email Address: iggy@merit.edu

Phone Number: 734-527-5700

Ryan Kunzelman

Title: Grant Compliance Manager

Role: General oversight of compliance as well as a liaison for flow of information throughout the company concerning the REACH-3MC and REACH-3MC II. Will be reviewing and submitting permits as well.

Email Address: kunzelr@merit.edu

Phone Number: 734-527-5739

Karen Smith

Title: Vice President, Finance & Administration/CFO

Email Address: ksmith@merit.edu

Phone Number: 734-527-5700

Don Welch

Title: President and CEO

Email Address: djwelch@merit.edu

Phone Number: 734-527-5700

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
7/1/2010

PRODUCER Aon Private Risk Management - Detroit 3000 Town Center, Suite 3000 Southfield MI 48075	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Merit Network, Inc. 1000 Oakbrook Drive Ann Arbor MI 48104	INSURER A: Travelers Property Casualty Co	25674
	INSURER B: Travelers Indemnity Company of	25682
	INSURER C: Travelers Property Casualty Co	25674
	INSURER D:	
	INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY	TT02100371	12/1/2009	12/1/2010	EACH OCCURRENCE	\$ 1,000,000
		<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000
		<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ 10,000
						PERSONAL & ADV INJURY	\$ 1,000,000
						GENERAL AGGREGATE	\$ 2,000,000
		GENL AGGREGATE LIMIT APPLIES PER:				PRODUCTS - COMP/OP AGG	\$ 2,000,000
		<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
B		AUTOMOBILE LIABILITY	BA0557P42609TEC	12/1/2009	12/1/2010	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
		<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
		<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
		<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
		<input checked="" type="checkbox"/> HIRED AUTOS					
		<input checked="" type="checkbox"/> NON-OWNED AUTOS					
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$
		<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
C		EXCESS/UMBRELLA LIABILITY	TT05802955	12/1/2009	12/1/2010	EACH OCCURRENCE	\$ 9,000,000
		<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE	\$ 9,000,000
		<input type="checkbox"/> DEDUCTIBLE					\$
		<input checked="" type="checkbox"/> RETENTION \$ 10,000					\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS	OTH-ER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT	\$
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE	\$
		OTHER				E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate Holder, per attached contract, is an additional insured under the above general liability policy with respect to liability arising out of work performed.

Description: The REACH Michigan Mile Collaborative (REACH-3MC) is a partnership led by Merit-Michigan's education network - which engages Merit with 4 commercial providers to share a 1017

CERTIFICATE HOLDER Per attached contract	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE <i>Aon Private Risk Management Insurance Agency, Inc.</i>
--	---

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTION OF OPERATIONS SECTION CONTINUED

DATE
7/1/2010

CERTIFICATE HOLDER:

Per attached contract

INSURED:

Merit Network, Inc.

1000 Oakbrook Drive

Ann Arbor MI 48104

DESCRIPTION OF OPERATIONS CONTINUED:

mile extension of Merit's advanced fiber optic network to serve anchor institutions, households and businesses. REACH-3MC is an ARRA funded project that is designed to improve broadband infrastructure throughout the state.

Note per conditions of GL policy: Certificate Holder is added as an Additional Insured excluding Workers' Compensation and Employers' Liability as required by written contract but limited to the operations of the Insured under said contract, and always subject to the policy terms, conditions and exclusions. Cancellation Provision shown herein is subject to shorter or longer time periods depending on the jurisdiction of, and reason for, the cancellation.

