

# PRE-MEETING AGENDA

ADRIAN CITY COMMISSION  
AGENDA  
PRE-MEETING STUDY SESSION  
TUESDAY  
JANUARY 22, 2008  
5:30 P.M.

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The City Commission will meet for a pre-meeting study session on Tuesday, January 22, 2008, at 5:30 p.m. in the 2<sup>nd</sup> floor Conference Room at City Hall to discuss the following:

- I. Evaluation of Proposed Library Facade and Recovered Public Service Areas  
- *Presentation by Bona & Kolb Architects, Dexter, MI*
- I I. Other Items as Time Permits

Please note change in meeting day to Tuesday, January 22, 2008

# COMMISSION AGENDA

**AGENDA  
ADRIAN CITY COMMISSION  
JANUARY 22, 2008  
7:00 P.M.**

- I. MOMENT OF SILENCE AND PLEDGE OF ALLEGIANCE TO THE FLAG
- I I. ROLL CALL
- I I I. APPROVAL OF THE MINUTES OF THE JANUARY 7, 2008 REGULAR MEETING OF THE ADRIAN CITY COMMISSION
- I V. PRESENTATION OF ACCOUNTS
- V. COMMUNICATIONS
  - 1. Communication from Finance Director regarding new terminology & reporting thresholds for audit deficiencies
  - 2. Communication from Comcast regarding changes to the delivery and channel locations for Public, Educational and Governmental (PEG) channels
  - 3. Communication from Finance Director regarding the City of Adrian's Financial Forecast
- V I. PUBLIC COMMENT
- V I I. REGULAR AGENDA
  - A. RESOLUTIONS
    - 1. R08-012. Resolution to establish the Downtown Development District as a Redevelopment Project Area for the purpose of allowing eligible applicants who wish to establish new bar/restaurants to apply to the State of Michigan Liquor Control Commission for a liquor license.
    - 2. R08-013. Resolution to retain Michigan Municipal League for the development of a new Personnel Policies Manual.
    - 3. R08-014. Resolution to adopt a Strategic Action Plan, and consider elements that have related costs or revenue implications when formulating the FY2008-09 Annual Operating Budget and the FY2008-14 Capital Improvement Program.
    - 4. R08-015. Resolution to approve a Record Retention Policy that will outline when city documents can legally

be destroyed and/or those records which must be retained permanently.

5. R08-016. Resolution to approve a rate adjustment to the solid waste contract with Allied Waste for increased fuel costs.
6. R08-017. Resolution to approve the replacement of a digester lid at the Wastewater Plant, to enter into a lease-purchase agreement with Siemens Financial Services for financing of said project and to waive the bid process.
7. R08-018. Resolution authorizing the Community Development Department to submit an application to MSHDA for a Rental Rehabilitation Grant in the amount of \$200,000.
8. R08-019. Resolution to retain Utility Financial Services for water and sewer financial projections and rates update and that the bid process be waived.
9. R08-020. Resolution to retain Dailey Engineering for design work relative to the renovation of a restroom and the demolition/rebuilding of the concession/storage building at Island Park.
10. R08-021. Resolution to approve the elimination of the Recreation Director position and the resulting budget amendments.
11. R08-022. Resolution authorizing the Community Development Department to prepare an update to the Parks & Recreation Master Plan.

V I I I. MISCELLANEOUS

1. DDA Minutes (1-9-08)
2. D.A.R.T. Passenger Ridership Report
3. Community Development Work Program Status Report
4. Departmental Report
5. Fire Department Report

I X. PUBLIC COMMENT

X. COMMISSIONERS' COMMENTS

# MINUTES

## **CITY COMMISSION**

At 6:30 p.m., prior to the opening of the regular meeting, Commissioner Steele made a motion to go into closed session to discuss potential real estate acquisition, seconded by Commissioner Osborne, motion carried by a unanimous vote. The regular meeting convened at 7:00 p.m.

Official proceedings of the January 7, 2008 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 Mitzel, Clegg, Valentine, Osborne, Steele and DuMars

Commissioner Mitzel moved to approve the minutes of the December 17, 2007, regular meeting of the Adrian City Commission, seconded by Commissioner DuMars, motion carried by a unanimous vote.

### **PRESENTATION OF ACCOUNTS**

Utility Department Receiving Fund Voucher #2735 through #2744	\$ 180,932.22
General Fund Vouchers #18472 through #18496	678,398.41
Clearing Account Vouchers amounting to	<u>311,213.22</u>
<b>TOTAL EXPENDITURES</b>	<b><u>\$1,170,543.85</u></b>

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

### **COMMUNICATIONS**

1. Communication regarding revised mileage reimbursement rates for business miles driven in calendar year 2008
2. State Revenue Sharing Update
3. Communication from Comcast regarding discontinuation of the Comcast's "LOCAL" channel

**CONSENT AGENDA**

**RESOLUTIONS**

**RE: PARKS & RECREATION – Seasonal Brochures**

**RESOLUTION CR08-001**

WHEREAS, sealed bids were received December 20, 2007, for printing seasonal brochures for the Parks & Recreation Department; and

WHEREAS, said bids were tabulated and recommendations made by Mark Gasche, Parks & Recreation Director, and the City Administrator; and

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

NOW, THEREFORE, BE IT RESOLVED that the bid for printing seasonal brochures be awarded to PrintComm of Flint, MI, in the amount of \$7,959.00 under the terms and conditions as submitted and as proposed in their sealed bid dated December 20, 2007.

**RE: PARKS & RECREATION – Signs for City Parks (4)**

**RESOLUTION CR08-002**

WHEREAS, sealed bids were received December 20, 2007, for the purchase of four signs for various city parks; and

WHEREAS, said bids were tabulated and recommendations made by Mark Gasche, Parks & Recreation Director, and the City Administrator; and

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

NOW, THEREFORE, BE IT RESOLVED that the bid for signs be awarded to the lowest bidder that met specifications, The Wright Signs, Inc., of Adrian, MI, in the amount of \$7,513.84 under the terms and conditions as specified and as proposed in their sealed bid dated December 20, 2007.

**RE: POLICE DEPT. – Temp. Traffic Control Orders – E. Maumee St.**

**RESOLUTION CR08-003**

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:

Install a "Handicapped" sign and paint the parking space on the north side of Maumee Street directly behind the current handicapped space by the Post Office.

On motion by Commissioner DuMars, seconded by Commissioner Mitzel, Consent Resolutions CR08-001 through CR08-003 were adopted by a unanimous vote.

### **PUBLIC COMMENT**

1. Brian Grothe, owner of 139 E. Siena Heights Dr., asked for an idea of the scope of work on Siena Heights, an approximate cost and a time frame of when payment would be due. Kristin Bauer, City Engineer, responded to his questions.
2. Sharon Lane, owner of 131 W. Siena Heights Dr., asked if the City ever made accommodations or hardship provisions. She is concerned about the amount of her assessment due to the shallow depth and long frontage of her property. Administrator Nelson said that the city does not.

### **REGULAR AGENDA**

#### **ORDINANCE**

1. Ord. 07-24. Second reading and adoption of an Ordinance to amend Sections 2.48 (E) and 24.02 (E) of the Zoning/Development Regulations to bring the language regarding efficiency units in line with the International Property Maintenance Code.

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

### **SPECIAL ORDERS**

1. Public Hearing to hear and consider comments to establishment of a Special Assessment District for improvements on E. Albert Street from Main to Broad Streets (SAD #371).
2. Public Hearing to hear and consider comments to establishment of a Special Assessment District for improvements on E. Church Street from Broad to S. Locust Streets (SAD #372).
3. Public Hearing to hear and consider comments to establishment of a Special Assessment District for improvements on Geddes Street from Bristol to Mulberry Streets (SAD #373).
4. Public Hearing to hear and consider comments to establishment of a Special Assessment District for improvements on Jordan Street from S. Main to S. Winter Streets (SAD #374).
5. Public Hearing to hear and consider comments to establishment of a Special Assessment District for improvements on Bent Oak Street from N. Main to Siena Heights (SAD #375).

Sharon Lane, owner of 131 W. Siena Heights Dr., asked if curbing that was in good shape would also have to be replaced. Kristin Bauer, City Engineer, stated that all curbing would need to be replaced due to the change in elevation.

## **RESOLUTIONS**

### **RE: ENGINEERING DEPT. – Special Assessment District #371 – E. Albert St. (N. Main to Broad Streets)**

#### **RESOLUTION R08-001**

WHEREAS, the Adrian City Commission, by resolution duly adopted at its December 3, 2007 regular meeting, deemed it necessary and declared its intention to construct street improvements on E. Albert Street from N. Main to Broad Streets and did provide for a notice of public hearing as provided by Chapter 70, Section 70-6 of the Adrian City Code; and

WHEREAS, said notice has been given and hearing held.

NOW, THEREFORE, BE IT RESOLVED:

1. That said public improvements be made and the City Administrator be directed to proceed with same.
2. That the plans, specifications and detailed estimates relating to said improvements, as filed with the City Clerk, be and are hereby approved and adopted, and the City Administrator is directed to take action necessary to accomplish the said improvements.
3. That the estimated total costs of said improvements are determined to be \$126,700.
4. That \$36,500 of the said estimated costs shall be defrayed by special assessment and \$90,200 shall be paid from local street funds.
5. That the said special assessment may be paid in ten installments. The first installment shall be due and payable on or before sixty days from the date said special assessment is confirmed, and one installment shall be due annually thereafter. Interest shall be charged at the rate of six (6%) percent per annum on all unpaid installments.
6. That the premises upon which special assessments shall be levied, and which shall be hereafter known and designated as Special Assessment District #371, are described as follows:

Special Assessment Properties  
E. Albert Street from N. Main to Broad Streets

7. That the City Assessor is directed to prepare a special assessment roll in accordance with this resolution.

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

**RE: ENGINEERING DEPT. – Special Assessment District #372– E. Church  
(Broad to Locust)**

**RESOLUTION R08-002**

WHEREAS, the Adrian City Commission, by resolution duly adopted at its December 3, 2007 regular meeting, deemed it necessary and declared its intention to construct street improvements on E. Church from Broad to S. Locust Streets and did provide for a notice of public hearing as provided by Chapter 70, Section 70-6 of the Adrian City Code; and

WHEREAS, said notice has been given and hearing held.

NOW, THEREFORE, BE IT RESOLVED: .

1. That said public improvements be made and the City Administrator be directed to proceed with same.
2. That the plans, specifications and detailed estimates relating to said improvements, as filed with the City Clerk, be and are hereby approved and adopted, and the City Administrator is directed to take action necessary to accomplish the said improvements.
3. That the estimated total costs of said improvements are determined to be \$198,000.00.
4. That \$51,000 of the said estimated costs shall be defrayed by special assessment and \$147,000 shall be paid from major street funds.
5. That the said special assessment may be paid in ten installments. The first installment shall be due and payable on or before sixty days from the date said special assessment is confirmed, and one installment shall be due annually thereafter. Interest shall be charged at the rate of six (6%) percent per annum on all unpaid installments.
6. That the premises upon which special assessments shall be levied, and which shall be hereafter known and designated as Special Assessment District #372, are described as follows:

Special Assessment Properties  
E. Church from Broad to S. Locust St.

7. That the City Assessor is directed to prepare a special assessment roll in accordance with this resolution.

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

**RE: ENGINEERING DEPT. – Special Assessment District #373 - Geddes from Bristol to Mulberry Street**

**RESOLUTION R08-003**

WHEREAS, the Adrian City Commission, by resolution duly adopted at its December 3, 2007 regular meeting, deemed it necessary and declared its intention to construct street improvements on Geddes Street from Bristol to Mulberry Street and did provide for a notice of public hearing as provided by Chapter 70, Section 70-6 of the Adrian City Code; and

WHEREAS, said notice has been given and hearing held.

NOW, THEREFORE, BE IT RESOLVED:

1. That said public improvements be made and the City Administrator be directed to proceed with same.
2. That the plans, specifications and detailed estimates relating to said improvements, as filed with the City Clerk, be and are hereby approved and adopted, and the City Administrator is directed to take action necessary to accomplish the said improvements.
3. That the estimated total costs of said improvements are determined to be \$95,300.00.
4. That \$29,900.00 of the said estimated costs shall be defrayed by special assessment and \$65,400.00 shall be paid from local street funds.
5. That the said special assessment may be paid in ten installments. The first installment shall be due and payable on or before sixty days from the date said special assessment is confirmed, and one installment shall be due annually thereafter. Interest shall be charged at the rate of six (6%) percent per annum on all unpaid installments.
6. That the premises upon which special assessments shall be levied, and which shall be hereafter known and designated as Special Assessment District #373), are described as follows:

Special Assessment Properties  
Geddes Street from Bristol to Mulberry Streets

7. That the City Assessor is directed to prepare a special assessment roll in accordance with this resolution.

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

**RE: ENGINEERING DEPT. – Special Assessment District #374 – Jordan (S. Main to S. Winter Street**

**RESOLUTION R08-004**

WHEREAS, the Adrian City Commission, by resolution duly adopted at its December 3, 2007 regular meeting, deemed it necessary and declared its intention to construct street improvements on Jordan Street from S. Main to S. Winter Streets and did provide for a notice of public hearing as provided by Chapter 70, Section 70-6 of the Adrian City Code; and

WHEREAS, said notice has been given and hearing held.

NOW, THEREFORE, BE IT RESOLVED:

1. That said public improvements be made and the City Administrator be directed to proceed with same.
2. That the plans, specifications and detailed estimates relating to said improvements, as filed with the City Clerk, be and are hereby approved and adopted, and the City Administrator is directed to take action necessary to accomplish the said improvements.
3. That the estimated total costs of said improvements are determined to be \$75,400.00.
4. That \$23,300.00 of the said estimated costs shall be defrayed by special assessment and \$52,100.00 shall be paid from local street funds.
5. That the said special assessment may be paid in ten installments. The first installment shall be due and payable on or before sixty days from the date said special assessment is confirmed, and one installment shall be due annually thereafter. Interest shall be charged at the rate of six (6%) percent per annum on all unpaid installments.
6. That the premises upon which special assessments shall be levied, and which shall be hereafter known and designated as Special Assessment District #374, are described as follows:

Special Assessment Properties

Jordan Street from S. Main to S. Winter Streets

7. That the City Assessor is directed to prepare a special assessment roll in accordance with this resolution.

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

**RE: ENGINEERING DEPT. – Special Assessment District #375 - Bent Oak (N. Main to Siena Heights Dr.)**

**RESOLUTION R08-005**

WHEREAS, the Adrian City Commission, by resolution duly adopted at its December 3, 2007 regular meeting, deemed it necessary and declared its intention to construct street improvements on Bent Oak from N. Main to Siena Heights and did provide for a notice of public hearing as provided by Chapter 70, Section 70-6 of the Adrian City Code; and

WHEREAS, said notice has been given and hearing held.

NOW, THEREFORE, BE IT RESOLVED:

1. That said public improvements be made and the City Administrator be directed to proceed with same.
2. That the plans, specifications and detailed estimates relating to said improvements, as filed with the City Clerk, be and are hereby approved and adopted, and the City Administrator is directed to take action necessary to accomplish the said improvements.
3. That the estimated total costs of said improvements are determined to be \$130,400.00.
4. That \$28,000.00 of the said estimated costs shall be defrayed by special assessment and \$102,400.00 shall be paid from major street funds.
5. That the said special assessment may be paid in ten installments. The first installment shall be due and payable on or before sixty days from the date said special assessment is confirmed, and one installment shall be due annually thereafter. Interest shall be charged at the rate of six (6%) percent per annum on all unpaid installments.
6. That the premises upon which special assessments shall be levied, and which shall be hereafter known and designated as Special Assessment District #375, are described as follows:

Special Assessment Properties  
Bent Oak from N. Main to Siena Heights

7. That the City Assessor is directed to prepare a special assessment roll in accordance with this resolution.

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

**RE: MDOT PERFORMANCE RESOLUTION FOR GOVERNMENTAL BODIES**

**RESOLUTION R08-006**

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

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

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

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

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

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

maintenance of the GOVERNMENTAL BODY's facilities according to a PERMIT issued by the DEPARTMENT.

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

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

<u>NAME</u>	<u>TITLE</u>	<u>AND/OR</u>
Dane Nelson	City Administrator	or
Kristin Bauer	City Engineer	or
Shane Horn	Utilities Director	

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

**RE: HOUSING – Purchase of 411 Clinton and 1136 Frank Street**

**RESOLUTION R08-007**

WHEREAS, the City Commission, at their December 17, 2007 regular meeting, authorized the application of the city to become involved in the one dollar (\$1.00) home sale program (Good Neighbor Program) from the United States Department of Housing & Urban Development; and

WHEREAS, this program allows the city to purchase HUD homes for one dollar (\$1.00) plus closing costs after they have been offered for sale to the general public for more that six (6) months; and

WHEREAS, two (2) properties are now subject to being purchased by the city pursuant to this program, with said purchase being authorized by the Director of Community Development and the City Housing Director.

NOW, THEREFORE, the City Administrator be, and is hereby, authorized to execute purchase agreements and all other documents necessary to obtain title to

properties at 411 Clinton Street and 1136 Frank Street for the sum of \$1.00 each, plus closing costs.

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

**RE: DEPARTMENT OF PARKS & RECREATION – Burr Ponds Project -  
Authorization to Purchase Second Fishing Pier**

**RESOLUTION R08-008**

WHEREAS, plans for Burr Ponds Park renovation project originally called for two fishing piers to be installed; and

WHEREAS, due to budget constraints, purchase of the piers was cut from the project budget, however, the abutments for two piers were included in the budget and they were completed during construction; and

WHEREAS, the city subsequently received funding for one of the piers from the Maurice and Dorothy Stubnitz Foundation and that pier has been installed; and

WHEREAS, grant funding (\$21,500) for a second pier was applied for through the Michigan Recreation and Park Association's Access to Recreation Grant Program; unfortunately, sufficient funds were unavailable for this purpose. However, in conjunction with the Access to Recreation Grant application, a grant request for the matching funds portion (\$7,000) was submitted to the Adrian Kiwanis Club, which is currently under consideration; and

WHEREAS, sufficient funds are available within the original project budget authorization of \$844,000 for this purpose, due to economies achieved on other project costs; and

WHEREAS, the Director of Parks & Recreation recommends that the City Commission leverage the possible grant match provided by the Adrian Kiwanis Club and authorize the purchase of a second fishing pier within the financial constraints of the original \$844,000 authorization approved by the City Commission (Resolution R07-005 dated January 3, 2007); and

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the purchase of a second fishing pier within the financial constraints of the original \$844,000 authorization for the Burr Ponds Renovation Project.

BE IT, FURTHER, RESOLVED that the subject authorization is contingent upon receipt of the anticipated contribution from the Adrian Kiwanis Club.

On motion by Commissioner DuMars, seconded by Commissioner Clegg, this resolution was adopted by a 6-0-1 vote.

YEAS: Mayor McDowell, Commissioners DuMars, Clegg, Valentine, Osborne and Mitzel

NAYS: None

ABSTAINED: Commissioner Steele abstained from voting as he serves on the  
Kiwanis Board

**RE: DIAL-A-RIDE – 1-Yr. Contract with Quick Service Transportation**

**RESOLUTION R08-009**

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

RESOLVED, that a new one (1) year contract with Quick Service Transportation, Inc. has been proposed, now, therefore, be it

FURTHER RESOLVED, that a new one (1) year contract between the City of Adrian and Quick Service Transportation, Inc. be executed for a period ending September 30, 2008, canceling all previous contracts between said parties; and

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

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

**RE: DEPARTMENT OF COMMUNITY DEVELOPMENT- Authorization to Perform Phase II Environmental Site Assessment at 250 W. Church Street**

**RESOLUTION R08-010**

WHEREAS, the Adrian City Commission, by Resolution #R07-099 dated May 21, 2007, authorized the acquisition of 250 W. Church Street as part of the Pearl Street property consolidation effort; and

WHEREAS, prior to acquisition, a Phase I Environmental Site Assessment was performed indicating that possible contamination exists from prior property use, with a recommendation that a Phase II Environmental Site Assessment be performed to determine the extent of the contamination and appropriate remediation; and

WHEREAS, Soil and Materials Engineering (SME), Inc., Plymouth, MI, has submitted a proposal in the amount of \$10,100 to perform a Phase II Environmental Site Assessment at 250 W. Church Street; and

WHEREAS, the Finance Director has determined that sufficient Petroleum Site Assessment Grant funds are available for this purpose (Account #276-834.02-801.000); and

WHEREAS, due to the familiarity of the vendor with this property as a result of performing the Phase I Environmental Site Assessment, the Community Development Director recommends sole sourcing this particular contract; and

WHEREAS, the City Administrator recommends approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the engagement of Soil and Materials Engineering (SME), Inc., Plymouth, MI, to perform a Phase II Environmental Site Assessment at 250 W. Church Street at a cost not to exceed \$10,100.

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.

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

**RE: ADMINISTRATION – Farm Land Lease Agreement – Witt Farm**

**RESOLUTION R08-011**

Mayor McDowell announced that this resolution was being pulled from the agenda for further research.

**MISCELLANEOUS**

1. Parks & Recreation Quarterly Report

**PUBLIC COMMENT**

1. A petition was received and comments heard from residents of Bradish Estates regarding discontinuing trash pickup on their private street. After discussion, Administrator Nelson stated that garbage pickup would continue until the Commission reviewed the policy and a decision was made.

Commissioner Steele made a motion to go into closed session to continue discussion of potential real estate acquisition, seconded by Commissioner Osborne, motion carried by a unanimous vote.

The next regular meeting of the Adrian City Commission will be held on Tuesday, January 22, 2008, at 7:00 p.m. in the Commission Chambers on the 2<sup>nd</sup> floor of Adrian City Hall, 100 E. Church Street, Adrian, MI 49221.

Gary E. McDowell  
Mayor

Pat Baker  
City Clerk

PRESENTATION OF  
ACCOUNTS

January 22, 2008

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 #2745 through #2754.....	\$141,528.28
General Fund	
Vouchers #18409 through #18521	313,249.45
Clearing Account Vouchers	
amounting to.....	<u>\$470,748.11</u>
TOTAL EXPENDITURES .....	<u>\$925,525.84</u>

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

January 21 2008

UTILITY DEPARTMENT VOUCHERS

<u>Check Number</u>	<u>To</u>	<u>Description</u>	<u>Amount</u>
<b><u>Receiving</u></b>			
2745	City of Adrian: Payroll	Payroll for Jan 4	\$ 24,329.87
2746	Verizon North	O&M Phone Bill	\$ 120.51
2747	Consumers Energy	Electric Bills	\$ 7,797.57
2748	City of Adrian: General	January Office Rent	\$ 650.00
2749	Verizon North	Various Phone Bills	\$ 249.62
2750	City of Adrian: Clearing	Jan 7 Check Register	\$ 89,660.27
2751	Citizens Gas Fuel Co	Merrick St Heat	\$ 1.74
2752	City of Adrian: Payroll	Payroll for Jan 11	\$ 48,003.68
2753	City of Adrian: General	Dec Charges	\$ 54,527.11
2754	City of Adrian: IT Dept	Dec Services	\$ 5,848.18
<b>Total</b>			<b>\$ 231,188.55</b>
LESS: CK# 2750			<b>\$ 89,660.27</b>
<b>TOTAL</b>			<b>\$ 141,528.28</b>

21-Jan-08

GENERAL FUND  
CHECK REGISTER

CHECK#	AMOUNT	PAYEE	DESCRIPTION
18409	\$ (20.00)	Tino Jiminez	Voided Check
18497	\$ 351.53	Verizon North	Various Phone Bills
18498	\$ 6,750.41	Citizens Gas Fuel Co	Various Heat Bills
18499	\$ 19,599.19	City of Adrian: Payroll	Payroll for Jan 2
18500	\$ 3,621.55	Bank of Lenawee	Soc Security for Jan 2
18501	\$ 29.00	Verizon North	Police Phone
18502	\$ 3,675.65	Quick Service Transportation	Payroll W/E Dec 28
18503	\$ 15,859.99	Consumers Energy	Various Electric Bills
18504	\$ 419.25	US Postmaster	Personal Property Mailing
18505	\$ 121.00	Jennie Ramos	Recreation Refund
18506	\$ 13.00	Barb Blumenauer	Recreation Refund
18507	\$ 150.00	David Dennis	Parking Permit Refund
18508	\$ 1,111.84	City of Adrian: Utilities	Various Water Bills
18509	\$ 894.76	Verizon North	Various Phone Bills
18510	\$ 206,035.29	City of Adrian: Clearing	Jan 7 Check Register
18511	\$ 150.00	MLK Breakfast Committee	MLK Dinner Comm,Admin
18512	\$ 8,350.71	Citizens Gas Fuel Co	Various Heat Bills
18513	\$ 225,084.65	City of Adrian: Payroll	Payroll for Jan 11
18514	\$ 15,330.16	Bank of Lenawee	Soc Security for Jan 11
18515	\$ 4,154.48	Quick Service Transportation	Payroll W/E Jan 5
18516	\$ 41.00	Penny Jordan	Recreation Refund
18517	\$ 41.00	Renita Stevens	Recreation Refund
18518	\$ 101.14	Verizon North	Pol,DPW,Rec Phone
18519	\$ 60.00	MLK Breakfast Committee	MLK Dinner Lib,Pol,Fire
18520	\$ 5,854.23	Quick Service Transportation	Payroll W/E Jan 12
18521	\$ 1,504.91	Verizon North	Various Phone Bills

