



**CITY COMMISSION  
MEETING  
June 4, 2012**



# PRE-MEETING AGENDA

**ADRIAN CITY COMMISSION  
AGENDA  
PRE-MEETING STUDY SESSION  
MONDAY,  
June 4, 2012**

The City Commission will meet behind City Hall at 5:30pm to tour the Adrian Training School facility.

1. Other items as time permits.



# COMMISSION AGENDA

**AGENDA**  
**ADRIAN CITY COMMISSION**  
**JUNE 4, 2012**  
**7:00PM**

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- II. ROLL CALL
- III. APPROVAL OF THE MINUTES OF THE MAY 21, 2012 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- IV. PRESENTATION OF ACCOUNTS
- V. PUBLIC COMMENT ON AGENDA ITEMS
- VI. COMMUNICATIONS
  1. **C-1. Finance.** Federal Digital Accountability and Transparency Act (H.R. 2146).
  2. **C-2. Finance.** Senate Finance Committee hearing on State and Local Taxes, Finance Issues.
- VII. REGULAR AGENDA
  1. **R12-060. Fire Department.** Resolution to accept the United States Federal Emergency management Agency (SAFER) Grant Award for the purpose of hiring three (3) full time firefighters for a period of two (2) years and to amend the FY2012-13 budget accordingly.
  2. **R12-061. Engineering.** Resolution to approve a bid for the purchase and installation of fourteen (14) LED Globes for the North Toledo Street Parking Lot.
  3. **R12-062. Parks & Recreation.** Resolution to endorse the Department of Parks and Recreation new annual special event – Adrian Youth Baseball-Softball Association Night at Toledo Mud Hens Fifth Third Field and to make the necessary budget amendment for this cost.
  4. **R12-063. Transportation.** Resolution to waive the bid process and approve the purchase of a Kenwood base console from Adrian Communications through the State of Michigan Cooperative Purchasing Program.
  5. **R12-064. Administration.** Resolution to authorize the Mayor to enter into a farm lease agreement with James Marvin.
- VIII. PUBLIC COMMENT
- IX. COMMISSIONERS COMMENTS



# MINUTES

**MINUTES  
ADRIAN CITY COMMISSION  
MAY 21, 2012  
7:00 P.M.**

Prior to the opening of the regular meeting, the Commissioner Warren motioned to go into closed session to discuss current labor negotiations, seconded by Commissioner Jacobson, motion carried by a unanimous vote. The Commission came out of closed session at 6:55 p.m. and went into the regularly scheduled meeting.

Official proceedings of the May 21, 2012 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 DuMars, Commissioners Carrico, Warren, Gallatin, Faulhaber, Jacobson and Berryman Adams.

Mayor DuMars in the Chair.

Commissioner Faulhaber moved to approve the minutes of the May 7, 2012 regular meeting of the Adrian City Commission, seconded by Commissioner Berryman Adams, motion carried by a unanimous vote.

**PRESENTATION OF ACCOUNTS**

Utility Department Receiving Fund Voucher # 3617 through # 3618	\$143,318.12
General Fund Vouchers # 20933 through # 20949	\$274,279.12
Clearing Account Vouchers amounting to	<u>\$372,452.99</u>
TOTAL EXPENDITURES	<u>\$790,050.23</u>

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

**PUBLIC COMMENT**

1. Harold Frederick – 1340 Oregon Rd – was opposed to the ordinance change that would change the refuse billing from four times a year to once a year.
2. Allen Kern – 1249 Vine St – was also against paying refuse bill in one yearly lump sum.

**REGULAR AGENDA**

## ORDINANCES

**Ord. 12-02** Introduction of an ordinance to amend Section 66-25 (Billing Procedures for Residential Refuse Collection) to change the billing from quarterly to annually.

There was discussion among the Commission members as to whether it is beneficial to change the billing to once a year as it is already possible to pay yearly, if a resident should wish to do that.

## SPECIAL ORDERS

**SO-1** Public hearing for the consideration of comments regarding the approval of an application for an Obsolete Property Rehabilitation Exemption Certificate from Erika Escue, owner of 113 East Maumee Street.

Chris Miller, DDA Director requested the Commission's approval of the OPRA for 113 E Maumee Street.

## RESOLUTIONS

### RESOLUTION R12-053

**RE: COMMUNITY DEVELOPMENT – Application for an Obsolete Property Rehabilitation Exemption Certificate from Erika Escue, owner of 113 East Maumee Street.**

WHEREAS, Ms. Erika Escue, AEM Holdings LLC, 807 St. Annes Drive, Holland Ohio, has submitted an application for an Obsolete Property Rehabilitation Exemption Certificate for the rehabilitation consisting of major renovation and modifications to the building located at 113 E. Maumee Street in downtown Adrian including, façade improvements, new mechanical and electrical services, barrier free accessibility, 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, after a duly noticed public hearing held on the 17th day of January, 2006 the Adrian City Commission established 113 E. Maumee Street as an Obsolete Property and Rehabilitation District; and

WHEREAS, before acting on said application, the City Commission held a public hearing on March 20, 2006, 100 E. Church Street, Adrian, at 7:00 pm, at which hearing the applicant, the Assessor and a representative of the affected taxing units, having been given written notice, and were afforded an opportunity to be heard on said application; and

WHEREAS, the City Commission finds and determines that the granting of this Obsolete Property and 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 (7.4% of total taxable value); 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 in any taxes related to the facility; and

WHEREAS, the subject property is determined to be an obsolete property (functionally obsolete) as defined in Section 2(h) of Public Act 146 of 2000, and upon completion of the rehabilitation activities will constitute a rehabilitated facility within 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 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; and

WHEREAS, commencement of the rehabilitation activities of the facility did not occur before 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 employment, increase the number of residents in the community, and assist the City with their short and long-term revitalization goals; and

WHEREAS, the Adrian City Commission authorizes a one-year period for the completion of the rehabilitation.

NOW, THEREFORE, BE IT RESOLVED: That the application of Ms. Erika Escue, AEM Holdings, for an Obsolete Property and Rehabilitation exemption Certificate for 113 E. Maumee St, commonly known as All that part of Lot 29 on the Original Plat of the Village (now City) of Adrian, Lenawee County, Michigan, the property to be rehabilitated, within the previously established OPRA district is hereby approved for a period of 8 years.

The City of Adrian Commission will only consider an extension to the Obsolete Property Rehabilitation Exemption Certificate if the applicant, Ms. Escue, can prove that the increase in real property tax liability will result in an unbearable financial hardship. The exemption will only be considered assuming that the applicant has retained and/or created employment within the City of Adrian, the applicant's project has enhanced the commercial and residential activity in the downtown district, and the applicant has adhered to the first floor use requirements per the Downtown Blueprint.

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

#### **RESOLUTION R12-054**

**RE: ADRIAN PUBLIC LIBRARY – Library Café – Lease Agreement**

WHEREAS, the Adrian Public Library is desirous of reopening the Library Café in a public-private partnership resulting in the establishment of the *Breakin' Away Café*, which will offer customers a variety of baked goods and Zingerman's Coffee, initially, with soup and sandwiches later; and

WHEREAS, the Adrian City Commission, in anticipation of this arrangement, by Resolution R11-140 dated November 21, 2011, authorized an investment of \$18,100 for capital improvements to the food preparation area; and

WHEREAS, the improvements have been completed and final approval from the Lenawee County Health Department is expected soon; in addition, a lease agreement has been negotiated between the City ("Landlord") and 2L4C, LLC, 540 State Street, Hudson, MI 49247 ("Tenant"); and

WHEREAS, in addition to monthly rent of \$100, the tenant is obligated to pay the following expenses:

- Telephone Service, local and long distance calls
- Pest Control
- Taxes (tenant's personal property and income taxes)
- State and County permit and licensing fees
- Janitorial Service and Trash Removal
- Maintenance of the café, café storage, and food prep rooms
- Maintenance of city-owned café equipment, including espresso machine, mini oven and refrigeration units
- Specified equipment inventory necessary to operate cafe; and

WHEREAS, the City will be responsible for basic utilities, including gas, electricity, water and cable services, as well as building insurance and maintenance, except for those repairs stemming from damages caused by tenant's conduct, and specified facilities necessary to operate cafe; and

WHEREAS, in the best interests of the City and Adrian public Library patrons, the Library Director and City Administrator recommend approval of this lease agreement between the City of Adrian City ("Landlord") and 2L4C, LLC, 540 State Street, Hudson, MI 49247 ("Tenant").

NOW THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the lease agreement between the City of Adrian City ("Landlord") and 2L4C, LLC, 540 State Street, Hudson, MI 49247 ("Tenant") and authorizes the Mayor and City Clerk to sign the necessary documents for the Adrian Public Library to enter into a public-private partnership to establish and operate *Breakin' Away Café*.

Commissioner Carrico expressed a concern about the amount of rent that the City is charging and whether it is enough but since the lease is for one year, it can be revisited at that time.