City of Monroe
120 E. First St.
Monroe, MI 48161

Monroe Charter Township
4925 E. Dunbar Rd.
Monroe, MI 48161

Raisinville Township
96 Ida-Maybee Rd.
Monroe, MI 48161

Dundee Township
179 Main St.
Dundee, MI 48131

Village of Dundee
350 W. Monroe St.
Dundee, MI 48131

Summerfield Township
PO Box 98
Petersburg, MI 49270

City of Petersburg
24 E. Center St.
Petersburg, MI 49270

Deerfield Township
468 Carey St.
Deerfield, MI 49238

Village of Deerfield
101 W. River St.
Deerfield, MI 49238

Blissfield Township
PO Box 58
Blissfield, MI 49228

Village of Blissfield
408 E. Adrian St.
Blissfield, MI 49228

Palmyra Township
PO Box 97
Palmyra, MI 49268

Madison Charter Township
4008 S. Adrian Hwy
Adrian, MI 49221

City of Adrian
135 E. Maumee St. 2nd Floor
Adrian, MI 49221

Dover Township
7712 W. Carleton Rd.
Clayton, MI 49235

Hudson Township
1221 Kiel Hwy
Hudson, MI 49247

City of Hudson
121 N. Church St.
Hudson, MI 49247

Pittsford Township
12011 Hudson Rd.
Pittsford, MI 49271

Jefferson Township
2837 Bird Lake Rd. S
Osseo, MI 49266

Cambria Township
7287 Cambria Rd.
Hillsdale, MI 49242

Hillsdale Township
PO Box 181
Hillsdale, MI 49242

City of Hillsdale
97 North Broad St.
Hillsdale, MI 49242

Fayette Township
211 North St.
Jonesville, MI 49250

Village of Jonesville
265 E. Chicago St.
Jonesville, MI 49250

Allen Township
8181 Arkansaw Rd.
Allen, MI 49227

Village of Allen
7800 Arkansaw Rd.
Allen, MI 49227

Quincy Township
884 Dery St.
Quincy, MI 49082

Village of Quincy
47 Cole St.
Quincy, MI 49082

Coldwater Township
319 Sprague Rd.
Coldwater, MI 49036

City of Coldwater
One Grand St.
Coldwater, MI 49036

Batavia Township
402 N. Snow Prairie Rd.
Coldwater, MI 49036

Bethel Township
453 Hatmaker Rd.
Bronson, MI 49028

Bronson Township
766 Kosmerick Rd.
Bronson, MI 49028

City of Bronson
141 S. Matteson St.
Bronson, MI 49028

Burr Oak Township
PO Box 241
Burr Oak, MI 49030

Fawn River Township
71209 S. Lakeview St.
Sturgis, MI 49091

City of Sturgis
130 N. Nottawa
Sturgis, MI 49091

Sherman Township
63108 W. Fish Lake Rd.
Sturgis, MI 49091

Colon Township
PO Box 608
Colon, MI 49040

Nottawa Township
PO Box 68
Centreville, MI 49072

Village of Centreville
221 W. Main St
Centreville, MI 49032

Lockport Township
56270 Buffalo Dr.
Three Rivers, MI 49093

City of Three Rivers
333 W. Michigan Ave.
Three Rivers, MI 49093

Fabious Township
PO Box 455
Three Rivers, MI 49093

Newberg Township
59950 County Line Rd.
Three Rivers, MI 49093

Penn Township
61273 Alexander Dr.
Vandalia, MI 49095

Vandalia Village
18035 W. State St.
Vandalia, MI 49095

Cassopolis Village
117 S. Broadway St. Suite 100
Cassopolis, MI 49031

LaGrange Township
24745 Cass St.
Cassopolis, MI 49031

City of Dowagiac
241 S. Front St.
Dowagiac, MI 49047

Silver Creek Township
PO Box 464
Dowagiac, MI 49047

Pokagon Township
30683 Peavine St.
Dowagiac, MI 49047

Berrien Township
PO Box 61
Berrien Center, MI 49102

Pipestone Township
PO Box 291
Eau Claire, MI 49111

Village of Eau Claire
6625 E. Main St.
Eau Claire, MI 49111

Oronoko Charter Township
4583 E. Snow Rd.
Berrien Springs, MI 49103

Village of Berrien Springs
PO Box 177
Berrien Springs, MI 49103

Royalton Township
980 Miners Rd.
St. Joseph, MI 49085

City of Benton Harbor
200 Wall St.
Benton Harbor, MI 49022

Benton Charter Township
1725 Territorial Rd.
Benton Harbor, MI 49022

Hagar Township
PO Box 135
Riverside, MI 49084

Coloma Charter Township
4919 Paw Paw Lake Rd.
Coloma, MI 49038

City of Coloma
119 N. Paw Paw St.
Coloma, MI 49038

Covert Township
PO Box 35
Covert, MI 49043

South Haven Charter Township
09761 Blue Star Memorial Hwy
South Haven, MI 49090

City of South Haven
539 Phoenix St.
South Haven, MI 49090

Casco Township
7104 107th Ave.
South Haven, MI 49090

Ganges Township
1904 64th St.
Fennville, MI 49408

Saugatuck Township
3461 Blue Star Memorial Hwy.
Saugatuck, MI 49453

Clyde Township
PO Box 671
Fennville, MI 49408

City of Fennville
222 S. Maple St.
Fennville, MI 49408

Manlius Township
3134 57th St.
Fennville, MI 49408

Fillmore Township
4219 52nd St.
Holland, MI 49423

Overisel Township
A-4307 144th Ave.
Holland, MI 49423

Zeeland Charter Township
6582 Byron Rd.
Zeeland, MI 49464

City of Zeeland
21 S. Elm St.
Zeeland, MI 49464

Holland Charter Township
PO Box 8127
Holland, MI 49422

Olive Township
6480 136th Ave.
Holland, MI 49424

Robinson Township
12010 120th Ave.
Grand Haven, MI 49417

Grand Haven Charter Township
13300 168th Ave.
Grand Haven, MI 49417

City of Grand Haven
519 Washington Ave.
Grand Haven, MI 49417

City of Ferrysburg
408 Fifth St.
Ferrysburg, MI 49409

Spring Lake Township
106 S. Buchanan St.
Spring Lake, MI 49456

City of Norton Shores
4814 Henry St.
Norton Shores, MI 49441

Muskegon Charter Township
1990 E. Apple Ave.
Muskegon, MI 49442

City of Muskegon
933 Terrace St.
Muskegon, MI 49440

Dalton Township
1616 E. Riley Thompson Rd.
Muskegon, MI 49445

Fruitland Township
4545 Nestrom Rd.
Whitehall, MI 49461

Whitehall Township
7644 Durham Rd.
Whitehall, MI 49461

City of Whitehall
405 E. Colby St.
Whitehall, MI 49461

City of Montague
8778 Ferry St.
Montague, MI 49437

Montague Township
3125 Weesies Rd.
Montague, MI 49437

Grant Township
7140 S. Oceana Dr.
Rothbury, MI 49452

Shelby Township
PO Box 215
Shelby, MI 49455

Benona Township
7169 W. Baker Rd.
Shelby, MI 49455

Hart Township
3437 W. Polk Rd.
Hart, MI 49420

Weare Township
6295 N. 88th Ave.
Hart, MI 49420

Pentwater Township
PO Box 512
Pentwater, MI 49449

City of Pentwater
327 S. Hancock St.
Pentwater, MI 49449

Summit Township
4560 W. Anthony Rd.
Ludington, MI 49431

Pere Marquette Charter Township
1699 S. Pere Marquette Hwy
Ludington, MI 49431

City of Ludginton
400 S. Harrison St.
Ludington, MI 49431

Amber Township
221 N. Gordon Rd.
Scottville, MI 49454

City of Scottville
105 North Main St.
Scottville, MI 49454

Custer Township
2888 E. Wilson Rd.
Custer, MI 49405

Branch Township
PO Box 304
Walhalla, MI 49548

Victory Township
4118 N. Victory Corner Rd.
Ludington, MI 49431

Sherman Township
PO Box 67
Fountain, MI 49410

Grant Township
8969 N. US Hwy 31
Free Soil, MI 49411

Free Soil Township
497 E. Free Soil Rd.
Free Soil, MI 49411

Sweetwater Township
7438 W. Wingleton Rd.
Baldwin, MI 49304

Webber Township
PO Box 939
Baldwin, MI 49304

Peacock Township
4480 W. 4 Mile Rd.
Irons, MI 49644

Newkrick Township
520 N. Kings Hwy
Luther, MI 49646

Ellsworth Township
PO Box 113
Luther, MI 49656

Village of Luther
PO Box 9
Luther, MI 49646

Filer Charter Township
2505 Filer City Rd.
Manistee, MI 49660

City of Manistee
70 Maple St.
Manistee, MI 49660

Manistee Township
410 Holden St.
Manistee, MI 49660

Brown Township
9763 Coates Hwy
Manistee, MI 49660

Bear Lake Township
8644 Maidens Rd.
Bear Lake, MI 49614

Village of Bear Lake
PO Box 175
Bear Lake, MI 49614

Pleasanton Township
8958 Lumley Rd.
Bear Lake, MI 49614

Joyfield Township
6393 Joyfield Rd.
Frankfort, MI 49635

Benzonia Township
PO Box 224
Benzonia, MI 49616

Village of Benzonia
PO Box 223
Benzonia, MI 49616

Village of Beulah
7228 Commercial St.
Beulah, MI 49617

Homestead Township
PO Box 315
Honor, MI 49640

Village of Honor
10922 Platte St.
Honor, MI 49640

Inland Township
19668 Honor Hwy
Interlochen, MI 49643

Green Lake Township
PO Box 157
Interlochen, MI 49634

Blair Township
2121 Co. Rd. 633
Grawn, MI 49637

Garfield Township
3848 Veterans Dr.
Traverse city, MI 49684

City of Traverse City
400 Boardman Ave.
Governmental Center, 1st Floor
Traverse City, MI 49684

East Bay Township
1965 3 Mile Rd. N
Traverse City, MI 49686

Acme Township
6042 Acme Rd.
Williamsburg, MI 49690

Whitewater Township
PO Box 159
Williamsburg, MI 49690

Clearwater Township
PO Box 1
Rapid City, MI 49676

Kalkaska Township
PO Box 855
Kalkaska, MI 49646

Village of Kalkaska
200 Hyde St.
Kalkaska, MI 49646

Rapid River Township
1010 Phelps Rd.
Kalkaska, MI 49646

Custer Township
PO Box 814
Mancelona, MI 49659

Mancelona Township
PO Box 332
Mancelona, MI 49659

Village of Mancelona
PO Box 648
Mancelona, MI 49659

Chestonia Township
PO Box 295
Alba, MI 49611

Jordan Township
5577 St. Johns Rd.
East Jordan, MI 49727

Echo Township
2876 Finkton Rd.
East Jordan, MI 49727

South Arm Township
Po Box 304
East Jordan, MI 49727

City of East Jordan
201 Main St.
East Jordan, MI 49727

Eveline Township
PO Box 454
Charlevoix, MI 49720

Marion Township
01362 Matchett Rd.
Charlevoix, MI 49720

City of Charlevoix
210 State St.
Charlevoix, MI 49720

Boyne City
319 North Lake St.
Boyne City, MI 49712

Evangeline Township
PO Box 396
Boyne City, MI 49712

Bay Township
05045 Boyne City Rd.
Boyne City, MI 49712

Hayes Township
9195 Old 31 N
Charlevoix, MI 49720

Melrose Township
PO Box 189
Walloon Lake, MI 49796

Bear Creek Township
373 N. Division
Petoskey, MI 49770

City of Petoskey
101 E. Lake St.
Petoskey, MI 49770

Little Traverse Township
8288 S. Pleasantview Rd.
Harbor Springs, MI 49740

Littlefield Township
PO Box 188
Alanson, MI 49706

Village of Alanson
PO Box 425
Alanson, MI 49706

Maple River Township
3989 US Hwy 31
Brutus, MI 49716

McKinley Township
PO Box 262
Pellston, MI 49769

Village of Pellston
125 Milton Rd.
Pellston, MI 49769

Carp Lake Township
10471 N. Hayes Lane
Carp Lake, MI 49718

Wawatam Township
PO Box 38
Mackinaw City, MI 49701

Munro Township
11637 Heilman Rd.
Levering, MI 49755

City of Mt. Pleasant
320 W. Broadway St.
Mt. Pleasant, MI 48858

Union Charter Township
2010 S. Lincoln Rd.
Mt. Pleasant, MI 48858

Isabella Township
3929 E. Rosebush Rd.
Rosebush, MI 48878

Village of Rosebush
3876 E. Rosebush Rd.
Rosebush, MI 48878

Vernon Township
10877 N. Lincoln Rd.
Clare, MI 48617

City of Clare
202 W. Fifth St.
Clare, MI 48617

Grant Township
8490 S. Grant Ave.
Clare, MI 48617

Sheridan Township
8110 Washington Rd.
Clare, MI 486147

Beaverton Township
5700 N. Lewis Rd.
Coleman, MI 48618

City of Beaverton
124 W. Brown St.
Beaverton, MI 48612

Grout Township
5134 Plude Rd.
Gladwin, MI 48624

City of Gladwin
1000 West Cedar Ave.
Gladwin, MI 48624

Gladwin Township
2001 Wagarville Rd.
Gladwin, MI 48624

Butman Township
5005 N. Hockady Rd.
Gladwin, MI 48624

Nester Township
7855 Maple Valley Rd.
St. Helen, MI 48656

Backus Township
3888 S. Maple Valley Rd.
St. Helen, MI 48686

Richfield Township
PO Box 128
St. Helen, MI 48656

Higgins Township
PO Box 576
Roscommon, MI 48653

Markey Township
4974 E. Houghton Lake Dr.
Houghton Lake, MI 48629

Gerrish Township
2997 E. Higgins Lake Dr.
Roscommon, MI 48653

Beaver Creek Township
8888 S. Grayling Rd.
Grayling, MI 49738

Grayling Charter Township
PO Box 521
Grayling, MI 49738

City of Grayling
1020 City Blvd.
Grayling, MI 49738

Frederic Township
PO Box 78
Frederic, MI 49733

Maple Forest Township
2520 W. Marker Rd.
Grayling, MI 49738

Otsego Lake Township
PO Box 99
Waters, MI 49797

Bagley Township
PO Box 52
Gaylord, MI 49735

City of Gaylord
305 E. Main St.
Gaylord, MI 49735

Chester Township
1737 Big Lake Rd.
Gaylord, MI 49735

Charlton Township
PO Box 367
Johannesburg, MI 49751

Vienna Township
2734 M-32
Atlanta, MI 49709

Briley Township
PO Box 207
Atlanta, MI 49709

Hillman Township
PO Box 25
Hillman, MI 49746

Village of Hillman
211 E. Second St.
Hillman, MI 49746

City of Midland
333 W. Ellsworth St.
Midland, MI 48640

Williams Charter Township
1080 W. Midland Rd.
Auburn, MI 48611

City of Auburn
113 E. Elm St.
Auburn, MI 48611

Monitor Township
2483 Midland Rd.
Bay City, MI 48706

Bay City
301 Washington Ave.
Bay City, MI 48708

Bangor Township

180 State Park Dr.
Bay City, MI 48706

Kawkawlin Township

1836 E.Parish Rd.
Kawkawlin, MI 48631

Fraser Township

1474 N. Mackinaw Rd.
Linwood, MI 48634

City of Pinconning

PO Box 628
Pinconning, MI 48650

Pinconning Township

PO Box 58
Pinconning, MI 48650

Standish Township

4997 Arenac Rd.
Standish, MI 48658

Lincoln Township

4641 Duprie Rd.
Standish, MI 48658

City of Standish

399 East Beaver St.
Standish, MI 48658

Deep River Township

525 E. State St.
Sterling, MI 48659

Arenac Township

438 W. Huron Rd.
Omer, MI 48749

City of Omer

201 E. Center St.
Omer, MI 48749

AuGres Township

1865 Swenson Rd.
AuGres, MI 48703

Mason Township

1199 N. Black Rd.
Twining, MI 48766

Turner Township

PO Box 22
Twining, MI 48766

Village of Twining

311 W. Main St.
Twining, MI 48766

Sherman Township

3165 Alabaster Rd
Tawas City, MI 48763

Alabaster Township

1716 S. US Hwy 23
Tawas City, MI 48763

Grant Township

4049 W. Indian Lake Rd.
National City, MI 48748

Tawas Township

27 S. McArdle Rd.
Tawas City, MI 48763

Tawas City

PO Box 568
Tawas City, MI 48764

Wilber Township

3120 Sherman Rd.
East Tawas, MI 48730

Au Sable Township

311 5th St. N
Au Sable, MI 48750



The University of Michigan

Risk Management Services

Argus II Building
400 S. Fourth Street
Ann Arbor, MI 48103-4816
Office: 734-764-2200
Facsimile: 734-763-2043

November 9, 2009

Re: Evidence of Insurance as respects sponsored activities of the University of Michigan
(including Merit Network)

To Whom It May Concern:

The following is provided as evidence of the University of Michigan Workers Compensation self-insurance program. This program is a fully funded, non-cancelable plan with the following limits.

Workers' Compensation Insurance	Statutory Limits
Employers Liability Insurance	\$1,000,000 each accident
	\$1,000,000 disease each employee
	\$1,000,000 disease policy limit

This letter constitutes our certificate of insurance as it applies to the sponsored activities of The University of Michigan.

Please let me know if you have any questions.

Best Regards,

A handwritten signature in black ink, appearing to read "Chip Hartke".

Chip Hartke
Risk Management Services
ehartke@umich.edu



The University of Michigan

Risk Management Services

Argus II Building
400 S. Fourth Street
Ann Arbor, MI 48103-4816
Office: 734-764-2200
Facsimile: 734-763-2043

November 9, 2009

Re: Evidence of Insurance as respects sponsored activities of the University of Michigan
(including Merit Network)

To Whom It May Concern:

The following is provided as evidence of the University of Michigan Workers Compensation self-insurance program. This program is a fully funded, non-cancelable plan with the following limits.