\$ 519,284.74  
\$ (206,035.29) Less: CK# 18510  
**\$ 313,249.45**

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
1. ACP	412.50		
2. ADDISON VETERINARY CLINIC	35.00		
3. ADRIAN BLISSFIELD RAILROAD C	3,040.00		
4. ADRIAN FABRICARE CENTER INC.	590.00		
5. ADRIAN HIGH SCHOOL	200.00		
6. ADRIAN LOCKSMITH & CYCLERY	309.00		
7. ADRIAN MECHANICAL SERVICES C	652.50		
8. ADRIAN PUBLIC SCHOOLS	551.35		
9. ADVANCE AUTO PARTS COMMERCIA	9.48		
10. ADVANCED DOCUMENT SOLUTIONS	577.52		
11. AIRGAS GREAT LAKES	122.50		
12. ALL AROUND CONSTRUCTION	818.00		
13. ALLIED WASTE SERVICES	48,624.31		
14. ALLIED WASTE SERVICES #259	4,300.28		
15. AMAZON CREDIT PLAN	706.19		
16. AMERICAN SOCIETY OF COMPOSER	294.00		
17. AMERICAN WATER WORKS ASSN	1,535.00		
18. AUTO ZONE COMMERCIAL	36.02		
19. BAKER & TAYLOR BOOKS	442.92		
20. BANK OF NEW YORK	46,115.00		
21. BATTERY WHOLESALE	451.74		
22. BILL'S SERVICE, INC.	1,295.95		
23. ROBERT BISHOP	225.87		
24. BLACK SWAMP EQUIPMENT	316.07		
25. BONA & KOLB ARCHITECTS	7,200.00		
26. BOOK OF THE MONTH CLUB	38.22		
27. BRAKES-N-MORE	1,081.13		
28. BUCK & KNOBBY EQUIP CO INC	1,990.27		
29. CHICAGO TRIBUNE	401.96		
30. CHOICEPOINT SERVICES	143.55		
31. CITIZENS GAS FUEL CO	3,000.00		
32. CLIFT BUICK-PONTIAC-GMC	45.72		
33. COAST TO COAST DELI	55.70		
34. GREGORY CONNOR CONSULTING	500.00		
35. CONTINENTAL SERVICE	2,264.22		
36. CUTLER DICKERSON CO	1,583.06		
37. THE DAILY TELEGRAM	1,608.94		
38. DAN'S FARM SUPPLY INC	28.88		
39. DARBY READY-MIX	75.50		
40. DELL MARKETING L.P.	2,408.04		
41. DICK'S AMOCO INC	194.07		
42. DOUBLE R SECURITY	1,223.25		
43. STEVE EBERLE	20.00		
44. ENGLEWOOD ELECTRICAL SUPPLY	204.52		
45. EXECUTONE COMMUNICATIONS LLC	3,777.00		
46. FAMILY SERVICE & CHILDREN'S	2,024.10		
47. FASTENAL COMPANY	144.65		
48. FBI - MI CHAPTER	65.00		
49. FISHER SCIENTIFIC COMPANY LL	133.78		
50. WALTER FRAZIER & ASSOCIATES	2,750.00		
51. FRY MECHANICAL INC	1,800.00		
52. GALE	877.50		
53. J.O. GALLOUP COMPANY	286.70		
54. GEAR UP INC	85.90		
55. GEMPLER'S INC.	499.35		
56. GEN POWER PRODUCTS INC.	2,383.00		
57. GREENWOOD PUBLISHING GROUP	208.74		
58. GREY HOUSE PUBLISHING	725.00		
59. DENISE GRITZMAKER	20.00		
60. JEFF GROF	20.00		
61. HADDEN TIRE COMPANY	628.50		
62. HAZEN & SAWYER	36,652.00		
63. KYLE HOFFMAN	20.00		
64. SHANE HORN	20.00		
65. HUBBARDS AUTO CENTER	416.51		
66. HURON LIME INC.	2,849.69		
67. HYDRO GATE	3,625.00		
68. I C M A	150.95		
69. I C M A VANTAGE POINT	6,057.44		
70. ICMA RETIREMENT CORPORATION	2,981.70		
71. IDEARC MEDIA CORP.	21.50		
72. IDEXX LABORATORIES, INC.	699.77		
73. INDUSTRIAL MILL SUPPLY CORP	598.95		
74. INTERSTATE WRAPPING PRODUCTS	24.60		
75. JACKSON TRUCK SERVICE INC.	108.07		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
76. JANWAY COMPANY USA INC	188.43		
77. JASPER CAMPER	410.00		
78. JONES & HENRY, ENGINEERS	2,545.94		
79. KATHY FUHRMANN	31.00		
80. KEMIRA WATER SOLUTIONS INC	4,752.30		
81. KENNEDY INDUSTRIES INC.	1,462.20		
82. KETTREN & ASSOCIATES INC	2,103.62		
83. KIWANIS CLUB OF ADRIAN	75.00		
84. DAVE KNAPE FORD	7.60		
85. KONICA MINOLTA- ALBIN	17.78		
86. KRIEGHOFF-LENAWEE COMPANY	434.00		
87. LANSING SANITARY SUPPLY INC	530.76		
88. LAW ENFORCEMENT EMERGENCY	55.00		
89. LEGACY PRINTING	3,992.15		
90. LEHMAN & LEHMAN INC.	890.29		
91. LENAWEЕ CHAMBER FOR	10,250.00		
92. LENAWEЕ COUNTY LIBRARY	2.00		
93. LENAWEЕ COUNTY PRINTER	571.70		
94. LENAWEЕ COUNTY REGISTER OF D	28.00		
95. LENAWEЕ COUNTY TREASURER	685.83		
96. LENAWEЕ INTERMEDIATE SCHOOL	940.53		
97. LENAWEЕ TIRE & SUPPLY CO	383.88		
98. THE F.B. LEOPOLD CO. INC	2,114.15		
99. LOWE'S CREDIT SERVICES	2,293.41		
100. M.P.P.O.A.	75.00		
101. MANPOWER OF LANSING MI INC.	979.20		
102. GARY MCDOWELL	20.00		
103. MCGOWAN ELECTRIC SUPPLY INC	94.01		
104. MCGRAW-HILL BOOK COMPANIES	193.54		
105. MCMASTER CARR SUPPLY CO.	123.18		
106. MEIJER, INC	25.77		
107. METROPOLITAN UNIFORM CO	476.66		
108. MICH MUNICIPAL LIABILITY	92.00		
109. MICHIGAN ARSON PREVENTION CO	165.00		
110. MICHIGAN ASSOCIATION OF	765.00		
111. MICHIGAN ASSOCIATION OF PLAN	20.00		
112. MICHIGAN POLICE EQUIP. CO	20,637.95		
113. MICHIGAN REC & PARK ASSOC	1,206.00		
114. MICHIGAN SECTION-AWWA	120.00		
115. STATE OF MICHIGAN	4,938.76		
116. MICHIGAN STATE UNIVERSITY	205.00		
117. MICHIGAN TBA DISTRIBUTORS IN	107.55		
118. MICHIGAN WATER ENVIROMENT AS	285.00		
119. MICROMARKETING LLC	296.15		
120. MIDWEST TAPE	14.99		
121. MORTON INTERNATIONAL	15,416.79		
122. NAPA AUTO & TRUCK PARTS	524.33		
123. NATIONAL ENTERTAINMENT TECHN	561.45		
124. NEXTEL COMMUNICATIONS	946.79		
125. JOSHUA NORTH	116.59		
126. OFFICEMAX CONTRACT INC.	96.94		
127. OMNIGRAPHICS INC.	150.22		
128. ON DUTY GEAR	141.73		
129. ORIENTAL TRADING CO. INC.	541.02		
130. OSBURN ASSOCIATES INC	657.00		
131. PARACLETE PRESS INC	180.23		
132. LYNN PEAVEY CO	17.30		
133. PEERLESS SUPPLY INC	301.13		
134. PET'S SUPPLIES PLUS	39.98		
135. PHAR PRODUCTIONS	68.90		
136. GLENN PRESTON	20.00		
137. PURCHASE POWER	3,000.00		
138. QUICK SERVICE TRANSPORTATION	7,992.18		
139. QUILL CORPORATION	1,596.74		
140. TIM RITCHIE	20.00		
141. ROSLER METAL FINISHING	1,475.00		
142. STANLEY M. SALA	4,000.00		
143. ED SCHMIDT GMC	17.98		
144. SCHOLASTIC INC	778.00		
145. SCHOOLCRAFT COLLEGE	125.00		
146. SERVICE ELECTRIC CO OF ADRIA	309.00		
147. SLUSARSKI EXCAVATING & PAVIN	135,679.01		
148. SNYDER WIRELESS & SATELLITE	84.98		
149. SOIL & MATERIALS ENGINEERS I	5,800.00		
150. ED SOTO	20.00		

CLAIMANT	AMOUNT CLAIMED	AMOUNT ALLOWED	AMOUNT REJECTED
151. STADIUM TROPHY	50.00		
152. STEVENSON LUMBER, INC.	412.73		
153. JEFFREY A. STICKNEY, DO, PC	642.00		
154. SUPER LAUNDROMAT &	176.45		
155. SYMBOL ARTS	800.00		
156. TECUMSEH BRANCH CONNECTING	2,280.00		
157. TETRA TECH MPS	1,741.52		
158. THOMAS SCIENTIFIC	1,125.53		
159. THOMSON WEST	316.79		
160. TRACTOR SUPPLY COMPANY	51.10		
161. TRUCK & TRAILER SPECIALITIES	40.73		
162. TTB CLEANING LLC	100.00		
163. U S POSTMASTER	1,800.00		
164. UNIQUE MANAGEMENT SERVICES I	71.60		
165. UPSTART LIBRARY PROMOTIONS	5.00		
166. USA BLUEBOOK	29.85		
167. UTILITIES INSTRUMENTATION	532.00		
168. VAN ERT'S LAWN SERVICE	4,478.04		
169. VWR INTERNATIONAL INC	364.67		
170. WASHTENAW ENGINEERING	1,777.40		
171. WATER ENVIRONMENT FED.	174.00		
172. WEISKOPF INDUSTRIES CORP	440.50		
173. WELLER TRUCK PARTS	510.00		
174. WOODLANDS LIBRARY COOPERATIV	159.95		
**TOTAL ALL CLAIMS**	470,748.11		

# COMMUNICATIONS



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**MEMO**

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Date: January 9, 2008

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

From: Jeffrey C. Pardee, Finance Director

A handwritten signature in cursive script that reads 'Jeffrey C. Pardee'.

Re: **New Terminology and Reporting Thresholds for Audit Deficiencies**

In May 2006, the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA) issued Statement on Auditing Standards No. 112, *Communicating Internal Control Related Matters Identified in an Audit*. This new pronouncement significantly increases the likelihood that a government's independent auditors may be required to report either a **significant deficiency** or a **material weakness** in conjunction with the annual financial statement audit.

*A significant deficiency* is defined as "A control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected."

*A material weakness* is defined as "A significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected."

SAS No.112 clarifies that it is **not** sufficient that the independent auditor determine that the financial statements under the audit, in fact, *fairly presented* in accordance with generally accepted accounting principles (GAAP). Generally accepted auditing standards (GAAS) also require that the financial statement be a product of a financial reporting system that offers reasonable assurance that management is able to produce financial statements that comply with GAAP.

As is the case with the City of Adrian, independent auditors often assist clients with the preparation of their financial statements. Such assistance poses no problem if it is provided merely as a matter of convenience, i.e., management could produce the financial statements, but chooses not to because of time and cost considerations. However, such assistance will constitute either a significant deficiency or a material weakness under SAS No. 112 if it is provided as a matter of necessity rather than of convenience, i.e., management does not have the skills needed to prepare GAAP financial statements.

The City of Adrian utilizes the expert services of a local Certified Public Accounting Firm, Robertson, Eaton & Owen, LP to perform the Annual Audit and preparation of the Comprehensive Annual Financial Report. Portions of this report, which has been accorded the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting for the past twenty (20) consecutive years, are prepared by City Finance Department staff, including the Letter of Transmittal, the Management Discussion & Analysis, and the Statistical Section. In addition to conducting the general audit and the federally required Single Audit Report, the auditors prepare the city-wide financial statements, the basic fund financial statements and the combining financial statements as a matter of convenience. As a matter of necessity, the certified public auditors also prepare the Notes to the Financial Statements, which entail adherence to GAAP accumulated over three decades and 50 pronouncements by the Governmental Accounting Standards Board.

Because of this necessity of assistance, shared by many if not most Michigan cities, the City of Adrian will likely receive a continuing *significant deficiency* audit comment each year, beginning next year. To avoid this audit comment, the City could always choose to engage the services of someone other than the independent auditor to provide the needed assistance. Because such contractors would work for management (unlike the *independent* auditors), they would qualify as par of the government's financial reporting system, thus avoiding an automatic finding of a significant deficiency or material weakness.

The GFOA does **not** recommend that governments engage the services of a second accounting firm to assist in preparing its financial statements solely to avoid having a significant deficiency or material weakness reported. It is by no means assured that the benefits of engaging a second firm would outweigh the costs.

As evidenced by the *unqualified* ("clean") audits received every year during my tenure, demonstrating that the City of Adrian has a financial system sufficient to provide reasonable assurance that management is able to generate financial statements in conformity with GAAP, I respectfully recommend that the present arrangement with the audit firm be continued unchanged and that we can expect to be regularly cited with a *significant deficiency* related to preparation of the Notes to the Financial Statements.

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



Comcast Cable  
41112 Concept Drive  
Plymouth, MI 48170

January 4, 2008

Mr. Dane Nelson  
City Administrator, City of Adrian  
100 East Church St.  
Adrian, MI 48221

Dear Mr. ~~Nelson~~ *Dane*:

We have received your resolution regarding changes to the delivery and channel locations of Public, Educational and Governmental channels ("PEG channels") on the Comcast channel line up effective January 15, 2008. It is important to note that while PEG channels will be delivered in a digital format, they will remain as part of Comcast's basic cable service tier.

Comcast is committed to partnering with the communities it serves to create a smooth transition for its customers and PEG programming producers. Comcast has extended special offers to its analog service customers that do not already own digital equipment and is airing public service announcements to inform our customers of the changes. While digital delivery of PEG programming will enhance the signal quality and reliability of the PEG programming, Comcast is converting the programming to a digital format at no cost to the community or the PEG producers.

I am available to discuss these changes with you and may be reached at 734-254-1888.

Sincerely,

Frederick G. Eaton  
Government Affairs Manager  
Michigan Region



# MEMO

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

**DATE:** January 13, 2008

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

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

**SUBJECT:** City of Adrian Financial Forecast

Please find attached the Second-Quarter Financial Forecast for the City of Adrian for Fiscal Year 2007-08. As of December 31, 2007, actual General Fund revenue - \$9,318,754 - exceeded expenditures - \$7,134,878 by \$2,183,876. However, this favorable variance is due to Summer tax collection which will be drawn down during the balance of the fiscal year. Based on the 2nd Quarter Report, estimated FY2007-08 General Fund expenditures - \$15,619,038 - are expected to exceed forecasted revenues - \$15,029,296 - by (\$589,706).

The unfavorability is primarily due to the following anticipated transactions:

- Establishment of the Fire Department Motor Vehicle Fund and transfer of funds equivalent to the accumulated depreciation of existing Fire Department rolling stock	\$ (400,583)
- Appropriation of funds for Adrian Public Library Renovation	(226,000)
- Appropriation of funds for MERS Window for Pension Benefits	(204,999)
- Delinquent Personal Property Taxes associated with ailing economy	( 70,000)
- Reduced Electrical, Heating and Plumbing Permits, also economy related	( 30,000)
- Termination of School Liaison Contract with Adrian Public Schools	( 7,000)
Sub-Total	<u>\$ (938,582)</u>

These unfavorable variances are partially offset by the following additional unbudgeted revenue or reduced costs:

- Reduced personnel costs due to downward reclassification of City Clerk, City Engineer and City Assessor, in addition to deletion of Parks & Forestry Foreman and Police Department clerical position, as well as replacement of Manpower contract position with Part-Time Non-Eligible position in the Assessing Office	\$ 194,326
- Increased Investment Earnings due to enhanced Cash Management Program	40,000
- Increased Private Library Donations, related to enhanced solicitations	40,000
- Increased allocation of Motor Vehicle Pool related expenses to non-General Fund	70,000
Sub-Total	<u>\$ 344,326</u>
Net Unfavorability	<u><u>\$ (594,256)</u></u>

In accordance with the Uniform Budgeting Act (Public Act 621 of 1978) for Local Units of Government, variances from budget are identified and explained in the Financial Forecast. A reconciliation of all budget amendments, including General Fund Contingency, is presented on Page 10 of the Financial Forecast. The amended budget has increased \$3,192,965, reflecting the following authorized Budget Amendments:

- Purchase and renovation of Parks & Forestry Facility	\$2,000,000
- Prior Year Encumbrances and Carry-Forward Items	647,201
- Library Renovation	226,000
- MERS Window Period Retirements	204,999
- Firefighters' Assistance Grant Acceptance – Radios	35,280
- Library Façade Elevation Design	31,533
- Burr Ponds Fishing Pier	24,295
- Police JAG Grant Award Acceptance	12,543
- Non-Drug Forfeiture Appropriations – Tahoe/Software	7,305
- Library – Acceptance of Gates Foundation Hardware Upgrade Grant	<u>3,809</u>
Total Budget Amendments	<u>\$3,192,965</u>

General Fund Contingency, with a beginning balance of \$52,181, has a net increase of \$178,159, resulting in a balance of \$230,340. Individual transactions are provided as follows:

- Aforementioned Staffing changes – City Clerk /Engineer/Assessor/etc.	\$ 189,165
- First Quarter Budget Amendments	1,000
- Chiefs' ICMA-RC Adj.	(5,168)
- DPW Truck Scale repair	(4,090)
- Art-A-Licious Contribution	<u>(2,748)</u>
Total	<u>\$ 178,159</u>

In addition to the General Fund, all other Governmental (Special Revenue, Debt Service, and Capital Projects Funds) and Proprietary (Enterprise Funds, e.g., Water and Sewer Funds) have been included in the Financial Forecast. Generally, these funds are on track with the budget as amended. However, it should be noted that the amended FY2007-08 Financial Plan anticipates a draw down on Fund Equity in the following funds:

Major Street Fund	\$(1,413,774)
Local Street Fund	(297,181)
Community Development Fund	( 59,276)
Economic Development Fund	( 65,556)
Downtown Development Authority	( 10,039)
DDA-TIF Fund	( 94,984)
Capital Project Funds – Water	( 11,691)
Capital Project Funds – Sewer	( 87,521)
Transportation System Fund	( 20,690)
Sewer Fund	(1,178,826)
Water Fund	( 4,211)
Information Technology Fund	<u>(153,792)</u>
Total	<u>\$ (3,397,541)</u>

With the exception of the Community Development Fund, all of the foregoing draw-downs on fund balance were either planned, with sufficient funding available, or a result of previously authorized appropriations which were encumbered or carried forward into the ensuing budget. The Community Development Fund is experiencing Revolving Loan Fund Delinquencies and uncertain Block Grant revenue.

## **Future Considerations:**

Previous interim financial reports have highlighted General Fund Subsidies to the Transportation Fund, budgeted at \$103,000 for FY2007-08. The City of Adrian, in conjunction with the Lenawee County Chamber for Economic Development, has been accorded grant funding to perform an operational and financial analysis of both the City's Dial-A-Ride and Lenawee Transportation Systems. Updates will be provided. In the meantime, the City Commission recently ratified the negotiated Quick Service Union Agreement, which should result in an estimated \$8,500 annual savings, primarily due to changing health care providers from Blue Cross/Blue Shield to Humana II.

PA345 of 2006, the Omnibus Appropriations Act, repealed the Single Business Tax, effective December 31, 2007, eliminating almost \$1.9 billion annually from the state treasury. On July 12, 2007, Governor Granholm signed into law (PA36 of 2007) a package of bills creating the new Michigan Business Tax (MBT). The tax will take effect on January 1, 2008 for all business activity in the state occurring after December 31, 2007. Although the MBT is intended to be revenue neutral compared to the SBT, actual collections, based on business activity, may have an effect on future Revenue Sharing payments to local units of government.

Recommended budget amendments will be prepared for consideration by the City Commission at its meeting of February 4, 2008. If you have any questions or need for further information, please contact my office.

**CITY OF ADRIAN**  
**FY2007-08 THIRD QUARTER FINANCIAL FORECAST**  
**December 31, 2007**

<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>GENERAL FUND REVENUE (101):</b>								
<b>Revenues</b>								
<b>Dept 201.00: FINANCE DEPARTMENT</b>								
445.000 PENALTIES & INTEREST ON TAXES	\$46,000	\$46,000	\$0	\$12,346	\$46,000	\$0	0.0%	
480.000 DOG LICENSES	2,500	2,500	0	543	2,500	0	0.0%	
607.000 TAX COLLECTION FEES	200,000	200,000	0	166,173	200,000	0	0.0%	
609.000 CONSUMER ENERGY COLLECTION FEES	5,000	5,000	0	0	0	(5,000)	-100.0%	
664.000 INTEREST	299,532	299,532	0	184,764	339,532	40,000	13.4%	
685.000 SALE OF EQUIPMENT	3,000	3,000	0	0	0	(3,000)	-100.0%	
696.000 CASH OVER/SHORT	0	0	0	54	0	0		
<b>Total - Dept 201.00</b>	<b>\$556,032</b>	<b>\$556,032</b>	<b>\$0</b>	<b>\$363,880</b>	<b>\$588,032</b>	<b>\$32,000</b>	<b>5.8%</b>	
<b>Dept 209.00: CITY ASSESSOR</b>								
444.000 PRINCIPLE RESIDENCE DENIAL PENALTY	\$0	\$0	\$0	\$1,003	\$1,000	\$1,000		
<b>Total - Dept 210.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,003</b>	<b>\$1,000</b>	<b>\$1,000</b>		
<b>Dept 210.00: CITY ATTORNEY</b>								
488.000 CONTRACT SERVICES	\$0	\$30,000	\$30,000	\$10,087	\$15,000	(\$15,000)	-50.0%	
<b>Total - Dept 210.00</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$10,087</b>	<b>\$15,000</b>	<b>(\$15,000)</b>	<b>-50.0%</b>	
<b>Dept 215.00: CITY CLERK</b>								
459.000 AMUSEMENTS	\$2,000	\$2,000	\$0	\$180	\$2,000	\$0	0.0%	
608.000 SCHOOL ELECTION FEES	8,000	8,000	0	0	8,000	0	0.0%	
<b>Total - Dept 215.00</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$0</b>	<b>\$180</b>	<b>\$10,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Dept 226.00: HUMAN RESOURCES</b>								
691.000 VENDING PROCEEDS-WELLNESS	\$200	\$100	(\$100)	\$11	\$100	\$0	0.0%	
<b>Total - Dept 226.00</b>	<b>\$200</b>	<b>\$100</b>	<b>(\$100)</b>	<b>\$11</b>	<b>\$100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Dept 276.00: CEMETERY</b>								
625.000 ENGRAVING	\$500	\$500	\$0	\$645	\$1,000	\$500	100.0%	
628.000 FOUNDATIONS - CEMETERY	10,000	10,000	0	6,215	10,000	0	0.0%	
629.000 GRAVE OPENINGS	35,000	35,000	0	20,010	35,000	0	0.0%	
630.000 UPKEEP OF CEM LOTS (NOT PC)	10,000	10,000	0	0	5,000	(5,000)	-50.0%	
643.000 CEMETERY LOTS	2,000	2,000	0	1,475	3,000	1,000	50.0%	
<b>Total - Dept 276.00</b>	<b>\$57,500</b>	<b>\$57,500</b>	<b>\$0</b>	<b>\$28,345</b>	<b>\$54,000</b>	<b>(\$3,500)</b>	<b>-6.1%</b>	

CITY OF ADRIAN  
 FY2007-08 THIRD QUARTER FINANCIAL FORECAST  
 December 31, 2007

FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>Dept 301.00: POLICE DEPARTMENT</b>								
455.000 PARKING	\$1,000	\$1,000	\$0	\$383	\$1,000	\$0	0.0%	
515.000 OHSP TRAFFIC GRANT	0	3,000	3,000	6,867	7,000	4,000		
534.000 NARCOTIC ENFORCEMENT GRANT	16,000	16,000	0	8,570	16,000	0	0.0%	
538.000 POLICE JAG GRANT	0	12,543	12,543	0	12,543	0	0.0%	
543.000 POLICE TRAINING GRANT	7,000	7,000	0	3,882	7,000	0	0.0%	
576.000 LIQUOR LICENSES	13,000	13,000	0	13,271	13,000	0	0.0%	
624.000 LIVESCAN APPLICANT FINGERPRINTING	13,800	13,800	0	3,888	7,800	(6,000)	-43.5%	
627.000 DUPLICATING & PHOTOSTATS	5,500	5,500	0	2,289	5,500	0	0.0%	
656.000 PARKING FINES	10,000	10,000	0	11,273	15,000	5,000	50.0%	
659.000 ORDINANCE FINES & COSTS	100,000	100,000	0	38,472	80,000	(20,000)	-20.0%	
660.000 TOW & IMPOUND FEES	20,000	20,000	0	10,590	20,000	0	0.0%	
676.701 CONTRIB.-TRUST FUND	0	7,305	7,305	6,000	7,305	0	0.0%	
83.000 SALE OF PROPERTY	0	0	0	1,818	2,000	2,000		
684.000 SAFETY CITY	4,000	4,000	0	504	4,000	0	0.0%	
689.000 MOTORCYCLE SPONSORSHIP	4,000	4,000	0	0	4,000	0	0.0%	
694.000 SEX OFFENDER REGISTRATION	200	200	0	245	200	0	0.0%	
<b>Total - Dept 301.00</b>	<b>\$194,500</b>	<b>\$217,348</b>	<b>\$22,848</b>	<b>\$108,052</b>	<b>\$202,348</b>	<b>(\$15,000)</b>	<b>-6.9%</b>	
<b>Dept 336.00: FIRE DEPARTMENT</b>								
500.000 FIREFIGHTS ASSIST ACT GRANT	\$0	\$35,280	\$35,280	\$0	\$35,280	\$0	0.0%	
686.000 FIRE TRAINING CLASSES	500	500	0	0	500	0	0.0%	
<b>Total - Dept 336.00</b>	<b>\$500</b>	<b>\$35,780</b>	<b>\$35,280</b>	<b>\$0</b>	<b>\$35,780</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Dept 371.00: INSPECTION DEPARTMENT</b>								
452.000 ELECTRICAL CONTRACTORS	\$200	\$200	\$0	\$0	\$200	\$0	0.0%	
453.000 HEATING & PLUMBING	100	100	0	0	100	0	0.0%	
454.000 JUNK DEALERS & SCAVENGERS	100	100	0	10	100	0	0.0%	
456.000 TAXI	100	100	0	0	100	0	0.0%	
458.000 VENDORS-HAULERS & PEDDLERS	1,000	1,000	0	300	1,000	0	0.0%	
460.000 BOWLING & BILLIARD	200	200	0	0	200	0	0.0%	
463.000 PERMITS-SIGNS & HANGERS	1,500	1,500	0	826	1,500	0	0.0%	
477.000 BUILDING	130,000	130,000	0	76,082	130,000	0	0.0%	
478.000 ELECTRICAL	50,000	50,000	0	16,730	35,000	(15,000)	-30.0%	
479.000 HEATING	36,000	36,000	0	12,848	26,000	(10,000)	-27.8%	
482.000 PLUMBING	15,000	15,000	0	4,965	10,000	(5,000)	-33.3%	
483.000 SEWER TAPPING	200	200	0	81	200	0	0.0%	
485.000 ZONING PERMITS & FEES	6,000	6,000	0	2,425	6,000	0	0.0%	
486.000 MISCELLANEOUS	100	100	0	0	100	0	0.0%	
487.000 RENTAL HOUSING REGISTRATION	38,000	38,000	0	43,545	44,000	6,000	15.8%	
<b>Total - Dept 371.00</b>	<b>\$278,500</b>	<b>\$278,500</b>	<b>\$0</b>	<b>\$157,812</b>	<b>\$254,500</b>	<b>(\$24,000)</b>	<b>-8.6%</b>	