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

**RESOLUTION R12-055**

**RE: DEPARTMENT OF PUBLIC WORKS – Bridge Rehabilitation Contract – Change Order # 1**

WHEREAS, the Adrian City Commission, by resolution # CR12-010 dated March 5, 2012, authorized the selection and engagement of Cross Lake Construction Company, Horton, MI to be engaged in the City's Standard Professional Services Contract to rehabilitate five (5) specified bridges at a cost not to exceed \$66,150.00; and

WHEREAS, During the preconstruction meeting and site visit with the contractor, it was determined that some additional work is required on the contracted bridges, as well as the Bent Oak Ave. bridges not previously contracted; and

WHEREAS, the additional work amounts to \$14,535 and includes repair and replacement of more bridge balusters, offset by \$10,395 worth of bridge balusters available from City stock, leaving a net increase cost of \$4,140; and

WHEREAS, the City Engineer requests authorization of a change order to reflect the additional bridge work in the amount of \$14,535 and the appropriate budget amendments; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the Major Street Fund Unreserved/Unassigned Fund Balance (202-000.00-390.000) and recommends that \$14,535 be appropriated and the FY2011-12 Budget be amended, accordingly; 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 Change Order # 1 to the Cross Lake Construction Company, Horton, MI contract in the amount of \$14,535 for additional bridge work, including repair and replacement of more bridge balusters on the five (5) contracted bridges, as well as the Bent Oak Ave. bridges not previously contracted.

BE IT FURTHER RESOLVED, that \$14,535 be appropriated from the Major Street Fund Unreserved/Unassigned Fund Balance (202-000.00-390.000) and that the FY2011-12 Budget be amended as follows:

**Major Street Fund (Fund # 202)**

Revenue:

Prior Years' Revenue (202-000.00-697.000)	\$14,535
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Expenditures:

Bridge Maintenance-Contract Services (202-473.00-801.000)	<u>14,535</u>
Total	<u>\$ -0-</u>

Commissioner Berryman Adams motioned and Commissioner Gallatin seconded to adopt this resolution. Administrator Nelson stated that there was an error in the wording of paragraph # 3; that the increase is the full \$14,535. The rest of the resolution is correct.

Commissioner Berryman Adams motioned to approve the amended resolution, seconded by Commissioner Gallatin, the amended resolution was adopted by a unanimous vote.



**Expenditures:**

(283-481.00-801.003)	Façade Enhancement Project	\$103,050
(283-990.00-990.000)	Contingency	<u>23,896</u>
	Total	<u>\$126,946</u>
		<u>\$ -0-</u>

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

**RESOLUTION R12-057**

**RE: DEPARTMENT OF PUBLIC WORKS – American Asphalt Paving Contract Change Order # 1**

WHEREAS, the Adrian City Commission, by resolution # 12-045 dated April 16, 2012, authorized the acceptance of the low bid and engagement of Slusarski Excavating and Paving, Adrian, MI (Part A - \$24,996.08), American Asphalt, Lansing, MI (Parts B, D & E - \$167,014.30), and Belson Asphalt, Reading, MI (Part C - \$42,783.40) in the City's Standard Professional Services Contract to provide asphalt paving for the aforementioned streets and alleys, at a cost estimated at \$234,793.80; and

WHEREAS, Part D of the American Asphalt paving contract included a portion of Riverside Park drive and the establishment of an interior pathway connecting the new parking lot for the new bridge to the Bohn Pool Parking Lot for \$24,277; and

WHEREAS, due to budget constraints, the original bid specifications did not include the interior pathway, however the competitive bid process resulted in sufficient savings to allow for a Change Order in the amount of \$15,699 to complete the interior pathway and still remain within the Project Budget of \$45,000; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in account 101-697.00-975.000; and

WHEREAS, the Parks & Recreation Director and City Administrator recommend approval of Change Order # 1 to the American Asphalt (Part D) paving contract in the amount of \$15,699 for the purpose of completing the Riverside Park Interior Pathway.

NOW THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves Change Order # 1 to the American Asphalt (Part D) paving contract in the amount of \$15,699 for the purpose of completing the Riverside Park Interior Pathway.

On motion by Commissioner Gallatin, seconded by Commissioner Jacobson, this resolution was adopted by a unanimous vote.

**RESOLUTION R12-058**

**RE: CITY ENGINEER – North and South Toledo Street and Fire Department Parking Lot Improvements.**

WHEREAS, the Adrian City Commission, by resolution # R11-032 dated April 4, 2011, accepted a \$280,000 Grant Award for the Farmers' Market Improvement Project (Project No. MSC 210012-FMK) under the Michigan Community Development Block Grant (CDBG) Farm to Food Grant Program, with a commitment to fund the \$60,000 local matching requirement; and

WHEREAS, the Finance Director indicates that the City of Adrian local match requirement will be met by paving the North Toledo Street Parking Lot utilizing funds from the Auto Parking Fund Capital Improvement Account (585-546.00-975.000); and

WHEREAS, the Purchasing Office, in conjunction with the City Engineer, solicited and received seven (7) competitive bids on May 15, 2012 for Porous Paving of the North Toledo Street Parking Lot, as well as Sealing and Striping the South Toledo Parking Lot and Striping of the Fire Department and North Toledo Street Parking Lots, with the following results:

<u>VENDOR</u>	<u>LOCATION</u>	<u>PART A</u>	<u>PART B</u>	<u>TOTAL</u>
American Asphalt	Lansing, MI	\$52,510.00	\$6,240.00	\$58,960.00
Belson Asphalt	Reading, MI	52,424.00	6,815.00	59,239.00
Quality Asphalt	Homer, MI	56,020.00	No Bid	56,020.00
Michigan Paving	Jackson, MI	63,073.30	3,980.00	67,053.30
Gerken Paving	Napoleon, OH	52,080.00	No Bid	52,080.00
Slusarski Excav.	Adrian, MI	54,745.00	8,749.00	64,494.00
K&B Sealcoating	Clayton, MI	No Bid	3,880.00	3,880.00

; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the Auto Parking Fund (585) FY2011-12 Budget (585-546.00-801.000); and

WHEREAS, the City Engineer and City Administrator recommend the selection of Gerken Paving, Napoleon, OH (Part A) for engagement in the City's Standard Professional Services Contract and K&B Seal Coating, Clayton, Mi (Part B) for the respective parking lot improvements at amounts not to exceed \$52,080 for Part A and \$3,880 for Part B.

NOW THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the selection of Gerken Paving, Napoleon, OH (Part A) for engagement in the City's Standard Professional Services Contract and K&B Seal Coating, Clayton, Mi (Part B) for the respective parking lot improvements at amounts not to exceed \$52,080 for Part A and \$3,880 for Part B.

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

#### **RESOLUTION R12-059**

**RE: POLICE DEPARTMENT – Traffic Control Order**

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

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

Post "No Parking" signs at the dead end of Williams Street where it used to exit Maumee Street.

Respectfully,

TERRENCE B COLLINS,  
Chief of Police

TBC/skj

DATED: 5-15-12

On motion by Commissioner Faulhaber, seconded by Commissioner Berryman Adams, this resolution was adopted by a unanimous vote.

#### **MISCELLANEOUS**

1. D.A.R.T. Passenger Ridership Report for April 2012.
2. Departmental Report
3. Fire Department Report
4. Planning Commission Minutes.
5. ZBA Meeting Minutes

#### **PUBLIC COMMENTS**

1. Al & Phylis Wilkerson thanked everyone who assisted them in getting the Governor Croswell Tea Room up and running.
2. Allen Kern asked about the district library concept and if it is still an option; also asked about Judges Jewelry store and when work will commence to renovate it.

#### **COMMISSIONER COMMENTS**

1. Commissioner Gallatin recognized Chris Miller for his work in helping the downtown area.
2. Commissioner Faulhaber thanked the new restaurant owners in the downtown area as he appreciated the new business and also asked about the status of the rain garden.
3. Commissioner Jacobson thanked Chief Trinkka for working on the grant that will hire back 3 firefighters for a 2 year period.
4. Commissioner Carrico thanked the Wilkersons' and Erika Escue for taking the risk to open new businesses in Adrian.

At 8:00 pm, Commissioner Carrico motioned to go into closed session for continued discussion on current labor negotiations; seconded by Commissioner Warren and approved unanimously by the Commission.

The next regular meeting of the Adrian City Commission will be held on Monday, June 4, 2012 at 7:00 p.m. in the City Chambers Building, 159 E. Maumee St., Adrian, MI 49221.

Greg DuMars  
Mayor

Pat Baker  
City Clerk



# CHECK REGISTER

June 4, 2012

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

  
\_\_\_\_\_  
Dane C. Nelson  
City Administrator

DCN:mlb

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 # 3623 through # 3628 .....	\$99,656.95
General Fund	
Vouchers # 20950 through # 20965 .....	\$352,009.94
Clearing Account Vouchers	
amounting to.....	<u>\$244,847.89</u>
TOTAL EXPENDITURES .....	<u>\$696,514.78</u>

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

JUNE 4, 2012

UTILITIES FUND  
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
3623	\$104.89	Frontier Communications	Telephone bills
3624	\$195.48	City of Adrian Utilities	Various Water Bills
3625	\$2,158.92	Citizens Gas Fuel	Various Heat Bills
3626	\$104,808.22	City of Adrian Clearing Acct	Check Register May 21
3627	\$36,475.23	Consumers Energy	Various Electric Bills
3628	\$60,722.43	City of Adrian Payroll	Payrol w/e 05/25/12
	\$204,465.17		
	-\$104,808.22	CK 3626	
	\$99,656.95	TOTAL	