Workers' Compensation Insurance	Statutory Limits
Employers Liability Insurance	\$1,000,000 each accident
	\$1,000,000 disease each employee
	\$1,000,000 disease policy limit

This letter constitutes our certificate of insurance as it applies to the sponsored activities of The University of Michigan.

Please let me know if you have any questions.

Best Regards,

A handwritten signature in black ink, appearing to read "Chip Hartke".

Chip Hartke
Risk Management Services
ehartke@umich.edu

**METRO Act Permit
Bilateral Form
Revised 12/06/02**

**RIGHT-OF-WAY
TELECOMMUNICATIONS PERMIT**

TERMS AND CONDITIONS

1 Definitions

- 1.1 Company shall mean Merit Network Incorporated organized under the laws of the State of Michigan whose address is 1000 Oakbrook Drive, Suite 200, Ann Arbor, MI 48104.
- 1.2 Effective Date shall mean the date set forth in Part 13.
- 1.3 Manager shall mean Municipality's Clerk or his or her designee.
- 1.4 METRO Act shall mean the Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, Act No. 48 of the Public Acts of 2002, as amended.
- 1.5 Municipality shall mean City of Adrian, a Michigan municipal corporation.
- 1.6 Permit shall mean this document.
- 1.7 Public Right-of-Way shall mean the area on, below, or above a public roadway, highway, street, alley, easement, or waterway, to the extent Municipality has the ability to grant the rights set forth herein. Public right-of-way does not include a federal, state, or private right-of-way.
- 1.8 Telecommunication Facilities or Facilities shall mean the Company's equipment or personal property, such as copper and fiber cables, lines, wires, switches, conduits, pipes, and sheaths, which are used to or can generate, receive, transmit, carry, amplify, or provide telecommunication services or signals. Telecommunication Facilities or Facilities do not include antennas, supporting structures for antennas, equipment shelters or houses, and any ancillary equipment and miscellaneous hardware used to provide federally licensed commercial mobile service as defined in Section 332(d) of Part I of Title III of the Communications Act of 1934, Chapter 652, 48 Stat. 1064, 47 U.S.C. 332 and further defined as commercial mobile radio service in 47 CFR 20.3, and service provided by any wireless, 2-way communications device.
- 1.9 Term shall have the meaning set forth in Part 7.

2 Grant

- 2.1 Municipality hereby grants a permit under the METRO Act to Company for access to and ongoing use of the Public Right-of-Way to construct, install and maintain Telecommunication Facilities in those portions of the Public Right-of-Way identified on Exhibit A on the terms set forth herein.
- 2.1.1 Exhibit A may be modified by written request by Company and approval by Manager.
- 2.1.2 Manager shall not unreasonably condition or deny any request for a modification of Exhibit A. Any decision of Manager on a request for a modification may be appealed by Company to Municipality's legislative body.
- 2.2 Overlashing. Company shall not allow the wires or any other facilities of a third party to be overlashed to the Telecommunication Facilities without Municipality's prior written consent. Municipality's right to withhold written consent is subject to the authority of the Michigan Public Service Commission under Section 361 of the Michigan Telecommunications Act, MCL § 484.2361.
- 2.3 Nonexclusive. The rights granted by this Permit are nonexclusive. Municipality reserves the right to approve, at any time, additional permits for access to and ongoing usage of the Public Right-of-Way by telecommunications providers and to enter into agreements for use of the Public Right-of-Way with and grant franchises for use of the Public Right-of-Way to telecommunications providers, cable companies, utilities and other providers.

3 Contacts, Maps and Plans

- 3.1 Company Contacts. The names, addresses and the like for engineering and construction related information for Company and its Telecommunication Facilities are as follows:
- 3.1.1 The address, e-mail address, phone number and contact person (title or name) at Company's local office (in or near Municipality) is Robert Duncan, 1000 Oakbrook, Suite 200, Ann Arbor, MI 48104. Ph# 734-527-5700. Email rduncan@merit.edu.
- 3.1.2 If Company's engineering drawings, as-built plans and related records for the Telecommunication Facilities will not be located at the preceding local office, the location address, phone number and contact person (title or department) for them is _____.

3.1.3 The name, title, address, e-mail address and telephone numbers of Company's engineering contact person(s) with responsibility for the design, plans and construction of the Telecommunication Facilities is Merit Network, Inc., Robert Duncan, 1000 Oakbrook, Suite 200, Ann Arbor, MI 48104. Ph# 734-527-5700. Email rduncan@merit.edu.

The address, phone number and contact person (title or department) at Company's home office/regional office with responsibility for engineering and construction related aspects of the Telecommunication Facilities is Merit Network, Inc., Robert Duncan, 1000 Oakbrook, Suite 200, Ann Arbor, MI 48104. Ph# 734-527-5700. Email rduncan@merit.edu.

3.1.4 Company shall at all times provide Manager with the phone number at which a live representative of Company (not voice mail) can be reached 24 hours a day, seven (7) days a week, in the event of a public emergency. Phone number: 734-763-3448.

3.1.5 The preceding information is accurate as of the Effective Date. Company shall notify Municipality in writing as set forth in Part 12 of any changes in the preceding information.

3.2 Route Maps. Within ninety (90) days after the substantial completion of construction of new Facilities in a Municipality, a provider shall submit route maps showing the location of the Telecommunication Facilities to both the Michigan Public Service Commission and to the Municipality, as required under Section 6(7) of the METRO Act, MCLA 484.3106(7).

3.3 As-Built Records. Company, without expense to Municipality, shall, upon forty-eight (48) hours notice, give Municipality access to all "as-built" maps, records, plans and specifications showing the Telecommunication Facilities or portions thereof in the Public Right-of-Way. Upon request by Municipality, Company shall inform Municipality as soon as reasonably possible of any changes from previously supplied maps, records, or plans and shall mark up maps provided by Municipality so as to show the location of the Telecommunication Facilities.

4 Use of Public Right-of-Way

4.1 No Burden on Public Right-of-Way. Company, its contractors, subcontractors, and the Telecommunication Facilities shall not unduly burden or interfere with the present or future use of any of the Public Right-of-Way. Company's aerial cables and wires shall be suspended so as to not endanger or injure persons or property in or about the Public Right-of-Way. If Municipality reasonably determines that any portion of the Telecommunication Facilities constitutes an undue burden or interference, due to changed circumstances, Company, at its sole expense, shall modify the Telecommunication Facilities or take such other actions

burden, and Company shall do so within a reasonable time period. Municipality shall attempt to require all occupants of a pole or conduit whose facilities are a burden to remove or alleviate the burden concurrently.

- 4.2 No Priority. This Permit does not establish any priority of use of the Public Right-of-Way by Company over any present or future permittees or parties having agreements with Municipality or franchises for such use. In the event of any dispute as to the priority of use of the Public Right-of-Way, the first priority shall be to the public generally, the second priority to Municipality, the third priority to the State of Michigan and its political subdivisions in the performance of their various functions, and thereafter as between other permit, agreement or franchise holders, as determined by Municipality in the exercise of its powers, including the police power and other powers reserved to and conferred on it by the State of Michigan.
- 4.3 Restoration of Property. Company, its contractors and subcontractors shall immediately (subject to seasonal work restrictions) restore, at Company's sole expense, in a manner approved by Municipality, any portion of the Public Right-of-Way that is in any way disturbed, damaged, or injured by the construction, installation, operation, maintenance or removal of the Telecommunication Facilities to a reasonably equivalent (or, at Company's option, better) condition as that which existed prior to the disturbance. In the event that Company, its contractors or subcontractors fail to make such repair within a reasonable time, Municipality may make the repair and Company shall pay the costs Municipality incurred for such repair.
- 4.4 Marking. Company shall mark the Telecommunication Facilities as follows: Aerial portions of the Telecommunication Facilities shall be marked with a marker on Company's lines on alternate poles which shall state Company's name and provide a toll-free number to call for assistance. Direct buried underground portions of the Telecommunication Facilities shall have (1) a conducting wire placed in the ground at least several inches above Company's cable (if such cable is nonconductive); (2) at least several inches above that, a continuous colored tape with a statement to the effect that there is buried cable beneath; and (3) stakes or other appropriate above ground markers with Company's name and a toll-free number indicating that there is buried telephone cable below. Bored underground portions of the Telecommunication Facilities shall have a conducting wire at the same depth as the cable and shall not be required to provide the continuous colored tape. Portions of the Telecommunication Facilities located in conduit, including conduit of others used by Company, shall be marked at its entrance into and exit from each manhole and handhole with Company's name and a toll-free telephone number.
- 4.5 Tree Trimming. Company may trim trees upon and overhanging the Public Right-of-Way so as to prevent the branches of such trees from coming into

contact with the Telecommunication Facilities, consistent with any standards adopted by Municipality. Company shall dispose of all trimmed materials. Company shall minimize the trimming of trees to that essential to maintain the integrity of the Telecommunication Facilities. Except in emergencies, all trimming of trees in the Public Right-of-Way shall have the advance approval of Manager.

- 4.6 Installation and Maintenance. The construction and installation of the Telecommunication Facilities shall be performed pursuant to plans approved by Municipality. The open cut of any Public Right-of-Way shall be coordinated with the Manager or his designee. Company shall install and maintain the Telecommunication Facilities in a reasonably safe condition. If the existing poles in the Public Right-of-Way are overburdened or unavailable for Company's use, or the facilities of all users of the poles are required to go underground then Company shall, at its expense, place such portion of its Telecommunication Facilities underground, unless Municipality approves an alternate location. Company may perform maintenance on the Telecommunication Facilities without prior approval of Municipality, provided that Company shall obtain any and all permits required by Municipality in the event that any maintenance will disturb or block vehicular traffic or are otherwise required by Municipality.
- 4.7 Pavement Cut Coordination. Company shall coordinate its construction and all other work in the Public Right-of-Way with Municipality's program for street construction and rebuilding (collectively "Street Construction") and its program for street repaving and resurfacing (except seal coating and patching) (collectively, "Street Resurfacing").
- 4.7.1 The goals of such coordination shall be to encourage Company to conduct all work in the Public Right-of-Way in conjunction with or immediately prior to any Street Construction or Street Resurfacing planned by Municipality.
- 4.8 Compliance with Laws. Company shall comply with all laws, statutes, ordinances, rules and regulations regarding the construction, installation, and maintenance of its Telecommunication Facilities, whether federal, state or local, now in force or which hereafter may be promulgated. Before any installation is commenced, Company shall secure all necessary permits, licenses and approvals from Municipality or other governmental entity as may be required by law, including, without limitation, all utility line permits and highway permits. Municipality shall not unreasonably delay or deny issuance of any such permits, licenses or approvals. Company shall comply in all respects with applicable codes and industry standards, including but not limited to the National Electrical Safety Code (latest edition adopted by Michigan Public Service Commission) and the National Electric Code (latest edition). Company shall comply with all zoning and land use ordinances and historic preservation ordinances as may exist or may

hereafter be amended. This section does not constitute a waiver of Company's right to challenge laws, statutes, ordinances, rules or regulations now in force or established in the future.