**CITY OF ADRIAN**  
**FY2007-08 THIRD QUARTER FINANCIAL FORECAST**  
 December 31, 2007

<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>Dept 441.00: DEPARTMENT OF PUBLIC WORKS</b>								
481.000 SIDEWALK-CURB & EXCAVATING	\$200	\$200	\$0	\$40	\$200	\$0	0.0%	
631.000 REFUSE COLLECTION	400	400	0	170	400	0	0.0%	
673.111 SNOW REMOVAL	2,500	2,500	0	0	2,500	0	0.0%	
673.205 SIDEWALK BILLING	20,000	20,000	0	0	20,000	0	0.0%	
<b>Total - Dept 441.00</b>	<b>\$23,100</b>	<b>\$23,100</b>	<b>\$0</b>	<b>\$210</b>	<b>\$23,100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>Dept 449.00: ENGINEERING DEPARTMENT</b>								
671.000 RENTS	\$30,000	\$30,000	\$0	\$23,475	\$40,000	\$10,000	33.3%	
<b>Total - Dept 449.00</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$23,475</b>	<b>\$40,000</b>	<b>\$10,000</b>	<b>33.3%</b>	
<b>Dept 691.00: RECREATION DEPARTMENT</b>								
651.053 USE/ADM FEES-REC-CONCESSIONS	\$23,700	\$23,700	\$0	\$14,001	\$23,700	\$0	0.0%	
651.054 USE/ADM FEES-REC-YOUTH SPORTS	50,900	50,900	0	18,108	50,900	0	0.0%	
651.055 USE/ADM FEES-REC-ADULT SPORTS	81,000	81,000	0	37,945	81,000	0	0.0%	
651.056 USE/ADM FEES-REC-YOUTH PROGRAM	10,000	10,000	0	5,548	10,000	0	0.0%	
651.058 USE/ADM FEES-REC-SPECIAL EVENT	31,000	31,000	0	13,393	31,000	0	0.0%	
651.059 USE/ADM FEES-REC-PIOTTER CENTE	23,700	23,700	0	12,724	23,700	0	0.0%	
651.060 SKATE PARK	6,400	6,400	0	2,250	6,400	0	0.0%	
651.061 USE/ADM FEES-REC-AQUATICS	85,000	85,000	0	33,303	85,000	0	0.0%	
651.062 USE/ADM FEES-REC-ADULT CLASSES	12,500	12,500	0	5,586	12,500	0	0.0%	
651.063 USE/ADM FEES-REC-ICE RINK OPER	100	100	0	0	100	0	0.0%	
651.070 USE/ADM FEES-REC-AMUSE TCKS	14,200	14,200	0	4,740	14,200	0	0.0%	
651.071 USE/ADM FEES-REC-HAUNTED BARN	0	0	0	212	300	300		
651.072 USE/ADM FEES-REC-SHELTER USE	7,700	7,700	0	5,338	10,400	2,700	35.1%	
<b>Total - Dept 691.00</b>	<b>\$346,200</b>	<b>\$346,200</b>	<b>\$0</b>	<b>\$153,148</b>	<b>\$349,200</b>	<b>\$3,000</b>	<b>0.9%</b>	
<b>Dept 697.00: PARKS &amp; FORESTRY DEPARTMENT</b>								
521.000 EMERALD ASH BORER GRANT	\$0	\$18,000	\$18,000	\$17,750	\$18,000	\$0		
673.106 WEED MOWING	0	11,000	11,000	11,360	20,000	9,000	81.8%	
698.000 SALE OF BONDS/NOTES	0	2,000,000	2,000,000	0	2,000,000	\$0	0.0%	
<b>Total - Dept 697.00</b>	<b>\$0</b>	<b>\$2,029,000</b>	<b>\$2,029,000</b>	<b>\$29,110</b>	<b>\$2,038,000</b>	<b>\$9,000</b>	<b>0.4%</b>	
<b>Dept 738.00: ADRIAN PUBLIC LIBRARY</b>								
567.000 LIBRARY STATE AID	\$6,000	\$6,000	\$0	\$4,420	\$6,000	\$0	0.0%	
627.000 DUPLICATING & PHOTOSTATS	2,500	2,500	0	813	2,500	0	0.0%	
651.000 APPLICATION FEE	1,000	1,000	0	91	1,000	0	0.0%	
657.000 LIBRARY BOOK FINES	10,000	10,000	0	6,847	10,000	0	0.0%	
658.000 PENAL FINES	130,000	130,000	0	131,303	131,000	1,000	0.8%	
671.000 RENTS	1,800	1,800	0	50	800	(1,000)	-55.6%	
<b>Total - Dept 738.00</b>	<b>\$151,300</b>	<b>\$151,300</b>	<b>\$0</b>	<b>\$143,524</b>	<b>\$151,300</b>	<b>\$0</b>	<b>0.0%</b>	

CITY OF ADRIAN  
 FY2007-08 THIRD QUARTER FINANCIAL FORECAST  
 December 31, 2007

FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>Dept 990.00: NON-DEPARTMENTAL</b>								
404.000 CURRENT REAL PROPERTY TAX	\$5,318,768	\$5,318,768	\$0	\$5,223,661	\$5,318,768	\$0	0.0%	
405.000 CURRENT PERS PROP TAX	1,098,591	1,098,591	0	1,023,464	1,028,591	(70,000)	-6.4%	
407.000 CURRENT REFUSE MILLAGE	450,600	450,600	0	479,154	479,600	29,000	6.4%	
425.000 PAYMENT IN LIEU OF TAXES	39,000	39,000	0	40,973	41,000	2,000	5.1%	
457.000 TRAILER	4,600	4,600	0	2,129	4,600	0	0.0%	
575.000 SALES & USE TAX	2,300,000	2,300,000	0	882,997	2,300,000	0	0.0%	
644.000 PRINTED MATERIALS	100	100	0	0	100	0	0.0%	
661.000 CIVIL INFRACTIONS	3,800	3,800	0	1,500	3,800	0	0.0%	
675.000 DONATIONS-PRIVATE	100	100	0	20	100	0	0.0%	
675.073 DONATIONS-PRIVATE-LIBRARIES	6,000	9,809	3,809	45,870	49,809	40,000	407.8%	
675.076 DONATIONS-PRIVATE-FEE ESTATE	865,946	865,946	0	370,804	865,946	0	0.0%	
675.077 DONATIONS-PRIVATE-TV CABLE	183,000	183,000	0	92,609	183,000	0	0.0%	Pending litigation
675.080 DONATIONS-CITY WIDE CITY PRIDE	1,000	1,000	0	0	1,000	0	0.0%	
675.275 CONTRIBUTION-COMM DEVEL	36,000	0	(36,000)	0	0	0		Deputy Clerk Position
676.276 CONTRIB-ECON DEVEL FUND	39,493	39,493	0	19,746	39,493	0	0.0%	
676.281 CONTRIB-DDA - T.I.F. FUND	10,000	10,000	0	0	10,000	0	0.0%	
676.590 CONTRIB-WASTEWATER	40,000	40,000	0	0	40,000	0	0.0%	
676.701 CONTRIB-TRUST FUND	0	24,395	24,395	0	24,395	0	0.0%	
676.702 CONTRIB-ENDOWMENT TRUST FUND	1,000	1,000	0	47	1,000	0	0.0%	
676.711 CONTRIB-PERPETUAL CARE FUND	30,000	30,000	0	7,623	30,000	0	0.0%	
695.000 OTHER	200,000	200,000	0	109,321	193,000	(7,000)	-3.5%	Term. School Liaison
697.000 PRIOR YEARS REVENUE	0	1,083,733	1,083,733	0	652,734	(430,999)	-39.8%	Library Ren-\$226,000 MERS Window-\$204,999
<b>Total - Dept 990.00</b>	<b>\$10,627,998</b>	<b>\$11,703,935</b>	<b>\$1,075,937</b>	<b>\$8,299,918</b>	<b>\$11,266,936</b>	<b>(\$436,999)</b>	<b>-3.7%</b>	
<b>Total Revenues</b>	<b>\$12,275,830</b>	<b>\$15,468,795</b>	<b>\$3,192,965</b>	<b>\$9,318,754</b>	<b>\$15,029,296</b>	<b>(\$439,499)</b>	<b>-2.8%</b>	

**CITY OF ADRIAN**  
**FY2007-08 THIRD QUARTER FINANCIAL FORECAST**  
**December 31, 2007**

<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>GENERAL FUND EXPENDITURES (101):</b>								
<b>CITY COMMISSION</b>								
SALARIES & FRINGE BENEFITS	\$11,912	\$11,912	\$0	\$5,764	\$11,912	\$0	0.0%	
OPERATING	129,399	138,038	8,639	76,028	138,038	0	0.0%	Liability Insurance
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$141,311	\$149,950	\$8,639	\$81,792	\$149,950	\$0	0.0%	
<b>CITY ADMINISTRATOR</b>								
SALARIES & FRINGE BENEFITS	\$204,749	\$204,749	\$0	\$104,830	\$204,749	\$0	0.0%	
OPERATING	25,142	25,142	0	7,535	25,142	0	0.0%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$229,891	\$229,891	\$0	\$112,365	\$229,891	\$0	0.0%	
<b>ELECTION DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$9,700	\$9,700	\$0	\$2,750	\$9,700	\$0	0.0%	
OPERATING	19,100	19,100	0	3,151	19,100	0		
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$28,800	\$28,800	\$0	\$5,901	\$28,800	\$0	0.0%	
<b>FINANCE DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$382,482	\$423,177	\$40,695	\$212,868	\$423,177	\$0	0.0%	
OPERATING	(49,420)	(90,115)	(40,695)	(25,117)	(90,115)	0	0.0%	
CAPITAL OUTLAY	<u>2,500</u>	<u>2,500</u>	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>0</u>		
TOTAL	\$335,562	\$335,562	\$0	\$187,751	\$335,562	\$0	0.0%	
<b>CITY ASSESSOR</b>								
SALARIES & FRINGE BENEFITS	\$142,320	\$128,681	(\$13,639)	\$58,019	\$128,681	\$0	0.0%	
OPERATING	67,680	70,037	2,357	28,601	70,037	0	0.0%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$210,000	\$198,718	(\$11,282)	\$86,620	\$198,718	\$0	0.0%	
<b>CITY ATTORNEY</b>								
SALARIES & FRINGE BENEFITS	\$138,362	\$138,362	\$0	\$72,546	\$138,362	\$0	0.0%	
OPERATING	21,557	24,057	2,500	13,732	24,057	0	0.0%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
TOTAL	\$159,919	\$162,419	\$2,500	\$86,278	\$162,419	\$0	0.0%	

**CITY OF ADRIAN**  
**FY2007-08 THIRD QUARTER FINANCIAL FORECAST**  
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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>CITY CLERK</b>								
SALARIES & FRINGE BENEFITS	\$106,274	\$165,378	\$59,104	\$72,211	\$165,378	\$0	0.0%	
OPERATING	21,957	21,957	0	8,261	21,957	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$128,231	\$187,335	\$59,104	\$80,472	\$187,335	\$0	0.0%	
<b>HUMAN RESOURCES DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$79,405	\$79,405	\$0	\$39,965	\$79,405	\$0	0.0%	
OPERATING	89,786	89,786	0	21,693	89,786	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$169,191	\$169,191	\$0	\$61,658	\$169,191	\$0	0.0%	
<b>CITY HALL</b>								
SALARIES & FRINGE BENEFITS	\$2,000	\$2,000	\$0	\$956	\$2,000	\$0		
OPERATING	151,100	151,100	0	107,525	191,100	(40,000)	-26.5%	Bldg. Maint.
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$153,100	\$153,100	\$0	\$108,481	\$193,100	(\$40,000)	-26.1%	
<b>CEMETERY</b>								
SALARIES & FRINGE BENEFITS	\$286,908	\$286,908	\$0	\$153,034	\$286,908	\$0	0.0%	
OPERATING	87,430	87,533	103	43,611	87,533	0	0.0%	
CAPITAL OUTLAY	81,000	81,000	0	77,092	81,000	0	0.0%	
TOTAL	\$455,338	\$455,441	\$103	\$273,737	\$455,441	\$0	0.0%	
<b>POLICE DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$2,566,028	\$2,530,739	(\$35,289)	\$1,326,584	\$2,530,739	\$0	0.0%	
OPERATING	317,456	329,931	12,475	176,552	329,931	0	0.0%	
CAPITAL OUTLAY	75,000	88,714	13,714	13,795	88,714	0	0.0%	
TOTAL	\$2,958,484	\$2,949,384	(\$9,100)	\$1,516,931	\$2,949,384	\$0	0.0%	
<b>FIRE DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$1,397,206	\$1,399,491	\$2,285	\$689,334	\$1,399,491	\$0	0.0%	
OPERATING	228,808	238,329	9,521	55,840	238,329	0	0.0%	
CAPITAL OUTLAY	5,300	161,585	156,285	122,558	161,585	0	0.0%	
TOTAL	\$1,631,314	\$1,799,405	\$168,091	\$867,732	\$1,799,405	\$0	0.0%	
<b>INSPECTION DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$348,674	\$348,674	\$0	\$170,302	\$348,674	\$0	0.0%	
OPERATING	79,639	79,639	0	34,766	79,639	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$428,313	\$428,313	\$0	\$205,068	\$428,313	\$0	0.0%	

**CITY OF ADRIAN**  
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**December 31, 2007**

FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		
						AMOUNT	PERCENT	EXPLANATION
<b>DEPARTMENT OF PUBLIC WORKS</b>								
SALARIES & FRINGE BENEFITS	\$644,312	\$644,312	\$0	\$180,656	\$364,312	\$280,000	43.5%	Labor Allocation to
OPERATING	(396,249)	(395,846)	403	(46,467)	(95,846)	(300,000)	75.8%	Projects
CAPITAL OUTLAY	0	4,090	4,090	4,090	4,090	0		
TOTAL	\$248,063	\$252,556	\$4,493	\$138,279	\$272,556	(\$20,000)	-7.9%	
<b>CENTRAL STORES SUPPLY</b>								
SALARIES & FRINGE BENEFITS	\$8,200	\$8,200	\$0	\$1,886	\$8,200	\$0	0.0%	
OPERATING	(8,200)	(7,225)	975	(9,910)	(17,225)	10,000	-138.4%	Op Supply Allocation
CAPITAL OUTLAY	0	0	0	0	0	0		to Projects
TOTAL	\$0	\$975	\$975	(\$8,024)	(\$9,025)	\$10,000	1025.6%	
<b>MOTOR VEHICLE POOL</b>								
SALARIES & FRINGE BENEFITS	\$50,000	\$50,000	\$0	\$30,054	\$60,000	(\$10,000)	-20.0%	Vehicle Rental and
OPERATING	(317,800)	(316,803)	997	(199,019)	(396,803)	80,000	-25.3%	Overhead Allocation
CAPITAL OUTLAY	85,000	85,000	0	34,474	85,000	0	0.0%	to Operating Depts
TOTAL	(\$182,800)	(\$181,803)	\$997	(\$134,491)	(\$251,803)	\$70,000	-38.5%	
<b>ENGINEERING DEPARTMENT</b>								
SALARIES & FRINGE BENEFITS	\$235,634	\$319,517	\$83,883	\$129,273	\$259,517	\$60,000	18.8%	Labor Allocation to
OPERATING	(107,684)	(107,684)	0	(21,681)	(47,684)	(60,000)	55.7%	Projects
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$127,950	\$211,833	\$83,883	\$107,592	\$211,833	\$0	0.0%	
<b>STREET LIGHTING</b>								
SALARIES & FRINGE BENEFITS	\$6,000	\$6,000	\$0	\$427	\$6,000	\$0	0.0%	
OPERATING	127,100	127,100	0	59,079	127,100	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$133,100	\$133,100	\$0	\$59,506	\$133,100	\$0	0.0%	
<b>WINTER MAINTENANCE</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	3,000	3,000	0	870	3,000	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$3,000	\$3,000	\$0	\$870	\$3,000	\$0	0.0%	
<b>WASTE COLLECTION &amp; DISPOSAL</b>								
SALARIES & FRINGE BENEFITS	\$33,000	\$33,000	\$0	\$24,759	\$33,000	\$0	0.0%	
OPERATING	677,100	678,553	1,453	332,909	678,553	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$710,100	\$711,553	\$1,453	\$357,668	\$711,553	\$0	0.0%	
<b>FIXED EXPENSES</b>								
BOND INTEREST EXPENSE	\$151,536	\$151,536	\$0	\$0	\$151,536	\$0	0.0%	
TOTAL	\$151,536	\$151,536	\$0	\$0	\$151,536	\$0	0.0%	

**CITY OF ADRIAN**  
**FY2007-08 THIRD QUARTER FINANCIAL FORECAST**  
**December 31, 2007**

<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
RECREATION DEPARTMENT								
SALARIES & FRINGE BENEFITS	\$717,906	\$717,906	\$0	\$369,672	\$717,906	\$0	0.0%	
OPERATING	322,070	329,853	7,783	119,900	329,853	0	0.0%	
CAPITAL OUTLAY	30,500	102,500	72,000	19,107	102,500	0	0.0%	
TOTAL	\$1,070,476	\$1,150,259	\$79,783	\$508,679	\$1,150,259	\$0	0.0%	
PARKS & FORESTRY DEPARTMENT								
SALARIES & FRINGE BENEFITS	\$368,866	\$299,647	(\$69,219)	\$175,226	\$299,647	\$0	0.0%	
OPERATING	186,116	1,636,551	1,450,435	75,107	1,636,551	0	0.0%	Mile Drive Bldg Ren
CAPITAL OUTLAY	24,000	24,000	0	554,661	24,000	0	0.0%	
TOTAL	\$578,982	\$1,960,198	\$1,381,216	\$804,994	\$1,960,198	\$0	0.0%	
PARKS & FORESTRY - HERITAGE PARK								
SALARIES & FRINGE BENEFITS	\$88,994	\$88,994	\$0	\$44,648	\$88,994	\$0	0.0%	
OPERATING	63,500	63,557	57	33,584	63,557	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL	\$152,494	\$152,551	\$57	\$78,232	\$152,551	\$0	0.0%	
FEE ESTATE MAINTENANCE								
SALARIES & FRINGE BENEFITS	\$482,930	\$485,873	\$2,943	\$238,505	\$485,873	\$0	0.0%	
OPERATING	218,516	221,935	3,419	89,583	221,935	0	0.0%	
CAPITAL OUTLAY	16,000	16,000	0	14,530	16,000	0	0.0%	
TOTAL	\$717,446	\$723,808	\$6,362	\$342,618	\$723,808	\$0	0.0%	
EMERALD ASH BORER GRANT								
SALARIES & FRINGE BENEFITS	\$0	\$12,000	\$12,000	\$0	\$12,000	\$0	0.0%	
OPERATING	0	6,000	6,000	0	6,000	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL	\$0	\$18,000	\$18,000	\$0	\$18,000	\$0	0.0%	
ADRIAN FENCE PROPERTY								
SALARIES & FRINGE BENEFITS	\$100	\$100	\$0	\$0	\$100	\$0	0.0%	
OPERATING	12,400	12,400	0	2,695	12,400	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL	\$12,500	\$12,500	\$0	\$2,695	\$12,500	\$0	0.0%	
ADRIAN PUBLIC LIBRARY								
SALARIES & FRINGE BENEFITS	\$498,416	\$498,416	\$0	\$240,607	\$498,416	\$0	0.0%	
OPERATING	260,296	267,086	6,790	142,653	267,086	0	0.0%	Library façade
CAPITAL OUTLAY	42,497	274,030	231,533	40,693	274,030	0	0.0%	
TOTAL	\$801,209	\$1,039,532	\$238,323	\$423,953	\$1,039,532	\$0	0.0%	
PLANNING COMMISSION								
OPERATING	\$98,500	\$98,500	\$0	\$20,338	\$98,500	\$0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0	0.0%	
TOTAL	\$98,500	\$98,500	\$0	\$20,338	\$98,500	0	0.0%	

**CITY OF ADRIAN**  
**FY2007-08 THIRD QUARTER FINANCIAL FORECAST**  
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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
OTHER PROJECTS								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	52,514	102,514	50,000	30,261	102,514	0	0.0%	
CAPITAL OUTLAY	117,225	617,225	500,000	78,084	617,225	0	0.0%	Miles Dr Bldg Acqstn
TOTAL	\$169,739	\$719,739	\$550,000	\$108,345	\$719,739	\$0	0.0%	
BEAUTIFICATION - PARKS (FEE)								
OPERATING	\$50,000	\$50,000	\$0	\$0	\$50,000	\$0		
CAPITAL OUTLAY	98,500	185,814	87,314	56,318	185,814	0	0.0%	
TOTAL	\$148,500	\$235,814	\$87,314	\$56,318	\$235,814	\$0	0.0%	
BEAUTIFICATION - PARKS (FEE) - BURR PONDS								
OPERATING	\$0	\$309,686	\$309,686	\$183,145	\$309,686	\$0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL	\$0	\$309,686	\$309,686	\$183,145	\$309,686	\$0	0.0%	
PARK CAPITAL								
OPERATING	\$0	\$0	\$0	\$0	\$0	\$0		
CAPITAL OUTLAY	144,000	144,616	616	6,044	144,616	0	0.0%	
TOTAL	\$144,000	\$144,616	\$616	\$6,044	\$144,616	\$0	0.0%	
CRIMP SAVINGS								
GENERAL FUND	\$0	\$0	\$0	\$0	\$0	\$0		
DPW	400	400	0	0	400	0	0.0%	
PARKS	0	27,036	27,036	0	27,036	0		
TOTAL	\$400	\$27,436	\$27,036	\$0	\$27,436	\$0	0.0%	
TRANSFERS OUT								
CONTRIBUTION - DDA	\$0	\$2,748	\$2,748	\$2,748	\$2,748	\$0	0.0%	
CONTRIBUTION - AUTO PARKING	6,000	6,000	0	0	6,000	0	0.0%	
CONTRIBUTION - DIAL-A-RIDE	103,000	103,000	0	0	103,000	0	0.0%	
CONTRIBUTION - IT FUND	0	3,809	3,809	0	3,809	0	0.0%	
CONTRIBUTION - MVP-FIRE	0	0	0	400,583	400,583	(400,583)		Establish Fire Dept
TOTAL	\$109,000	\$115,557	\$6,557	\$403,331	\$516,140	(\$400,583)	-346.7%	Motor Vehicle Pool
NON-DEPARTMENTAL								
CONTINGENCY	\$52,181	\$230,340	\$178,159	\$0	\$0	\$230,340	100.0%	
TOTAL	\$52,181	\$230,340	\$178,159	\$0	\$0	\$230,340	100.0%	
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$12,275,830</b>	<b>\$15,468,795</b>	<b>\$3,192,965</b>	<b>\$7,134,878</b>	<b>\$15,619,038</b>	<b>(\$150,243)</b>	<b>-1.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,183,876</b>	<b>(\$589,742)</b>	<b>(\$589,742)</b>		

**CITY OF ADRIAN**  
**FY2007-08 THIRD QUARTER FINANCIAL FORECAST**  
**December 31, 2007**

<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL GENERAL FUND CONTINGENCY ACCOUNT</u>	<u>FORECAST ANNUAL COST-SAVINGS</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b><u>RECONCILIATION BETWEEN ADOPTED AND AMENDED BUDGET</u></b>								
ADOPTED BUDGET			\$12,275,830					
AMENDED BUDGET			\$15,468,795					
INCREASE/(DECREASE)			<u>\$3,192,965</u>					
Parks & Forestry Facility - Purchase and renovation			\$2,000,000					
Encumbrances & Carry Forwards			647,201					
Library Renovation - R07-177		* Prior Year	226,000					
MERS Window Period Retirements		* Prior Year	204,999					
Firefighters' Asst. Grant - Radios			35,280					
Library Façade Elevation Design			31,533					
Burr Ponds Fishing Pier			24,295					
Police JAG Grant Award- R07-197			12,543					
Non-Drug Forfeiture- Tahoe/Software			7,305					
Library - Gates' Hardware Upgrade Grant			3,809					
			<u>\$3,192,965</u>					
Contingency - Beginning Balance				\$52,181				
City Clerk/Engineer Reorg - R07-147				78,021	\$78,021			
Eliminate Parks Foreman-R07-170				61,946	67,107			
Delete Police Clerical Pos-R07-199				26,893	26,893			
City Assessor Downward Reclass-R07-155				21,555	21,555			
First Qtr Budget Amendments				1,000				
Part-Time Assessing Clerk - R07-148				750	750			
Chief's ICMA-RC Adj.				(5,168)				
DPW Truck Scale Repair				(4,090)				
Art-A-Licious Contribution				(2,748)				
Contingency - Ending Balance				<u>\$230,340</u>	<u>\$194,326</u>			

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FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>MAJOR STREET FUND REVENUE (202):</b>								
GAS & WEIGHT TAX	\$1,000,000	\$1,000,000	\$0	\$489,315	\$1,000,000	\$0	0.0%	
CMAQ GRANT-KIWANIS TRAIL EXT.	25,000	25,000	0	0	25,000	0	0.0%	
CMAQ GRANT-TRAFFIC SIGNALS	157,818	157,818	0	0	157,818	0	0.0%	
BEECHER STREET PAVING GRANT	375,000	375,000	0	0	0	(375,000)	-100.0%	Rec'd last April
STATE TRUNKLINE MAINTENANCE	<u>46,000</u>	<u>46,000</u>	<u>0</u>	<u>7,625</u>	<u>46,000</u>	<u>0</u>	0.0%	
INTERGOVERNMENTAL REVENUE	\$1,603,818	\$1,603,818	\$0	\$496,940	\$1,228,818	(\$375,000)	-23.4%	
INVESTMENT INCOME	20,000	20,000	0	2,813	20,000	0	0.0%	
CONTRB.-CAPITAL PROJ REVOLVING FUND	94,920	122,920	28,000	0	122,920	0	0.0%	
OTHER	0	0	0	2,268	3,000	3,000		
PRIOR YEARS' REVENUE	508,910	1,413,774	904,864	0	0	(1,413,774)	-100.0%	
<b>TOTAL MAJOR STREET FUND REVENUE</b>	<b>\$2,227,648</b>	<b>\$3,160,512</b>	<b>\$932,864</b>	<b>\$502,021</b>	<b>\$1,374,738</b>	<b>(\$1,785,774)</b>	<b>-56.5%</b>	

**MAJOR STREET FUND EXPENDITURES (202):**

**STREET CONSTRUCTION**

SALARIES & FRINGES	\$0	\$0	\$0	\$11,857	\$0	\$0		
OPERATING	<u>1,146,389</u>	<u>2,075,379</u>	<u>928,990</u>	<u>880,000</u>	<u>2,075,379</u>	<u>0</u>	0.0%	
SUBTOTAL	\$1,146,389	\$2,075,379	\$928,990	\$891,857	\$2,075,379	\$0	0.0%	

**ROUTINE ROAD MAINTENANCE**

SALARIES & FRINGES	\$45,200	\$45,200	\$0	\$17,086	\$45,200	\$0	0.0%	
OPERATING	138,900	138,900	0	50,460	138,900	0	0.0%	
CAPITAL EQUIPMENT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
SUBTOTAL	\$184,100	\$184,100	\$0	\$67,546	\$184,100	\$0	0.0%	

**ROUTINE BRIDGE MAINTENANCE**

SALARIES & FRINGES	\$3,000	\$3,000	\$0	\$0	\$3,000	\$0		
OPERATING	<u>18,000</u>	<u>18,000</u>	<u>0</u>	<u>5,400</u>	<u>18,000</u>	<u>0</u>	0.0%	
SUBTOTAL	\$21,000	\$21,000	\$0	\$5,400	\$21,000	\$0	0.0%	

**TRAFFIC SERVICE MAINTENANCE**

SALARIES & FRINGES	\$46,000	\$46,000	\$0	\$10,058	\$46,000	\$0	0.0%	
OPERATING	77,800	79,896	2,096	19,638	79,896	0	0.0%	
CAPITAL EQUIPMENT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
SUBTOTAL	\$123,800	\$125,896	\$2,096	\$29,696	\$125,896	\$0	0.0%	

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 December 31, 2007

FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>WINTER MAINTENANCE</b>								
SALARIES & FRINGES	\$18,000	\$18,000	\$0	\$7,127	\$18,000	\$0	0.0%	
OPERATING	46,000	46,000	0	22,884	46,000	0	0.0%	
SUBTOTAL	\$64,000	\$64,000	\$0	\$29,811	\$64,000	\$0	0.0%	
<b>NON-MOTORIZED TRANSPORTATION</b>								
SALARIES & FRINGES	\$10,500	\$10,500	\$0	\$1,893	\$10,500	\$0	0.0%	Sidewalks
OPERATING	90,200	91,978	1,778	8,593	91,978	0	0.0%	
CAPITAL IMPROVEMENTS	235,000	235,000	0	0	235,000	0	0.0%	Kiwanis Trail Ext.
SUBTOTAL	\$335,700	\$337,478	\$1,778	\$10,486	\$337,478	\$0	0.0%	
<b>STATE TRUNKLINE MAINTENANCE (US223)</b>								
SALARIES & FRINGES	\$2,400	\$2,400	\$0	\$1,385	\$2,400	\$0	0.0%	
OPERATING	12,800	12,800	0	5,754	12,800	0	0.0%	
SUBTOTAL	\$15,200	\$15,200	\$0	\$7,139	\$15,200	\$0	0.0%	
<b>STATE TRUNKLINE MAINTENANCE (M-52)</b>								
SALARIES & FRINGES	\$7,500	\$7,500	\$0	\$2,300	\$7,500	\$0	0.0%	
OPERATING	26,500	26,500	0	11,341	26,500	0	0.0%	
SUBTOTAL	\$34,000	\$34,000	\$0	\$13,641	\$34,000	\$0	0.0%	
<b>STATE TRUNKLINE MAINTENANCE (M-34)</b>								
SALARIES & FRINGES	\$1,500	\$1,500	\$0	\$515	\$1,500	\$0	0.0%	
OPERATING	10,700	10,700	0	2,503	10,700	0	0.0%	
SUBTOTAL	12,200	12,200	\$0	3,018	12,200	0	0.0%	
ADMIN & RECORD KEEPING	41,259	41,259	0	16,213	41,259	\$0	0.0%	
CONTRIBUTION - LOCAL STREET FUND	250,000	250,000	0	0	250,000	0	0.0%	
<b>TOTAL MAJOR STREET FUND EXP. (202)</b>	<b>\$2,227,648</b>	<b>\$3,160,512</b>	<b>\$932,864</b>	<b>\$1,074,807</b>	<b>\$3,160,512</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$572,786)</b>	<b>(\$1,785,774)</b>	<b>(\$1,785,774)</b>		