JUNE 4, 2012

JUNE 4, 2012

GENERAL FUND  
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
20950	\$ 779.94	Frontier Communications	Various Telephone Bills
20951	\$ 1,468.76	City of Adrian Utilities	Various Water Bills
20952	\$ 683.45	Citizens Gas Fuel	Various Heat Bills
20953	\$ 193,612.10	City of Adrian Clearing Account	Check Register 05/21
20954	\$ 35.00	Shannon Justice	Recreation Refund
20955	\$ 78.00	State of Michigan	Vehicle Tags
20956	\$ 28,276.31	Consumers Energy	Various Electric Bills
20957	\$ 7.50	Mr. Roynowski	Recycling Refund
20958	\$ 3,975.66	Quick Service Transportation	Payroll w/e 05/19
20959	\$ 220,789.13	City of Adrian Payroll	Payroll May 25
20960	\$ 15,376.56	First Federal Bank	Soc. Sec. payroll May 25
20961	\$ -	City of Adrian Utilities	EFT Transfer
20962	\$ 1,386.95	Lenawee Fuels	Fuel - Cemetery
20963	\$ 75,556.39	Blue Cross Blue Shield	June Hospitalization
20964	\$ 2.50	City of Adrian Utilities	Recycling Refund
20965	\$ 3,593.79	Quick Service Transportation	Payroll w/e May 26

\$ 545,622.04

\$ (193,612.10) Less: CK# 20953

\$ 352,009.94

JUNE 4, 2012

EXP CHECK RUN DATES 06/04/2012 - 06/04/2012  
BOTH JOURNALIZED AND UNJOURNALIZED  
BOTH OPEN AND PAID

Claimant	Amount Claimed	Amount Owed	Amount Rejected
1. ADRIAN COMMUNICATIONS	168.00		
2. ADRIAN DESIGN GROUP LLC	4,955.00		
3. ADRIAN FABRICARE CENTER INC.	670.00		
4. ADRIAN LOCKSMITH & CYCLERY	15.18		
5. ADRIAN MECHANICAL SERVICES CO	1,178.78		
6. AMERICAN OFFICE SOLUTIONS, INC.	64.07		
7. AMERICAN WATER CENTRAL LAB.	265.00		
8. APPLE INC	423.30		
9. ARCH WIRELESS	34.73		
10. AUTO ZONE COMMERCIAL	99.92		
11. AUTOMATED BUSINESS MACHINES	14.29		
12. B & B POOLS & SPAS	459.99		
13. BAKER & TAYLOR BOOKS	116.81		
14. BARRETT'S GARDEN CENTER, INC	265.24		
15. BATTERY WHOLESALE	109.20		
16. BEAUBIEN INC.	3,204.25		
17. BEST AIRE LLC	6,360.77		
18. BILL'S SERVICE, INC.	655.48		
19. BLACK SWAMP EQUIPMENT	42.00		
20. BLISSFIELD PARTS, INC.	59.00		
21. BOOK OF THE MONTH CLUB	39.47		
22. BRENT KUBALEK	136.47		
23. BSN SPORTS	243.31		
24. BUCK & KNOBBY EQUIP CO INC	1,030.66		
25. BWI	18.69		
26. CALIFORNIA CONTRACTORS SUPPLIES INC	534.96		
27. CASLER HARDWARE INC	112.95		
28. CATHY COWIN	125.00		
29. COCA-COLA BTLG CO OF MICHIGAN	424.08		
30. COIN-OP SPECIALISTS INC.	222.36		
31. COLLECTIVE DATA	1,236.25		
32. COMMERCIAL MAINT. CHEMICAL CORP.	1,197.60		
33. COMPUTER CARE COMPANY, INC.	229.85		
34. CTI & ASSOCIATES, INC.	10,373.00		
35. CULTICE RACE ENGINES	50.00		
36. CUTLER DICKERSON CO	639.14		
37. DAVE COMFORT	84.99		
38. DENNIS VESCELIUS	127.19		
39. DEXTER'S INC.	29.05		
40. DIXON ENGINEERING, INC.	2,800.00		
41. DON TAYLOR	41.98		
42. DOODY ENTERPRISES INC	49.50		
43. ENGLEWOOD ELECTRICAL SUPPLY	612.90		
44. FASTENAL COMPANY	392.76		
45. FAVORABLE IMPRESSIONS	39.96		
46. FEDERAL EXPRESS	16.98		
47. FIRSTLAB	35.90		
48. GALE	2,656.97		
49. GALLANT & SON	46.32		

EXP CHECK RUN DATES 06/04/2012 - 06/04/2012  
BOTH JOURNALIZED AND UNJOURNALIZED  
BOTH OPEN AND PAID

Claimant	Amount Claimed	Amount Owed	Amount Rejected
50. GALL'S INC	728.94		
51. GEMINI GROUP LLC	3,762.00		
52. GENERAL CHEMICAL PRODUCTS LLC	4,843.80		
53. GLOBAL GOVT/ED SOLUTIONS INC	240.84		
54. GORDON FOOD SERVICE	1,726.11		
55. GRAINGER INC.	140.74		
56. GREG BELL CHEVROLET CADILLAC INC	79.80		
57. GROSS ELECTRIC	44.38		
58. HUBBARD'S AUTO CENTER INC	153.82		
59. INFOGROUP	854.70		
60. INGRAM LIBRARY SERVICES	122.91		
61. INTERSTATE ALL BATTERY CENTER	41.96		
62. JOHNSON'S SPORTING GOODS	22.99		
63. KELLER THOMA, P.C.	522.70		
64. LANDS' END BUSINESS OUTFITTERS	119.95		
65. LEGACY PRINTING	42.00		
66. LENAWEЕ COUNTY LIBRARY	21.00		
67. LENAWEЕ COUNTY TREASURER	5,131.54		
68. LENAWEЕ TIRE & SUPPLY CO, INC.	12.00		
69. LIFELOC TECHNOLOGIES INC	33.00		
70. LONG'S OUTDOOR POWER	1,003.82		
71. MAGLOCLEN	400.00		
72. MANPOWER OF LANSING MI INC.	614.25		
73. MASSON'S ELECTRIC, INC	1,283.12		
74. MASUNE FIRST AID & SAFETY	172.00		
75. MCGOWAN ELECTRIC SUPPLY INC	266.31		
76. MD SOLUTIONS, INC	265.00		
77. MEGAN RICHARDS	12.49		
78. MERGENT INC.	5,635.00		
79. MICH ASSOC OF CEMETERIES	50.00		
80. MICHIGAN OUT-OF-DOORS	40.00		
81. MICHIGAN STATE POLICE	2,880.84		
82. MICHIGAN TASER DISTRIBUTING, INC	3,261.05		
83. MICHIGAN TBA DISTRIBUTORS INC	58.18		
84. MIDWEST COLLABORATIVE FOR	123.12		
85. MIDWEST SCULPTURE INITIATIVE	4,125.00		
86. MIDWEST TAPE	60.27		
87. NELSON TREE SERVICE INC	6,711.12		
88. NEXTEL COMMUNICATIONS	554.28		
89. NORTH EASTERN UNIFORMS & EQUIPMENT	2,037.97		
90. OCE IMAGISTICS INC	241.88		
91. PEST PATROL	370.00		
92. PITNEY BOWES INC	234.93		
93. PLATINUM PLUS	3,866.41		
94. QUICK SERVICE TRANSPORTATION	7,718.32		
95. QUILL CORPORATION	1,207.96		
96. R & W NURSERY, LLC	1,999.00		
97. RECORDED BOOKS LLC.	2,345.60		

User: CPRUE

DB: ADRIAN

EXP CHECK RUN DATES 06/04/2012 - 06/04/2012  
BOTH JOURNALIZED AND UNJOURNALIZED  
BOTH OPEN AND PAID

Claimant	Amount Claimed	Amount Owed	Amount Rejected
98. RED PAINT PRINTING LLC	323.00		
99. RICHARD GARNO	75.00		
100. RORICK LANDSCAPING LLC	695.00		
101. ROWE PROFESSIONAL SERVICES CO	26,832.25		
102. SCHUG CONCRETE CONSTRUCTION INC	6,059.10		
103. SHERWIN-WILLIAMS CO	2,920.61		
104. SHINE'S AUTO CLEAN	140.00		
105. SIELER CONSTRUCTION INC	76,667.50		
106. SPARTAN DISTRIBUTOR INC	371.66		
107. SPHERE PROJECT MANAGEMENT	245.98		
108. STAPLES CREDIT PLAN	149.98		
109. START RESCUE	750.00		
110. STATE OF MICHIGAN	1,313.50		
111. STEVENS DISPOSAL	140.00		
112. SUPERIOR TURBO & INJECTION LLC	194.47		
113. THOMAS SCIENTIFIC, INC	323.72		
114. TIME EMERGENCY EQUIPMENT INC	6,031.56		
115. T-MOBILE	29.99		
116. TOLEDO PHYSICAL EDUCATION SUPPLY	76.45		
117. TRACY TIME SYSTEMS	59.50		
118. TRAFFIC SIGNAL COMPANY	260.00		
119. TTB CLEANING LLC	610.00		
120. UNUM LIFE INSURANCE COMPANY	2,037.49		
121. USA BLUEBOOK	97.58		
122. UTILITIES REDUCTION SPECIALISTS INC	149.04		
123. VENTURE TECHNOLOGY GROUPS INC	1,076.18		
124. VERIZON WIRELESS	126.50		
125. VFW	20.00		
126. WALTERS SWIM SUPPLIERS INC	787.79		
127. WEST GROUP PAYMENT CENTER	1,578.00		
128. WESTERN LIME CORPORATION	5,813.64		
***TOTAL ALL CLAIMS***	244,847.89		



# COMMUNICATIONS



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**MEMO**

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Date: May 29, 2012

To: Dane C. Nelson, City Administrator  
Hon. Greg DuMars, Mayor  
City Commission

From: Jeffrey C. Pardee, Finance Director

**Re: Federal *Digital Accountability and Transparency Act* (H.R. 2146)**

The U.S. House of Representatives approved the *Digital Accountability and Transparency Act* (H.R. 2146) in late April, 2012. The legislation, introduced by Representative Darell Issa (R-California), would “establish an independent body to track federal spending, including grants, contracts, loans and agencies’ internal expenses, on a single electronic platform, using consistent reporting standards and data identifiers, and making all the information available to the public,” according to Rep. Issa.