- 4.9 Street Vacation. If Municipality vacates or consents to the vacation of Public Right-of-Way within its jurisdiction, and such vacation necessitates the removal and relocation of Company's Facilities in the vacated Public Right-of-Way, Company shall, as a condition of this Permit, consent to the vacation and remove its Facilities at its sole cost and expense when ordered to do so by Municipality or a court of competent jurisdiction. Company shall relocate its Facilities to such alternate route as Municipality and Company mutually agree, applying reasonable engineering standards.
- 4.10 Relocation. If Municipality requests Company to relocate, protect, support, disconnect, or remove its Facilities because of street or utility work, or other public projects, Company shall relocate, protect, support, disconnect, or remove its Facilities, at its sole cost and expense, including where necessary to such alternate route as Municipality and Company mutually agree, applying reasonable engineering standards. The work shall be completed within a reasonable time period.
- 4.11 Public Emergency. Municipality shall have the right to sever, disrupt, dig-up or otherwise destroy Facilities of Company if such action is necessary because of a public emergency. If reasonable to do so under the circumstances, Municipality shall attempt to provide notice to Company. Public emergency shall be any condition which poses an immediate threat to life, health, or property caused by any natural or man-made disaster, including, but not limited to, storms, floods, fire, accidents, explosions, water main breaks, hazardous material spills, etc. Company shall be responsible for repair at its sole cost and expense of any of its Facilities damaged pursuant to any such action taken by Municipality.
- 4.12 Miss Dig. If eligible to join, Company shall subscribe to and be a member of "MISS DIG," the association of utilities formed pursuant to Act 53 of the Public Acts of 1974, as amended, MCL § 460.701 et seq., and shall conduct its business in conformance with the statutory provisions and regulations promulgated thereunder.
- 4.13 Underground Relocation. If Company has its Facilities on poles of Consumers Energy, Detroit Edison or another electric or telecommunications provider and Consumers Energy, Detroit Edison or such other electric or telecommunications provider relocates its system underground, then Company shall relocate its Facilities underground in the same location at Company's sole cost and expense.
- 4.14 Identification. All personnel of Company and its contractors or subcontractors who have as part of their normal duties contact with the general public shall wear

on their clothing a clearly visible identification card bearing Company's name, their name and photograph. Company shall account for all identification cards at all times. Every service vehicle of Company and its contractors or subcontractors shall be clearly identified as such to the public, such as by a magnetic sign with Company's name and telephone number.

5 Indemnification

- 5.1 Indemnity. Company shall defend, indemnify, protect, and hold harmless Municipality, its officers, agents, employees, elected and appointed officials, departments, boards, and commissions from any and all claims, losses, liabilities, causes of action, demands, judgments, decrees, proceedings, and expenses of any nature (collectively "claim" for this Part 5) (including, without limitation, attorneys' fees) arising out of or resulting from the acts or omissions of Company, its officers, agents, employees, contractors, successors, or assigns, but only to the extent such acts or omissions are related to the Company's use of or installation of facilities in the Public Right-of-Way and only to the extent of the fault or responsibility of Company, its officers, agents, employees, contractors, successors and assigns.
- 5.2 Notice, Cooperation. Municipality shall notify Company promptly in writing of any such claim and the method and means proposed by Municipality for defending or satisfying such claim. Municipality shall cooperate with Company in every reasonable way to facilitate the defense of any such claim. Municipality shall consult with Company respecting the defense and satisfaction of such claim, including the selection and direction of legal counsel.
- 5.3 Settlement. Municipality shall not settle any claim subject to indemnification under this Part 5 without the advance written consent of Company, which consent shall not be unreasonably withheld. Company shall have the right to defend or settle, at its own expense, any claim against Municipality for which Company is responsible hereunder.

6 Insurance

- 6.1 Coverage Required. Prior to beginning any construction in or installation of the Telecommunication Facilities in the Public Right-of-Way, Company shall obtain insurance as set forth below and file certificates evidencing same with Municipality. Such insurance shall be maintained in full force and effect until the end of the Term. In the alternative, Company may satisfy this requirement through a program of self-insurance, acceptable to Municipality, by providing reasonable evidence of its financial resources to Municipality. Municipality's acceptance of such self-insurance shall not be unreasonably withheld.

- 6.1.1 Commercial general liability insurance, including Completed Operations Liability, Independent Contractors Liability, Contractual Liability coverage, railroad protective coverage and coverage for property damage from perils of explosion, collapse or damage to underground utilities, commonly known as XCU coverage, in an amount not less than Five Million Dollars (\$5,000,000).
 - 6.1.2 Liability insurance for sudden and accidental environmental contamination with minimum limits of Five Hundred Thousand Dollars (\$500,000) and providing coverage for claims discovered within three (3) years after the term of the policy.
 - 6.1.3 Automobile liability insurance in an amount not less than One Million Dollars (\$1,000,000).
 - 6.1.4 Workers' compensation and employer's liability insurance with statutory limits, and any applicable Federal insurance of a similar nature.
 - 6.1.5 The coverage amounts set forth above may be met by a combination of underlying (primary) and umbrella policies so long as in combination the limits equal or exceed those stated. If more than one insurance policy is purchased to provide the coverage amounts set forth above, then all policies providing coverage limits excess to the primary policy shall provide drop down coverage to the first dollar of coverage and other contractual obligations of the primary policy, should the primary policy carrier not be able to perform any of its contractual obligations or not be collectible for any of its coverages for any reason during the Term, or (when longer) for as long as coverage could have been available pursuant to the terms and conditions of the primary policy.
- 6.2 Additional Insured. Municipality shall be named as an additional insured on all policies (other than worker's compensation and employer's liability). All insurance policies shall provide that they shall not be canceled, modified or not renewed unless the insurance carrier provides thirty (30) days prior written notice to Municipality. Company shall annually provide Municipality with a certificate of insurance evidencing such coverage. All insurance policies (other than environmental contamination, workers' compensation and employer's liability insurance) shall be written on an occurrence basis and not on a claims made basis.
- 6.3 Qualified Insurers. All insurance shall be issued by insurance carriers licensed to do business by the State of Michigan or by surplus line carriers on the Michigan Insurance Commission approved list of companies qualified to do business in Michigan. All insurance and surplus line carriers shall be rated A+ or better by A.M. Best Company.

- 6.4 Deductibles. If the insurance policies required by this Part 6 are written with retainages or deductibles in excess of \$50,000, they shall be approved by Manager in advance in writing. Company shall indemnify and save harmless Municipality from and against the payment of any deductible and from the payment of any premium on any insurance policy required to be furnished hereunder.
- 6.5 Contractors. Company's contractors and subcontractors working in the Public Right-of-Way shall carry in full force and effect commercial general liability, environmental contamination liability, automobile liability and workers' compensation and employer liability insurance which complies with all terms of this Part 6. In the alternative, Company, at its expense, may provide such coverages for any or all its contractors or subcontractors (such as by adding them to Company's policies).
- 6.6 Insurance Primary. Company's insurance coverage shall be primary insurance with respect to Municipality, its officers, agents, employees, elected and appointed officials, departments, boards, and commissions (collectively "them"). Any insurance or self-insurance maintained by any of them shall be in excess of Company's insurance and shall not contribute to it (where "insurance or self-insurance maintained by any of them" includes any contract or agreement providing any type of indemnification or defense obligation provided to, or for the benefit of them, from any source, and includes any self-insurance program or policy, or self-insured retention or deductible by, for or on behalf of them).

7 Term

- 7.1 Term. The term ("Term") of this Permit shall be until the earlier of:
- 7.1.1 Fifteen years (15) from the Effective Date; provided, however, that following such initial term there shall be three subsequent renewal terms of five (5) years. Each renewal term shall be automatic unless Municipality notifies Company in writing, at least twelve (12) months prior to the end of any term then in effect, that due to changed circumstances a need exists to negotiate the subsequent renewal with Company. Municipality shall not unreasonably deny a renewal term; or
- 7.1.2 When the Telecommunication Facilities have not been used to provide telecommunications services for a period of one hundred and eighty (180) days by the Company or a successor of an assign of the Company; or
- 7.1.3 When Company, at its election and with or without cause, delivers written notice of termination to Municipality at least one-hundred and eighty (180) days prior to the date of such termination; or

7.1.4 Upon either Company or Municipality giving written notice to the other of the occurrence or existence of a default by the other party under Sections 4.8, 6, 8 or 9 of this Permit and such defaulting party failing to cure, or commence good faith efforts to cure, such default within sixty (60) days (or such shorter period of time provided elsewhere in this Permit) after delivery of such notice; or

7.1.5 Unless Manager grants a written extension, one year from the Effective Date if prior thereto Company has not started the construction and installation of the Telecommunication Facilities within the Public Right-of-Way and two years from the Effective Date if by such time construction and installation of the Telecommunication Facilities is not complete.

8 Performance Bond or Letter of Credit

8.1 Municipal Requirement. Municipality may require Company to post a bond (or letter of credit) as provided in Section 15(3) of the METRO Act, as amended [MCL § 484.3115(3)].

9 Fees

9.1 Establishment; Reservation. The METRO Act shall control the establishment of right-of-way fees. The parties reserve their respective rights regarding the nature and amount of any fees which may be charged by Municipality in connection with the Public Right-of-Way.

10 Removal

10.1 Removal; Underground. As soon as practicable after the Term, Company or its successors and assigns shall remove any underground cable or other portions of the Telecommunication Facilities from the Public Right-of-Way which has been installed in such a manner that it can be removed without trenching or other opening of the Public Right-of-Way. Company shall not remove any underground cable or other portions of the Telecommunication Facilities which requires trenching or other opening of the Public Right-of-Way except with the prior written approval of Manager. All removals shall be at Company's sole cost and expense.

10.1.1 For purposes of this Part 10, "cable" means any wire, coaxial cable, fiber optic cable, feed wire or pull wire.

10.2 Removal; Above Ground. As soon as practicable after the Term, Company, or its successor or assigns at its sole cost and expense, shall, unless waived in writing by Manager, remove from the Public Right-of-Way all above ground elements of

its Telecommunication Facilities, including but not limited to poles, pedestal mounted terminal boxes, and lines attached to or suspended from poles.

10.3 Schedule. The schedule and timing of removal shall be subject to approval by Manager. Unless extended by Manager, removal shall be completed not later than twelve (12) months following the Term. Portions of the Telecommunication Facilities in the Public Right-of-Way which are not removed within such time period shall be deemed abandoned and, at the option of Municipality exercised by written notice to Company as set forth in Part 12, title to the portions described in such notice shall vest in Municipality.