CITY OF ADRIAN  
 FY2007-08 THIRD QUARTER FINANCIAL FORECAST  
 December 31, 2007

FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>LOCAL STREET FUND REVENUE (203):</b>								
GAS & WEIGHT TAX	\$330,000	\$330,000	\$0	\$163,656	\$330,000	\$0	0.0%	
CONTRIBUTION - MAJOR STREET FUND	250,000	250,000	0	0	250,000	0	0.0%	
CONTRIBUTION - CAPITAL PROJ. REV. FUND	63,067	63,067	0	0	63,067	0	0.0%	
METRO ACT	60,000	60,000	0	0	60,000	0	0.0%	
INVESTMENT EARNINGS	500	500	0	1,941	2,500	2,000	400.0%	
TRANSFER IN - MUNICIPAL STREET FUND	463,875	463,875	0	0	463,875	0	0.0%	
PRIOR YEARS' REVENUE	0	297,181	297,181	0	297,181	0	0.0%	
<b>TOTAL LOCAL STREET FUND REVENUE</b>	<b>\$1,167,442</b>	<b>\$1,464,623</b>	<b>\$297,181</b>	<b>\$165,597</b>	<b>\$1,466,623</b>	<b>\$2,000</b>	<b>0.1%</b>	
<b>LOCAL STREET FUND EXPENDITURES (203):</b>								
<b>SIDEWALKS</b>								
SALARIES & FRINGES	\$5,100	\$5,100	\$0	\$3,296	\$5,100	\$0		
OPERATING	54,900	57,954	3,054	22,746	57,954	0	0.0%	
SUBTOTAL	\$60,000	\$63,054	\$3,054	\$26,042	\$63,054	\$0	0.0%	
<b>STREET CONSTRUCTION</b>								
SALARIES & FRINGES	\$0	\$0	\$0	\$5,777	\$10,000	(\$10,000)		
OPERATING	592,729	886,856	294,127	277,671	876,856	10,000	1.1%	
SUBTOTAL	\$592,729	\$886,856	\$294,127	\$283,448	\$886,856	\$0	0.0%	
<b>ROUTINE ROAD MAINTENANCE</b>								
SALARIES & FRINGES	\$78,300	\$78,300	\$0	\$35,483	\$78,300	\$0	0.0%	
OPERATING	273,300	273,300	0	83,714	273,300	0	0.0%	
SUBTOTAL	\$351,600	\$351,600	\$0	\$119,197	\$351,600	\$0	0.0%	
<b>ROUTINE BRIDGE MAINTENANCE</b>								
SALARIES & FRINGES	\$100	\$100	\$0	\$0	\$100	\$0		
OPERATING	900	900	0	0	900	0	0.0%	
SUBTOTAL	\$1,000	\$1,000	\$0	\$0	\$1,000	\$0	0.0%	
<b>TRAFFIC SERVICE MAINTENANCE</b>								
SALARIES & FRINGES	\$17,200	\$17,200	\$0	\$7,713	\$17,200	\$0	0.0%	
OPERATING	24,000	24,000	0	9,205	24,000	0	0.0%	
SUBTOTAL	\$41,200	\$41,200	\$0	\$16,918	\$41,200	\$0	0.0%	
<b>WINTER MAINTENANCE</b>								
SALARIES & FRINGES	\$14,000	\$14,000	\$0	\$6,594	\$14,000	\$0	0.0%	
OPERATING	36,500	36,500	0	19,236	36,500	0	0.0%	
SUBTOTAL	\$50,500	\$50,500	\$0	\$25,830	\$50,500	\$0	0.0%	
ADMIN & RECORD KEEPING	\$35,000	\$35,000	\$0	\$15,385	\$35,000	\$0	0.0%	
DISTRB. - IT SERVICES	7,259	7,259	0	3,630	7,259	0	0.0%	
NON-DEPT - CONTINGENCY	28,154	28,154	0	0	28,154	0		
<b>TOTAL LOCAL STREET FUND EXP (203)</b>	<b>\$1,167,442</b>	<b>\$1,464,623</b>	<b>\$297,181</b>	<b>\$490,450</b>	<b>\$1,464,623</b>	<b>\$0</b>	<b>0.0%</b>	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$324,853)	\$2,000	\$2,000		

CITY OF ADRIAN  
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 December 31, 2007

<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>MUNICIPAL STREET FUND REVENUE:</b>								
PROPERTY TAXES - SPECIAL VOTED	\$456,875	\$456,875	\$0	\$419,199	\$456,875	\$0	0.0%	
INVESTMENT INCOME	7,000	7,000	0	7,710	7,000	0	0.0%	
OTHER	0	0	0	18	0	0		
<b>TOTAL MUNICIPAL STREET FUND REVENUE</b>	<b>\$463,875</b>	<b>\$463,875</b>	<b>\$0</b>	<b>\$426,927</b>	<b>\$463,875</b>	<b>\$0</b>	<b>0.0%</b>	
<b>MUNICIPAL STREET FUND EXPENDITURES:</b>								
CONTRIBUTION - LOCAL STREETS	\$463,875	\$463,875	\$0	\$0	\$463,875	\$0	0.0%	
<b>TOTAL MUNICIPAL ST. FUND EXP.(204)</b>	<b>\$463,875</b>	<b>\$463,875</b>	<b>\$0</b>	<b>\$0</b>	<b>\$463,875</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$426,927</b>	<b>\$0</b>	<b>\$0</b>		

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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>OMNI FUND REVENUE (267):</b>								
OMNI FORFEITURES	\$72,000	\$72,000	\$0	\$19,171	\$52,000	(\$20,000)		
INVESTMENT INCOME	3,000	3,000	0	2,570	3,000	0		
RENTS	2,000	2,000	0	0	2,000	0		
DONATIONS - PRIVATE	400	400	0	0	400	0		
OTHER	0	0	0	0	0	0		
<b>TOTAL OMNI FUND REVENUE</b>	<b>\$77,400</b>	<b>\$77,400</b>	<b>\$0</b>	<b>\$21,741</b>	<b>\$57,400</b>	<b>(\$20,000)</b>		
<b>OMNI FUND EXPENDITURES (267):</b>								
SALARIES & FRINGE BENEFITS	\$18,000	\$18,000	\$0	\$13,790	\$18,000	\$0		
OPERATING	59,400	59,400	0	28,606	59,400	0		
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>TOTAL OMNI FUND EXPENDITURES (267)</b>	<b>\$77,400</b>	<b>\$77,400</b>	<b>\$0</b>	<b>\$42,396</b>	<b>\$77,400</b>	<b>\$0</b>		
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$20,655)</b>	<b>(\$20,000)</b>	<b>(\$20,000)</b>		

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FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>COMMUNITY DEVELOPMNT FUND REV (275):</b>								
CDBG GRANT	\$79,000	\$79,000	\$0	\$0	\$79,000	\$0	0.0%	
REVOLVING LOAN INCOME	25,000	25,000	0	0	0	(25,000)	-100.0%	
NEIGHBORHOOD PRESERVATION	51,826	51,826	0	0	51,826	0	0.0%	
COMMUNITY DEVELOPMENT GRANT	447,000	447,000	0	0	362,000	(85,000)	-19.0%	
DOWNTOWN RENTAL REHAB	215,000	215,000	0	0	215,000	0	0.0%	
PROPERTY IMPROVEMENT PROGRAM	20,000	20,000	0	0	20,000	0	0.0%	
ADMINISTRATIVE FEES	77,000	77,000	0	46,180	77,000	0	0.0%	
APPLICATION FEE	1,000	1,000	0	25	1,000	0	0.0%	
INVESTMENT INCOME	10,000	10,000	0	2,353	10,000	0	0.0%	
PRIOR YEARS' REVENUE	59,276	59,276	0	0	0	(59,276)		
<b>TOTAL COMMUNITY DEVELOPMNT FUND REV</b>	<b>\$985,102</b>	<b>\$985,102</b>	<b>\$0</b>	<b>\$48,558</b>	<b>\$815,826</b>	<b>(\$169,276)</b>	<b>-17.2%</b>	
<b>COMMUNITY DEVELOPMNT FUND EXP (275):</b>								
<b>ADM CD BLOCK GRANT</b>								
SALARIES & FRINGE BENEFITS	\$163,397	\$163,397	\$0	\$115,600	\$163,397	\$0	0.0%	
OPERATING	71,139	71,139	0	18,041	71,139	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
TOTAL CDBG GRANT	\$234,536	\$234,536	\$0	\$133,641	\$234,536	\$0	0.0%	
<b>COMMUNITY DEVELOPMENT GRANT</b>								
CDBG PROGRAM INCOME	\$170,000	\$170,000	\$0	\$0	\$170,000	\$0	0.0%	
NEIGHBORHOOD PRESERVATION PRG	70,000	70,000	0	0	70,000	0	0.0%	
DOWNTOWN RENTAL REHAB	0	0	0	0	0	0		
HOUSING REHAB	150,000	150,000	0	0	150,000	0	0.0%	
TAXES	85,266	85,266	0	0	85,266	0	0.0%	
TAXES	5,000	5,000	0	578	5,000	0	0.0%	
LAND	20,000	20,000	0	0	20,000	0	0.0%	
OTHER PROJECTS	300	300	0	0	300	0		Downtown Rehab
CONTRIBUTION - MAJOR STREET FUND	150,000	150,000	0	0	150,000	0	0.0%	
CONTRIBUTION - AUTO PARKING FUND	100,000	100,000	0	0	100,000	0	0.0%	
<b>TOTAL COMM DEVLP FUND EXP (275)</b>	<b>\$985,102</b>	<b>\$985,102</b>	<b>\$0</b>	<b>\$134,219</b>	<b>\$985,102</b>	<b>\$0</b>	<b>0.0%</b>	
REVENUE OVER/(UNDER) EXP.	\$0	\$0	\$0	(\$85,661)	(\$169,276)	(\$169,276)		

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FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>ECONOMIC DEVELOPMENT FUND REV (276)</b>								
MDEQ SILO DEMOLITION GRANT	\$0	\$78,700	\$78,700	\$0	\$0	(\$78,700)	-100.0%	
INVESTMENT INCOME	2,000	2,000	0	3,032	2,000	0	0.0%	
BROWNFIELD REDEVELOPMENT GRANT	100,000	108,053	8,053	0	100,000	(8,053)	-7.5%	
MDEQ SITE ASSESSMENT GRANT	20,000	20,000	0	0	20,000	0	0.0%	
PRIOR YEAR'S REVENUE	0	65,556	65,556	0	65,556	0	0.0%	
DONATIONS - PRIVATE	150,000	150,000	0	112,500	150,000	0	0.0%	
<b>TOTAL ECONOMIC DEVELOPMNT FUND REV</b>	<b>\$272,000</b>	<b>\$424,309</b>	<b>\$152,309</b>	<b>\$115,532</b>	<b>\$337,556</b>	<b>(\$86,753)</b>	<b>-20.4%</b>	
<b>ECONOMIC DEVELOPMENT FUND EXP (276):</b>								
PROGRAM ADMINISTRATION	\$81,350	\$85,106	\$3,756	\$10,552	\$85,106	\$0	0.0%	
ECONOMIC DEVELOPMENT	51,157	53,957	2,800	20,257	53,957	0	0.0%	
PETROLEUM SITE ASSESSMENT	100,000	108,053	8,053	36,550	100,000	8,053	7.5%	
WATERFRONT SITE ASSESSMENT	0	59,000	59,000	1,043	0	59,000	100.0%	
MDEQ SILO DEMOLITION GRANT	0	78,700	78,700	16,275	0	78,700	100.0%	
CONTRIBUTION - GENERAL FUND	39,493	39,493	0	19,747	39,493	0	0.0%	
<b>TOTAL ECONOMIC DEVL P FUND EXP (276)</b>	<b>\$272,000</b>	<b>\$424,309</b>	<b>\$152,309</b>	<b>\$104,424</b>	<b>\$278,556</b>	<b>\$145,753</b>	<b>34.4%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,108</b>	<b>\$59,000</b>	<b>\$59,000</b>		
<b>BROWNFIELD REDEVELOPMENT AUTHORITY (279):</b>								
CURRENT PROPERTY TAX	\$6,000	\$6,000	\$0	\$0	\$6,000	\$0	0.0%	
<b>TOTAL REVENUE</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>BROWNFILED REDEVELOPMENT AUTHORITY (279):</b>								
NON-DEPT - CONTINGENCY	\$6,000	\$6,000	\$0	\$0	\$6,000	\$0	0.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$6,000</b>	<b>\$6,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		

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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>DOWNTOWN DEVLPMNT AUTH REV (280):</b>								
CURRENT REAL PROPERTY TAX	\$33,000	\$33,000	\$0	\$33,828	\$33,000	\$0	0.0%	
REFUSE COLLECTION	0	0	0	10,079	11,000	11,000		
RENTS	1,500	1,500	0	400	1,500	0	0.0%	
CONTRIB - GENERAL FUND	0	2,748	2,748	2,748	2,748	0	0.0%	
INVESTMENT EARNINGS	1,000	1,000	0	518	1,000	0	0.0%	
TRANSFER IN - TIF	6,600	6,600	0	0	6,600	0	0.0%	
OTHER	6,000	6,000	0	1,613	6,000	0	0.0%	
OTHER-ARTS FESTIVAL	0	4,905	4,905	3,505	4,905	0	0.0%	
PRIOR YEAR'S REVENUE	0	10,039	10,039	0	10,039	0	0.0%	
<b>TOTAL DOWNTOWN DEV AUTH. REV.</b>	<b>\$48,100</b>	<b>\$65,792</b>	<b>\$17,692</b>	<b>\$52,691</b>	<b>\$76,792</b>	<b>\$11,000</b>	<b>16.7%</b>	
<b>DOWNTOWN DEVLPMNT AUTH. EXP. (280):</b>								
SALARIES & FRINGE BENEFITS	\$6,400	\$6,400	\$0	\$5,727	\$12,400	(\$6,000)	-93.8%	
OPERATING	37,700	39,392	1,692	26,349	44,392	(5,000)	-12.7%	
CONTRIBUTION - AUTO PARKING	10,000	10,000	0	0	10,000	0	0.0%	
CAPITAL OUTLAY	14,000	10,000	(4,000)	4,435	10,000	0	0.0%	
<b>TOTAL DOWNTOWN DEVLPMNT AUTH EXP</b>	<b>\$48,100</b>	<b>\$65,792</b>	<b>\$17,692</b>	<b>\$36,511</b>	<b>\$76,792</b>	<b>(\$11,000)</b>	<b>-16.7%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,180</b>	<b>\$0</b>	<b>\$0</b>		

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FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>DDA - TIF FUND REVENUE (281):</b>								
CURRENT REAL PROPERTY TAX	\$355,000	\$355,000	\$0	\$278,224	\$355,000	\$0	0.0%	
CONTRACT SERVICES REVENUE	0	24,000	24,000	0	24,000	0	0.0%	
PRIOR YEAR'S REVENUE	44,292	94,984	50,692	0	0	(94,984)	-100.0%	
INVESTMENT EARNINGS	6,000	6,000	0	12,120	20,000	14,000	233.3%	
<b>TOTAL DOWNTOWN DEV AUTH. REV.</b>	<b>\$405,292</b>	<b>\$479,984</b>	<b>\$74,692</b>	<b>\$290,344</b>	<b>\$399,000</b>	<b>(\$80,984)</b>	<b>-16.9%</b>	
<b>DDA-TIF FUND EXP. (281):</b>								
SALARIES & FRINGE BENEFITS	\$61,400	\$61,400	\$0	\$31,451	\$61,400	\$0	0.0%	
OPERATING	173,947	86,639	(87,308)	27,319	140,639	(54,000)	-62.3%	
CAPITAL OUTLAY	50,000	77,000	27,000	20,914	77,000	0	0.0%	
CONTRIBUTION-DDA	6,600	6,600	0	0	6,600	0	0.0%	
CONTRIBUTION-AUTO PARKING FUND	50,000	50,000	0	0	50,000	0	0.0%	
CONTRIBUTION-COMMUNITY DEVELOP	2,000	2,000	0	0	2,000	0	0.0%	
TRANSFER OUT - DEBT	111,345	111,345	0	0	111,345	0	0.0%	
TRANSFER OUT - SCHOOLS	85,000	85,000	0	0	85,000	0	0.0%	
<b>TOTAL DDA-TIF FUND EXP</b>	<b>\$405,292</b>	<b>\$479,984</b>	<b>\$74,692</b>	<b>\$79,684</b>	<b>\$533,984</b>	<b>(\$54,000)</b>	<b>-11.3%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$210,660</b>	<b>(\$134,984)</b>	<b>(\$134,984)</b>		
<b>LDFA DEBT FUND REVENUE (310):</b>								
CURRENT REAL PROPERTY TAX	\$123,000	\$123,000	\$0	\$89,439	\$123,000	\$0	0.0%	
INVESTMENT INCOME	500	500	0	1,389	500	0	0.0%	
<b>TOTAL LDFA FUND REVENUE</b>	<b>\$123,500</b>	<b>\$123,500</b>	<b>\$0</b>	<b>\$90,828</b>	<b>\$123,500</b>	<b>\$0</b>	<b>0.0%</b>	
<b>LDFA DEBT FUND EXPENDITURES (310):</b>								
TRANSFER OUT- DEBT	\$123,500	\$123,500	\$0	\$94,143	\$123,500	\$0	0.0%	
<b>TOTAL LDFA FUND EXP (310)</b>	<b>\$123,500</b>	<b>\$123,500</b>	<b>\$0</b>	<b>\$94,143</b>	<b>\$123,500</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,315)</b>	<b>\$0</b>	<b>\$0</b>		

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FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>BUILDING AUTHORITY DEBT FUND (369):</b>								
INVESTMENT INCOME	\$100	\$100	\$0	\$0	\$100	\$0	0.0%	
RENTS	0	0	0	0	0	0		
<b>TOTAL BLDG AUTHORITY DEBT FUND REV.</b>	<b>\$100</b>	<b>\$100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>BLDG AUTH. FUND EXPENDITURES (369):</b>								
BOND INTEREST EXPENSE	\$0	\$0	\$0	\$0	\$0	\$0		
PAYING AGENT FEES	0	0	0	0	0	0		
CONTINGENCY	100	100	0	0	100	0	0.0%	
<b>TOTAL BLDG AUTH FUND EXP (369)</b>	<b>\$100</b>	<b>\$100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		
<b>DDA DEBT FUND REVENUE (394):</b>								
INVESTMENT INCOME	\$100	\$100	\$0	\$58	\$100	\$0	0.0%	
TRANSFER IN - APPROPRIATION	111,345	111,345	0	0	111,345	0	0.0%	
<b>TOTAL DDA DEBT FUND REVENUE</b>	<b>\$111,445</b>	<b>\$111,445</b>	<b>\$0</b>	<b>\$58</b>	<b>\$111,445</b>	<b>\$0</b>	<b>0.0%</b>	
<b>DDA DEBT FUND EXPENDITURES (394):</b>								
BOND INTEREST EXPENSE	\$25,920	\$25,920	\$0	\$12,960	\$25,920	\$0	0.0%	
PAYING AGENT FEES	425	425	0	0	425	0	0.0%	
CONTINGENCY	85,100	85,100	0	0	85,100	0	0.0%	
<b>TOTAL DDA DEBT FUND EXP (394)</b>	<b>\$111,445</b>	<b>\$111,445</b>	<b>\$0</b>	<b>\$12,960</b>	<b>\$111,445</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$12,902)</b>	<b>\$0</b>	<b>\$0</b>		

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FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>WATER-CAPITAL PROJECTS FUND REVENUE (496)</b>								
INVESTMENT INCOME	\$0	\$0	\$0	\$0	\$0	\$0		
CONTRIBUTION- WATER FUND	449,000	449,000	0	75,376	449,000	0	0.0%	
PRIOR YEAR'S REVENUE	0	11,691	11,691	0	11,691	0	0.0%	
<b>TOTAL DDA DEBT FUND REVENUE</b>	<b>\$449,000</b>	<b>\$460,691</b>	<b>\$11,691</b>	<b>\$75,376</b>	<b>\$460,691</b>	<b>\$0</b>	<b>0.0%</b>	
<b>WATER-CAPITAL PROJECTS FUND EXPENDITURES (496)</b>								
ADMINISTRATION	\$3,000	\$3,000	\$0	\$0	\$3,000	\$0	0.0%	
METER READING & MAINT.	75,000	75,000	0	15,448	75,000	0	0.0%	
WATER PLANT CAPITAL EQUIP	86,000	87,975	1,975	39,505	87,975	0	0.0%	
WATER PLANT CAPITAL IMPRVMT	120,000	125,855	5,855	9,545	125,855	0	0.0%	
WATER DISTRB CAPITAL EQUIP	60,000	63,861	3,861	21,454	63,861	0	0.0%	
WATER DISTRB CAPITAL IMPRVMT	105,000	105,000	0	0	59,000	46,000	43.8%	
<b>TOTAL EXPENDITURES</b>	<b>\$449,000</b>	<b>\$460,691</b>	<b>\$11,691</b>	<b>\$85,952</b>	<b>\$414,691</b>	<b>\$46,000</b>	<b>10.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,576)</b>	<b>\$46,000</b>	<b>\$46,000</b>		
<b>SEWER-CAPITAL PROJECTS FUND REVENUE (497)</b>								
CONTRIBUTION- WASTEWATER FUND	\$1,500,000	\$1,500,000	\$0	\$113,578	\$1,500,000	\$0	0.0%	
PRIOR YEAR'S REVENUE	0	87,521	87,521	0	87,521	0	0.0%	
<b>TOTAL DDA DEBT FUND REVENUE</b>	<b>\$1,500,000</b>	<b>\$1,587,521</b>	<b>\$87,521</b>	<b>\$113,578</b>	<b>\$1,587,521</b>	<b>\$0</b>	<b>0.0%</b>	
<b>SEWER-CAPITAL PROJECTS FUND EXPENDITURES (497)</b>								
WWTP CAPITAL IMPROVEMENTS	\$1,061,000	\$1,061,000	\$0	\$0	\$1,061,000	\$0	0.0%	
WWTP CAPITAL EQUIPMENT	145,000	206,564	61,564	70,762	206,564	0	0.0%	
SEWER COLLECTION SYSTEM	294,000	319,957	25,957	29,066	319,957	0	0.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$1,500,000</b>	<b>\$1,587,521</b>	<b>\$87,521</b>	<b>\$99,828</b>	<b>\$1,587,521</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,750</b>	<b>\$0</b>	<b>\$0</b>		

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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>AUTO PARKING FUND REVENUE (585):</b>								
SPECIAL ASSESSMENT	\$30,000	\$30,000	\$0	\$4,592	\$30,000	\$0	0.0%	
PARKING FEES	60,000	59,075	(925)	10,087	39,075	(20,000)	-33.9%	
PARKING FINES	24,221	23,296	(925)	15,390	30,296	7,000	30.0%	
CONTRIBUTION - GENERAL FUND	6,000	6,000	0	0	6,000	0	0.0%	
CONTRIBUTION - FEE ESTATE	50,000	50,000	0	0	50,000	0	0.0%	
TRANSFER IN - DDA	10,000	10,000	0	0	10,000	0	0.0%	
TRANSFER IN - DDA-TIF	50,000	50,000	0	0	50,000	0	0.0%	
TRANSFER IN - COMMUNITY DEVELOPMENT	100,000	100,000	0	0	100,000	0	0.0%	
OTHER	45,000	45,000	0	0	45,000	0	0.0%	
INVESTMENT INCOME	100	100	0	19	100	0	0.0%	
<b>TOTAL AUTO PARKING FUND REVENUE</b>	<b>\$375,321</b>	<b>\$373,471</b>	<b>(\$1,850)</b>	<b>\$30,088</b>	<b>\$360,471</b>	<b>(\$13,000)</b>	<b>-3.5%</b>	
<b>AUTO PARKING FUND EXPENDITURES (585):</b>								
SALARIES & FRINGE BENEFITS	\$33,668	\$33,668	\$0	\$19,564	\$39,668	(\$6,000)	-17.8%	
OPERATING	41,653	41,653	0	14,485	28,653	13,000	31.2%	
CAPITAL OUTLAY	300,000	298,150	(1,850)	0	298,150	\$0		
<b>TOTAL AUTO PARKING FUND EXP (585)</b>	<b>\$375,321</b>	<b>\$373,471</b>	<b>(\$1,850)</b>	<b>\$34,049</b>	<b>\$366,471</b>	<b>7,000</b>	<b>1.9%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$3,961)</b>	<b>(\$6,000)</b>	<b>(\$6,000)</b>		
<b>TRANSPORTATION SYSTEM FUND REV (588):</b>								
FEDERAL GRANTS	\$62,005	\$62,005	\$0	\$67,557	\$68,005	\$6,000	9.7%	
TRANSPORTATION FACILITY GRANT	159,643	1,383,643	1,224,000	25,768	1,383,643	0	0.0%	
STATE GRANTS	0	0	0	67,098	68,000	68,000		
DART GRANT - BUSES	0	159,817	159,817	0	159,817	0	0.0%	
DART FARES	90,703	90,703	0	43,371	87,703	(3,000)	-3.3%	
OTHER	305	305	0	4,279	4,305	4,000	1311.5%	
PRIOR YEARS' REVENUE	0	20,690	20,690	0	0	(20,690)	-100.0%	
CONTRIBUTION - GENERAL FUND	103,000	103,000	0	0	103,000	0	0.0%	
<b>TOTAL TRANSPRTN SYSTEM FUND REV</b>	<b>\$415,656</b>	<b>\$1,820,163</b>	<b>\$1,404,507</b>	<b>\$208,073</b>	<b>\$1,874,473</b>	<b>\$54,310</b>	<b>3.0%</b>	
<b>TRANSPORTATION FUND EXPENDITURES:</b>								
SALARIES & FRINGE BENEFITS	\$289,375	\$289,375	\$0	\$135,053	\$279,375	\$10,000	3.5%	
OPERATING	126,281	146,971	20,690	88,743	178,971	(32,000)	-21.8%	
CAPITAL OUTLAY	0	1,383,817	1,383,817	82,123	1,383,817	\$0	0.0%	
<b>TOTAL TRANSPORTATION FUND EXP (588)</b>	<b>\$415,656</b>	<b>\$1,820,163</b>	<b>\$1,404,507</b>	<b>\$305,919</b>	<b>\$1,842,163</b>	<b>(\$22,000)</b>	<b>-1.2%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$97,846)</b>	<b>\$32,310</b>	<b>\$32,310</b>		