State and local governments that receive grants and loans from the federal government would be required to report on their receipt and use of these funds to the independent database, similar to the recipient reporting required under the American Recovery and Reinvestment Act. The City of Adrian had \$675,421 of federal grant expenditures in FY2010-11, including \$332,602 from the U.S. Department of Transportation, \$88,916 from the U.S. Department of Justice, and \$253,883 from the U.S. Department of Housing and Urban Development. In addition, we had \$24,448,255 of low-interest loans for utility infrastructure (Water and Wastewater Plants, Westside Well-Field, etc.) that, although issued by the state, may be subject to these new reporting requirements. Current reporting requirements are handled through the Single Audit and publication of the Comprehensive Annual Financial Report.

The legislation also creates a five-member commission to be appointed by the President, with the advice and consent of the Senate. The commission would essentially carry on the work of the current Recovery Accountability and Transparency Board, including the development of data standards for recipient and federal agency reporting.

The Government Finance Officers Association (GFOA) and several associations representing the interests of states and localities sent a letter (copy attached) to House leaders expressing opposition to the measure, citing the massive reporting and oversight the act requires as obstacles to effective compliance, particularly without any additional funding, which the act fails to provide.

Senator Mark Warner (D-Virginia) has introduced a Senate companion bill (S.1222). State and local government associations plan to continue pursuing changes to the Senate measure, in particular a funding provision to support state and local implementation. If you have any questions or need for further information, please contact my office.

Government Finance Officers Association  
International City/County Management Association  
National Association of Counties  
National Association of State Auditors, Comptrollers and Treasurers  
National Association of State Budget Officers  
National Association of State Chief Information Officers  
National League of Cities

April 24, 2012

The Honorable Darrell Issa  
Chairman  
Oversight and Government Reform Committee  
United States House of Representatives  
Washington, DC 20515

Dear Chairman Issa:

On behalf of the above listed organizations, we are writing to commend on you on your efforts to further transparency and accountability in federal spending and to express our sincere appreciation to your staff in working with many of our organizations to include recommended changes in the most recent draft amendment to H.R. 2146, the Digital Accountability and Transparency Act. We agree with the long term purpose of the Act to consolidate and streamline the reporting of federal funds. However, in addition to the overall goals of modernization, efficiency and accountability, the shift toward data reporting standardization should keep in mind the costs and burdens for fiscally strained state and local governments and other federal grant recipients.

While there are a number of positive changes contained in the most recent draft, we remain concerned about the magnitude of reporting and the stated timelines for implementation. The lack of funding for state and local governments to carry out the reporting and necessary oversight is disappointing given the enormous administrative challenges inherent in implementing Recovery Act-type reporting for all grants and contracts. Having adequate staff and sufficient equipment and data systems are essential to effective implementation and oversight.

The ultimate success of Recovery Act reporting and the resulting low level of fraud and abuse can be attributed not only to the work of the Recovery Accountability and Transparency Board but also to the commitment and dedication of accountability and oversight professionals at the state and local levels. It was recognized early on that the lack of funding for state and local governments was a major oversight and shortcoming of the original Recovery Act, and it appears that this shortcoming will be repeated in the DATA Act.

We believe that an efficient and streamlined reporting process, such as the one established in the DATA Act, hinges on identifying challenges and establishing well thought out and vetted business processes. Relying on the success of reporting for a small number of ARRA grants and contracts and expanding that universe to include all federal awards will require significant planning and resources.

We have recently become aware that the current Recovery Accountability and Transparency Board will conduct a grants information reporting pilot project this summer to identify cost efficiencies and the potential pitfalls of moving toward a centralized system for data collection and warehousing. Such a pilot would be an important step in identifying the plausibility of expanding ARRA-like reporting requirements to the entire universe of grants and contracts.

As we have suggested previously, we believe that developing a phased-in approach to implementing the DATA Act would allow for grant recipients to establish the appropriate processes for such an enormous endeavor. Such an approach would also give the Recovery Board an opportunity to undertake its planned information reporting pilots and would help to mitigate the reoccurring data quality problems that have plagued USASpending.gov.

While we support the intent of the DATA Act, trying to implement the requirements on all grants and contracts all at once will severely limit the chances of meeting the intended goals and objectives. We hope that you will reconsider the legislation in its current form to develop a reasonable phased-in approach for implementation and that you will consider adding a funding provision to support state and local governments, which will be essential partners for successful implementation.

We look forward to continuing the dialog on this important initiative. Please feel free to contact our representatives in Washington should you have any questions or desire further information.

Michael Belarmino, NACo, 202-942-4254  
Cornelia Chebinou, NASACT, 202-624-5451  
Lars Etzkorn, NLC, 202-626-3173  
Susan Gaffney, GFOA, 202-393-8020  
Elizabeth Kellar, ICMA, 202-962-3611  
Scott Pattison, NASBO, 202-624-8804  
Pam Walker, NASCIO, 202-624-8477

Cc:

Majority Leader Eric Cantor  
Minority Leader Nancy Pelosi  
Representative Elijah Cummings, Ranking Member



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**MEMO**

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Date: May 29, 2012

To: Dane C. Nelson, City Administrator  
Hon. Greg DuMars, Mayor  
City Commission

From: Jeffrey C. Pardee, Finance Director

**Re: Senate Finance Committee Hearing on State and Local Taxes, Finance Issues**

In late April 2012, the Senate Finance Committee, chaired by Senator Max Baucus (D-Montana), held a hearing to examine how federal tax reform might affect states and localities. Witnesses, who included representatives from think tanks, academia, the Congressional Budget Office, and small businesses, were asked to discuss issues of critical concern to states and localities, including tax exempt interest on municipal bonds, the deduction of state and local taxes, initiatives to permit states and local governments to collect sales and use taxes from remote vendors, and measures to preempt state and local taxing authority over various industries. Most spoke broadly about these topics, noting the importance of a longer-term comprehensive plan for tax reform rather than a piecemeal approach that might create uncertainty for state and local government tax policy, revenue collection, and fiscal stability.

The Government Finance Officers Association (GFOA), together with several other organizations representing state and local governments, submitted congressional testimony. The organizations urged members of the committee to: 1) maintain the federal tax exemption on municipal bonds to promote job creation and improve the nation's infrastructure; 2) ensure that state and local governments retain the authority to set their own tax policy; and 3) oppose federal preemptions that would grant preferential tax treatment to certain industries and threaten the fiscal health of state and local governments.

A complete copy of the GFOA testimony is attached. If you have any questions or need for additional information, please contact my office.



April 23, 2012

The Honorable Max Baucus  
Chairman, Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Orrin Hatch  
Ranking Member, Committee on Finance  
United States Senate  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Baucus and Senator Hatch:

On behalf of the organizations listed above representing our nation's cities, towns and counties, we appreciate the opportunity to submit the following comments to the Senate Finance Committee as you discuss what federal tax reform could mean for state and local fiscal and tax policy. Our comments today highlight three specific areas: (1) maintaining the federal tax exemption on municipal bonds to promote job creation and improving the nation's infrastructure; (2) ensuring that state and local governments retain the authority to set their own tax policy; and (3) opposing federal preemptions that would grant preferential tax treatment to certain industries and threaten the fiscal health of state and local governments.

Our organizations share a long-standing opposition to any preemption by Congress of local taxing authority. How to levy taxes fairly, how to ensure there is no discrimination among companies that provide different forms of the same service, and how to protect local government revenues are all matters that should be resolved at the state and local level.

Local governments exercise their taxing authority to the extent provided by state law. As a result, local taxing authority and practices differ from state to state, and from county to county and city to city within a state. This means that every local government tailors its tax policy by taking into account the sources of revenue available and the needs and desires of its residents. More importantly, local officials making these decisions are accountable to the voters and taxpayers in their communities for the expenditure of funds on public services. Our citizens already have the power to change locally imposed taxes and do not need to be subjected to a one-size-fits all federal tax policy.

In today's difficult economic times, when local governments are facing the fifth straight year of declines in revenue with further declines projected for 2012, local taxing autonomy is crucial in helping to ensure that the needs of local citizens are met. The ability to make tax and other fiscal policy decisions at the local level, without federal interference, enables local officials to provide the quality services our shared citizens expect. In considering any changes to the federal tax code, we simply ask that you respect local authority and that you act to promote the intergovernmental partnership by authorizing the collection of local taxes already owed on Internet and mail-order sales. Accordingly, we call on Congress to immediately pass the *Market Place Fairness Act* (S. 1832).

We also think it is important to maintain the long-standing partnership between the federal government, and states and local governments through the federal tax exemption of interest earned on municipal bonds. Tax-exempt bonds help finance the construction and maintenance of three-quarters of the public infrastructure throughout the United States. This long-standing federal tax policy allows local governments to save approximately two-percentage points on their borrowing costs to finance the vast majority of all public infrastructures in our nation, which translates into savings to local taxpayers.

The following is a more detailed discussion of our policies related to these issues.