11 Assignment. Company may assign or transfer its rights under this Permit, or the persons or entities controlling Company may change, in whole or in part, voluntarily, involuntarily, or by operation of law, including by merger or consolidation, change in the ownership or control of Company's business, or by other means, subject to the following:

11.1 No such transfer or assignment or change in the control of Company shall be effective under this Permit, without Municipality's prior approval (not to be unreasonably withheld), during the time period from the Effective Date until the completion of the construction of the Telecommunication Facilities in those portions of the Public Right-of-Way identified on Exhibit A.

11.2 After the completion of such construction, Company must provide notice to Municipality of such transfer, assignment or change in control no later than thirty (30) days after such occurrence; provided, however,

11.2.1 Any transferee or assignee of this Permit shall be qualified to perform under its terms and conditions and comply with applicable law; shall be subject to the obligations of this Permit, including responsibility for any defaults which occurred prior to the transfer or assignment; shall supply Municipality with the information required under Section 3.1; and shall comply with any updated insurance and performance bond requirements under Sections 6 and 8 respectively, which Municipality reasonably deems necessary, and

11.2.2 In the event of a change in control, it shall not be to an entity lacking the qualifications to assure Company's ability to perform under the terms and conditions of this Permit and comply with applicable law; and Company shall comply with any updated insurance and performance bond requirements under Sections 6 and 8 respectively, which Municipality reasonably deems necessary.

11.3 Company may grant a security interest in this Permit, its rights thereunder or the Telecommunication Facilities at any time without notifying Municipality.

12 Notices

12.1 Notices. All notices under this Permit shall be given as follows:

12.1.1 If to Municipality, to 135 E. Maumee St. 2nd Floor, Adrian, MI 49221

12.1.2 If to Company, to Merit Network, Inc., Robert Duncan, 1000 Oakbrook, Suite 200, Ann Arbor, MI 48104. Ph# 734-527-5700. Email rduncan@merit.edu.

12.2 Change of Address. Company and Municipality may change its address or personnel for the receipt of notices at any time by giving notice thereof to the other as set forth above.

13 Other items

13.1 No Cable, OVS. This Permit does not authorize Company to provide commercial cable type services to the public, such as "cable service" or the services of an "open video system operator" (as such terms are defined in the Federal Communications Act of 1934 and implementing regulations, currently 47 U.S.C. §§ 522 (6), 573 and 47 CFR § 76.1500).

13.2 Duties. Company shall faithfully perform all duties required by this Permit.

13.3 Effective Date. This Permit shall become effective when issued by Municipality and Company has provided any insurance certificates and bonds required in Parts 6 and 8, and signed the acceptance of the Permit.

13.4 Authority. This Permit satisfies the requirement for a permit under Section 5 of the METRO Act [MCL 484.3105].

13.5 Amendment. Except as set forth in Section 2.1 this Permit may be amended by the written agreement of Municipality and Company.

13.6 Interpretation and Severability. The provisions of this Permit shall be liberally construed to protect and preserve the peace, health, safety and welfare of the public, and should any provision or section of this Permit be held unconstitutional, invalid, overbroad or otherwise unenforceable, such determination/holding shall not be construed as affecting the validity of any of the remaining conditions of this Permit. If any provision in this Permit is found to be partially overbroad, unenforceable, or invalid, Company and Municipality may nevertheless enforce such provision to the extent permitted under applicable law.

13.7 Governing Law. This Permit shall be governed by the laws of the State of Michigan.

City of Adrian

Attest:

By: _____
Clerk

Signature: _____
Print: _____
Title: _____
Date: _____

“Company accepts the Permit granted by Municipality upon the terms and conditions contained therein.”

Merit Network, Inc.

Signature:  _____

Print: Robert Stovall

Title: Vice President, Network Engineering &
Operations

Date: **SEP 01 2010**

R10-127

October 18, 2010

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

RESOLUTION

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

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

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

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

R-5

MEMO



DATE: October 13, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Annual Snow & Ice Removal Bids

Bids were received October 7, 2010 for annual snow removal from private sidewalks, miscellaneous city properties and along railroad properties. Although VanErt's Lawn Service was the low bidder and they maintain an office from a residence in Adrian, they do not pay personal property taxes on their equipment. For this reason, the City Engineer has recommended that the bid be awarded to Slusarski Excavating and I concur.

Removal of snow from private walks will be assessed to the property owners. Snow removal from city properties and along railroad crossings will come from the Major Street Fund Maintenance Account. I urge your favorable consideration authorizing Slusarski Excavating to perform this annual service.

Respectfully submitted,


Dane C. Nelson
City Administrator

DCN:bjw

R-5

October 11, 2010



MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Sidewalk Snow & Ice Removal 10-11

We received bids for sidewalk snow removal for the 2010-11 winter within the City. This contract includes two parts; part one is for the cleaning of properties along the railroad properties during most winter storm events and part two is for private walk cleaning on an as needed basis throughout the winter.

The bid tabulations are as follows:

ITEM	Slusarski Excavating Adrian, MI	Van Ert's Lawn Service Adrian, MI	F&S Landscape Inc. Tecumseh, MI
13 Railroad Crossings & Misc	\$445.00 per event	\$420.00 per event	\$475.00 per event
Private Walks – per SF	\$.39	\$.40	\$.50
Photos - each	\$ 5.00	\$ 3.00	\$ 5.50

While Van Ert's LLC is the low bidder and they maintain an office from a residence within the city limits of Adrian, they do not pay personal property taxes on their equipment within the City, as such it is recommended award of this bid to Slusarski Excavating & Paving, Inc. as they are low bidder on this project and within the limits of the City's local preference policy.

Funds for this snow removal of the railroad crossings and miscellaneous properties will be drawn from the Major Street Fund Winter Maintenance account (202-478.000-801.111) and are available. Any work on the personal property snow removal will be assessed directly to the property owners where the work was completed.

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

RESOLUTION

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

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

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

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

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

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

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

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

R-6

MEMO



DATE: October 13, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Design/Survey Services – Beecher Street Reconstruction Project

The City of Adrian and the Lenawee County Road Commission have been awarded grant funding from MDOT for the reconstruction of Beecher Street. The City's portion of the grant will include Beecher from Treat St., east to the city limits. Quotes for this project were requested from Associated Engineers & Surveyors (AES), who recently was awarded the bid for the Bent Oak reconstruction project. AES submitted a quote in the amount of \$17,900.00 for the Beecher Street project and the City Engineer feels it is a very competitive price.

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, urge your favorable consideration authorizing AES to perform design/survey services for the City's portion of the Beecher Street project at a cost of \$17,900.00 and that the bid process be waived.

Respectfully submitted,


Dane C. Nelson
City Administrator

DCN:bjw

R-6

October 12, 2010

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Design/Survey Services – Beecher St.



We received a quote for Engineering Services on the Beecher Street reconstruction project. This project is a grant funded project through the Michigan Department of Transportation Office of Economic Development. This project will be designed and constructed in a joint project with the Lenawee County Road Commission from Treat Street, within the City, to Parr Highway, in the township.

The City and County have separately requested prices from Associated Engineers and Surveyors (AES) for engineering work on these projects. Recently the City had secured bids from several engineering firms for the reconstruction work on Bent Oak Ave. which was a similar size and style of project. During this bid process AES was the low bidder and since the City has successfully completed several projects in the past with AES we felt we would receive a competitive price for the work on Beecher Street.

We recommend award of this project to Associated Engineers & Surveyors, Inc. of Adrian, MI in the amount of \$17,900.00. This consultant has performed this type of work for the City of Adrian in previous years and has executed their work in an excellent manner.

Funds for this Engineering will be taken from the Major Street Fund balance.



Associated Engineers and Surveyors, Inc.

CIVIL ENGINEERS ♦ LAND SURVEYORS

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

Steven A. Young, P.S.
Miguel D. Vargas, P.E.
Kevin L. Pickford, P.S.

September 30, 2010

Mr. Kristin Bauer, P.E., City Engineer
City of Adrian
135 East Maumee Street
Adrian, Michigan 49221

Project: Beecher Street – Treat Street to City Limits

RE: Request For Proposal – Engineering Services

Associated Engineers and Surveyors, Inc. (AES) is pleased to provide the City of Adrian with the following proposal for engineering and surveying services for the project noted above.

AES will prepare plans, specifications, special provisions and cost estimates in accordance with the Michigan Department of Transportation (MDOT) 4R requirements for improvements to Beecher Street from Treat Street, East to the City of Adrian Limits. The scope of services we propose to complete for the design of this project is summarized as follows:

Research

AES staff will research all available documents and data sources available to establish necessary design controls such as: right of way, pavement types, centerline information, etc. AES will perform this task prior beginning any design work on the project.

Field Survey

Associated Engineers and Surveyors, Inc. will dispatch a survey crew to the site to perform the field survey. The field survey shall include the following:

- All physical features within 50 feet of the existing centerline of right-of-way.
- AES will establish the existing centerline of right-of-way based on available documentation and other field data collected during the survey.
- Centerline of right-of-way monumentation will be identified and placed as necessary. Three (3) witness ties will be included for each ROW monument found or set.
- AES personnel will set benchmarks every 500 feet within the project limits. Locations and descriptions of the benchmarks will be included in the project documents.
- Cross sections of the roadway will be taken at 100 foot intervals, and as necessary, within the project limits.

- Topographical data will be collected at side roads, a distance of 200 feet from the edge of metal of Beecher Street along the side street.
- AES will perform a drainage survey that will include the location of all drainage structures and inverts within the project limits.
- All utilities within the project limits shall be located and identified on the plans. Utility company names and other ownership data shall be included.
- All driveways within the project limits will be located. Driveway profiles and alignments will be identified.
- Upon completion of the survey, a plot of all data will be provided to the City of Adrian. In addition to the hardcopy plot of the survey, the electronic data (fieldbook, CAD files, points, etc.) will also be provided upon request.

Pavement Appraisal

We will conduct a pavement appraisal and subsurface investigation. Pavement cores will be obtained at a depth of 5 feet. A total of 4 pavement cores will be taken within the 0.4 mile project limits. Upon completion of the cores, pavement subgrade recommendations and pavement design shall be completed.

Pre-design Meeting

AES, in cooperation with the LCRC and the City of Adrian, will coordinate a pre-design meeting to identify the specifics of the project prior to initiating any preliminary design tasks. AES will facilitate the pre-design meeting and be responsible for recording minutes of the meeting and distributing the minutes to all parties present.

Preliminary Design

Preliminary plans shall represent the 70 percent plan submittal. Plan and profile sheets shall have a horizontal scale of 1"=40' and a vertical scale of 1"=4'. The horizontal and vertical alignment shall be based upon the latest AASHTO and MDOT design criteria, as influenced by the MDOT 4R criteria where applicable. The preliminary plans shall be submitted to the LCRC and the City of Adrian, and any other affected agency or utility for review. All required design exceptions shall be noted and sent to the City of Adrian for approval.