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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>SEWER FUND REVENUE (590):</b>								
CHARGES FOR SERVICES	\$3,668,070	\$3,668,070	\$0	\$1,812,240	\$3,668,070	\$0	0.0%	
INVESTMENT INCOME	60,000	60,000	0	48,717	72,000	12,000	20.0%	
PENALTIES	1,000	1,000	0	31,673	32,000	31,000	3100.0%	
INSTALLMENT PURCHASE LOAN PROCEEDS	875,000	875,000	0	0	825,000	(50,000)	-5.7%	
TAPS & SERVICE	75,000	75,000	0	7,260	25,000	(50,000)	-66.7%	
PRIOR YEARS' REVENUE	1,165,018	1,178,826	13,808	0	1,178,826	0	0.0%	
OTHER	13,000	13,000	0	12,134	13,000	0	0.0%	
<b>TOTAL SEWER FUND REVENUE</b>	<b>\$5,857,088</b>	<b>\$5,870,896</b>	<b>\$13,808</b>	<b>\$1,912,024</b>	<b>\$5,813,896</b>	<b>(\$57,000)</b>	<b>-1.0%</b>	
<b>SEWER FUND EXPENDITURES (590):</b>								
<b>WASTE WATER TREATMENT PLANT</b>								
SALARIES & FRINGE BENEFITS	\$716,500	\$716,500	\$0	\$354,260	\$716,500	\$0	0.0%	
OPERATING	937,000	939,301	2,301	345,870	889,301	50,000	5.3%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>		
SUBTOTAL	\$1,653,500	\$1,655,801	\$2,301	\$700,130	\$1,605,801	\$50,000	3.0%	
<b>ADMINISTRATION &amp; OVERHEAD</b>								
SALARIES & FRINGE BENEFITS	\$386,274	\$386,274	\$0	\$186,961	\$386,274	\$0	0.0%	
OPERATING	361,089	361,096	7	173,362	354,096	7,000	1.9%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>		
SUBTOTAL	\$747,363	\$747,370	\$7	\$360,323	\$740,370	\$7,000	0.9%	
<b>SANITARY SEWERS</b>								
SALARIES & FRINGE BENEFITS	\$202,000	\$202,000	\$0	\$68,826	\$202,000	\$0	0.0%	
OPERATING	184,800	196,300	11,500	44,590	196,300	0	0.0%	
CAPITAL OUTLAY	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>5,115</u>	<u>5,000</u>	<u>\$0</u>		
SUBTOTAL	\$391,800	\$403,300	\$11,500	\$118,531	\$403,300	\$0	0.0%	
<b>BROAD STREET LIFT STATION</b>								
SALARIES & FRINGE BENEFITS	\$7,000	\$7,000	\$0	\$4,881	\$7,000	\$0	0.0%	
OPERATING	31,200	31,200	0	10,520	31,200	0	0.0%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>		
SUBTOTAL	\$38,200	\$38,200	\$0	\$15,401	\$38,200	\$0	0.0%	
<b>LIFT STATIONS</b>								
SALARIES & FRINGE BENEFITS	\$12,000	\$12,000	\$0	\$4,831	\$12,000	\$0	0.0%	
OPERATING	26,500	26,500	0	5,539	26,500	0	0.0%	
CAPITAL OUTLAY	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>\$0</u>		
SUBTOTAL	\$38,500	\$38,500	\$0	\$10,370	\$38,500	\$0	0.0%	

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FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>RETENTION BASIN</b>								
SALARIES & FRINGE BENEFITS	\$2,500	\$2,500	\$0	\$387	\$2,500	\$0	0.0%	
OPERATING	13,000	13,000	0	1,004	13,000	0	0.0%	
SUBTOTAL	\$15,500	\$15,500	\$0	\$1,391	\$15,500	\$0	0.0%	
<b>DEPRECIATION EXPENSE</b>								
	\$1,009,821	\$1,009,821	\$0	\$504,911	\$1,009,821	\$0	0.0%	
<b>BOND INTEREST EXPENSE</b>								
	339,300	339,300	0	0	339,300	0		
<b>INSTALLMENT PURCHASE DEBT SVC</b>								
	123,104	123,104	0	0	7,945	115,159		
<b>CONTRIBUTION - CAPITAL PROJECTS</b>								
	1,500,000	1,500,000	0	113,578	1,500,000	\$0		
<b>FIXED EXPENSES</b>								
	\$2,972,225	\$2,972,225	\$0	\$618,489	\$2,857,066	\$115,159	3.9%	
<b>TOTAL SEWER FUND EXPENDITURES (590)</b>	<b>\$5,857,088</b>	<b>\$5,870,896</b>	<b>\$13,808</b>	<b>\$1,824,635</b>	<b>\$5,698,737</b>	<b>\$172,159</b>	<b>2.9%</b>	
		<b>\$5,870,896</b>						
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$87,389</b>	<b>\$115,159</b>	<b>\$115,159</b>		

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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>WATER FUND REVENUE (591):</b>								
NEW ACCOUNT CHARGES	\$15,000	\$15,000	\$0	\$6,509	\$15,000	\$0	0.0%	
CHARGES FOR SERVICES - SALES	2,899,860	2,899,860	0	1,545,331	2,899,860	0	0.0%	
PENALTIES	100,000	100,000	0	31,980	100,000	0	0.0%	
I.P.P. FINES & FEES	100	100	0	0	100	0	0.0%	
INVESTMENT INCOME	18,000	18,000	0	6,115	18,000	0	0.0%	
HYDRANT RENTAL	35,000	35,000	0	20,443	35,000	0	0.0%	
GENERAL FUND SHORT TERM ADVANCE	500,000	500,000	0	0	0	(500,000)	-100.0%	
MERCHANDISE	2,000	2,000	0	209	2,000	0	0.0%	
TAPS & SERVICE	100,000	100,000	0	2,870	100,000	0	0.0%	
DWRP REIMB.-UP FRONT COSTS	445,000	445,000	0	0	445,000	0	0.0%	
PRIOR YEARS' REVENUE	0	4,211	4,211	0	4,211	0	0.0%	
OTHER	13,000	13,000	0	12,600	13,000	0	0.0%	
<b>TOTAL WATER FUND REVENUE</b>	<b>\$4,127,960</b>	<b>\$4,132,171</b>	<b>\$4,211</b>	<b>\$1,626,057</b>	<b>\$3,632,171</b>	<b>(\$500,000)</b>	<b>-12.1%</b>	
<b>WATER FUND EXPENDITURES (591):</b>								
<b>MERCHANDISE</b>	\$25,000	\$25,000	\$0	\$30,370	\$40,000	(\$15,000)	-60.0%	
<b>TAPS &amp; SERVICE</b>								
SALARIES & FRINGE BENEFITS	\$9,000	\$9,000	\$0	\$0	\$4,500	\$4,500	50.0%	
OPERATING	7,000	7,000	0	0	3,500	3,500	50.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>SUBTOTAL</b>	<b>\$16,000</b>	<b>\$16,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,000</b>	<b>\$8,000</b>	<b>50.0%</b>	
<b>PURIFICATION &amp; PUMPING</b>								
SALARIES & FRINGE BENEFITS	\$434,500	\$434,500	\$0	\$204,776	\$434,500	\$0	0.0%	
OPERATING	701,000	704,918	3,918	282,099	604,918	100,000	14.2%	
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>SUBTOTAL</b>	<b>\$1,135,500</b>	<b>\$1,139,418</b>	<b>\$3,918</b>	<b>\$486,875</b>	<b>\$1,039,418</b>	<b>\$100,000</b>	<b>8.8%</b>	
<b>TRANSMISSION &amp; DISTRIBUTION</b>								
SALARIES & FRINGE BENEFITS	\$326,000	\$326,000	\$0	\$168,892	\$326,000	\$0	0.0%	
OPERATING	227,200	227,433	233	105,990	227,433	0	0.0%	
CAPITAL OUTLAY	5,000	5,000	0	6,010	6,000	(1,000)		
<b>SUBTOTAL</b>	<b>\$558,200</b>	<b>\$558,433</b>	<b>\$233</b>	<b>\$280,892</b>	<b>\$559,433</b>	<b>(\$1,000)</b>	<b>-0.2%</b>	
<b>CUSTOMER SERVICE &amp; OVERHEAD</b>								
SALARIES & FRINGE BENEFITS	\$670,140	\$670,140	\$0	\$337,072	\$670,140	\$0	0.0%	
OPERATING	(20,011)	(19,951)	60	(25,143)	(39,951)	20,000	-100.2%	
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>SUBTOTAL</b>	<b>\$650,129</b>	<b>\$650,189</b>	<b>\$60</b>	<b>\$311,929</b>	<b>\$630,189</b>	<b>\$20,000</b>	<b>3.1%</b>	

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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
DEPRECIATION EXPENSE	\$762,192	\$762,192	\$0	\$381,096	\$762,192	\$0	0.0%	
BOND INTEREST EXPENSE	128,000	128,000	0	0	128,000	0	0.0%	
CONTRIBUTION - CAPITAL PROJECTS	449,000	449,000	0	75,376	449,000	0		
CONTINGENCY	403,939	403,939	0	0	0	403,939		
<b>TOTAL WATER FUND EXPENSES (591)</b>	<b>\$4,127,960</b>	<b>\$4,132,171</b>	<b>\$4,211</b>	<b>\$1,566,538</b>	<b>\$3,616,232</b>	<b>\$515,939</b>		12.5%
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$59,519</b>	<b>\$15,939</b>	<b>\$15,939</b>		

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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>STORM WATER UTILITY FUND REV (598):</b>								
CHARGES FOR SERVICES	\$264,000	\$264,000	\$0	\$258,893	\$264,000	\$0	0.0%	
INVESTMENT INCOME	100	100	0	27	100	0	0.0%	
ILLICIT CONNECTION GRANT	20,000	20,000	0	4,605	20,000	0		
<b>TOTAL STORM WATER UTILITY FUND REV.</b>	<b>\$284,100</b>	<b>\$284,100</b>	<b>\$0</b>	<b>\$263,525</b>	<b>\$284,100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>STORM WATER UTILITY FUND EXP. (598):</b>								
<b>DRAINS - PUBLIC BENEFIT</b>								
SALARIES & FRINGE BENEFITS	\$68,600	\$68,600	\$0	\$27,270	\$68,600	\$0	0.0%	
OPERATING	114,300	114,300	0	47,131	114,300	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>SUBTOTAL</b>	<b>\$182,900</b>	<b>\$182,900</b>	<b>\$0</b>	<b>\$74,401</b>	<b>\$182,900</b>	<b>\$0</b>	<b>0.0%</b>	
<b>DRAINS - ILLICIT CONNECTION</b>								
SALARIES & FRINGE BENEFITS	\$13,500	\$13,500	\$0	\$2,663	\$13,500	\$0	0.0%	
OPERATING	20,600	20,600	0	16,995	20,600	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>SUBTOTAL</b>	<b>\$34,100</b>	<b>\$34,100</b>	<b>\$0</b>	<b>\$19,658</b>	<b>\$34,100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>ENGINEERING</b>								
SALARIES & FRINGE BENEFITS	\$4,000	\$4,000	\$0	\$1,950	\$4,000	\$0	0.0%	
OPERATING	7,000	7,000	0	0	7,000	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>SUBTOTAL</b>	<b>\$11,000</b>	<b>\$11,000</b>	<b>\$0</b>	<b>\$1,950</b>	<b>\$11,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>ENGINEERING - INFILTRATION GRANT</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	100	100	0	0	100	0	0.0%	
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>SUBTOTAL</b>	<b>\$100</b>	<b>\$100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>CONTINGENCY</b>	<b>\$38,000</b>	<b>\$38,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$38,000</b>	<b>\$0</b>	<b>0.0%</b>	
<b>ENGINEERING - INFILTRATION GRANT</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>100</b>	<b>0</b>	<b>0.0%</b>	
<b>ADMIN. &amp; RECORD KEEPING</b>	<b>18,000</b>	<b>18,000</b>	<b>0</b>	<b>7,575</b>	<b>18,000</b>	<b>0</b>	<b>0.0%</b>	
<b>TOTAL STORM WATER UTILITY FUND EXP</b>	<b>\$284,100</b>	<b>\$284,100</b>	<b>\$0</b>	<b>\$103,584</b>	<b>\$284,100</b>	<b>\$0</b>	<b>0.0%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$159,941</b>	<b>\$0</b>	<b>\$0</b>		

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<u>FUND/DEPARTMENT</u>	<u>ADOPTED BUDGET</u>	<u>AMENDED BUDGET</u>	<u>AMENDED over/(under) ADOPTED</u>	<u>YEAR-TO-DATE ACTUAL</u>	<u>FORECAST</u>	<u>VARIANCE FORECAST TO BUDGET</u>		<u>EXPLANATION</u>
						<u>AMOUNT</u>	<u>PERCENT</u>	
<b>CAPITAL PROJECTS REVOLVING FUND REVENUE (599)</b>								
SPECIAL ASSESSMENTS	\$50,299	\$78,299	\$28,000	\$0	\$78,299	\$0	0.0%	
INVESTMENT INCOME	23,000	23,000	0	19,838	30,000	7,000	30.4%	
<b>TOTAL REVENUE</b>	<b>\$73,299</b>	<b>\$101,299</b>	<b>\$28,000</b>	<b>\$19,838</b>	<b>\$108,299</b>	<b>\$7,000</b>	<b>6.9%</b>	
<b>CAPITAL PROJECTS REVOLVING FUND EXPENDITURES (599)</b>								
<b>TRANSFERS OUT</b>								
CONTRIB - MAJOR STREET	\$27,004	\$55,004	\$28,000	\$0	\$55,004	\$0	0.0%	
CONTRIB - LOCAL STREET	23,295	23,295	0	0	23,295	0	0.0%	
<b>SUBTOTAL</b>	<b>\$50,299</b>	<b>\$78,299</b>	<b>\$28,000</b>	<b>\$0</b>	<b>\$78,299</b>	<b>\$0</b>	<b>0.0%</b>	
<b>NON-DEPARTMENTAL</b>								
CONTINGENCY	\$23,000	\$23,000	\$0	\$0	\$0	\$23,000	100.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$73,299</b>	<b>\$101,299</b>	<b>\$28,000</b>	<b>\$0</b>	<b>\$78,299</b>	<b>\$23,000</b>	<b>22.7%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,838</b>	<b>\$30,000</b>	<b>\$30,000</b>		

**CITY OF ADRIAN**  
**FY2007-08 THIRD QUARTER FINANCIAL FORECAST**  
 December 31, 2007

FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>INFORMATION TECHNOLOGY FUND REVENUE (661)</b>								
CHARGES FOR SERVICES	\$486,000	\$486,000	\$0	\$227,197	\$486,000	\$0	0.0%	
CONTRIB - WATER FUND	0	0	0	2,929	3,000	3,000		
CONTRIB - GENERAL FUND	0	3,809	3,809	0	3,809	0	0.0%	
PRIOR YEARS' REVENUE	0	153,792	153,792	0	0	(153,792)	-100.0%	
OTHER	50	50	0	721	50	0	0.0%	
<b>TOTAL REVENUE</b>	<b>\$486,050</b>	<b>\$643,651</b>	<b>\$157,601</b>	<b>\$230,847</b>	<b>\$492,859</b>	<b>(\$150,792)</b>	<b>-23.4%</b>	
<b>INFORMATION TECHNOLOGY FUND EXPENDITURES (661)</b>								
<b>GIS SERVICES</b>								
SALARIES & FRINGE BENEFITS	\$66,088	\$66,088	\$0	\$33,276	\$66,088	\$0	0.0%	
OPERATING	44,100	91,143	47,043	6,284	91,143	0	0.0%	
CAPITAL OUTLAY	35,000	41,710	6,710	0	41,710	0	0.0%	
SUBTOTAL	\$145,188	\$198,941	\$53,753	\$39,560	\$198,941	\$0	0.0%	
<b>TELECOMMUNICATIONS</b>								
SALARIES & FRINGE BENEFITS	\$0	\$0	\$0	\$0	\$0	\$0		
OPERATING	71,800	71,800	0	0	71,800	0	0.0%	
CAPITAL OUTLAY	0	7,079	7,079	7,079	7,079	0	0.0%	
SUBTOTAL	\$71,800	\$78,879	\$7,079	\$7,079	\$78,879	\$0	0.0%	
<b>ADMINISTRATION</b>								
SALARIES & FRINGE BENEFITS	\$63,341	\$63,341	\$0	\$30,521	\$63,341	\$0	0.0%	
OPERATING	81,282	166,993	85,711	46,227	166,993	0	0.0%	
CAPITAL OUTLAY	63,400	74,458	11,058	40,457	74,458	0	0.0%	
SUBTOTAL	\$208,023	\$304,792	\$96,769	\$117,205	\$304,792	\$0	0.0%	
CONTINGENCY	61,039	61,039	0	0	0	61,039	100.0%	
<b>TOTAL EXPENDITURES</b>	<b>\$486,050</b>	<b>\$643,651</b>	<b>\$157,601</b>	<b>\$163,844</b>	<b>\$582,612</b>	<b>\$61,039</b>	<b>9.5%</b>	
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$67,003</b>	<b>(\$89,753)</b>	<b>(\$89,753)</b>		

CITY OF ADRIAN  
 FY2007-08 THIRD QUARTER FINANCIAL FORECAST  
 December 31, 2007

FUND/DEPARTMENT	ADOPTED BUDGET	AMENDED BUDGET	AMENDED over/(under) ADOPTED	YEAR-TO-DATE ACTUAL	FORECAST	VARIANCE FORECAST TO BUDGET		EXPLANATION
						AMOUNT	PERCENT	
<b>FIRE DEPARTMENT - MOTOR POOL FUND REVENUE (662)</b>								
CONTRIBUTION - GENERAL FUND	\$99,921	\$99,921	\$0	\$400,583	\$499,921	\$400,000		400.3%
<b>TOTAL FIRE DEPARTMENT - MOTOR POOL FUND</b>	<b>\$99,921</b>	<b>\$99,921</b>	<b>\$0</b>	<b>\$400,583</b>	<b>\$499,921</b>	<b>\$400,000</b>		<b>400.3%</b>
<b>FIRE DEPARTMENT - MOTOR POOL FUND EXPENES (662)</b>								
SALARIES & FRINGE BENEFITS	\$600	\$600	\$0	\$0	\$600	\$0		0.0%
OPERATING	99,321	99,321	0	9,648	99,321	0		0.0%
CAPITAL OUTLAY	0	0	0	0	0	0		
<b>TOTAL FIRE DEPARTMENT - MOTOR POOL FUND</b>	<b>\$99,921</b>	<b>\$99,921</b>	<b>\$0</b>	<b>\$9,648</b>	<b>\$99,921</b>	<b>\$0</b>		<b>0.0%</b>
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$390,935</b>	<b>\$400,000</b>	<b>\$400,000</b>		
<b>PERPETUAL CARE FUND REVENUE (711)</b>								
INVESTMENT INCOME	\$30,000	\$30,000	\$0	\$14,133	\$30,000	\$0		0.0%
<b>TOTAL REVENUE</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$14,133</b>	<b>\$30,000</b>	<b>\$0</b>		<b>0.0%</b>
<b>PERPETUAL CARE FUND EXPENDITURES (711)</b>								
CONTRIBUTION - GENERAL FUND	\$30,000	\$30,000	\$0	\$0	\$30,000	\$0		0.0%
<b>TOTAL EXPENDITURES</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$0</b>		<b>0.0%</b>
<b>REVENUE OVER/(UNDER) EXP.</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,133</b>	<b>\$0</b>	<b>\$0</b>		
<b>TOTAL REVENUES - ALL FUNDS</b>	<b>\$31,862,129</b>	<b>\$38,235,321</b>	<b>\$6,373,192</b>	<b>\$15,927,173</b>	<b>\$35,406,553</b>	<b>(\$2,828,768)</b>		<b>-7.4%</b>
<b>TOTAL EXPENDITURES - ALL FUNDS</b>	<b>31,862,129</b>	<b>38,235,321</b>	<b>6,373,192</b>	<b>13,398,469</b>	<b>37,501,674</b>	<b>733,647</b>		<b>1.9%</b>
<b>NET OF REVENUE AND EXPENDITURES</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>2,528,704</b>	<b>(2,095,121)</b>	<b>(2,095,121)</b>		

# REGULAR AGENDA

R-1

DATE: January 16, 2008

TO: Honorable Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

SUBJECT: Liquor License – Downtown Redevelopment Project Area

In an effort to revitalize downtown Adrian and encourage private investment, the DDA Director has recommended that the Downtown Development District be established as a Redevelopment Project Area. The establishment of this area would allow eligible applicants to apply for a liquor license through the State of Michigan for the development of full-service restaurants/bars.

In keeping with the Blueprint Plan, I recommend that the City Commission establish the Downtown Development District as a Redevelopment Project Area to encourage up-scale restaurant/bars and, thus, promote additional investment in the downtown area.

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

DCN:bjw



downtown  adrian

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## MEMORANDUM

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**TO:** MR. DANE C. NELSON, CITY ADMINISTRATOR  
**CC:** MR. JAMES TISCHLER, COMMUNITY DEVELOPMENT DIRECTOR  
**FROM:** KYLE D. HOFFMAN, DOWNTOWN DEVELOPMENT DIRECTOR  
**SUBJECT:** DOWNTOWN LIQUOR LICENSES – REDEVELOPMENT PROJECT AREA  
**DATE:** THURSDAY, JANUARY 10, 2008

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Recently, the State of Michigan approved Public Act 501 of 2006, allowing the City of Adrian through the Michigan Liquor Control Commission to issue new on-premises liquor licenses to new, full service restaurants meeting specific criteria within an established project redevelopment area. The project redevelopment area is required to be identified by resolution by the legislative body of the municipality (City Commission). That area can be defined as a number of different areas including a City's previously established downtown development district. Furthermore, the applicant must comply with a number of stipulations including the following:

1. That the amount expended for the rehabilitation or restoration of the building(s) that houses the licensed premises shall not be less than \$75,000 over a period of the preceding five years or a commitment for a capital investment of at least that amount in the building that houses the licensed premises, which must be expended before the issuance of the license.
2. That the licensed business is engaged in dining, entertainment or recreation, that is open to the general public, with a seating capacity of not less than 50 persons.
3. The initial license fee would be \$20,000 per license.
4. Licenses may transfer ownership but can not be transferred away from the location.
5. The applicant must demonstrate that they made attempts to secure an appropriate on-premises escrowed license or quote license prior to making application through this program.

In addition to the responsibilities of the applicant, the City must also certify that the proposed project redevelopment area has experienced \$200,000 or more of public, private or any combination thereof investment in real or personal property within the preceding five year period. This has occurred within the downtown development district and can be attested to by the City Assessor.

While, we do not have any pending applications, we have received verbal interest from prospective business owners maintaining interest in this program as a possible way to acquire a necessary liquor license. This program was presented to the City's Downtown Development Authority Board of Directors and it was their unanimous recommendation that the City Commission establish the downtown development district as a redevelopment project area for the purposes of this program. Thus, I would respectfully request the City Commission's approval of the attached resolution designating the City's downtown development district as a redevelopment project area.

Should you have any questions or desire any additional information, please don't hesitate to contact my office.



Michigan Department of Labor & Economic Growth  
**MICHIGAN LIQUOR CONTROL COMMISSION (MLCC)**  
7150 Harris Drive, P.O. Box 30005  
Lansing, Michigan 48909-7505  
517-322-1345

**REDEVELOPMENT PROJECT AREA AND DEVELOPMENT  
DISTRICT OR AREA LIQUOR LICENSES**  
[Authorized by MCL 436.1521a]

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This information is relative to the new type of on-premises licenses created by Act 501 of the Public Acts of 2006, being Section 521a(1) of the Michigan Liquor Control Code of 1998, being MCL 436.1521a(1).

436.1521a(1)(a) of the Michigan Compiled Laws provides that in addition to the number of licenses available in cities under section 531(1), they may issue licenses to the following:

(a) Licenses to establishments that are located in a city **redevelopment project area** meeting the criteria described in subsections (3) and (4) that are engaged in activities determined by the commission to be related to dining, entertainment, or recreation.

An application for a license under Section 521a(1)(a) will not be authorized for investigation until the Commission receives the following documentation from the local unit of government in which the redevelopment project area is located:

(1) A resolution from the governing body of the city establishing the redevelopment project area.

(2) A map which clearly reflects and outlines where the redevelopment project area is located within the local unit of government.

(3) Affidavit from the assessor, as certified by the city clerk, stating the total amount of investment in real and personal property within the redevelopment project area of the city during the preceding 3 year time period. \*In the case of an applicant seeking a license under this section within the first license cycle after December 29, 2006 (12-30-06 through 04-30-08), the time period described in this subdivision may be up to 5 years. In a city having a population between 80,000 and 85,000 according to the 2000 federal decennial census the time period may be up to 7 years, if the application is submitted within the first 6 months after December 29, 2006.\*

(4) Affidavit from the assessor, as certified by the city clerk, separately stating the amount of the investment money expended for manufacturing, industrial, residential, and commercial development within the redevelopment project area of the city during the preceding 3 year time period. \*In the case of an applicant seeking a license within the first license cycle after December 29, 2006 (12-29-06 through 04-30-08), the time period described in this subdivision may be up to 5 years. In a city having a population between 80,000 and 85,000 according to the 2000 federal decennial census, then the time period may be up to 7 years, if the application is submitted within the first 6 months after December 29, 2006.\*

(5) The affidavit from the assessor must also indicate the amount of commercial investment in the redevelopment project area within the city, which shall constitute at least 25% of the total investment in real and personal property in that redevelopment project area.

(6) The total investment in real and personal property in the redevelopment project area within the city over the appropriate time period as previously described, shall be at least 1 of the following:

(a) Not less than \$50,000,000 in cities having a population of 50,000 or more.

(b) Not less than an amount reflecting \$1,000,000 per 1,000 people in cities having a population of less than 50,000.

The Commission may issue one license for the monetary threshold described in 6(a) and 6(b) above. One additional license may be issued for each major fraction over and above the original monetary threshold.

(7) A resolution which approves a specific applicant (individual, corporation, limited liability company, limited partnership), at a specific location "ABOVE ALL OTHERS".

In order for the Liquor Control Commission to implement the licensing investigation process for applications under the provisions of 436.1521a(1)(a) of the Michigan Compiled Laws, the Commission must be in receipt of the above noted documentation from the local unit of government, either with the application or separately. Upon receipt of the documentation from the local unit of government and the necessary application forms, other required documents and inspection fees, the application will be authorized for investigation. The applicants for these types of licenses must demonstrate, at the time of investigation, the following:

(a) That the establishment provides dining, entertainment or recreation not less than 5 days per week.

(b) That the establishment is open to the public not less than 10 hours per day, 5 days per week.

**436.1521a(1)(b)** of the Michigan Compiled Laws provides that in addition to the number of licenses available in cities under section 531(1), they may issue licenses to the following:

(b) Licenses to establishments that are located in a **development district or area** that are any of the following:

(i) An authority district established under the tax increment finance authority act, 1980, PA 450, MCL 125.1801 to 125.1830.

(ii) A development area established under the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2898.

(iii) A downtown district established under 1975 PA 197, MCL 125.1651 to 125.1681.

(iv) A principal shopping district established under 1961 PA 120, MCL 125.981 to 125.990m.

An application for a license under Section 521a(1)(b) will not be authorized for investigation until the Commission receives the following documentation from the local unit of government in which the redevelopment project area is located:

(1) A resolution from the governing body of the city establishing the development district as a redevelopment project area.

(2) A map which clearly reflects and outlines where the development district or area is located within the local unit of government.

(3) Certification from the local governmental body which identifies the statutory provision under which the development district or area is established.

(4) An affidavit from the assessor as certified by the city, village or township clerk of the local governmental unit, which states the total amount of public and private investment in real and personal property within the qualified development district, which shall not be less than \$200,000 over preceding 5 year time period.

The Commission may issue one license for the monetary threshold previously described. One additional license may be issued for each major fraction over and above the original monetary threshold.

(5) A resolution which approves a specific applicant (individual, corporation, limited liability company, limited partnership), at a specific location "ABOVE ALL OTHERS".