### **Maintaining the Federal Exemption on Municipal Bonds**

State and local governments access the tax-exempt bond market to provide essential infrastructure and services to their citizens. Without access to this type of financing, the cost to taxpayers for providing schools, libraries, public buildings and hospitals, roads and bridges and sewers and waterways would be much greater. Tax-exempt bonds are not just a useful means to provide this important public service; they also are a well-established product for investors. More than 75% of municipal bonds are owned by individuals, from an array of income brackets.

Tax-exempt financing has a solid investor base and established legal infrastructure that allows a variety of communities, both small and large, to effectively serve the needs of diverse constituencies. There are over \$2.9 trillion in outstanding tax-exempt bonds, issued by 50,000 separate government units.

The federal tax exemption of municipal bond interest is long standing. It is neither a loophole nor a special interest tagalong provision. In fact, Congress has exempted municipal bond interest since the income tax code was promulgated in 1913 and has continued to do so for 99 years.

The role tax-exempt bonds play is a great example of the federal, state and local partnership. State and local governments are responsible for building and maintaining 75% of our country's infrastructure, with a majority of these projects financed through tax-exempt bonds. The yield an investor receives for tax-exempt bond purchases is usually 200 basis points lower than what they would receive on taxable bond purchases. However, because of the tax benefit, municipal bonds become a comparable investment, and one known to be among the safest in the world. This allows governments to borrow at a lower rate, saving billions of taxpayer dollars. The cost to the federal government of not taxing these investments is insignificant compared to the overall benefit that tax-exempt bonds provide for each community. In fact, tax-exempt bonds are the best way to integrate the needs of each community effectively, as the decision to issue bonds for various projects is determined and approved by either the citizens themselves or their elected legislative bodies.

The only logical way for the federal government to be a partner in infrastructure funding is by supporting the tax-exemption of municipal securities.

Congress and national leaders often discuss the need for shoring up our country's infrastructure. The American Society of Civil Engineers reports that it will cost state and local governments \$2.2 trillion over the next five years to meet physical infrastructure needs. At this time, when infrastructure demands are great, yet direct federal assistance to state and local governments is shrinking, the ability of states and localities to issue tax-exempt bonds becomes more significant. Without these bonds, state and local

governments and taxpayers will struggle with increased borrowing costs, and financing for infrastructure construction and maintenance will stagnate. Businesses and communities that depend on infrastructure for commerce, public safety, job creation and the development of an educated workforce will suffer, no doubt jeopardizing the country's already fragile economic recovery.

Unfortunately, there are several tax proposals circulating that would dampen the effectiveness of the bond market, creating higher borrowing costs for state and local governments, less investment in infrastructure, and fewer jobs. This comes at a time when state and local governments are still struggling to recover from the Great Recession. Many local governments are facing budget shortfalls that continue to force them to make deeper cuts in critical public services and delay infrastructure investments.

One of the tax proposals circulating would cap certain tax deductions and exclusions for high income taxpayers, including tax-exempt interest on municipal securities. This cap would effectively amount to a tax on tax-exempt bonds - for both new issuances and bonds that are outstanding. Such a retroactive policy shift has never occurred before in this market, and would have the detrimental effect on investor's appetite for tax-exempt bonds. This would drive up the borrowing costs of state and local governments. Similarly, the proposal to place an additional sliding cap on the benefits of deductions and exclusions, including tax-exempt bonds, would also be detrimental to local governments. This sliding cap would change from year to year and would be especially troubling for tax-exempt bonds, since it would be virtually impossible for investors to predict the tax rate for their municipal bond interest income over the life of their investments and would create a strong disincentive to buy tax-exempt municipal bonds.

Other proposals to replace tax-exempt bonds with tax credit bonds or direct subsidy bonds also would raise costs for state and local governments and their citizens. These programs work best as a complement to -- not a replacement of -- tax-exempt bonds. Congress should carefully look at how various tax credit bond programs have worked in practice versus in theory, when reviewing their role in the marketplace.

Simply, the tax-exempt bond market is a smart, cost-effective investment for state and local governments, investors and the federal government. No amount of appropriations or other financing tools match their effectiveness for financing infrastructure needs that serve individual communities and the country at large.

### **Ensuring that State and Local Governments Retain the Authority to Set Their Own Tax Policy Based on the Needs of Their Constituents**

#### ***Federal Deduction of State and Local Taxes***

We oppose the elimination or reduction, phased or otherwise, of state and local tax deductions. The deductibility of personal state and local income, property and sales taxes on federal tax returns recognizes the historic relationship of the federal, state, and local governments and the fact that all levels of government provide vital services. The elimination or reduction of state and local tax deductions would only increase state and local taxes for citizens.

Since the federal income tax was adopted in the early 20<sup>th</sup> century, there has been recognition that independent state and local government tax structures should be respected. State and local tax deductibility has contributed to the stability of tax revenues that are reliable and flexible. As state and local governments must balance their budgets, any change that disrupts the stability of their tax structure could only harm their ability to provide essential services, especially during recessions. The deductibility of state and local taxes supports their efforts to set tax rates at levels that efficiently match the service demands of their residents across a range of incomes and needs. Deductibility of these taxes also minimizes unhealthy market swings during times of economic change.

One key example of the importance of state-local tax deductibility is housing. Housing is a highly valued asset for residents and communities. Should deductibility of property taxes be eliminated or reduced, more volatility would be introduced into the housing sector, and could well reduce property tax revenues if such a change further curbed housing sales and prices. Historically, the deductibility of the property tax has often been a positive element in stabilizing housing values and markets. The recent economic downturn and the related housing crises are important reminders that property tax deductibility can support a housing recovery and, in time, restore government property tax revenues.

### ***Encourage State and Local Sales Tax Collection***

As the increasing strength of electronic commerce creates exciting new marketplaces, it has also put traditional retail outlets at an unfair disadvantage because of outdated and inequitable tax and regulatory environments. The Supreme Court's decision in *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992) left state and local governments unable to adequately enforce their existing sales tax laws on sales by out-of-state catalog and online sellers. But Congress, with its clear constitutional authority to regulate interstate commerce, can give states and local governments the option to require sellers who do not have a physical presence in their jurisdiction to charge and collect sales taxes from their customers.

We urge support for the bipartisan Enzi-Durbin-Alexander *Market Place Fairness Act* (S. 1832), which would give state and local governments the option to collect the sales taxes they are already owed under current law from out-of-state businesses, rather than rely on customers to pay those taxes to the states. While brick-and-mortar retailers collect sales taxes from customers who make purchases in their stores, many online and catalog retailers do not collect these same taxes. This puts main street retailers at a five to ten percent competitive disadvantage to remote sellers. It is significant to note that customers are already required to pay taxes when they make online purchases, just like when they make purchases in a store; however, most taxpayers are not aware of this responsibility, and states and localities do not currently have the resources to enforce the payment of the tax. The *Market Place Fairness Act* does not impose a new tax, but would provide states and localities with a mechanism to require the collection of sales and use taxes on Internet and mail-order sales. This would help to level the playing field for brick and mortar stores on main street.

At a time when local governments are still facing tough choices to close budget gaps projected for fiscal years 2012 and 2013, collecting an estimated \$23 billion owed in sales taxes a year would mean more money for investment in local infrastructure and basic services, just what the economy needs to generate more jobs. Although we have pushed for collection of remote sales taxes for over a decade, there is no time better than now for Congress to enact the *Market Place Fairness Act*, S.1832, into law.

***Oppose federal initiatives that would grant certain industries preferential tax treatment and threaten the fiscal health of states and local governments***

State and local governments continue to witness a growing parade of various industries actively urging Congress to preempt state and local government taxing authority of their particular industry. From the wireless industry, to the rental car industry, to online travel companies, these businesses are asking Congress for preferential tax treatment at the expense of local communities, individuals and families. The state and local government community strongly opposes any federal preemption of its taxing authority. If Congress were to grant any one industry's request for federally mandated tax favoritism it would open the door for other industries to request similar special exemptions or protections from state and local taxing authority. Such actions by Congress would cause great damage to the entire existence of independent state and local taxation authority in our system of federalism, as well as to the fiscal health of state and local governments - all while purporting to solve a host of problems that simply do not exist.

These preemption measures, particularly when taken together, would set an unprecedented and dangerous new standard for federal intervention into state and local government tax classifications. While they purport to address only 'discriminatory' taxation, their standard for federal intervention becomes that every industry sector and every service has to be taxed at the same rate. Such a standard for 'discriminatory' state and local taxes would mean, contrary to long-established precedent, that the federal government has the power to preempt all state and local tax classifications and to impose a federally-mandated state and local tax code of only a single rate for all business. This would result in the end of state and local tax classification authority; significantly undermining the ability of state and local governments to balance their budgets, and redistributing the tax burden among those taxpayers least able to bear the burden. The power of the federal government to preempt state and local taxes is ultimately the power to destroy state and local governments – a power that cannot be reconciled with our basic system of federalism.

Some examples of proposals that have been introduced that would preempt state and local taxes are as follows.

*The Wireless Tax Fairness Act of 2011* would ban new state and local taxes on wireless communications for a period of 5 years. As justification for this special tax treatment, proponents of the measure use data that consistently inflates state and local tax burdens relative to other businesses by unfairly mixing taxes with user fees and failing to disclose that the industry pays virtually no corporate income taxes. Moreover, the wireless industry has yet to present any data indicating that state and local wireless taxes have had any adverse effect on wireless service subscribership, revenue or investment. Quite the contrary, the wireless industry has experienced 100% growth between 2006 and 2011, even as the industry complains about its state and local tax burden.