Permit Application Submittal

AES will prepare and submit all required permit applications as necessary for the project. Permits from MDOT, MDNRE, the LCDC and other regulatory agencies shall be included.

Preliminary Cost Estimates

A cost estimate will be prepared based on the preliminary quantities and current unit prices from MDOT.

Utility Coordination

AES will send copies of the preliminary design plans to the utilities found to be within the project limits for their review and comment. AES will also conduct a special meeting, if requested, with all affected utilities. If a special meeting is not necessary, all utilities will be invited to the Grade Inspection Meeting to discuss and review the preliminary plans.

Grade Inspection Meeting

AES will attend a grade inspection meeting with the LCRC and the City of Adrian to discuss and review the preliminary plans.

Meeting and Consultation

AES will be in attendance at the necessary meetings about the project (grade inspection, pre-construction meeting, etc.), and will be available regularly throughout the design process.

Traffic Control

AES will provide a Traffic Control Plan to be used during the construction phase of the project to maintain traffic.

Soil Erosion and Sedimentation Control Plan

AES will provide will provide a Soil Erosion and Sedimentation Control Plan for the project as required by Part 91 of the Natural Resources and Environmental Protection act 1994 PA 451 as amended.

Final Plans

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

Final Utility Coordination

AES will conduct a final utility coordination meeting if necessary. AES will furnish final plans and facilitate the final utility meeting.

Schedule

We propose the following design schedule for this project:

Completion of field survey	October 29, 2010
Completion of pavement cores	November 12, 2010
Pre-design meeting	November 23, 2010
Completion of preliminary plans	January 14, 2011
Grade inspection meeting	January 28, 2010
Final plan submittal	March 11, 2011

Proposal Valuation

We are prepared to complete the engineering and surveying design services as outlined in this proposal for a lump sum fee of \$17,900.

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

Completion of field survey	\$ 5,900
Completion of pavement cores	\$ 3,000
Pre-design meeting	\$ 1,500
Completion of preliminary plans	\$ 3,500
Grade inspection meeting	\$ 1,500
Final plan submittal	\$ 2,500

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

Sincerely,

Associated Engineers and Surveyors, Inc.



Miguel D. Vargas, P.E.

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

RESOLUTION

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

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

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

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

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

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

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

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

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

Major Street Fund (202)

Revenue:

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

Expenditures:

(202-451.07-801.000) Street Construction – Contract Services 17,900

Total \$ -0-

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

R-7



MEMORANDUM – UTILITIES DEPARTMENT

DATE: October 11, 2010
TO: Dane C. Nelson, City Administrator
FROM: Shane A. Horn, Utilities Director 
SUBJECT: Water Plant Boiler Replacement

I concur with the recommendation of the Utilities Director to award the bid for a boiler replacement at the Water Plant to Adrian Mechanical of Adrian, MI in the amount of \$13,500. Work is expected to begin within two weeks and completed within 28 days.

Three firms responded to the offer to bid. Funds in the amount of \$10,000 were budgeted for this work, with the balance coming from the Intake Concrete Repair Capital Project. I urge your favorable consideration authorizing Adrian Mechanical to replace the boiler at the Water Treatment Plant.

Respectfully submitted,


Dane C. Nelson
City Administrator

Sealed bids were received at the purchasing office on October 7, 2010 for a boiler installation at the Water Treatment Plant. We received three bids for this work with Adrian Mechanical being the low bidder at \$13,500.00. I respectfully recommend that we proceed with this project utilizing Adrian Mechanical. We have \$10,000.00 budgeted for this work in the water plant capital budget (496-531.00.977.509). I recommend that the remaining balance be taken from the Intake Concrete Repair capital project (496-536.00975.517). We received a quote for this work from a local contractor that will result in significant savings for this concrete repair.

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

CITY OF ADRIAN, MICHIGAN
WATER PLANT BOILER REPLACEMENT
DUE DATE: OCTOBER 7, 2010

BIDDER	AMOUNT	DELIVERY
Adrian Mechanical Adrian, MI	\$ 13,500.00	Begin: 14 days Complete: 28 days
Noron Inc Toledo OH	\$ 14,987.00	Begin: 30 days Complete: 10 days
Thompson Plumbing Petersburg MI	\$ 16,950.00	Begin: 14 days Complete: 5 days

RE: UTILITIES DEPARTMENT – Water Plant Boiler Replacement

RESOLUTION

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

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

<u>Vendor</u>	<u>Amount</u>
Adrian Mechanical, Adrian, MI	\$13,500
Noron, Inc., Toledo, OH	\$14,987
Thompson Plumbing, Petersburg, MI	\$16,950; and

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

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

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

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

WATER CAPITAL PROJECTS FUND (496)

Expenditures:

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

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

R-8

MEMO



DATE: October 14, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Rescind Resolution and Authorize Removal of Awning – 136 S. Main

In May of 1998, the City Commission approved a request to install an awning over the entrance of the building located at 136 S. Main, formerly the Four Seasons Restaurant. The building has been vacant for approximately 10 years, and due to deterioration, the awning has become a visual nuisance and detracts from other businesses in the immediate area.

Many downtown property owners have invested a great deal of time and money to improve the appearance of their facades, and the City has encouraged that by offering facade grants when available. I, therefore, encourage the Commission to rescind the May 18, 1998 resolution authorizing the awning at 136 S. Main and that city staff be authorized to pursue its removal.

Respectfully submitted,


Dane C. Nelson
City Administrator

DCN:bjw



R-8

MEMO

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

DATE: October 11, 2010

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

FROM: Chris Atkin
Director of Community Development

SUBJECT: 136 South Main Street Awning

Located at 136 South Main Street, former site of 'The Four Seasons' restaurant, a business that has not been in operation for approximately ten years, is a large 9' x 42'3" green awning that is fastened to the building and anchored into the city's right-of-way/sidewalk. Under a policy adopted by resolution on November 12, 1989, and awnings or other projections that extend beyond four (4) feet into the public right-of-way will have to be heard and approved by the City Commission. At a May 18, 1998 Adrian City Commission meeting, the commission approved, by resolution, a request from the property owners to allow for the installation of the awning over the entrance to their restaurant. This awning has become a visual nuisance and detraction from other businesses located in the immediate area. I am requesting the City Commission to rescind the approved resolution from May 18, 1998 to allow city staff to appropriately pursue the removal of the awning.

Respectfully submitted,

Chris Atkin
Community Development Director

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

RESOLUTION

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

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

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

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

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

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

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

R-9

MEMO



DATE: October 13, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Community Gardens

I have been approached by members of the Adrian Ecumenical Forum (representing various religious faiths in the Adrian area) regarding a request to utilize city-owned parcels of real estate for community garden space. I indicated to them that I was supportive of the concept, which includes the use of vegetables grown in such spaces for area residents in need or for organizations to use the products, also for those in need in our community.

In particular, they have focused on a lot owned by the city that is across from the Frosty Boy Ice Cream at the corner of Broad Street and Church Street as one possible location. I indicated that the city would not be in a position to allow for an indefinite use of lots and that such lots would only be available from a season-to-season use, depending on the possible change of use or ownership of the lots. They are still working on some details but, generally, wanted to know if the City Commission was supportive of the concept, which includes utilization of current properties owned by the city that are not being used for any particular purpose.

As such, I have prepared a proposed resolution to allow me to work with the members of the forum in this fashion and to enter into agreements to allow the use of city-owned properties for periods not to exceed one year at a time. In the event a lease agreement is entered into, it would be proposed that the lease would be for a nominal amount of monies, such as \$1.00. I do support the concept of community gardens in the city and believe that this group has good intentions and would be a worthwhile service for our community.

Respectfully submitted,



Dane C. Nelson
City Administrator

DCN:bjw

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

RESOLUTION

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

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

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

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

R-10

MEMO



DATE: October 14, 2010
TO: Honorable Mayor and City Commissioners
FROM: Dane C. Nelson, City Administrator
SUBJECT: Contract Change Order – Smith Excavating & Paving

On August 2, 2010, the Adrian City Commission awarded the bid for concrete work in the South Toledo Street lot to Smith Paving of Norwalk, OH at a cost of \$15,790.00. Since that time, the scope of work has expanded to include additional concrete work behind City Hall, three additional islands on the east and west side of the lot and cement work for flag poles and light foundations. The additional work resulted in an increase of \$20,690.82 to the contract price. As such, the City Engineer has requested a change order to Smith Paving's contract to cover the additional expense.

I urge your favorable consideration to the change order to Smith Paving's contract in the amount of \$20,690.82. There are sufficient funds in the Downtown Government Complex Project account for this additional expense.

Respectfully submitted,


Dane C. Nelson
City Administrator

DCN:bjw

R-10
October 7, 2010

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: City Hall Concrete Costs



In July 2010 we received bids for concrete work within the South Toledo Street parking lot. The base bid for the quantities presented by the Engineering Department came to a total of \$15,790. At the time of the award several key decisions were yet to be made, however this bid was awarded to keep the project work on schedule.

During the construction of the lot it was determined that several areas behind City Hall were in disrepair and should be replaced for safety reasons. It was also decided, after the bid was awarded, that the islands on the east and west side of the lots were to be filled with concrete. It was also requested that the contractor, Smith Excavating and Paving, assist the City with concrete placement for the light poles and flag poles foundations. This extra work accounted for an additional \$20,690.82 on this contract, \$8,580.82 for additional concrete behind City Hall; \$8,680 for the 3 islands and \$3,430 for flag poles and light foundations.

July 28, 2010

MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: Concrete Work – City Hall Parking Lot



We received bid on July 27, 2010 for concrete work in the south Toledo St. lot. This work will be miscellaneous sidewalk and curb work. Below are the tabulations for the bids received:

ITEM	Smith Paving Norwalk, OH	Andrews Construction Manchester MI	Eastlund Concrete Holt, MI	Schug Construction Adrian, MI	Doan Construction Ypsilanti, MI
MDOT C-4 Curb 670 LF	\$ 8,040.00	\$ 11,390.00	\$ 13,400.00	\$ 18,036.40	\$ 15,410.00
4-inch concrete (sidewalk) 1,700 SF	\$ 6,800.00	\$ 5,950.00	\$ 6,800.00	\$ 7,684.00	\$ 15,555.00
4-inch concrete (ramps) 200 SF	\$950.00	\$1,200.00	\$ 4,000.00	\$ 1,990.00	\$ 1,830.00
TOTAL	\$ 15,790.00	\$18,540.00	\$24,200.00	\$27,710.40	\$32,795.00

I recommend this bid be awarded to Smith Paving, Inc. of Norwalk, OH in the amount of \$15,790, however due to some last minute changes we have changed some quantities which will increase this cost. Even with the additional quantities this cost is under the Engineer's estimate. This contractor has performed this type of work within the City of Adrian in previous years and has executed their work in an excellent manner. There were no local bidders who meet the criteria of our local preference policy.