In order for the Liquor Control Commission to implement the licensing investigation process for applications under the provisions of 436.1521a(1)(b) of the Michigan Compiled Laws, the Commission must be in receipt of the above noted documentation from the local unit of government, either with the application or separately. Upon receipt of the documentation from the local unit of government and the necessary application forms, other required documents and inspection fees, the application will be authorized for investigation. The applicants for these types of licenses must demonstrate, at the time of investigation, the following:

(1) That the amount expended for the rehabilitation or restoration of the building that houses the licensed premises shall be not less than \$75,000 over a period of the preceding 5 years or a commitment for a capital investment of at least that amount in the building that houses the licensed premises, which must be expended before the issuance of the license.

(2) That the licensed business is engaged in dining, entertainment or recreation, that is open to the general public, with a seating capacity of not less than 50 persons.

**You should also be aware of the following:**

- The initial enhanced license fee for licenses issued under 436.1521a(1)(a) or (b) of the Michigan Compiled Laws is \$20,000.
- A licensee may transfer ownership of the license; however, the licenses issued under these subsections may not be transferred to another location.
- If the licensee goes out of business, the licensee shall surrender the license to the Commission. The governing body of the local governmental unit may approve another applicant within the redevelopment project area or development district area to replace a licensee who has surrendered the license to the Commission.
- Do not invest any money in improvements or bind yourself in any agreements until you have been officially notified by the Michigan Liquor Control Commission that your request has been approved.
- The individual signing the application shall state and demonstrate that they attempted to secure an appropriate on-premises escrowed licenses or quota license which may be available within the local unit of government in which the applicant proposes to operate.

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## Liquor Licenses for Redevelopment

### PA 501 of 2006 (SB 162)

- The Liquor Control Commission (LCC) may issue new public on-premises liquor licenses to local units of government.
- Businesses must meet one of the following conditions:
  1. Development Districts
  2. City Redevelopment Project Areas
- These licenses are not transferable to another location, and if the business with a license goes out of business, the license is surrendered to the LCC.
- If a license is surrendered back to the LCC from a business, the local unit of government may approve another applicant in that same development district or city redevelopment project area to replace the licensee as long as the new business meets the same requirements.
- Licensed businesses must:
  1. Be engaged in dining, entertainment or recreation
  2. Be open to the general public
  3. Have a seating capacity of at least 50 people
  4. Demonstrate they attempted to purchase a readily available license within the municipality that they want to operate, and that one was not available
  5. Pay a \$20,000 fee for the license

### Development Districts

- Licenses may be issued to businesses in one of the following development districts:
  1. Tax Increment Finance Authority (TIFA)
  2. Corridor Improvement Authority

3. Downtown Development Authority (DDA)
  4. Principal Shopping District (PSD)
- These business must do one of the following to receive a license:
    1. Expend at least \$75,000 for the rehabilitation or restoration of the building over a period of the preceding five years
    2. Commit capital investment of at least \$75,000 that will be expended for the building before the license is issued.
  - The total amount of private and public investment in real and personal property in the development district must be at least \$200,000 for the preceding 5 years.
  - Licenses will be issued for each of the above (\$200,000) monetary thresholds reached, and for each major fraction thereof after the initial threshold is reached.

### City Redevelopment Project Areas

- A City Redevelopment Project Area is created by resolution of the city governing body.
- Licenses may be issued to businesses located in a City Redevelopment Project Area which:
  1. Are engaged in dining, entertainment, or recreation activities at least 5 days per week
  2. Are open to the public at least 10 hours per day, 5 days per week

Cities must:

1. Pass a resolution of the governing body of the city establishing a Redevelopment Project Area
  2. Have commercial investment in the Redevelopment Project Area within the city be 25% or more of the total investment in real and personal property in the redevelopment property area.
- City Redevelopment Project Area licenses will only be issued to cities that have total investment over the last 3 years (or last 5 years for the first licenses issued) in real and personal property in the
  - redevelopment area of:
    1. At least \$50 million in cities having a population of 50,000 or more, or
    2. At least \$1 million per 1,000 people in cities of less than 50,000
  - City Redevelopment Project Areas may receive one license for each of the above monetary threshold reached, and for each major fraction thereof after the initial threshold is reached.
  - These investment requirements are for the three years preceding the application for the license (or five years for the first licenses issued).

### PA 502 of 2006 (SB 163)

- Prohibits any further new DDA-specific liquor licenses from being issued if SB 162 is approved (these are the 50 licenses that were previously allowed for under law – most of which have already been issued – and will be replaced by the new redevelopment licenses in SB 162).
- Allows the current DDA licenses to continue and be renewed.

**R08-012**

January 22, 2008

**RE: Designation of the City's Downtown Development District as a Redevelopment Project Area for the Purposes of Granting New Liquor Licenses to Eligible Applicants**

**RESOLUTION**

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

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

WHEREAS, the aforementioned plan identifies a need to encourage the development of additional up-scale, full service bar-restaurant establishments within the downtown district in an effort to further promote nightlife and enhance the overall quality of life for Adrian residents; and

WHEREAS, the City of Adrian seeks to work in partnership with private property and business owners to realize these goals; and

WHEREAS, the State of Michigan has adopted Public Act 501 of 2006, providing for the creation of new on-premises liquor licenses for businesses complying with certain requirements, including locating within an established Downtown Development District, created under Public Act 197 of 1975; and

WHEREAS, the City of Adrian has established a Downtown Development District pursuant to the requirements of Public Act 197 of 1975; and

WHEREAS, the City of Adrian Downtown Development District has seen in excess of \$200,000 in combined public and private investment within the area over the preceding five year period from the date of this resolution; and

WHEREAS, in an effort to further encourage the development of new, full service bar-restaurants within downtown Adrian, the Adrian Downtown Development Authority Board of Directors recommends that the Adrian City Commission establish the city's Downtown Development District as a Redevelopment Project Area for the purpose of allowing new bar-restaurants to apply for a liquor license through the State of Michigan Liquor Control Commission.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by resolution hereby establishes the city's Downtown Development District as a Redevelopment Project Area for the purpose of allowing eligible applicants to apply to the State of Michigan Liquor Control Commission for a liquor license.

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

R-2

DATE: January 16, 2008

TO: Honorable Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

SUBJECT: Personnel Policies Manual

As mentioned in Heather Lasky's memo, our Personnel Policy was last updated in 1986 and is out-of-date with current law and practices. As such, the Michigan Municipal League (MML) was contacted and a proposal received from their consulting services unit in the amount of \$7,800.00 for development of a Personnel Policies Manual for the City of Adrian. MML anticipates a completion date of ten to fourteen weeks.

The Michigan Municipal League has vast experience in developing personnel policy manuals. I recommend that the Michigan Municipal League be retained for development of the City of Adrian's Personnel Policies Manual at a cost of \$7,800 and that the bid process be waived.

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

DCN:bjw



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## MEMO

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Date: January 14, 2008

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

From: Heather Lasky, Human Resources Director

**Re: Request Authorization to Contract with the Michigan Municipal League to Develop Personnel Policies Manual**

The City of Adrian's current Personnel Policy Manual, originally effective September 1, 1977 and most recently revised November, 1986, is woefully out of date with current law and practices and needs replacing. The development of a comprehensive Personnel Policies Manual is a significant and complex undertaking, beyond the available time of the one-person Human Resources Department, which is currently consumed with daily service demands including union negotiations, fringe benefit administration, performance evaluation, compensation administration, Safety and Wellness Committees, employee records management.

In response to my solicitation, the Michigan Municipal League (MML), which has extensive experience in this area of expertise, has submitted a proposal (copy attached) to assist the City of Adrian in the development of a Personnel Policies Manual within a 10 to 14 week time frame at a cost not to exceed \$7,800. The Scope of Services includes:

- 1) Develop comparative policy matrix, encompassing current policies, collective bargaining agreements, employee benefits information and other relevant materials.
- 2) Review matrix with Department Heads and Supervisors.
- 3) Revise matrix to reflect current practices and input for suggested improvements.
- 4) Develop first draft of Personnel Policies Manual (see attached Sample Table of Contents) and review with Administrative Committee consisting of City Administrator, Human Resources Director and Finance Director.
- 5) Develop second draft of Personnel Policies Manual and review with Department Heads and Supervisors for critiques and suggested changes.
- 6) Incorporate feedback and prepare final draft.

The Finance Director indicates that funding is available in the Human Resources Department Consulting Services Budget (101-226.00-812.000) for this purpose. I respectfully recommend engagement of MML to assist in the development of a much needed replacement for the currently outdated Personnel Policies Manual. In addition, due to the familiarity of the consultant with the City of Adrian resulting from former engagements related to the design and development of the current Performance Evaluation and Compensation Systems, I further recommend that the competitive bid process be waived in the best interests of the City.

I have prepared the attached resolution for consideration by the City Commission at their regularly scheduled meeting of January 22, 2007. If you have any questions or need further information, please contact my office.



City of Adrian  
Proposal to Assist with Development of a  
Personnel Policies Manual

Page 1

michigan municipal league

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The Michigan Municipal League would be pleased to assist the City of Adrian with development of a personnel policies manual. An up-to-date, comprehensive and compliant personnel manual is a foundational piece of any employer's personnel system, and is especially critical in the public sector. Further, there are constant changes to the laws and regulations governing personnel administration, so regular review and update is needed for ongoing compliance.

We would suggest identifying the city's Human Resources Director and Finance Director to be primary contacts and resources for this project, and propose the following project approach and timeline for developing the personnel manual:

**Task 1: Develop comparative policy matrix**

As a first step in the process, we will gather and review existing information pertaining to personnel policies including current policies, collective bargaining agreements, employee benefits information, and other relevant materials.

This information will be assembled into a matrix that documents how each source document addresses each policy topic, if at all. This comparative policy matrix will provide the city with "at-a-glance" capability to compare the consistency or conflicts in each policy area.

*Time estimation: 2 – 3 weeks to complete*

**Task 2: Review matrix and identify additional policies, practices and procedures**

Once the matrix is completed, we suggest that the city distribute it to department heads and supervisors for review. Often a written policy differs from actual department practices, or can come into conflict with other procedures. A review by department leaders can help to identify those variations and can often lead to additional policy topics for inclusion.

Following this review, we will facilitate an on-site work session with the city Administrator, department heads and others as identified to discuss the matrix, identify any practices that deviate from stated policies and receive suggestions for additional or alternative policy topics.

*Time estimation: 1 – 2 weeks for department reviews, work session to be scheduled following review*



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**Task 3: Update matrix to include departmental input, suggested policy content**

Following the work session, we will update the matrix to include department level practices and suggestions regarding policy topics and content as appropriate. We will also provide some broad, initial recommendations on policy content and structure of the manual.

With this initial framework in place, we will meet with the City Administrator and others as identified to begin a more detailed discussion regarding the rationale and intent of various administrative regulations to be incorporated within the manual. Developing a personnel manual can also serve as the mechanism for reinforcing the desired organizational culture, for translating broader organizational mission and goals into workplace practices and for introducing other substantial changes, all of which are guided by the direction of the city Administrator

*Time estimation: 1 - 2 weeks to update matrix, meeting to be scheduled immediately following update*

**Task 4: Develop first draft**

Based on collected information and the direction provided from the City Administrator, we will develop a first draft of the Personnel Policies Manual. The manual will be a comprehensive single source document for employment and personnel policies and it will, wherever possible, establish consistency across the organization. See Appendix A for a sample table of contents.

In some cases, for example where labor contracts govern, the manual may differ. What the process will provide, however, is clear documentation of all organizational policies and practices related to personnel issues.

After delivering the initial draft to the city, we will again meet onsite to review the draft and discuss the rationale for various recommendations.

*Time estimation: 3 - 4 weeks to develop draft, meeting to be scheduled shortly after draft is delivered*

**Task 5: Develop second draft**

Following review of the initial draft, we will incorporate feedback as appropriate and return the working draft to the city for further review. We ask that department directors,



City of Adrian  
Proposal to Assist with Development of a  
Personnel Policies Manual

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michigan municipal league

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supervisors and others as appropriate be asked to review and provide feedback on the working draft. Any manual, no matter how well written or comprehensive, cannot possibly anticipate every contingency; feedback on the manual in its draft form, by those in a position to implement and enforce the policies, helps to address these types of contingencies.

It may be appropriate to conduct the review with department heads in a work session meeting to facilitate discussion and clarify policy intent and rationale.

*Time estimation: 1 - 2 weeks to develop update draft, meeting to be scheduled shortly after draft is delivered*

**Task 6: Incorporate feedback and prepare final draft**

Following review of the second draft, we will incorporate feedback as appropriate and return a final draft to the city. Depending on the understanding the city has with bargaining units, it may be appropriate to give those groups an opportunity to review the final draft and clarify any questions that arise. If desired, we will attend meetings or work sessions with union representatives to discuss policy rationale and related topics.

Further, it is strongly suggested that the final draft be subjected to formal legal review prior to adoption. While our knowledge and experience in developing personnel manuals is extensive, we are not attorneys and the city's interests are best protected with that formal review.

We will make modifications to the final draft as necessary following review by union representative (if this is done) and any changes that result from legal review. If desired, we will present the final manual to the City Commission.

*Time estimation: Timing will be driven by the city and any union groups invited to review the manual, as well as by the attorney review of the document*

**Project Timing**

We are prepared to commence work on the project immediately and anticipate completing the project within 10 to 14 weeks. As seen in the work plan, this project requires several meetings and is driven by multiple levels of review by numerous parties and individuals. Turnaround time on those reviews, and scheduling meetings with groups will be driven by the city. Any change to project timing that results will be considered beyond our control.



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Professional Fees

Professional fees for this project will not exceed \$7,500, and could be as low as \$6,500 depending on the number of onsite meetings requested.

The proposal anticipates 4 to 6 site visits, and the city will be billed for out-of-pocket costs associated with travel. These expenses are estimated at a not-to-exceed amount of \$50 per visit, or \$200 to \$300 dollars depending on the number of visits required.

Therefore, if all 6 visits are required, the maximum total cost of this project will not exceed \$7,800.

-----  
*To officially engage the Michigan Municipal League to complete this project, please provide authorized signature below:*

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print: \_\_\_\_\_ Title: \_\_\_\_\_



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**RE: HUMAN RESOURCES DEPARTMENT – Authorization to Contract with the Michigan Municipal League to Develop Personnel Policies Manual**

**RESOLUTION**

WHEREAS, the City of Adrian's current Personnel Policy Manual, originally effective September 1, 1977, and most recently revised November, 1986, is woefully out-of-date with current law and practices and needs replacing; and

WHEREAS, the development of a comprehensive Personnel Policies Manual is a significant and complex undertaking, beyond the available time of the one-person Human Resources Department, which is currently consumed with daily service demands, including union negotiations, fringe benefit administration, performance evaluation, compensation administration, safety and wellness committees, employee records management, etc; and

WHEREAS, the Michigan Municipal League (MML), which has extensive experience in this area of expertise, has submitted a proposal to assist the City of Adrian in the development of a Personnel Policies Manual within a 10 to 14 week time frame at a cost not to exceed \$7,800; and

WHEREAS, the scope of services include:

- 1) Develop comparative policy matrix, encompassing current policies, collective bargaining agreements, employee benefits information and other relevant materials;
- 2) Review matrix with department heads and supervisors;
- 3) Revise matrix to reflect current practices and input for suggested improvements;
- 4) Develop first draft of Personnel Policies Manual (see attached Sample Table of Contents) and review with Administrative Committee consisting of City Administrator, Human Resources Director and the Finance Director;
- 5) Develop second draft of Personnel Policies Manual and review with department heads and supervisors for critiques and suggested changes;
- 6) Incorporate feedback and prepare final draft; and

WHEREAS, funding is available in the Human Resources Department Consulting Services Budget (101-226.00-812.000) for this purpose; and

WHEREAS, the Human Resources Director and City Administrator recommend adoption of this resolution and waiving of the competitive bid process due to the familiarity of the consultant with the City of Adrian, resulting from former engagements related to the design and development of the current Performance Evaluation and Compensation System.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the engagement of the Consulting Services Unit of the Michigan Municipal League to assist the City of Adrian in the development of a Personnel Policies Manual at a cost not to exceed \$7,800.

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.

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



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**MEMO**

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Date: January 3, 2008

To: Hon. Gary McDowell, Mayor  
City Commission

From: Dane C. Nelson, City Administrator

**Re: CITY OF ADRIAN PROPOSED STRATEGIC ACTION PLAN**

A budget process that is well-integrated with other activities of government, such as the planning and management functions, will provide better financial and program decisions and lead to improved governmental operations. Consistent with the recommendations of the National Advisory Council on State and Local Budgeting (NACSLB), the attached *CITY OF ADRIAN PROPOSED STRATEGIC ACTION PLAN* is presented for your consideration and adoption.

The proposed Strategic Action Plan is the product of several strategic planning sessions, conducted during calendar year 2007, by the City Commission and City Administration, including City Department Heads, facilitated by Dr. Joseph Ohren, Professor for the Institute of Community and Regional Development at Eastern Michigan University (ICARD/EMU). The initial session focused on decision-making processes and emerged with a list of recommended strategies for strengthening our work as a leadership team on behalf of the Adrian community. Subsequent sessions dealt with performance of an environmental scan (identifying strategic issues by assessing our strengths, weaknesses, opportunities and threats), articulating a list of priority goals, and developing action strategies for implementing those goals.

To provide an appropriate context in which the Priority Goals have meaning, I have included a proposed Statement of Values, Vision Statement and Statement of Mission and Purpose. This document will be presented at the City Commission Pre-Meeting on Monday, January 7 for your review and consideration. Also included is a proposed resolution adopting the resulting *CITY OF ADRIAN STRATEGIC ACTION PLAN*, scheduled for the January 22<sup>nd</sup> City Commission meeting.

All of the goals are considered of equal priority, however, the action strategies are designated either *High Priority* or *Priority When Resources are Available*, thereby providing an action agenda to be considered when formulating the FY2008-09 Annual Operating Budget and the FY2008-14 Capital Improvement Program. If you have any questions or need for further information, please contact my office.

# **CITY OF ADRIAN STRATEGIC ACTION PLAN**

## **STATEMENT OF VALUES**

The City of Adrian, Michigan values:

- Active citizen involvement in determining the direction of City government and the public services it provides;
- Respect for the individual voice and service for the common good;
- A responsive and responsible public service delivery system;
- Positive change, innovation and creativity;
- Well-trained employees committed to excellent customer service;
- Respect for our heritage and cultural diversity.

## **VISION STATEMENT**

The City of Adrian aspires to be a hospitable and pleasant community that nurtures its diverse, natural, historical, cultural and social assets in order to foster a safe, clean, prosperous, attractive place in which to live, work, grow and play.

## **STATEMENT OF MISSION AND PURPOSE**

To provide efficient and effective City services through comprehensive planning based on long-term systematic principles that foster an open, honest, responsive government.

**Goal: Strengthen city finances by insuring long-term sustainability**

**High Priority**

1. Explore alternatives for increasing revenues. For example: analyze current fee schedules and consider fees and charging policies.
2. Develop cost-sharing pricing strategies to reflect true costs of services utilized by nonresidents.
3. Complete a debt capacity analysis for all proposed debt finance transactions.
4. Prudently invest idle cash, adhering to the following primary objectives, in priority order:
  - Safety – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
  - Diversification – The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
  - Liquidity – The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
  - Return on Investment – The portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

**Priority When Resources are Available**

5. Develop a process to address departmental contingency plans for budget reductions.

**Goal: Strengthen and diversify the local economy**

**High Priority**

1. Prepare and implement an economic development plan to provide guidance for action, perhaps incorporating some or all of the following elements:
  - Build on a philosophy of “gardening” as opposed to “hunting” in terms of our approach to economic development (develop and support local entrepreneurs).
  - Incorporate attention to neighborhoods and residential development, as well as downtown and commercial redevelopment, as part of the economic development plan.
  - Explore opportunities for partnerships with the Chamber of Commerce and other entities in terms of economic development efforts.
  - Identify options and make recommendations on use of incentives.
2. Perform analysis and formulate recommendation regarding the future use of the Local Development Finance Authority.
3. Implement Vibrant Small Cities Initiative ((VSCI) Grant, including: Infrastructure Projects, Downtown Building Façade Enhancements, Development Regulations Re-Write, Downtown Rental Rehabilitation Projects, Wireless Networks, and Downtown Property Blight Removal.

**Priority When Resources are Available**

4. Explore development of a fixed route transportation system for the city.
5. Explore use of a Local Development Finance Authority to facilitate development of the Witt and Marvin Farms.

6. Explore opportunities and develop strategy for building partnerships with local colleges to attract business investment and facilitate development, e.g., promote establishment of a new business incubator facility, and assist in curriculum development encouraging entrepreneurship.

**Goal: Maintain and improve city facilities and infrastructure to meet long-term needs**

**High Priority**

1. Identify possible public/private partnerships and collaborative efforts in financing and developing facilities; e.g. explore Brownfield development sites for locating facilities to utilize that funding source.
2. Utilize the Capital Improvement Plan (CIP) to prioritize needed facilities and to identify and secure funding for those needs identified as high priority.

**Priority When Resources are Available**

3. Develop and utilize a Motor Pool Fund as a means for identifying and dedicating resources on an annual basis to replace rolling stock.
4. Develop and implement a public outreach campaign using the CIP to communicate facility needs to residents and build support for long-term action.

**Goal: Create and nurture a vibrant and thriving downtown**

**High Priority**

1. Formulate and implement a downtown marketing strategy to attract and retain commercial and residential activities in and near downtown.
2. Aggressively pursue strategies designed to improve the physical appearance of buildings in the downtown, including:
  - A separate capital improvements plan for city facilities
  - Demolition of city property as needed and appropriate
  - An active program of maintenance for city properties and enforcement of codes for private property to insure maintenance
3. Coordinate and collaborate with the Adrian Area Chamber of Commerce to recruit new businesses and retain those in place.
  - Consider creating an incubator facility and program for new downtown businesses
  - Utilize all incentive programs to recruit and retain business
4. Utilize the 2-way traffic study to guide decisions on increasing accessibility to and mobility in the downtown area, implementing recommendations from the study as appropriate.
5. Develop, implement and promote a downtown housing strategy; explore use of upper floors for housing and consider partnering with local colleges to develop housing options.
6. Improve communication and information sharing between City Commission, DDA Board, Brownfield Redevelopment Authority and other stakeholders.

### **Priority When Resources are Available**

7. Pursue grant applications to fund rehabilitation of buildings.
8. Revive downtown festival activity to draw traffic/population into the downtown area.
9. Explore opportunities for public art.
10. Enhance the DDA website and improve digital access.
11. Implement the recommendations from the Downtown Blueprint and/or Anderson Study with respect to the riverfront.

**Goal: Pursue opportunities for multi-jurisdictional cooperation and collaboration, where appropriate, in securing effective and efficient service delivery**

### **High Priority**

1. Encourage and support convening a cooperation summit, bringing local officials together to explore willingness to engage in identifying and implementing opportunities for multi-jurisdictional collaboration and service consolidation.
2. Develop a mechanism or process to facilitate and encourage on-going communication and dialogue among local government officials in the area.

### **Priority When Resources are Available**

3. Identify services currently being delivered where cooperation/collaboration might be successful.
4. Conduct systematic cost studies to identify where efficiencies might be obtained through cooperation.

5. Prepare and share information with other local officials and the community at large on the benefits of multi-jurisdictional collaboration and service consolidation.
6. Explore opportunities for intergovernmental agreements for certain facilities or infrastructure used by nonresidents.
7. Explore opportunities for contracting for service delivery with adjacent jurisdictions.

**Goal: Preserve and enhance the quality of life services provided by the City**

**High Priority**

1. Explore opportunities for funding from external sources; friends, foundations.
2. Enhance non-motorized transportation (trails, bike paths); re-examine creation of a sidewalk policy.
3. Prepare and disseminate information more actively on the comparative cost of living in Adrian, emphasizing costs, services and quality of life with the rest of the county and in the larger region.

**Priority When Resources are Available**

4. Seek increased county funding to enhance quality of life for all residents in the county.
5. Collaborate and support local cultural organizations.

6. Explore technology enhancements or upgrades for citizens, such as wireless, city website, etc.
7. Create a program of maintenance for property throughout the City, i.e., code enforcement.

**Goal: Improve communications and decision making process for Commission**

**High Priority**

1. Decide on regular work session date each month or quarterly. Develop process for topics of meetings, when held.
  - Purpose: To discuss issues in depth, not necessarily to make decisions.
2. Develop a policy for information sharing between staff and Commission in order to facilitate team-building between and among policy-makers and administration.
  - Subjects may be email sharing, Commission inquiries to staff, etc.
3. Create Ethics Policy for Commission and city employees.
4. Maintain City Strategic Plan on a biennial basis for the purpose of reviewing progress, incorporating new initiatives and formulating action plans upon which the City Budget can be built.

**R07-014**

January 22, 2008

**RE: CITY COMMISSION – Adoption of City of Adrian Strategic Action Plan**

**RESOLUTION**

WHEREAS, a budget process that is well-integrated with other activities of government, such as the planning and management functions, will provide better financial and program decisions and lead to improved governmental operations; and

WHEREAS, consistent with the recommendations of the National Advisory Council on State and Local Budgeting (NACSLB), the City Administrator has prepared the attached *CITY OF ADRIAN STRATEGIC ACTION PLAN* for consideration and adoption by the City Commission; and

WHEREAS, the proposed Strategic Action Plan is the product of several strategic planning sessions conducted during calendar year 2007, by the City Commission and City Administration, including city department heads, facilitated by Dr. Joseph Ohren, Professor for the Institute of Community and Regional Development at Eastern Michigan University (ICARD/EMU); and

WHEREAS, to provide an appropriate context in which the Priority Goals have meaning, a Statement of Values, Vision Statement and Statement of Mission and Purpose are included as an integral part of the proposed Strategic Action Plan; and

WHEREAS, all of the goals are considered of equal priority, however, the action strategies are designated either *High Priority* or *Priority When Resources are Available*, thereby providing an action agenda to be considered when formulating the FY2008-09 Annual Operating Budget and the FY2008-14 Capital Improvement Program; and

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby adopts the *CITY OF ADRIAN STRATEGIC ACTION PLAN* (copy attached).

BE IT, FURTHER, RESOLVED that the various elements that have related cost or revenue implications be considered when formulating the FY2008-09 Annual Operating Budget and the FY2008-14 Capital Improvement Program.

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

R-4

# MEMO

---



DATE: January 18, 2008  
TO: Honorable Mayor and City Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: Record Retention

Since my appointment, I have been acutely aware of the physical condition of the basement of City Hall and the massive amount of papers and files that have been retained in that area. During the past year, I have evaluated how to address this situation.

I have discovered that the city has not formally adopted any record retention policy. Upon reviewing the situation further, I have come across a standard record retention policy that has been approved by the Michigan Municipal League (MML) and the State of Michigan. With the assistance of the City Clerk, we have reviewed this standard policy and have distributed it to all of the department heads for application as to the records that are being retained in the basement and other places at City Hall. Even within the last two weeks, we have discovered files that no longer need to be stored and have taken over one ton of paper from City Hall to be shredded.

As recommended by the MML, I have had the proposed policy reviewed by the City Auditor and the City Attorney and have received their approval. To formalize the policy, I would ask that the City Commission approve the suggested standard policy, as recommended by the Michigan Municipal League, in a manner that allows us to proceed with further organizing the documents in the basement of City Hall and provides a standard procedure moving forward.

Since the policy is a lengthy document, it has not been copied with your agenda. Please contact Brenda if you would like to review it.

Respectfully submitted,

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

Dane C. Nelson  
City Administrator

DCN:bjw

R-4

**R07-015**

January 22, 2008

RESOLUTION

WHEREAS, it appears that the City of Adrian has never formally adopted a retention and disposal schedule for public records; and

WHEREAS, the State Administrative Board, Michigan Historical Center and the Treasury Department have approved a standard schedule known as "General Record Retention and Disposal Schedule #8"; and

WHEREAS, said proposed schedule has been reviewed by the city legal counsel and city auditors, both of which have given approval to said schedule; and

WHEREAS, the City Administrator has recommended the approval of such a policy.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the General Record Retention and Disposal Schedule #8, as approved the by State Administrative Board, Michigan Historical Center and Treasury Department be, and is hereby, adopted for use by the City of Adrian.