Furthermore, provider claims that state and local taxes hinder activities such as broadband deployment are completely without merit. In reality, provider decisions to deploy a network are purely economic; providers will only target areas of deployment where they will reap the greatest return on investment.

*The End Discriminatory State Taxes for Automobile Renters Act of 2011* would preempt state and local governments' ability to impose 'discriminatory' taxes on automobile rentals and property related to renting automobiles. Yet, once again, the determination that a tax is 'discriminatory' is made without any reference to the factors that state and local policymakers use to evaluate local needs and the best manner to distribute the local tax burden, including offsetting exemptions that may be favorable to the rental car industry. Finally, the fundamental principle of federalism vests states and localities with the responsibility of providing services and raising funds to pay for those services. Fees may be placed on cars rented from airport locations that are used for capital improvements and tourism campaigns that directly benefit the rental car companies themselves. Rental car taxes are also imposed throughout the United States by cities, counties and states, with the proceeds used to pay for a variety of government services and programs.

Online Travel Companies (OTC) such as Expedia and Travelocity continue their behind the scenes efforts to have legislation favorable to their industry introduced at the federal level, at the expense of state and local taxpayers and the hotel industry. Such legislation would provide the OTC's with a tax loophole by allowing them to pay state and local taxes based on the lower, wholesale rate they pay hotels for room rentals, rather than on the higher, retail rate these companies charge customers, putting in-state hotels that remit taxes on the retail rate at a competitive disadvantage. It is estimated that state and local governments are losing \$275 million to \$400 million in revenue each year because OTC's fail to collect and remit to states and localities the appropriate amount of tax on hotel room bookings.

*The Digital Goods and Services Tax Fairness Act of 2011* would regulate state and local governments' taxation of downloaded music, movies and online services. The bill would seek to ban 'multiple' and 'discriminatory' taxes on digital goods and services, even though there is **no** concrete evidence of this practice by state and local governments; another bill with a solution in search of a problem. Moreover, the measure could potentially disrupt fundamental features of state and local sales taxation and open up major tax-avoidance opportunities for some large multistate corporations. Furthermore, the *Internet Tax Freedom Act* enacted in 1998 already bans such multiple and discriminatory taxation of electronic commerce, including digital goods and services.

*The Business Activity Tax Simplification Act of 2011* would redefine what constitutes physical presence to limit a state's ability to impose various taxes on businesses conducting activity within the state. Groups such as the National Governors Association have spoken out against the bill, characterizing it as an unwarranted intrusion into state affairs that will harm their ability to manage their finances during a critical and delicate time of economic recovery. The bill is estimated to cost states and localities \$3 billion annually in revenue.

## CONCLUSION

In summary, our several organizations understand the need for tax reform to address the rising federal deficit and to promote jobs and economic growth. As you discuss various tax reform proposals, we would strongly urge you to consider the impact any changes will have on critical infrastructure that residents in all local communities have come to depend on-- schools, transit systems, water and sewer systems, hospitals and roads and bridges. Local governments have been able to finance infrastructure projects at a reasonable interest rate through issuing tax-exempt municipal bonds. Without this type of financing, the cost to taxpayers would be significantly higher; and it would, in many cases, force local

governments to delay the financing of essential projects that create jobs and economic growth. We therefore strongly urge you to continue to maintain the federal income tax exemption for municipal bonds.

It is also important to adopt reforms that will allow local governments to retain authority over their own tax policy. We urge that you maintain the deductibility of personal state and local property, sales, and income taxes on federal tax returns. This recognizes the historic partnership that exists between federal state and local governments. The elimination or reduction of these deductions would only increase the cost of state and local taxes for citizens. We would also strongly urge you to immediately pass the *Market Place Fairness Act*, S. 1832, a bipartisan bill that would assist state and local governments collect \$23 billion that is already owed to them on internet and mail-order sales. This would help state and local governments make needed investments in infrastructure improvements and other critical areas.

Finally, we would strongly urge you to oppose federal initiatives that would preempt state and local taxing authority and grant certain industries preferential tax treatment at the expense of other taxpayers. By granting any one industry's request for federally mandated favorable tax treatment, Congress would open the floodgate to many other similar requests, which would further erode state and local revenues and undermine their tax policy.

We appreciate the opportunity to submit this testimony on behalf of this country's counties, cities, and towns. If you have questions, please feel free to contact any of our association's legislative representatives.

Sincerely,

National Association of Counties - Michael Belarmino, 202-942-4254

National League of Cities - Lars Etkorn, 202-626-3173

The United States Conference of Mayors - Larry Jones, 202-861-6709

International City/County Management Association – Joshua Franzel, 202-682-6104

Government Finance Officers Association - Susan Gaffney or Barrie Tabin Berger, 202-393-8020



# REGULAR AGENDA



## Adrian Fire Department

# Memorandum

**To:** Mayor Greg DuMars, Adrian City Commission

**From:** Paul G. Trinka

**CC:** City Administrator Dane Nelson, Finance Director Jeff Pardee, Assistant Finance Director Cindy Prue

**Date:** May 25, 2012

**Re:** Staffing For Adequate Fire and Emergency Response Grant (SAFER)

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Earlier this year the City Commission authorized the department to apply for a SAFER Grant through the Federal Emergency Management Agency to hire three firefighters. The grant program allows fire departments to hire personnel to enhance their ability to comply with recognized standards for staffing, response and operational purposes. The grant covers 100% of the costs associated with salaries and benefits. The grant does not cover training, equipping, uniforms, physicals nor can it be used to supplant normal operating budgets unless a waiver has been granted. In any case the grant requires SAFER funds be used to enhance incident scene safety and the primary assignment of SAFER – funded firefighters will be operation, regardless of collateral duties. There may be no reduction in fulltime firefighting staff during the two year grant period.

Following submission of the grant Tina Godfrey of the SAFER Grant Office at FEMA called and emailed with follow-up questions. We did not hear anything further until Senator Debbie Stabenow's office called on May 16<sup>th</sup> and congratulated us for being awarded a SAFER Grant in the amount of \$688,982. On Friday May 18<sup>th</sup> the formal announcement was made by FEMA that we had been awarded the grant pending acceptance of our local governing body.

The amount Adrian Fire was awarded caused some internal rumbling and comments, as well as some offer by friends and acquaintances that by doing some simple math \$114,830 seemed like too much money for wages and benefits per year per firefighter. I reviewed the grant proposal and found that we requested a total of \$452,982 or \$75,496 per firefighter per year. I placed a call to the SAFER Grant Office and spoke with Tina Godfrey on May 22<sup>nd</sup>. Tina quickly reviewed the application and found that she had made an error in processing the grant funds. After checking with SAFER Grant staff Tine said that the City Commission would need to accept the grant of \$688,982 and then amend our request after acceptance.

I would ask that the City Commission accept the SAFER Grant award from the Federal Emergency Management Agency as follows:

<b>Hiring Firefighters</b>						
<b>Activity</b>	<b>No. of Firefighters</b>	<b>Cost Per Firefighter</b>				<b>Overall</b>
						<b>Total</b>
<b>Rehire</b>	2	Compensation	1st Year	2nd Year	Total	\$301,988
		Per Firefighter				
		Base Salary	\$49,780	\$50,278	\$100,058	
		Benefits	\$24,255	\$26,681	\$50,936	
		Totals	\$74,035	\$76,959	\$150,994	
<b>Attrition</b>	1	Compensation	1st Year	2nd Year	Total	\$386,994
		Per Firefighter				
		Base Salary	\$49,780	\$50,278	\$100,058	
		Benefits	\$24,255	\$26,681	\$50,936	
		Totals	\$74,035	\$76,959	\$150,994	
				<b>Total</b>		\$688,982

And upon acceptance by FEMA allow amends as follows:

<b>Hiring Firefighters</b>						
<b>Activity</b>	<b>No. of Firefighters</b>	<b>Cost Per Firefighter</b>				<b>Overall</b>
						<b>Total</b>
<b>Rehire</b>	2	Compensation	1st Year	2nd Year	Total	\$301,988
		Per Firefighter				
		Base Salary	\$49,780	\$50,278	\$100,058	
		Benefits	\$24,255	\$26,681	\$50,936	
		Totals	\$74,035	\$76,959	\$150,994	
<b>Attrition</b>	1	Compensation	1st Year	2nd Year	Total	\$150,994
		Per Firefighter				
		Base Salary	\$49,780	\$50,278	\$100,058	
		Benefits	\$24,255	\$26,681	\$50,936	
		Totals	\$74,035	\$76,959	\$150,994	
				<b>Total</b>		\$452,982

I would also ask that the Finance Director Jeff Pardee make the appropriate budget adjustments for salaries, Medicare, Health Care, Life Insurance, Retirement, Unemployment Compensation Insurance and Workers Compensation Insurance once the transfer of funds is complete.

Once we have accepted the grant we will have 90 days to hire three firefighters. We will use the same process we have in the past; written and physical testing through the Conference of Western Wayne County, interview and pre-employment physical.

Members of the department are excited about the prospect of returning to 18 fulltime members!