Funds for these projects are available in the remaining City Hall bond funds in 101-172.00-975.000.

R10-133

October 18, 2010

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

RESOLUTION

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

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

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

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

WHEREAS, the City Engineer and City Administrator recommend approval of Change Order #1 for the contract with Smith Paving, Norwalk, OH in the amount of \$20,690.82 to cover the cost of the additional work described above, bringing the final cost to a total \$36,480.82; and

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

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

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

R-11

MEMO



DATE: October 13, 2010
TO: Honorable Mayor and City Commission
FROM: Dane C. Nelson, City Administrator
SUBJECT: Land Trade Related to CMAQ Grant Project

As part of the CMAQ Grant requirements, a survey was completed on property where a pedestrian bridge will connect the Kiwanis Trail to Riverside Park. In addition to construction of the bridge, a sanitary sewer project will cross the river near the same location. The survey concluded that a portion of the land is owned by David Swantner of 513 Merrick Street. The Utilities Director and City Engineer negotiated an exchange of the south end of the property (river end) for the north end (street end) and Mr. Swantner has agreed to the exchange.

A resolution has been prepared to approve the exchange of this property and authorizing the City Administrator to complete, sign and file all documents necessary to complete the property exchange transaction, and I would urge its adoption.

Respectfully submitted,



Dane C. Nelson
City Administrator

DCN:bjw

R-11

MEMO

DATE: October 13, 2010
TO: Dane C. Nelson, City Administrator
FROM: Mark K. Gasche, Parks and Recreation Director
RE: Recommendation for land trade related to CMAQ grant project

As you know the City has been awarded a CMAQ grant in the amount of \$398,120 to build a non-motorized bridge across the River Raisin as an extension of the Kiwanis Trail and into Riverside Park. As a normal part of the MDOT review process for awarding the grant we need to show that we own outright or are in control of the property at the project site. Once the final design for the non-motorized bridge and the survey of the property were complete, it showed that the bridge was on a portion of the adjacent property owner's land. The bridge location is also relevant to the sanitary sewer project that is planned to cross the river near the same location, which makes it challenging to move the location of the bridge.

After reviewing the site with our Utilities Director, Shane Horn, and our City Engineer, Kristin Bauer, we developed a proposal to trade city owned property at this site with the property owner at 513 Merrick St., David Swantner. The proposal would exchange property at the river end (south) of the site for property at the street end (north) of the site. The city property being exchanged is not needed for the trail, the sewer project, or other access. This proposal was presented to Mr. Swantner and he willingly agreed to the trade. A survey showing the portions of the properties to be traded and the new boundary line is attached. There is also a temporary easement which includes the existing sanitary sewer line. Once the new sewer line is installed and the old line is abandoned then that easement will be removed.

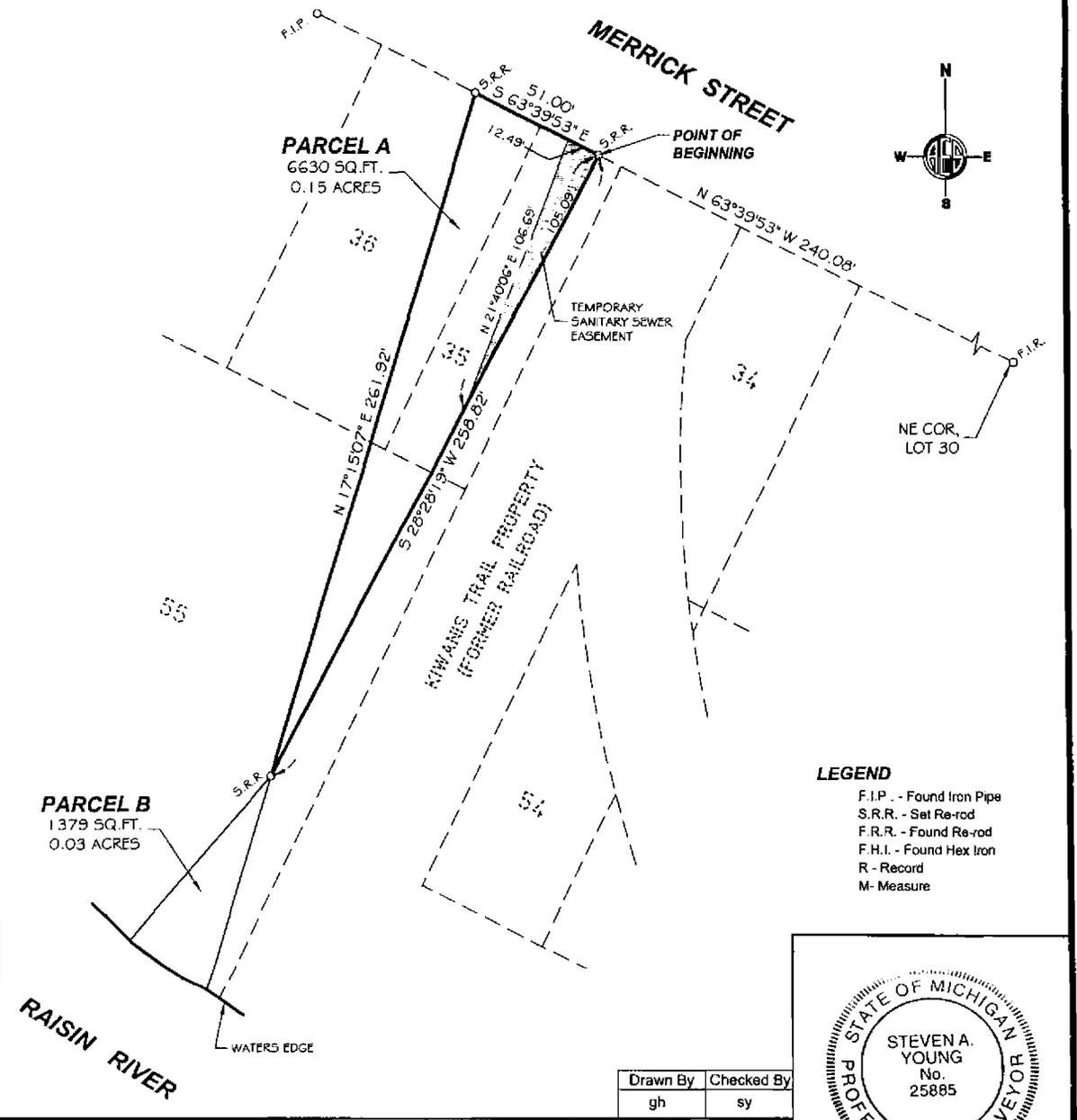
Once the City Commission agrees to this land exchange, we will then submit certification to MDOT that we own all of the land at the project site and proceed with the next phase of the grant process; bid letting. We will also record the deed once all of the necessary paperwork is approved. I recommend approval of this land exchange.

CERTIFICATE OF SURVEY

Description Parcel A
 City of Adrian, Lenawee County, Michigan
 Addition to 513 Merrick Street
 Parcel XA0-380-0042-00

All that part of Lots 35, 36 and 55 of James Berry's Southern Addition to the Village (now City) of Adrian as recorded in Liber 32 of Deeds, Page 803, Lenawee County Records described as beginning on the Southerly line of Merrick Street 240.08 feet N 63° 39' 53" W from the Northeast Corner of Lot 30 of said James Berry's Addition; thence S 28° 28' 19" W 258.82 feet; thence N 17° 15' 07" E 261.92 feet to the said Southerly line of Merrick Street; thence S 63° 39' 53" E 51.00 feet along the Southerly line of Merrick Street to the point of beginning. Containing 6630 square feet or 0.15 acres.

Subject to a temporary easement for the operation and maintenance of an existing sanitary sewer line until scheduled abandonment of line described across the above described property as beginning on the Southerly line of Merrick Street 240.08 feet N 63° 39' 53" W from the Northeast Corner of Lot 26 of said James Berry's Addition; thence S 28° 28' 19" W 105.09 feet; thence N 21° 40' 06" E 106.69 feet to the said Southerly line of Merrick Street; thence S 63° 39' 53" E 12.49 feet to the point of beginning.



FOR: City of Adrian	JOB No.: 100704	I hereby certify that we have surveyed the parcel herein described and that the corners have been set or located as indicated.
SCALE: 1 inch = 50 feet	DATE: August 12, 2010	



Associated Engineers & Surveyors, Inc.
 237 N. Main Street, Adrian, Michigan 49221
 Civil Engineers - Land Surveyors
 Phone: (517) 263-4515 Fax: (517) 263-4535

Drawn By	Checked By
gh	sy



STEVEN A. YOUNG
No. 25885

Steven A. Young
Steven A. Young
Professional Surveyor No. 25885

R10-134

October 18, 2010

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

RESOLUTION

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves of the proposed land exchange between the City and the property owner located at 513 Merrick Street and authorization for the City Administrator to complete, sign and file all documents necessary to this proposed property exchange transaction, as well as the on-going grant administration process with the Michigan Department of Transportation.

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



MEMO

Date: October 13, 2010

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

From: Jeffrey C. Pardee, Finance Director

Re: Modified Water Line Extension Special Assessment for Country Club Professional Park

The Adrian City Commission, by Resolution dated April 5, 2004, established a Water Line Extension Special Assessment District (SS209) for Country Club Professional Park at 1136 Country Club Road (East 6 Acres of Southeast ¼ of Southwest ¼ Sec 27) for the purpose of funding a water line extension to the existing water line on Country Club Road.

The original assessment to Country Club Professional Park amounted to \$40,892.00. Due to temporary office vacancies in 2009, interest-only payments have been made, leaving a current balance of \$27,315.40. The Country Club Professional Park has recently filled the aforementioned vacancies and has requested a modification to the existing amortization schedule; specifically, by making an immediate \$10,000 payment and amortizing the balance over a ten-year timeframe at the standard 6% interest rate.

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

The attached resolution has been prepared for the City Commission's consideration at the regularly scheduled meeting of October 18, 2010. If you have any questions or need for further information, please contact my office.