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

R-5

DATE: January 16, 2008

TO: Honorable Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

SUBJECT: Allied Waste - Contract Cost Adjustments

Allied Waste Systems is the City of Adrian's contractor for curb side solid waste removal. The contract is in the fifth year of a seven-year contract, which expires on December 31, 2010.

Allied Waste has requested a 2.91% rate adjustment for fuel costs, and the City Engineer has recommended that it be approved.

I, therefore, urge your favorable consideration to approve a rate adjustment to Allied Waste's contract in the amount of 2.91%, effective January 1, 2008.

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

DCN:bjw

R.5



**MEMO**

Date: January 15, 2008

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

From: Jeffrey C. Pardee, Finance Director

Re: **Allied Waste Services Contract Costs**

Allied Waste Systems, Inc., the City of Adrian's contractor for solid waste refuse collection, is currently in the fifth year of a seven-year contract, expiring December 31, 2010.

Although the original contract was written as a fixed-price contract at a unit cost of \$6.87, with a total amount not to exceed \$499,500 annually, the Scope of Services included a letter from the vendor which provided for an annual C.P.I. adjustment plus one (1%) percent rate increase for each of the years two through seven, "in order to offset the rising cost trends we are experiencing in the areas of labor, workmen's compensation coverage, employee health and welfare, financial assurance and environmental safeguarding insurance." In December 2007, the City of Adrian completed an audit of the number of units receiving service within the City; based on this audit and in cooperation with Allied Waste System, Inc., the number of units will be reduced by 57, from 5,871 to 5,814; and

WHEREAS, based on the aforementioned letter and subsequent audit, the following rate adjustments were made:

<u>Year</u>	<u>Rate/Unit/Mo</u>	<u>Percent Change</u>	<u>Annual Cost</u>
2004	\$6.87		\$499,500
2005	\$7.03	2.33%	\$511,138
2006	\$7.29	3.70%	\$530,050
2007	\$7.54	3.40%	\$548,072
2008	\$7.75	2.80%	\$540,702*

and; \*(based on 5,814 units per month)

Due to fluctuating fuel prices the City Commission approved changes in the supplemental fuel rate adjustment to the current 2.51%. Fuel prices are on the rise again, increasing to an average of \$2.96/gallon during the previous quarter, with the City Engineer recommending a rate adjustment of 2.91%, effective January 1, 2008.

The City Administrator recommends that a rate adjustment for fuel costs incurred by Allied Waste Systems, Inc. be increased to the level of 2.91% on a month-to-month basis (increasing the Unit Price from \$7.75 to \$7.98) with the following provisions:

- 1) The subject rate adjustment shall not become a part of the base cost upon which future CPI rate adjustments would apply but, rather, considered an additional benefit granted at the pleasure of the City of Adrian, and
- 2) The subject rate adjustment will be at the full discretion of the City of Adrian and can be reduced or withdrawn at any time should circumstances change, such as a decrease of fuel prices in the marketplace, a deterioration in the City's financial position requiring imposition of general budget strictures, or dissatisfaction with collection services; and

Although the base contract will be less to the unit reductions discovered during the audit, the supplemental fuel adjustment will cause the Waste Collection budget (\$540,000) to be exceeded by approximately \$8,000 during the balance of the year; a budget adjustment will be included in the mid-year budget adjustments.

The attached resolution has been prepared for consideration by the City Commission on January 22, 2008. If you have any questions or need for further information, please contact my office.



City of Adrian  
100 East Church Street  
Adrian, MI 49221

December 14, 2007

Attn.: Kristen Bauer

Ms. Bauer:

On July 31, 2006 Allied Waste Services made an appeal to add a five percent Fuel Recovery Fee to the invoice we currently send to the City of Adrian on a monthly basis. At that time the City requested additional information about our fuel cost and miles driven in order to make a decision. At the August 21, 2006 Adrian City Commission meeting our request was approved at a reduced rate of 2.77%. This rate was made effective for a three-month period on October 1, 2006. Allied Waste promised to revisit this issue and adjust this FRF every three months.

On August 22, 2006 I submitted a copy of the attached FRF chart as a reference guide for determining the FRF percentage. On the chart the baseline fuel pricing is set at \$1.55 as determined by the City in August with the 2.77% mark equaling \$2.89, the previous three-month average of on highway diesel. On December 8, 2006 Allied Waste Services requested a reduction in the FRF, effective January 1, 2007, to 2.21% based on the attached charts because the pricing average of on highway diesel had decreased to \$2.61/gallon over the previous 3 months

According to the latest figures posted by the Energy Information Administration ([www.eia.doe.gov](http://www.eia.doe.gov)) the pricing average of on highway diesel has increased to \$2.96/gallon over the past 3 months (August through October 2007). Due to this new data, there will be an increase in the FRF, effective January 1, 2008, to 2.91% based on the attached charts.

Your input on this matter would be greatly appreciated. I may be reached at 734-848-1222 if you have any questions or comments.

Sincerely,

  
Gregory D. Stalter  
Municipal Services Manager  
Eastern Michigan District

Rec'd  
12/26

**Allied Waste Industries  
Fuel Recovery Fee Table  
All Price Per Gallon Information From DOE**

DOE Avg Price Per Gallon at Least:	Fuel Recovery Fee						
\$ 1.16	0.00%	\$ 1.73	0.45%	\$ 2.30	1.59%	\$ 2.87	2.73%
\$ 1.17	0.00%	\$ 1.74	0.47%	\$ 2.31	1.61%	\$ 2.88	2.75%
\$ 1.18	0.00%	\$ 1.75	0.49%	\$ 2.32	1.63%	\$ 2.89	2.77%
\$ 1.19	0.00%	\$ 1.76	0.51%	\$ 2.33	1.65%	\$ 2.90	2.79%
\$ 1.20	0.00%	\$ 1.77	0.53%	\$ 2.34	1.67%	\$ 2.91	2.81%
\$ 1.21	0.00%	\$ 1.78	0.55%	\$ 2.35	1.69%	\$ 2.92	2.83%
\$ 1.22	0.00%	\$ 1.79	0.57%	\$ 2.36	1.71%	\$ 2.93	2.85%
\$ 1.23	0.00%	\$ 1.80	0.59%	\$ 2.37	1.73%	\$ 2.94	2.87%
\$ 1.24	0.00%	\$ 1.81	0.61%	\$ 2.38	1.75%	\$ 2.95	2.89%
\$ 1.25	0.00%	\$ 1.82	0.63%	\$ 2.39	1.77%	\$ 2.96	2.91%
\$ 1.26	0.00%	\$ 1.83	0.65%	\$ 2.40	1.79%	\$ 2.97	2.93%
\$ 1.27	0.00%	\$ 1.84	0.67%	\$ 2.41	1.81%	\$ 2.98	2.95%
\$ 1.28	0.00%	\$ 1.85	0.69%	\$ 2.42	1.83%	\$ 2.99	2.97%
\$ 1.29	0.00%	\$ 1.86	0.71%	\$ 2.43	1.85%	\$ 3.00	2.99%
\$ 1.30	0.00%	\$ 1.87	0.73%	\$ 2.44	1.87%	\$ 3.01	3.01%
\$ 1.31	0.00%	\$ 1.88	0.75%	\$ 2.45	1.89%	\$ 3.02	3.03%
\$ 1.32	0.00%	\$ 1.89	0.77%	\$ 2.46	1.91%	\$ 3.03	3.05%
\$ 1.33	0.00%	\$ 1.90	0.79%	\$ 2.47	1.93%	\$ 3.04	3.07%
\$ 1.34	0.00%	\$ 1.91	0.81%	\$ 2.48	1.95%	\$ 3.05	3.09%
\$ 1.35	0.00%	\$ 1.92	0.83%	\$ 2.49	1.97%	\$ 3.06	3.11%
\$ 1.36	0.00%	\$ 1.93	0.85%	\$ 2.50	1.99%	\$ 3.07	3.13%
\$ 1.37	0.00%	\$ 1.94	0.87%	\$ 2.51	2.01%	\$ 3.08	3.15%
\$ 1.38	0.00%	\$ 1.95	0.89%	\$ 2.52	2.03%	\$ 3.09	3.17%
\$ 1.39	0.00%	\$ 1.96	0.91%	\$ 2.53	2.05%	\$ 3.10	3.19%
\$ 1.40	0.00%	\$ 1.97	0.93%	\$ 2.54	2.07%	\$ 3.11	3.21%
\$ 1.41	0.00%	\$ 1.98	0.95%	\$ 2.55	2.09%	\$ 3.12	3.23%
\$ 1.42	0.00%	\$ 1.99	0.97%	\$ 2.56	2.11%	\$ 3.13	3.25%
\$ 1.43	0.00%	\$ 2.00	0.99%	\$ 2.57	2.13%	\$ 3.14	3.27%
\$ 1.44	0.00%	\$ 2.01	1.01%	\$ 2.58	2.15%	\$ 3.15	3.29%
\$ 1.45	0.00%	\$ 2.02	1.03%	\$ 2.59	2.17%	\$ 3.16	3.31%
\$ 1.46	0.00%	\$ 2.03	1.05%	\$ 2.60	2.19%	\$ 3.17	3.33%
\$ 1.47	0.00%	\$ 2.04	1.07%	\$ 2.61	2.21%	\$ 3.18	3.35%
\$ 1.48	0.00%	\$ 2.05	1.09%	\$ 2.62	2.23%	\$ 3.19	3.37%
\$ 1.49	0.00%	\$ 2.06	1.11%	\$ 2.63	2.25%	\$ 3.20	3.39%
\$ 1.50	0.00%	\$ 2.07	1.13%	\$ 2.64	2.27%	\$ 3.21	3.41%
\$ 1.51	0.00%	\$ 2.08	1.15%	\$ 2.65	2.29%	\$ 3.22	3.43%
\$ 1.52	0.00%	\$ 2.09	1.17%	\$ 2.66	2.31%	\$ 3.23	3.45%
\$ 1.53	0.00%	\$ 2.10	1.19%	\$ 2.67	2.33%	\$ 3.24	3.47%
\$ 1.54	0.00%	\$ 2.11	1.21%	\$ 2.68	2.35%	\$ 3.25	3.49%
\$ 1.55	0.00%	\$ 2.12	1.23%	\$ 2.69	2.37%	\$ 3.26	3.51%
\$ 1.56	0.11%	\$ 2.13	1.25%	\$ 2.70	2.39%	\$ 3.27	3.53%
\$ 1.57	0.13%	\$ 2.14	1.27%	\$ 2.71	2.41%	\$ 3.28	3.55%
\$ 1.58	0.15%	\$ 2.15	1.29%	\$ 2.72	2.43%	\$ 3.29	3.57%
\$ 1.59	0.17%	\$ 2.16	1.31%	\$ 2.73	2.45%	\$ 3.30	3.59%
\$ 1.60	0.19%	\$ 2.17	1.33%	\$ 2.74	2.47%	\$ 3.31	3.61%
\$ 1.61	0.21%	\$ 2.18	1.35%	\$ 2.75	2.49%	\$ 3.32	3.63%
\$ 1.62	0.23%	\$ 2.19	1.37%	\$ 2.76	2.51%	\$ 3.33	3.65%
\$ 1.63	0.25%	\$ 2.20	1.39%	\$ 2.77	2.53%	\$ 3.34	3.67%
\$ 1.64	0.27%	\$ 2.21	1.41%	\$ 2.78	2.55%	\$ 3.35	3.69%
\$ 1.65	0.29%	\$ 2.22	1.43%	\$ 2.79	2.57%	\$ 3.36	3.71%
\$ 1.66	0.31%	\$ 2.23	1.45%	\$ 2.80	2.59%	\$ 3.37	3.73%
\$ 1.67	0.33%	\$ 2.24	1.47%	\$ 2.81	2.61%	\$ 3.38	3.75%
\$ 1.68	0.35%	\$ 2.25	1.49%	\$ 2.82	2.63%	\$ 3.39	3.77%
\$ 1.69	0.37%	\$ 2.26	1.51%	\$ 2.83	2.65%	\$ 3.40	3.79%
\$ 1.70	0.39%	\$ 2.27	1.53%	\$ 2.84	2.67%	\$ 3.41	3.81%
\$ 1.71	0.41%	\$ 2.28	1.55%	\$ 2.85	2.69%	\$ 3.42	3.83%
\$ 1.72	0.43%	\$ 2.29	1.57%	\$ 2.86	2.71%	\$ 3.43	3.85%



# Energy Information Administration

Official Energy Statistics from the U.S. Government

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### U.S. No. 2 Diesel Retail Sales by All Sellers (Cents per Gallon)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1994			110.7	110.7	110	110.3	111	112.3	112.5	112.2	113.1	111.3
1995	109.8	108.8	108.8	110.4	112.6	112	110	110.5	111.9	111.5	112	113
1996	114.5	114.5	118.3	127.5	127.3	120.1	117.6	120.1	126.5	132.3	132.3	130.9
1997	129.1	128	122.9	121.2	119.6	117.3	115.1	116.5	116	118.3	119.2	116.6
1998	112	108.4	106.3	106.7	106.9	104.1	102.9	100.7	102.4	103.9	102.2	97.3
1999	96.7	95.9	99.7	107.9	107.3	107.4	112.2	117.2	121.5	122.8	126.3	129.2
2000	135.6	146.1	147.9	142.2	142	142.1	143.4	146.6	163.7	163.7	162.1	156.5
2001	152.4	149.2	139.9	142.2	149.6	148.2	137.5	139	149.5	134.8	125.9	116.7
2002	115.3	115.2	123	130.9	130.5	128.6	129.9	132.8	141.1	146.2	142	142.9
2003	148.8	165.4	170.8	153.3	145.1	142.4	143.5	148.7	146.7	148.1	148.2	149
2004	155.1	158.2	162.9	169.2	174.6	171.1	173.9	183.3	191.7	213.4	214.7	200.9
2005	195.9	202.7	221.4	229.2	219.9	229	237.3	250	281.9	309.5	257.3	244.3
2006	246.7	247.5	255.9	272.8	289.7	289.8	293.4	304.5	278.3	251.9	254.5	261
2007	248.5	248.8	266.7	283.4	279.6	280.8	286.8	286.9	295.3	307.5		



December 14, 2007

City of Adrian  
100 East Church Street  
Adrian, MI 49221

Attn.: Kristen Bauer

Ms. Bauer:

Allied Waste Services is honored to provide solid waste collection services to the City of Adrian; we appreciate your business and certainly desire to continue, and perhaps expand, the excellent service that the City residents have come to expect.

Effective January 1, 2008, Allied Waste Services of Adrian will implement a 2.8% rate increase in accordance with our contract with the City of Adrian. This is based on the information from the attached government's latest inflation report, which states the CPI rate for the last year is 1.8%. Per terms of your contract, the rate increase is CPI plus one percent annually. However, by mutual agreement, Allied Waste and the City agreed to change the CPI rating method to the lower of CPI *all items less food and energy* series and the *Detroit-Ann Arbor-Flint all items* series. This change was made because of the Allied Waste request for a Fuel Recovery Fee. The new rate that we bill the City of Adrian will be \$7.75 per month per residential unit.

Please call me if you need to further discuss this matter at 734-848-1222.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory D. Stalter'.

Gregory D. Stalter  
Municipal Services Manager  
Eastern Michigan District

Rec'd  
12/26



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**Consumer Price Index - All Urban Consumers**

<b>12 Months Percent Change</b>															
Series Id: CUURA208SA0, CUUSA208SA0															
Not Seasonally Adjusted															
Area: Detroit-Ann Arbor-Flint, MI															
Item: All items															
Base Period: 1982-84=100															
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1997		2.7		2.4		2.0		2.8		2.7		1.8	2.5	2.4	2.4
1998		2.0		2.0		2.8		2.3		2.0		2.6	2.2	2.2	2.3
1999		1.7		3.1		2.8		2.3		3.0		2.7	2.6	2.5	2.7
2000		3.8		2.6		4.3		3.6		3.6		3.7	3.6	3.4	3.7
2001		3.5		3.7		2.9		2.9		1.7		1.0	2.7	3.4	2.0
2002		1.7		2.6		1.8		3.3		3.2		3.6	2.6	2.0	3.3
2003		3.5		1.8		2.1		1.5		1.6		0.9	2.0	2.6	1.4
2004		0.5		1.4		1.6		1.7		2.3		2.2	1.6	1.1	2.0
2005		2.4		2.8		2.0		2.9		4.0		3.8	2.9	2.4	3.4
2006		3.7		3.9		3.8		3.3		0.8		2.1	3.0	3.8	2.2
2007		1.7		1.6		2.4		0.5		2.6				1.9	

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Options:

From:  To:

include graphs **NEW!**

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Data extracted on: December 14, 2007 (3:08:13 PM)

**Consumer Price Index - All Urban Consumers**

<b>12 Months Percent Change</b>															
Series Id: CUUR0000SA01E															
Not Seasonally Adjusted															
Area: U.S. city average															
Item: All items less food and energy															
Base Period: 1982-84=100															
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
1997	2.5	2.5	2.5	2.7	2.5	2.4	2.4	2.3	2.2	2.3	2.2	2.2	2.4	2.6	2.2
1998	2.2	2.3	2.1	2.1	2.2	2.2	2.2	2.5	2.5	2.3	2.3	2.4	2.3	2.2	2.4
1999	2.4	2.1	2.1	2.2	2.0	2.1	2.1	1.9	2.0	2.1	2.1	1.9	2.1	2.1	2.0
2000	2.0	2.2	2.4	2.3	2.4	2.5	2.5	2.6	2.6	2.5	2.6	2.6	2.4	2.3	2.5
2001	2.6	2.7	2.7	2.6	2.5	2.7	2.7	2.7	2.6	2.6	2.8	2.7	2.6	2.6	2.7
2002	2.6	2.6	2.4	2.5	2.5	2.3	2.2	2.4	2.2	2.2	2.0	1.9	2.4	2.5	2.2
2003	1.9	1.7	1.7	1.5	1.6	1.5	1.5	1.3	1.2	1.3	1.1	1.1	1.4	1.7	1.3
2004	1.1	1.2	1.6	1.8	1.7	1.9	1.8	1.7	2.0	2.0	2.2	2.2	1.8	1.6	2.0
2005	2.3	2.4	2.3	2.2	2.2	2.0	2.1	2.1	2.0	2.1	2.1	2.2	2.2	2.2	2.1
2006	2.1	2.1	2.1	2.3	2.4	2.6	2.7	2.8	2.9	2.7	2.6	2.6	2.5	2.2	2.7
2007	2.7	2.7	2.5	2.3	2.2	2.2	2.2	2.1	2.1	2.2	2.3			2.4	

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Phone: (202) 691-5200  
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 Do you have **Other comments?**

**RE: DEPARTMENT OF PUBLIC WORKS –Solid Waste Refuse Collection  
Contract Rate Adjustments for Inflation and Fuel Costs**

**RESOLUTION**

WHEREAS, Allied Waste Systems, Inc., the City of Adrian’s contractor for solid waste refuse collection, is currently in the fifth year of a seven-year contract, expiring December 31, 2010; and

WHEREAS, although the original contract was written as a fixed-price contract at a unit cost of \$6.87, with a total amount not to exceed \$499,500 annually, the Scope of Services included a letter from the vendor which provided for an annual C.P.I. adjustment plus one (1%) percent rate increase for each of the years two through seven, “in order to offset the rising cost trends we are experiencing in the areas of labor, workmen’s compensation coverage, employee health and welfare, financial assurance and environmental safeguarding insurance.”; and

WHEREAS, in December 2007, the City of Adrian completed an audit of the number of units receiving service within the City; based on this audit and in cooperation with Allied Waste System, Inc., the number of units will be reduced by 57, from 5,871 to 5,814; and

WHEREAS, based on the aforementioned letter and subsequent audit, the following rate adjustments were made:

<u>Year</u>	<u>Rate/Unit/Mo</u>	<u>Percent</u>	<u>Annual Cost</u>
2004	\$6.87		\$499,500
2005	\$7.03	2.33%	\$511,138
2006	\$7.29	3.70%	\$530,050
2007	\$7.54	3.40%	\$548,072
2008	\$7.75	2.80%	\$540,702*

\*(based on 5,814 units per month)

WHEREAS, due to fluctuating fuel prices, the City Commission approved changes in the supplemental fuel rate adjustment to the current 2.51%; and

WHEREAS, fuel prices are on the rise again, increasing to an average of \$2.96/gallon during the previous quarter, with the City Engineer recommending a rate adjustment of 2.91%, effective January 1, 2008; and

WHEREAS, the City Administrator recommends that a rate adjustment for fuel costs incurred by Allied Waste Systems, Inc. be increased to the level of 2.91% on a month-to-month basis (increasing the Unit Price from \$7.75 to \$7.98), with the following provisions:

- (1) The subject rate adjustment shall not become a part of the base cost upon which future CPI rate adjustments would apply but, rather, considered an additional benefit granted at the pleasure of the City of Adrian; and

- (2) The subject rate adjustment will be at the full discretion of the City of Adrian and can be reduced or withdrawn at any time should circumstances change, such as a decrease of fuel prices in the marketplace, a deterioration in the City's financial position requiring imposition of general budget strictures, or dissatisfaction with collection services; and

WHEREAS, although the base contract will be less to the unit reductions discovered during the audit, the supplemental fuel adjustment will cause the Waste Collection budget (\$540,000) to be exceeded by approximately \$8,000 during the balance of the year; a budget adjustment will be included in the mid-year budget adjustments.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes an increased rate adjustment for fuel costs in the amount of 2.91% be accorded Allied Waste Systems, Inc. (resulting in a revised unit price to \$7.98), on a month-to-month basis, with the following provisions:

- (1) The subject rate adjustment shall not become a part of the base cost upon which future CPI rate adjustments would apply but, rather, considered an additional benefit granted at the pleasure of the City of Adrian; and
- (2) The subject rate adjustment will be at the full discretion of the City of Adrian and can be reduced or withdrawn at any time should circumstances change, such as a decrease of fuel prices in the marketplace, a deterioration in the City's financial position requiring imposition of general budget strictures, or dissatisfaction with collection services

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



**MEMO**

Date: January 15, 2008

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

From: Jeffrey C. Pardee, Finance Director  
Shane Horn, Utilities Director

Handwritten signatures of Jeffrey C. Pardee and Shane Horn.

**Re: UTILITIES DEPARTMENT –Municipal Lease Purchase Agreement for Wastewater Treatment Plant Digester Lid Replacement**

The Adrian City Commission, by Resolution #07-085 dated May 7, 2007, adopted the FY2007-08 Budget and General Appropriations Act, which included \$875,000 for Wastewater Treatment Plant Digester Lid Replacement (497-553.00-975.111). Based on a project analysis conducted by Jones & Henry Engineers, Ltd., the aforementioned budget appropriation contemplated acquisition of Dystor Membrane technology from Siemens (the most experienced and largest supplier of the dual-membrane gas holder) that was determined to cost \$166,000 less (with triple the capacity) than using current technology.

The above project cost included \$105,000 for removal of the existing digester lid, which will likely be redirected by the Utilities Director (after completion of a bid process for that portion of the project) to a local vendor at an estimated cost of \$55,000, thereby saving \$50,000 and reducing the total cost of the project to \$825,000. In addition, Siemens Financial Services has submitted a proposed Municipal (Tax-Exempt) Lease Purchase Agreement (Copy attached) for \$825,000 over a ten (10) year timeframe at 3.84% interest rate; and

The Finance Director recommends approval of the Municipal Lease Purchase method of financing this particular project for the following reasons:

- Lease Purchase arrangement avoids large initial cash outlay;
- Tax-exempt status allows for an interest less than the current return on invested funds;
- Provides 100% financing of equipment and installation; principal payments don't begin until equipment acceptance;
- Low transaction cost and immediate availability of funds;
- No prepayment penalty; and

The Utilities Director and the Finance Director recommend approval of the \$825,000 Wastewater Treatment Plant Digester Lid Replacement Project, the Municipal Lease Purchase Agreement, and the related budget amendments reflecting the resultant savings.

The attached resolution has been prepared for consideration by the City Commission at their regularly scheduled meeting on January 22, 2008. If you have any questions or need for further information, please contact our respective offices.

# SIEMENS

January 11, 2008

Mr. Shane Horn  
City of Adrian  
Director of Utilities  
100 East Church St.  
Adrian, Michigan 49221

Dear Mr. Horn:

Siemens Financial Services ("SFS") is pleased to present this financing proposal for the City of Adrian, Michigan. This proposal describes a tax-exempt municipal lease that is subject to, among other things, the Lessee being qualified to issue tax-exempt obligations under the Internal Revenue Code. We look forward to working with you to complete this important transaction.

<b>Type of Lease:</b>	Municipal Lease Purchase Agreement
<b>Lessor:</b>	Siemens Public, Inc. its affiliates, assigns or nominees
<b>Lessee:</b>	City of Adrian, Michigan
<b>Equipment Description:</b>	Dystor Membrane plus ancillary work and equipment
<b>Equipment Cost:</b>	\$825,000.00
<b>Vendor/Contractor:</b>	Siemens Water Technologies, BissNuss, Inc. and Jones & Henry Engineers, Ltd.
<b>Lease Term:</b>	10 year payment term commencing after an 8 month installation period.
<b>Lease Closing/Funding:</b>	Lessor anticipates having a complete contract package signed, and the transaction funded into escrow by March 1, 2008. The project is expected to be completed, on or before November 1, 2008. Completion of the project will be evidenced by the signing of the Delivery & Acceptance Certificate.
<b>Lease Payments:</b>	Payments shown are semi-annual. Additional structures and timing of payments are available upon request.

Mr. Shane Horn  
City of Adrian  
January 11, 2008

**Semi-Annual In Advance:** Semi-Annual in Advance Payments Lease Rate Factor (20) payments: 0.061084. This Lease Rate Factor assumes a first payment due date of November 1, 2008.

Example: If the Total Equipment Cost is exactly \$825,000 then the semi-annual Lease Payments would be  $\$825,000 \times 0.061084 = \$50,394.30$ . Lease Payments will be due semi-annual in advance and are subject to adjustment as described below.

**Interest Rate:** Semi-Annual – 3.84%

**Adjustment to Lease Payments:**

The Lease Payments shown above are subject to adjustment until Lease Closing and Funding based on changes in the like-term Treasury rate. (The “like-term” Treasury rate” is defined to be the yield maturity of the U.S. Treasury Note having a remaining life closest to the Lease Term, and in case of multiple notes, the one trading closest to par). If, by the time of Lease Closing and Funding, the like-term Treasury rate has increased by at least ten (10) basis points from its present level, then Lessor will adjust the effective interest rate one (1) basis point for each one (1) basis point increase in the Treasury rate, and adjust the Lease Payments accordingly.

As of the date of this proposal, the like-term Treasury rate is 3.93%

**Escrow**

It is anticipated that upon the date of funding, SFS will deposit the proceeds into an Escrow Account. During the construction period, upon approval of the Lessee, funds will be withdrawn to pay amounts due the vendor. Interest income will accrue, on the unused proceeds in the Escrow Account. This interest income will be for the benefit of the Lessee. All costs associated with setting up and maintaining the Escrow Account will be the responsibility of the Lessee.

**Non-Appropriation:**

The Lease is subject to termination by the Lessee in the event funds for payment of the Lease are not appropriated for a given fiscal year.