**RE: FIRE DEPARTMENT – Staffing for Adequate Fire and Emergency Response (SAFER) Grant Acceptance**

**RESOLUTION**

WHEREAS, in June of 2011, the Adrian Fire Department staff was reduced to 15 fulltime personnel because of reductions in General Fund monies, and;

WHEREAS, the United States Federal Emergency Management Agency administers the Staffing for Adequate Fire and Emergency Response Grant program, referred to as the SAFER Grant for fire departments to hire emergency responding personnel to assist fire departments in complying with recognized standards and government safety requirements, and;

WHEREAS, in February, 2012, the Adrian Fire Department applied for a SAFER Grant to hire three (3) fulltime firefighters for two (2) years and has been notified that pending the Adrian City Commission’s acceptance of the grant will be awarded \$688,982 later to be amended to \$452,982 for correction of errors in the grant review process for wages and payroll expenses, and;

WHEREAS, the City Administrator recommends approval of this resolution, acceptance of the 2011 SAFER Grant from the United States Federal Emergency Management Agency and approval of the following amendments to the FY 2012–13 budget and the implementation in the FY2013–14 budget as follows:

		<u>FY2012-13</u>	<u>FY2013-14</u>	<u>Total</u>
(101-336.00-702.000)	Salaries & Wages	\$149,340	\$150,834	\$300,174
(101-336.00-715.000)	Medicaid	2,165	2,187	4,352
(101-336.00-716.000)	Health Care	38,733	38,733	77,466
(101-336.00-717.000)	Life Ins./AD&D	390	390	780
(101-336.00-718.000)	Retirement Contrib.	26,252	26,544	52,820
(101-336.00-719.000)	Workers’ Comp.	<u>7,137</u>	<u>7,208</u>	<u>14,345</u>
	Total	<u>\$225,559</u>	<u>\$227,423</u>	<u>\$452,982</u>

;and

WHEREAS, the Finance Director indicates that the Fire Department FY2012-13 Budget should be amended per the aforementioned schedule and that the FY2013-14 Budget Recommendation include the second year funding for the SAFER Grant Award.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution and contingent upon final federal approval, accepts the United States Federal Emergency Management Agency (SAFER) Grant Award for the purpose of hiring three (3) fulltime firefighters for a period of two (2) years and commits by receiving this grant that no reductions will be made in staffing at the fire department during that two year period.

BE IT FURTHER RESOLVED that the FY2012-13 Budget be amended as follows:

**General Fund (101) Revenue**

(101-336.00550.000)	Fed. Emergency Mgt. – SAFER Grant	\$225,559
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**Expenditures:**

(101-336.00-702.000)	Salaries & Wages	\$149,340
(101-336.00-715.000)	Medicaid	2,165
(101-336.00-716.000)	Health Care	38,733
(101-336.00-717.000)	Life Ins./AD&D	390
(101-336.00-718.000)	Retirement Contrib	26,252
(101-336.00-719.000)	Workers' Comp.	<u>7,137</u>
	Total Expenditures	<u>\$225,559</u>
	Total	<u>\$ -0-</u>

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

May 25, 2012

## MEMORANDUM

TO: Dane Nelson, City Administrator

FROM: Kristin Bauer, City Engineer

SUBJECT: North Toledo Street – LED Globes



We received bids on May 17, 2012 for LED globes for the N. Toledo Street parking lot. These globes will be the same type and style as those previously purchased for the S. Toledo Street parking lot in 2010.

CITY OF ADRIAN, MICHIGAN  
LED LIGHTS/GLOBES  
DUE DATE: MAY 17, 2012

BIDDER	AMOUNT	MAKE	DELIVERY
American Cooper Hillsdale, MI	\$1,310.00 ea \$ 18,340.00 Total	HCI F100-L-C3-FAC	56 – 70 days
McGowan Electric Adrian, MI	\$ 1,335.00 ea \$ 18,690.00 Total	As specified	40 – 50 days
Standard Electric Jackson, MI	\$ 1,375.00 ea \$ 19,250.00 Total	As specified	70 days
Englewood Electric Adrian, MI	\$ 1,385.00 ea \$ 19,390.00 Total	As specified	75 days
Terry Hicks Adrian, MI	\$ 1,543.00 ea \$ 21,602.00 Total	As specified	8 – 10 weeks
Terry Hicks Adrian, MI	\$ 890.04 ea \$ 12,460.56 Total	Lumccon LED LROF-T5-NW-A-1-8	6 – 8 weeks
Voss Lighting Grand Rapids MI	No bid		

We recommend award of these globes to American Copper and Brass of Hillsdale, MI. in the amount of \$18,340.00. The bid from Terry Hicks in the amount of \$12,460.56 were not the bid specified globes. In reviewing the alternate they have a slightly different look than those in the S. Toledo St. lot. Being that these lots are adjacent to one another the different globe styles would be noticeable. No supplier met the requirements of the Local Preference Policy. These lights will be installed under a different contract on the existing light poles that will be cleaned and painted by the DPW.

Funds for this purchase are available in the Auto Parking Fund (585-546.00-776.291).

**RE: CITY ENGINEER –North Toledo Street Parking Lot – LED Globes**

**RESOLUTION**

WHEREAS the Adrian City Commission, by resolution # R11-032 dated April 4, 2011, accepted a \$280,000 Grant Award for the Farmers’ Market Improvement Project (Project No. MSC 210012-FMK) under the Michigan Community Development Block Grant (CDBG) Farm to Food Grant Program, with a commitment to fund the \$60,000 local matching requirement; and

WHEREAS, the Finance Director indicates that the City of Adrian local match requirement will be met by paving the North Toledo Street Parking Lot utilizing funds from the Auto Parking Fund Capital Improvement Account (585-546.00-975.000); and

WHEREAS, the Adrian City Commission, by resolution# R12-058 dated May 21, 2012, authorized the selection of Gerken Paving, Napoleon, OH for engagement in the City’s Standard Professional Services for the aforementioned parking lot improvements at an amount not to exceed \$52,080; and

WHEREAS, the Purchasing Office, in conjunction with the City Engineer, solicited and received seven (7) competitive bids on May 17, 2012 for fourteen (14) LED Globes for the North Toledo Street Parking Lot, same type and style as those previously purchased for the South Toledo Street Parking Lot, with the following results:

<u>VENDOR</u>	<u>LOCATION</u>	<u>TOTAL</u>
American Copper	Hillsdale, MI	\$18,340.00
McGowan Electric	Adrian, MI	18,690.00
Standard Electric	Jackson MI	19,250.00
Englewood Electric	Adrian, MI	19,390.00
Terry Hicks	Adrian, MI	21,602.00
Terry Hicks	Adrian, MI	12,460.56
Voss Lighting	Grand Rapids, MI	No Bid

; and

WHEREAS, the low bid, Terry Hicks, Adrian, MI, did not conform to the bid specifications; and

WHEREAS, the City Engineer and City Administrator recommend the selection of American Copper and Brass, Hillsdale, MI, for engagement in the City’s Standard Professional Services Contract for the purchase and installation of fourteen (14) LED Globes for the North Toledo Street Parking Lot at an amount not to exceed \$18,340; and

WHEREAS, the Finance Director indicates that sufficient funds are available for this purpose in the Auto Parking Fund (585) FY2011-12 Budget (585-546.00-801.000)

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the selection of American Copper and Brass, Hillsdale, MI, for engagement in the City’s Standard Professional Services Contract for the purchase and installation of fourteen (14) LED Globes for the North Toledo Street Parking Lot at an amount not to exceed \$18,340.

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

# Memo

To: Jeffery C. Pardee, Finance Director  
From: Mark K. Gasche, Parks and Recreation Director  
Date: May 29, 2012  
Re: Budget amendment for Mud Hens trip

---

One of our volunteer coaches for baseball inquired about offering an Adrian Youth Baseball-Softball Association night at Fifth Third Field during a Mud Hens game. He offered to make all of the contacts with the Mud Hens as well as our coaches to promote the event; we were just providing flyers to help with the promotion. However as we proceeded with the planning for the event it became evident that we needed a central repository to receive payments for the trip and to make payments to cover the expenses. It was obvious that running everything through the City accounts would make the most sense so we have been accepting all of the registration forms in our office, with the payments being made to the City. After seeing the results for this event in the first year (215 participants) we feel as though it will be best to institutionalize it and have everything run through our office, as we plan to offer this each year as long as it is successful.

We did not budget for the event this year so it will be necessary to make a budget amendment to reflect the new program. With the 215 people registered for the trip we have collected \$2,150 in revenue and we will have an expense of \$1,736. We would like to show this budget amendment in the Adrian Area Little League cost center in the Recreation operation budget.

As mentioned, we plan to continue offering this program as an annual event so we will need to amend the 2012-13FY budget to reflect this as well. I project a larger response next year with \$3,000 in revenue and \$2,567 in expenses.

Thank you for your assistance in making the appropriate budget amendments for both the 2011-12FY and 2012-13FY. Please let me know if you have any questions.

C: Brent Kubalek, Recreation Facilities Manger

**R12-062**

**RE: DEPARTMENT OF PARKS & RECREATION – Adrian Youth Baseball-Softball Association Night at Toledo Mud Hens Fifth-Third Field**

**RESOLUTION**

WHEREAS, the Department of Parks & Recreation, in conjunction with the Adrian Youth Baseball-Softball Association, is desirous of participating in what is expected to be the first annual special event at the Toledo Mud Hens Fifth-Third Field; and

WHEREAS, the special event, which will be held the evening of Wednesday, June 6, is expected to be financially self-sustaining with 215 people registered this year and 300 participants anticipated next year; and

WHEREAS, the Director of Parks and Recreation and the City Administrator recommend institutionalizing this annual special event by incorporating the activity into the City’s annual operating budget, within the Little League cost center; and

WHEREAS, the Finance Director indicates that sufficient funds are available from pre-registrations and recommends that both the FY2011-12 and FY2012-13 Parks & Recreation Operating Budget, Little League cost center be amended to reflect this new program.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission by this resolution hereby endorses the Department of Parks and Recreation new annual special event – Adrian Youth Baseball-Softball Association Night at Toledo Mud Hens Fifth-Third Field.