**CITY OF ADRIAN
WATER LINE EXTENSION SPECIAL ASSESSMENT
Modified Amortization Schedule**

**Country Club Professional Park
1136 Country Club Road**

<u>YEAR</u>	<u>OUTSTANDING LOAN BALANCE</u>	<u>PRINCIPAL PAYMENT</u>	<u>INTEREST EXPENSE (@ 6.0%)</u>	<u>TOTAL DEBT SERVICE</u>
Base	\$17,315.40			
10-31-2011	16,001.71	\$1,313.69	\$1,038.92	\$2,352.61
10-31-2012	14,609.21	1,392.51	960.10	2,352.61
10-31-2013	13,133.15	1,476.06	876.55	2,352.61
10-31-2014	11,568.53	1,564.62	787.99	2,352.61
10-31-2015	9,910.03	1,658.50	694.11	2,352.61
10-31-2016	8,152.02	1,758.01	594.60	2,352.61
10-31-2017	6,288.53	1,863.49	489.12	2,352.61
10-31-2018	4,313.23	1,975.30	377.31	2,352.61
10-31-2019	2,219.42	2,093.82	258.79	2,352.61
10-31-2020	0.00	2,219.42	133.17	2,352.59
		<u>\$17,315.40</u>	<u>\$6,210.67</u>	<u>\$23,526.08</u>

Original Assessment: \$40,892.00 as of April 2, 2004
 Current Balance: \$27,315.40 as of October 18, 2010
 Less: \$10,000 Principal Payment by October 31, 2010
 Remaining Balance to be Amortized over Ten Years: \$17,315.40

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

RESOLUTION

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

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

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

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

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

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

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



MEMO

Date: October 13, 2010

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

From: Jeffrey C. Pardee, Finance Director

Re: Modified Sanitary Sewer Special Assessment for Country Club Professional Park

The Adrian City Commission, by Resolution dated April 5, 2004, established a Sanitary Sewer Special Assessment District (SS209) for Country Club Professional Park at 1136 Country Club Road (East 6 Acres of Southeast $\frac{1}{4}$ of Southwest $\frac{1}{4}$ Sec 27) for the purpose of funding a sanitary line connection to the existing sanitary sewer on Riverside Drive.

The original assessment to Country Club Professional Park amounted to \$35,352.50. Due to temporary office vacancies in 2009, interest-only payments have been made, leaving a current balance of \$23,796.95. The Country Club Professional Park has recently filled the aforementioned vacancies and has requested a modification to the existing amortization schedule; specifically, by making an immediate \$10,000 payment and amortizing the balance over a ten-year timeframe at the standard 6% interest rate.

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

The attached resolution has been prepared for the City Commission's consideration at the regularly scheduled meeting of October 18, 2010. If you have any questions or need for further information, please contact my office.

**CITY OF ADRIAN
SANITARY SEWER LINE SPECIAL ASSESSMENT
Modified Amortization Schedule**

**Country Club Professional Park
1136 Country Club Road
(SS209)**

<u>YEAR</u>	<u>OUTSTANDING LOAN BALANCE</u>	<u>PRINCIPAL PAYMENT</u>	<u>INTEREST EXPENSE (@ 6.0%)</u>	<u>TOTAL DEBT SERVICE</u>
Base	\$13,796.95			
10-31-2011	12,750.21	\$1,046.74	\$827.82	\$1,874.56
10-31-2012	11,640.66	1,109.55	765.01	1,874.56
10-31-2013	10,464.54	1,176.12	698.44	1,874.56
10-31-2014	9,217.85	1,246.69	627.87	1,874.56
10-31-2015	7,896.36	1,321.49	553.07	1,874.56
10-31-2016	6,495.58	1,400.78	473.78	1,874.56
10-31-2017	5,010.76	1,484.82	389.74	1,874.56
10-31-2018	3,436.84	1,573.91	300.65	1,874.56
10-31-2019	1,768.50	1,668.35	206.21	1,874.56
10-31-2020	0.00	1,768.50	106.11	1,874.61
		<u>\$13,796.95</u>	<u>\$4,948.70</u>	<u>\$18,745.65</u>

Original Assessment: \$35,352.50 as of April 2, 2004
 Current Balance: \$23,796.95 as of October 18, 2010
 Less: \$10,000 Principal Payment by October 31, 2010
 Remaining Balance to be Amortized over Ten Years: \$13,796.95

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

RESOLUTION

WHEREAS, the Adrian City Commission, by Resolution dated April 5, 2004, established a Sanitary Sewer Special Assessment District (SS209) for Country Club Professional Park at 1136 Country Club Road (East 6 Acres of Southeast ¼ of Southwest ¼ Sec 27) for the purpose of funding a sanitary line connection to the existing sanitary sewer on Riverside Drive; and

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

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

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

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

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

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



MISCELLANEOUS

m-1

DEPARTMENTAL REPORT

OCTOBER 18, 2010

	SEPTEMBER 2010	AUGUST 2010	SEPTEMBER 2009	YEAR-TO-DATE 2010	YEAR TO DATE 2009
POLICE DEPARTMENT					
Complaints Answered	876	897	864	7,486	7,637
VIOLATIONS					
Moving Citations	105	117	120	1,252	798
3-6 am Parking Tickets	249	136	229	1,615	1,585
Non-Moving Citations	23	46	20	262	329
Downtown Parking Tickets	148	310	219	761	1,410
TOTAL VIOLATIONS	525	609	588	3,890	4,122
ARRESTS	114	126	125	1,082	1,034
FIRE DEPARTMENT (See M-4)					
INSPECTION DEPARTMENT					
Building Permits	33	25	32	216	249
Electrical Permits	26	34	14	175	157
Mechanical Permits	25	38	20	188	158
Plumbing Permits	9	15	6	66	49
Sidewalk Permits	3	1	0	8	12
Sign Permits	4	7	2	46	34
TOTAL PERMITS	100	120	74	699	659
Estimated Bldg. Costs	\$1,740,068	\$436,463	\$215,659	\$5,232,689	\$2,911,900
PARKING SYSTEM					
Meters in Operation					
Parking Assessment	\$0	\$7,717	\$0	\$29,656	\$13,548
Lot Revenue	\$385	\$0	\$0	\$1,647	\$3,179
Street Revenue	\$0	\$0	\$0	\$0	\$0
Misc. Revenue	\$15	\$16	\$15	\$146	\$125
Permits	\$548	\$1,100	\$100	\$18,611	\$16,289
Fines	\$810	\$1,005	\$730	\$3,739	\$6,216
Collection Fees	\$75	\$50	\$0	\$2,455	\$0
Token Sales	\$0	\$0	\$0	\$0	\$0
Contribut-GenFund	\$0	\$0	\$0	\$6,000	\$26,000
TOTAL REVENUE	\$1,833	\$9,888	\$845	\$62,254	\$65,357
WASTE WATER DEPARTMENT					
M. G. Pumped	128.172	132.811	127.206	1,313.495	1,476.570
Cost of Plant Operation *		\$424,197	\$209,019	\$2,986,364	\$2,687,880
WATER DEPARTMENT					
M. G. Pumped	84	86	83	723	796
Number of Customers	6,269	6,192	6,308		
	Industrial	Commercial	Residential	Other	TOTAL
M. G. Sold Revenue	\$35,994	\$84,958	\$121,857	\$8,988	69,584 \$251,738

*Figure not available

mm-2

Adrian Fire Department
Monthly Report
September 2010

Fire	Total	Property Loss	Content Loss
Fire, Other	1	\$1,500	\$0
Building fire	1	\$8,000	\$0
Mobile property (vehicle) fire, Other	1		
Passenger vehicle fire	1		
	<hr/> 4		
Rescue			
Rescue, EMS incident, other	47		
Medical assist, assist EMS crew	5		
EMS call, excluding vehicle accident with injury	115		
EMS call, PDA	2		
EMS call, refused treatment/transport	6		
Motor vehicle accident with injuries	3		
Vehicle accident with injuries, refused treatment	1		
Motor vehicle/pedestrian accident (MV Ped)	1		
Motor Vehicle Accident with no injuries	1		
Extrication, rescue, Other	1		
	<hr/> 182		
Hazardous Condition			
Hazardous condition, Other	4		
Gasoline or other flammable liquid spill	2		
Power line down	3		
	<hr/> 9		
Service Call			
Service Call, other	7		
Person in distress, Other	1		
Smoke Investigation, No action taken	2		
Assist police or other governmental agency	1		
Public service	1		
Assist invalid	3		
Unauthorized burning	5		
	<hr/> 20		
Good Intent Call			
Good intent call, Other	2		
Dispatched & cancelled en route	2		
No Incident found on arrival at dispatch address	1		
Smoke scare, odor of smoke	1		
	<hr/> 6		
False Alarm			
False alarm or false call, Other	3		
Malicious, mischievous false call, Other	1		
Local alarm system, malicious false alarm	1		
System malfunction, Other	1		
Smoke detector activation due to malfunction	1		
	<hr/> 7		
	235	\$9,500	\$0

m-3

Bohn Pool 10 Year Summary Comparison 2010

Years	Open Swim Attendance	Passes Sold	Pass Holders	Swim Lessons	Swim Team	Rentals	Total Attendance
2000	13,631	225		914	61	19	
2001	15,843	174		612	73	12	
2002	15,423	247		586	68	15	
2003	*10,772	169		591	66	16	
2004	10,740	178		587	69	14	
2005	14,195	186		660	74	14	
2006	13,314	184		629	111	22	24,059
2007	13,179	247	602	711	174	15	24,243
2008	14,663	247	609	545	148	18	24,537
2009	12,942	244	584	487	157	15	21,906
2010	13,243	217	^518	502	139	13	22,269

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

^We ran out of scholarship money in 2010 resulting in 36 fewer scholarship aided pass holders than 2009.

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

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

Years	Total Revenue	Total Expenses	Net
2000	\$58,026.37	\$95,837.70	-\$37,811.33
2001	\$71,340.69	\$81,097.29	-\$9,756.60
2002	\$71,181.43	\$93,269.05	-\$22,087.62
2003	\$61,428.75	\$99,843.91	-\$38,415.16
2004	\$63,760.30	\$105,554.92	-\$41,794.62
2005	\$81,792.29	\$129,499.32	-\$47,707.03
2006	\$85,570.32	\$135,423.34	-\$49,853.02
2007	\$87,155.38	\$123,453.09	-\$36,297.71
2008	\$90,634.70	\$134,214.69	-\$43,579.99
2009	\$81,442.22	\$138,295.68	-\$56,853.46
*2010	\$81,993.31	\$120,966.30	-\$38,972.99

*Expenses 2010 = \$112,066.30 (Actual Jan-Sept) + \$8,900 (Estimated add. expenses Oct-Dec; 2009 = \$8,871)

NOTE: In the fall of 2008 any remaining expenses associated with the former Ice Rink were rolled into the pool account adding approximately \$4,000 to \$5,000 in additional expenses to the pool.

NOTE: One major expense that should be included when analyzing the true cost of operating Bohn Pool, but which is not included in the information above, is the Wage Expense of the Pool Maintenance Person. For the current Year (2010) that expense equaled approximately \$8,493 (Assuming 90% of his/her time was spent working at the pool); this expense should be representative of recent years.

Bohn Pool Concessions

Year	Total Revenue	Total Expenses	Net
2006	\$16,369.26	\$22,414.00	-\$6,044.74
2007	\$17,463.04	\$13,031.07	\$4,431.97
2008	\$16,500.97	\$12,994.81	\$3,506.16
2009	\$13,260.25	\$11,481.10	\$1,779.15
2010	\$15,039.36	\$11,823.82	\$3,215.54

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