BE IT FURTHER RESOLVED the both the FY2011-12 and FY2012-13 Parks & Recreation Operating Budget, Little League cost center be amended to as follows to reflect this new program.

**General Fund (101)**

**Department of Parks and Recreation (691.01)**

	<u>FY2011-12</u>	<u>FY2012-13</u>
Little League Revenue:		
(101-691.01-651.058) Use/Admin Fees-Special Events	\$2,150	\$3,000
Little League Expenditures:		
(101-691.01-741.058) Supplies – Special Events	<u>2,150</u>	<u>3,000</u>
Total	<u>\$ -0-</u>	<u>\$ -0-</u>

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

# MEMO

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DATE: May 31, 2012  
TO: Honorable Mayor and City Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: Purchase of Base Console/Digital Repeater

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I have reviewed the memo of the Transportation Director for the waiver of the customary bid process. Since the item purchased is part of a State purchase plan, I see no reason to proceed with competitive bids and concur with the request to waive the bid process in this transaction.

Respectfully submitted,

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

Dane C. Nelson  
City Administrator

DCN:mlb

SUBJECT: Purchase of Base Console/Digital Repeater May 30, 2012  
TO: Dane C. Nelson City Administrator  
FROM: Marcia Bohannon Transportation Coordinator

The City of Adrian was awarded a Section 5311 Capital Grant for the purchase of Vehicle Radios, in the amount of \$17,500 and Vehicle Tires in the amount of \$8,000.

The radios have been purchased and installed and there is \$5,520 remaining on that line item. I am recommending the bid process be waived for the purchase of a base console/digital repeater to be used at our current transportation facility. The console is eligible for replacement as per the Federal Transportation Administration's guidelines and there are sufficient funds available for the purchase. This equipment appropriately falls under the line item of mobile radio equipment and antennas. The console is a "Kenwood" and will be purchased off the State of Michigan contract. We will make the purchase through Adrian Communications.

At this time, I am requesting the bid process be waived and the base console be purchased in the amount of \$5,442.

Respectfully submitted,



Marcia Bohannon  
Transportation Coordinator

**adrian**  
—  
**communications**

103½ Sand Creek Hwy.  
Adrian, Michigan 49221  
Phone (517) 265-8470

March 16, 2012

Lenawee County  
Dial A Ride  
Adrian, Michigan

Att: Marcia

re: Michigan State Contract quote....

Kenwood **TKR-810K/KSGA310R**, analog/ digital repeater  
100 watts continuous duty, including duplexer.

**\$ 5442.00**

**R12-063**

June 4, 2012

**RE: Department of Transportation – Purchase of a Kenwood Base Console from Adrian Communications**

RESOLUTION

WHEREAS, the City of Adrian desires to continue and enhance provisions of Dial-A-Ride transportation services through federal and state grant funded improvements; and,

WHEREAS, a project authorization had been proposed which granted \$17,500 for the purchase of mobile radio equipment and antennas, and,

WHEREAS, the mobile radios and antennas have been purchased, leaving remaining funds of \$5,520, and,

WHEREAS, the Transportation Coordinator and City Administrator recommend that the competitive bid process be waived in favor of using the State of Michigan Cooperative Purchasing Programs, and that a KENWOOD base console be purchased in the amount of \$5,442.00 from Adrian Communications, Adrian, MI; and,

WHEREAS, the base console has met its useful life as per the Federal Transportation Administration's guidelines and is eligible for replacement, and be it,

RESOLVED, that the City Commission of the City of Adrian does hereby approve the purchase of a KENWOOD base console in the amount of \$5,442.00 off the State of Michigan contract under the Agreement 2007-0156, Authorization # Z8, and be it,

FURTHER RESOLVED, that the equipment and funds from the project authorization be granted to the Adrian Dial-A-Ride, and in the best interests of the City, the competitive bid process be waived in favor of using the State of Michigan Cooperative Purchasing Program, in accordance with the City's Purchasing Policy.

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

# MEMO

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DATE: May 31, 2012  
TO: Honorable Mayor and City Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: Marvin Farm Lease Agreement

---

At a recent commission meeting, two farm rental agreements were approved. One of the leases involved a 157 acre parcel know as the "Marvin Farm" on M-34. I neglected to include the acreage across the street at the intersection of M-34 and Sand Creek Hwy, which is also farmed by the Marvin family. I have prepared a resolution for the lease of this property on the same terms as the prior agreements, being \$100.00 per acre. I request approval of this resolution.

Respectfully submitted,

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

Dane C. Nelson  
City Administrator

DCN:mlb

## FARM LEASE

This Lease Agreement entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, between the undersigned Landlord and undersigned Tenant:

WITNESSETH:

The Landlord for and in consideration of the rents and covenants hereinafter mentioned to be paid and performed by the said Tenant, has demised, leased, and by these premises does demise, lease and let unto the said Tenant the following described land, to-wit:

Fifty-three (53) acres of land South of Beecher Road in the City of Adrian at the intersection of Sand Creek Hwy.

1. The term of this lease shall be for the crop year 2012 and shall expire on January 1, 2013.
2. As rent hereunder, the Tenant shall pay the sum of \$100.00 per acre for 53 acres, said rent to be paid as follows: \$2,650.00 forthwith and \$2,650.00 on December 1, 2012.
3. The Landlord shall pay all taxes on the real estate above described.
4. The Landlord shall give the Tenant quiet and peaceful possession of the above-described premises so long as Tenant performs the terms and conditions contained herein. Notwithstanding this covenant, the Tenant understands that the Landlord may endeavor to use the rented land for purposes other than farming during the term of this Lease. It is understood by the Tenant that the Landlord, or anyone authorized by the Landlord, may enter onto the rented land for inspections. If any damage occurs to any growing crops, the Landlord will reimburse the Tenant for any such loss. The Landlord is also authorized to terminate this Lease as to a portion or all of the rented land during the term of this Lease and in the event the Landlord chooses to do so, the Tenant will be reimbursed for any loss sustained.
5. The Tenant shall not remove any trees, bushes, other natural vegetation, or fencing and fence posts without the written consent of the Landlord.
6. The Tenant covenants and agrees that he shall not assign, transfer, or sublet said premises, or any part thereof, without the written consent of the Landlord.
7. The Tenant shall farm the crop land in an efficient and businesslike way, doing the plowing, seeding, cultivating, fertilizing, herbiciding and harvesting at the proper time and in the proper manner in accordance with the usual farming practices followed in this area.
8. The Tenant shall not commit waste on or damage to the premises and will use due care to prevent their employees, agents, or others entering on the premises with their permission from so doing.
9. The Tenant agrees to yield possession of the demised premises at the end of the term of this lease, however, if climatic conditions prevent the Tenant from removing their crops by the end of the term of this lease, they shall have a reasonable period of time after the term to do so.

10. The Tenant agrees to discontinue the practice of no-till farming and will plow under debris present after harvest.
11. The Tenant shall not plant any crops on the premises which could not normally be harvested prior to the end of the term of this lease.
12. The Tenant has been advised by the Landlord that the land is now subject to an oil and gas lease and that the holder of the lease has the right to enter said property for testing, drilling, etc.
13. If default is made in the payment of rent above referred to or any part thereof, or any of the agreements herein contained to be kept by the Tenant, it shall be lawful for the Landlord, without notice, to declare the term ended and to remove and put out the Tenant or any person or persons occupying the premises, using such force as may be deemed necessary in so doing. In the event of such a default, the Landlord shall have a lien on the growing crops and may, at his option, take over the farming operations and harvest and market the crops, the proceeds of which shall be applied first to the reasonable labor and expenses of the Landlord in growing and marketing said crops, with the then remaining balance to be applied to the unpaid rent due hereunder, and the remaining balance, if any, to be divided equally between the Landlord and the Tenant, after affording the Tenant a reasonable amount for his costs and labor in connection with the crops.
14. The Landlord does covenant that the Tenant, on paying the aforesaid installments of rent and performing all of the covenants aforesaid, shall and may peacefully and quietly have, hold, and enjoy the premises for the term aforesaid.
15. Tenant agrees to work with the Landlord to eliminate water-borne debris onto adjacent property.

This agreement shall be binding on the parties hereto, their respective heirs, representatives, successors and assigns.

IN WITNESS WHEREOF we make our hands and seals the date first above written.

IN THE PRESENCE OF:

\_\_\_\_\_

LANDLORD:  
City of Adrian

By: \_\_\_\_\_  
Greg DuMars  
Its: Mayor

TENANT:

\_\_\_\_\_

By: \_\_\_\_\_  
James Marvin  
7151 W. Beecher Rd.  
Clayton, MI 49235

**R12-064**

**June 4, 2012**

**RESOLUTION**

**RE: Farm Lease Agreement with James Marvin – former Marvin Farm**

WHEREAS, the City of Adrian is the owner of approximately 53 acres of land adjacent to Beecher Road in the City of Adrian; and

WHEREAS, a portion of the real estate is tillable; and

WHEREAS, the City Administrator has negotiated a proposed Lease Agreement with the previous farmer of said property, which terms have been reviewed by the City Commission and found to be in the best interest of the City to ratify.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Mayor is hereby authorized to enter into a Farm Lease Agreement with James Marvin to rent approximately 53 acres of tillable ground on the above mentioned parcel of real estate for One Hundred (\$100.00) Dollars per acre for a period ending January 1, 2013, and subject to other terms acceptable to the City Administrator.

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