Mr. Shane Horn  
City of Adrian  
January 11, 2008

- Non-Appropriation:** The Lease is subject to termination by the Lessee in the event funds for payment of the Lease are not appropriated for a given fiscal year.
- Insurance:** Lessee will be required to provide evidence of the physical damage and liability insurance in an amount and from an insurance carrier satisfactory to Lessor. Lessor must be named on the policies as loss payee and additional insured, as applicable, and a certificate of insurance must be provided to Lessor.
- Title:** Title to the Equipment will transfer to Lessee upon acceptance of the Equipment, subject to divestment for default or non-appropriation of funds by Lessee.
- Grant of Security Interest:** Lessor will require that it be granted a first priority security interest in the Equipment.
- Legal Opinions:** Lessor will require that Lessee's legal counsel render an opinion as to, among other items, the legality, enforceability, authority, title, and execution and tax effect of the Lease.
- Documentation:** All lease documentation will be provided by Lessor and must be satisfactory to all parties concerned. All fees and cost for documentation, insurance, maintenance, filing, registration, and searches relating to the transaction, and all items of a similar nature will be for Lessee's account.
- Caveat:** **This is a proposal only. The transaction described herein is subject to various approvals by Lessor, as well as the execution and receipt of acceptable lease documentation.**
- Expiration of Proposal:** This proposal is good until January 30, 2008. It will expire if it has not been accepted by Lessee as of that date.

The terms and conditions outlined herein are not all-inclusive and are based on information provided to date. This proposal does not represent an offer or commitment by Lessor to provide any financing or purchase any equipment, and it does not create any obligation for Lessor. A commitment to enter into the transaction described herein

Mr. Shane Horn  
City of Adrian  
January 11, 2008

may only be extended by Lessor after this transaction has been approved by all appropriate credit and other authorities within Lessor.

Please feel free to contact me (281-313-0070) if you have any questions or would like to discuss this proposal in greater detail. I appreciate the opportunity to present this proposal and I look forward to working to complete this transaction.

Sincerely,

Timothy A. Borger  
Account Manager  
Siemens Financial Services  
27 Stretford Ct.  
Sugar Land, Texas 77479

**PROPOSAL ACCEPTANCE**

We hereby accept the financing proposal as presented in the above letter and we understand that by accepting this proposal we are applying to Lessor for the financing described herein. In reviewing this application, Lessor is hereby authorized to obtain and utilize such credit information as may be deemed necessary and desirable by Lessor for the analysis and the processing of this proposed transaction.

**LESSEE:     City of Adrian**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

Payment Number	Payment Date	Payment Amount	Interest	Applied to Principal	Applied to Accrued Interest	Balance	Concluding Payment
Inception	3/7/2008	(\$825,000.00)	\$0.00	\$0.00		\$825,000.00	\$841,500.00
1	4/7/2008	\$0.00	\$2,640.00	\$0.00		\$827,640.00	\$844,192.80
2	5/7/2008	\$0.00	\$2,648.45	\$0.00		\$830,288.45	\$846,894.22
3	6/7/2008	\$0.00	\$2,656.92	\$0.00		\$832,945.37	\$849,604.28
4	7/7/2008	\$0.00	\$2,665.43	\$0.00		\$835,610.80	\$852,323.01
5	8/7/2008	\$0.00	\$2,673.95	\$0.00		\$838,284.75	\$855,050.45
6	9/7/2008	\$0.00	\$2,682.51	\$0.00		\$840,967.26	\$857,786.61
7	10/7/2008	\$0.00	\$2,691.10	\$0.00		\$843,658.36	\$860,531.52
8	11/7/2008	\$50,394.17	\$2,699.71	\$29,036.11	\$18,658.36	\$795,963.89	\$811,883.17
9	5/7/2009	\$50,394.17	\$15,282.51	\$35,111.67		\$760,852.23	\$776,069.27
10	11/7/2009	\$50,394.17	\$14,608.36	\$35,785.81		\$725,066.42	\$739,567.74
11	5/7/2010	\$50,394.17	\$13,921.28	\$36,472.90		\$688,593.52	\$702,365.39
12	11/7/2010	\$50,394.17	\$13,221.00	\$37,173.18		\$651,420.34	\$664,448.75
13	5/7/2011	\$50,394.17	\$12,507.27	\$37,886.90		\$613,533.44	\$625,804.11
14	11/7/2011	\$50,394.17	\$11,779.84	\$38,614.33		\$574,919.11	\$586,417.49
15	5/7/2012	\$50,394.17	\$11,038.45	\$39,355.73		\$535,563.38	\$546,274.65
16	11/7/2012	\$50,394.17	\$10,282.82	\$40,111.36		\$495,452.03	\$505,361.07
17	5/7/2013	\$50,394.17	\$9,512.68	\$40,881.49		\$454,570.54	\$463,661.95
18	11/7/2013	\$50,394.17	\$8,727.75	\$41,666.42		\$412,904.12	\$421,162.20
19	5/7/2014	\$50,394.17	\$7,927.76	\$42,466.41		\$370,437.70	\$377,846.46
20	11/7/2014	\$50,394.17	\$7,112.40	\$43,281.77		\$327,155.94	\$333,699.05
21	5/7/2015	\$50,394.17	\$6,281.39	\$44,112.78		\$283,043.16	\$288,704.02
22	11/7/2015	\$50,394.17	\$5,434.43	\$44,959.74		\$238,083.41	\$242,845.08
23	5/7/2016	\$50,394.17	\$4,571.20	\$45,822.97		\$192,260.44	\$196,105.65
24	11/7/2016	\$50,394.17	\$3,691.40	\$46,702.77		\$145,557.67	\$148,468.82
25	5/7/2017	\$50,394.17	\$2,794.71	\$47,599.47		\$97,958.21	\$99,917.37
26	11/7/2017	\$50,394.17	\$1,880.80	\$48,513.37		\$49,444.83	\$50,433.73
27	5/7/2018	\$50,394.17	\$949.34	\$49,444.83		\$0.00	\$0.00

**R08-017**

January 22, 2008

**RE: UTILITIES DEPARTMENT –Municipal Lease Purchase Agreement for Wastewater Treatment Plant Digester Lid Replacement**

**RESOLUTION**

WHEREAS, the Adrian City Commission, by Resolution #07-085 dated May 7, 2007, adopted the FY2007-08 Budget and General Appropriations Act, which included \$875,000 for Wastewater Treatment Plant Digester Lid Replacement (497-553.00-975.111); and

WHEREAS, based on a project analysis conducted by Jones & Henry Engineers. Ltd., the aforementioned budget appropriation contemplated acquisition of Dystor Membrane technology from Siemens (the most experienced and largest supplier of the dual-membrane gas holder) was determined to cost \$166,000 less (with triple the capacity) than using current technology; and

WHEREAS, the above project cost included \$105,000 for removal of the existing digester lid, which will likely be redirected by the Utilities Director (after completion of a bid process for that portion of the project) to a local vendor at an estimated cost of \$55,000, thereby saving \$50,000 and reducing the total cost of the project to \$825,000; and

WHEREAS, in addition, Siemens Financial Services has submitted a proposed Municipal (Tax-Exempt) Lease Purchase Agreement for \$825,000 over a ten (10) year timeframe at 3.84% interest rate; and

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

- Lease Purchase arrangement avoids large initial cash outlay;
- Tax-exempt status allows for an interest less than the current return on invested funds;
- Provides 100% financing of equipment and installation; principal payments don't begin until equipment acceptance;
- Low transaction cost and immediate availability of funds;
- No prepayment penalty; and

WHEREAS, the Utilities Director and City Administrator recommend approval of the \$825,000 Wastewater Treatment Plant Digester Lid Replacement Project, the Municipal Lease Purchase Agreement, and the related budget amendments reflecting the resultant savings.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the engagement of Siemens to complete the Wastewater Treatment Plant Digester Lid Replacement Project at a cost not to exceed \$825,000 and the approval of a Municipal Lease Purchase Agreement with Siemens Financial Services to finance the project over ten (10) years at 3.84% interest rate.

BE IT, FURTHER, RESOLVED that in the best interests of the City, the competitive bid process be waived in accordance with the City's Purchasing Policy as

specified in Chapter 12 of the City Charter and Section 2-304 of the Codified City Ordinances.

BE IT, FURTHER, RESOLVED that the FY2007-08 Budget be amended as follows:

**Capital Projects Sewer Fund (Fund 497)**

Revenue:		
(497-000.00-676.590) Contribution – Wastewater Fund		\$(865,000)
Expense:		
(497-553.00-975.111) Digester Lid Replacement		<u>(865,000)</u>
	Total Fund	<u>\$ -0-</u>

**Sewer Fund (Fund 590)**

Revenue:		
(590-000.00-697.000) Prior Years' Revenue		\$(857,054)
Expense:		
(590-550.00-995.002) Lease Purchase Contract		\$ 7,946
(590-965.00-969.497) Contribution – Capital Projects Sewer Fund		<u>(865,000)</u>
	Total Expense	<u>\$(857,054)</u>
	Total Fund	<u>\$ -0-</u>

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

R-7

DATE: January 16, 2008  
TO: Honorable Mayor and Commission  
FROM: Dane C. Nelson, City Administrator  
SUBJECT: Rental Rehabilitation Grant

The Community Development Director has requested authorization to submit an application to MSHDA for a Rental Rehabilitation Grant in the amount of \$200,000. If approved, the funds would be used to assist landlords in the designated Neighborhood Enterprise Zones for renovation of their rental properties that are leased to low to moderate income households, as well as renovation of vacant 2<sup>nd</sup> and 3<sup>rd</sup> floors above commercial space in the downtown district.

I recommend that the Community Development Department be authorized to submit an application for a Rental Rehabilitation Grant in the amount of \$200,000 to MSHDA.

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

DCN:bjw



COMMUNITY DEVELOPMENT - HOUSING

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**MEMO**

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**DATE:** 1/15/2008

**TO:** Dane Nelson, City Administrator

**THROUGH:** James Tischler, Community Development Director

**FROM:** Sue Laughlin, Housing Rehabilitation

**SUBJECT:** Rental Rehabilitation Grant

A resolution has been prepared for consideration by the Adrian City Commission at the January 22, 2008 meeting that would allow the City of Adrian to submit an application to the Michigan State Housing Development Authority (MSHDA) for a Rental Rehabilitation Grant in the amount of \$200,000.

This rental rehabilitation program would provide funding to landlords in the designated Neighborhood Enterprise Zones (NEZ) within the City of Adrian for renovation of existing units for low to moderate income households and also for renovation of vacant 2<sup>nd</sup> and 3<sup>rd</sup> floors above commercial space in the downtown.

It is the recommendation of the Housing Staff and the Community Development Director that the City Commission approve the attached resolution. Participation in this program would further the goals of the Community Development Department in the City of Adrian Comprehensive Plan. Specific program guidelines will be developed and presented if/when the recommendation is approved by the City Commission.

**R08-018**

January 22, 2008

**RE: DEPARTMENT OF COMMUNITY DEVELOPMENT - Authorization for City of Adrian to Submit Rental Rehabilitation Grant Application to Michigan State Housing Development Authority (MSHDA)**

**RESOLUTION**

WHEREAS, the Community Development Department of the City of Adrian, requests authorization to submit an application for a Rental Rehabilitation Grant in the amount of \$200,000 from the Michigan State Housing Development Authority (MSHDA); and

WHEREAS, the target area will be the five (5) Neighborhood Enterprise Zones established by resolution and adopted by the Adrian City Commission on August 6, 2007; and

WHEREAS, the Rental Rehabilitation Program would provide funding to landlords in the designated Neighborhood Enterprise Zones within the City of Adrian for renovation of existing units for low to moderate income households and also for renovation of 2<sup>nd</sup> and 3<sup>rd</sup> floors above commercial space in downtown Adrian; and

WHEREAS, participation in this program would further the goals of the Community Development Department and the City of Adrian Comprehensive Plan; and

WHEREAS, the Community Development Director and City Administrator recommend approval of this resolution.

NOW, THEREFORE, BE IT RESOLVED that the City Commission hereby authorizes the Community Development Department to submit an application to MSHDA for a Rental Rehabilitation Grant in the amount of \$200,000.

On motion by Commissioner \_\_\_\_\_,  
seconded

by Commissioner \_\_\_\_\_, this resolution was  
adopted by a \_\_\_\_\_ vote

R-8



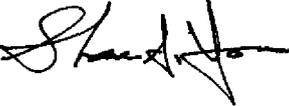
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## MEMORANDUM – UTILITIES DEPARTMENT

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DATE: January 16, 2008

TO: Dane C. Nelson, City Administrator

FROM: Shane A. Horn, Utilities Director 

SUBJECT: Rate Study Update

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I concur with the recommendation of the Utilities Director to retain Utility Financial Solutions (UFS) to update financial projections, the cost of services and five-year projections, as well as compile and update the rate track for both the water and wastewater divisions. UFS submitted a quote in the amount of \$8,500.00 for this service.

The City of Adrian has used the services of UFS on several occasions and has been pleased with their performance. I, therefore, recommend that United Financial Solutions be retained for these services in the amount of \$8,500 and that the bid process be waived.

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

Attached is a proposal from our rate consultant, Utility Financial Solutions, (UFS) to update our cost of service as well as our five year projections and compile and update our rate track for both water and wastewater divisions of the utilities department. UFS has completed our rate reviews for the past several years and is familiar with our accounting procedures and practices. I respectfully recommend that we bring UFS back on board to help with this review and update. Their total project price to complete this work is \$8,500.00. This expense has been budgeted for in our O&M Budget.

Cc: Jeff Pardee, Finance Director



January 15, 2008

Shane Horn,  
Director of Public Works  
City of Adrian  
Adrian MI

Dear Mr. Horn,

I appreciate the opportunity to provide a proposal to update the water and wastewater financial projection and wholesale costs for fiscal year ending 2007. This engagement letter includes the scope of service, required meetings and fees to complete the project.

**Scope of Services:**

- 1) Update Financial Projections for Water and Wastewater Department
  - The original projections for fiscal year ending 2006 will be compared with current projection for 2006 for water and wastewater departments
  - Include in financial projection approved rate adjustments implemented in 2007
  - Update the five year projection to include the period from 2008 – 2013
  - Develop an updated rate track
- 2) Update cost of service for wholesale customers for 2007
  - Using the cost of service study completed last year as a template, we will update the study with fiscal year 2007 projections
- 3) Reconcile cost of service for wholesale customers for 2006
  - The actual expenses for 2007 will be allocated and compared with budgetary projections for completed last year for 2007
- 4) Meetings
  - a. Initial meeting with staff
  - b. Review results of analysis with staff

**Deliverables:**

- Updated Rate Track for Water Department
- Updated Rate Track for Wastewater Department
- Update 2008/09 rates for Wholesale Customers
- Reconciled 2007/08 rates for Wholesale Customers
- Updated wholesale rate program
- Comparison of actual with projected

**Fees for Services:**

Water Department Financial Plan	\$ 2,300
Wastewater Department Financial Plan	2,900
Update wholesale rate program	1,850
Initial Meeting with staff	750
<b>Total Fees</b>	<b>\$ 7,800</b>
Out of Pocket Expenses (Not to Exceed)	\$700

**Additional Services**

We will be available for additional presentations to City Commission or Rate Committee at the following fees

Presentation	\$750
Out of Pocket Expenses	250
<b>Total per Additional Meeting or Presentation</b>	<b>\$1,000</b>

Thank you for the opportunity to submit this engagement letter. Please call me with any questions or concerns. If you are in agreement with the scope of services and fees please sign and return to me at your earliest convenience.

Sincerely,

Mark Beauchamp, CPA  
President  
Utility Financial Solutions

\*\*\*\*\*

Accepted By: \_\_\_\_\_

Date: \_\_\_\_\_

**RE: UTILITIES DEPARTMENT –Water and Sewer Financial Project and Rate Update**

**RESOLUTION**

WHEREAS, the Adrian City Commission, by Resolution R04-022 dated February 2, 2004, authorized the engagement of Utility Financial Solutions, LLC, as a subcontractor to prepare a Utility Rate Study, including recommendations and financial forecasts for a five-year period, at a cost of \$25,500; and

WHEREAS, the Adrian City Commission, by Resolution R05-047 dated March 21, 2005, authorized the engagement of Utility Financial Solutions, LLC, at a cost of \$9,050 to update the aforementioned Utility Rate Study, including recommendations and financial forecasts for a five-year period; and

WHEREAS, the Adrian City Commission, by Resolution R06-104 dated August 21, 2006, authorized the engagement of Utility Financial Solutions, LLC, at a cost of \$8,500 to update the aforementioned Utility Rate Study, including recommendations and financial forecasts for a five-year period; and

WHEREAS, since the 2006 update, significant events have occurred affecting the City's long-term utility financial strategy, including:

- The debt obligations for the MDEQ-DWRF projects increased by over \$5.5 million;
- The WWTP Digester Lid Replacement Project is anticipated to cost in excess of \$800,000;
- Revenue from water and sewer customers has been less than anticipated, primarily due to diminished usage;
- Previously authorized water and sewer rate adjustments have been implemented; and

WHEREAS, Utility Financial Solutions, LLC has submitted a proposal to update the water and wastewater financial projections and wholesale costs for FY2008-09, with the following scope of services:

- (1) Update Financial Projections for Water and Wastewater Department, including:
  - Comparing original and current projections, including updated rate adjustments;
  - Prepare five year projection through FY2012-13, including recommended utility rates.
  - Reconcile cost of service for wholesale customers for FY2007-08 and prepare recommendations for FY2008-09.
  - Conduct staff meetings and review results with stakeholders; and

WHEREAS, sufficient funds are available in the Sewer Fund (#590) and Water Fund (#591) Operations & Maintenance Budgets for this purpose; and

WHEREAS, due to the vendor's unique experience and knowledge of the City of Adrian's Utility Financial Plan, the Utilities Director and City Administrator recommend engagement of Utility Financial Solutions, LLC., as a sole source vendor, at a cost not to exceed \$8,500 to perform the aforementioned consulting services.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby authorizes the engagement of Utility Financial Solutions, LLC., in the City's Standard Professional Services Contract at a cost not to exceed \$8,500 to perform the following tasks:

- Update Financial Projections for Water and Wastewater Department, including:
- Comparing original and current projections, including updated rate adjustments;
- Prepare five year projection through FY2012-13, including recommended utility rates.
- Reconcile cost of service for wholesale customers for FY2007-08 and prepare recommendations for FY2008-09.
- Conduct staff meetings and review results with stakeholders.

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.

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

R-9

DATE: January 17, 2008

TO: Honorable Mayor and City Commission

FROM: Dane C. Nelson, City Administrator

SUBJECT: Design Work – Restroom and Concession/Storage Building at Island Park

I concur with the recommendation of the Parks & Recreation Director to retain Dailey Engineering of Onsted, MI, for design work relative to renovation of a restroom and the demolition and rebuilding of a concession/storage building at Island Park. Dailey Engineering has submitted a bid in the amount of \$7,700.00. Once the design work is completed, bids will be sent to qualified vendors, and at that point, a decision will be made on whether to proceed with the concession/storage building project.

I urge your favorable consideration authorizing Dailey Engineering to proceed with design work on these two projects at a cost of \$7,700.00. Funds are available in the General Fund – Park Capital Account, for this work.

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

DCN:bjw

R-9

# Memo

**To:** Dane C. Nelson, City Administrator  
**From:** Mark K. Gasche, Parks & Recreation Director  
**Date:** January 16, 2008  
**Re:** Professional Services Recommendation – Island Park Restroom and Concession/Storage Design

We have two construction projects at Island Park that we would like to proceed with; the renovation of the middle restroom building and the demolition and rebuilding of a concession and storage building next to the back field. The middle restroom would be renovated to be ADA compliant and to match the design of the recently renovated front restroom building. The existing block restroom and concession/storage building at the back field will be demolished and replaced with a new concession/storage building (no restrooms) that would be compatible with the design of the other two buildings.

We have money budgeted for the restroom renovation project in the Park General Capital Improvement account and we have some money budgeted for the construction of the concession/storage building. We would like to supplement the money budgeted for the concession/storage building with Crimp Savings money that was approved for our department. Our first priority, however, is the renovation of the restroom building, so we would only proceed with the concession/storage building once we know we have enough funds to complete both projects. We need to have the design work done first though, so that we can get bid specifications. The bids will ultimately tell us if we have enough funding to proceed with both phases of the project.

Due to the relatively small size and uncomplicated design of the projects, we only wanted to solicit proposals from local companies. However, there were only two eligible firms that we were aware of: Dailey Engineering and Meier Architects. We did receive proposals from both firms; the fees are listed below.

	<u>Restroom Renovation</u>	<u>Concession/Storage Building</u>
Dailey Engineering	\$4,000	\$3,700
Meier Architects	\$6,500	\$8,000

Staff feels that both firms are qualified to complete the work, and both firms submitted similar schedules for project completion. Therefore, based on the lowest fee proposal, staff recommends that Dailey Engineering, Inc. of Onsted, Michigan be awarded the design work for the restroom renovation project and the concession/storage building project at Island Park for the amounts of \$4,000 and \$3,700 respectively.

**R08-020**

January 22, 2008

**RE: DEPARTMENT OF PARKS & RECREATION – Authorization to Engage Architect to Design Island Park Restroom and Concession/Storage Buildings**

**RESOLUTION**

WHEREAS, bids have been solicited and received for the architectural design of Island Park Restroom and Concession/Storage buildings, with the following results:

<u>Bidder</u>	<u>Location</u>	<u>Amount</u>
Dailey Engineering	Onsted, MI	\$ 7,700
Meier Architects	Adrian, MI	\$14,500; and

WHEREAS, the Parks & Recreation Director recommends engagement of the low bidder, Daily Engineering, Onsted, MI at a cost of \$7,700; and

WHEREAS, funding for design of this project is available in the General Fund – Park Capital Account (Account #101-904.00-975.000); and

WHEREAS, the Parks & Recreation Director and City Administrator recommend selection of the lowest qualified bidder and engagement of Daily Engineering, Onsted, MI in the City's Standard Professional Services Contract.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission by this resolution hereby authorizes the engagement of Daily Engineering, Onsted, MI in the City's Standard Professional Services Contract for the architectural design of Island Park Restroom and Concession/Storage buildings at a cost not to exceed \$7,700.

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

R-10

# Memo

**To:** Dane C. Nelson, City Administrator  
**Cc:** Jeffrey C. Pardee, Finance Director  
**From:** Mark K. Gasche, Parks & Recreation Director  
**Date:** January 16, 2008  
**Re:** Elimination of Recreation Director

---

The reorganization of the Recreation staff is now complete with the retirement of Dick Holmes, our Recreation Director. As we discussed, we are not planning to fill the Recreation Director position. We have filled the Recreation Facilities Manager position and the Recreation Program Supervisor position. The duties of the Recreation Director will be spread out between my position and those two positions. As part of the reorganization we will also maintain a seasonal pool manager position to be responsible for the programming at Bohn Pool.

The savings we will realize in the long run are the cost of salary and fringe benefits for the Recreation Director position, minus the cost of a seasonal pool manager. For the remainder of this fiscal year the savings will be minimal because of the retirement pay-out of accumulated vacation and sick leave for an employee with 38-years seniority. Beginning with FY 2008-09, our annual savings will be approximately \$83,000.

**R08-021**

January 22, 2008

**RE: PARKS & RECREATION DEPARTMENT – Eliminate Recreation Director Position**

**RESOLUTION**

WHEREAS, in an environment of difficult economic times, when taxpayers are experiencing harsh realities of adjustments to the global marketplace, the City of Adrian is endeavoring to be a good steward of the financial resources provided by its citizens; and

WHEREAS, due to the retirement of the Recreation Director in the Department of Parks & Recreation and redistribution of job responsibilities, the resulting vacant Recreation Director position (Position No. 691-002) can be eliminated without jeopardizing recreation services to the community; and

WHEREAS, although the aforementioned position can be eliminated immediately, there are certain retirement expenses and seasonal pool manager costs that will offset most of the savings realized for the balance of this fiscal year; and

WHEREAS, the position became vacant January 3, 2008, resulting in a gross savings for the remaining six months, offset by retirement payout of accumulated vacation and sick leave for an employee with 38 years seniority, as well as the cost of a seasonal pool manager for the month of June, leaving a net budget favorability of \$1,026; and

WHEREAS the continuing net savings is expected to approximate \$83,000 each year going forward; and

WHEREAS the City Administrator recommends that the Recreation Director position be eliminated, the current year budget be amended to reflect the net annual savings, and the ensuing year's budget reflect the \$83,000 resultant annual savings.

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the elimination of the Recreation Director position (Position No. 691-002) and directs that the ensuing year's budget reflect the \$83,000 resultant annual savings.

BE IT, FURTHER, RESOLVED that the FY2007-08 Budget be amended as follows, returning \$1,026 net savings to the General Fund Contingency Account:

**General Fund (101)**

**Parks & Recreation Department:**

(101-691.00-702.000)	Salaries & Wages	\$(1,026)
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**Non-Dept.:**

(101-990.00-990.000)	General Fund Contingency	<u>\$ 1,026</u>
	Total	<u>\$ -0-</u>

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

R-11



# City Commission Agenda Memorandum

**To:** Dane C. Nelson  
City Administrator

**From:** James Tischler, AICP, PCP  
Director of Community Development

**Date:** January 17, 2008

**Subject:** Parks & Recreation Master Plan Update

As a requirement for funding applications, the Michigan Natural Resources Trust Fund requires that applicants have a current 5-Year Master Plan. The Parks and Recreation's last update to their Master Plan was in 2002.

The Community Development Department has the expertise and the willingness to complete the Master Plan Update and have submitted a proposal in the amount of \$15,080. This price is believed to be well below the cost of outside consultants.

I urge your favorable consideration to authorize the Community Development Department to update the Parks and Recreation Master Plan, as submitted in their proposal, at a cost of \$15,080.

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

DCN:bjw

In response to recent meetings between the Director of Parks & Recreation and myself, Community Development has prepared a proposal to conduct an update of the City of Adrian Parks & Recreation Master Plan.

As the Commissioners may know, such a plan is recommended by the Michigan Department of Natural Resources (MDNR), and a current plan prepared within a 5-year period and approved by MDNR is a requirement for funding applications to the Michigan Natural Resources Trust Fund.

Community Development staff possesses the capability to execute this project, and the proposed cost of \$15,080 is estimated to be 50% lower than bids that would be received from outside consultants. We therefore respectfully request the City Commission to receive and approve the attached resolution authorizing commencement of work on this task. I will be available prior to or at your meeting to answer any questions.

**City of Adrian  
Parks and Recreation Master Plan Update**

**Planning Process**

Background

A Master Plan Update is intended to help meet the needs of current and future residents, and to provide for park and recreation lands and other open space. The Plan is a guide that builds on Adrian's unique parks and recreation assets and identifies new planning opportunities. The development of the Plan should be citizen driven to establish a clear direction for city staff, advisory committees and elected officials in their efforts to enhance Adrian's community parks and recreation programs, services and facilities.

Purpose

The purpose of updating the Plan is to come into compliance with the Michigan Department of Natural Resources in order to receive grant funding from the State. Over the next 5-years, one of the most significant challenges to be faced by the City will be the ability to provide adequate system-wide maintenance at current staffing and funding levels. This issue will be magnified by the addition of new programming and by needed improvements to parks and facilities that meet the needs of our growing community. Historically, the City has been extremely fortunate to have had endowments to cover the cost of programming and other park improvements. In the future, the City will need to become more dependent on grants and volunteer efforts to maintain or increase the level of park and recreational services.

Process

The following describes the planning process and what the plan must contain to be approved by the Michigan Department of Natural Resources to establish eligibility for applying for recreation grants during the five-year period of the recreation plan.

Ideally, the City of Adrian will want to establish an administrative structure to ensure that the Plan includes public input, information gathering, park and facility inventories, goals and objectives, an assessment of this information, and finally, an action program. Planning for and providing park and recreation services for a community requires staff and volunteers and funds to develop, operate and maintain recreation and open space land. The administrative structure, at a minimum, should include:

1. Parks and Recreation Advisory Committee. A big part of the administrative structure is an Advisory Board. A citizen based 7-member Board should be established to oversee the planning process, and to make sure the Plan update is cohesive, well organized and coordinated with not only other City Departments, but with other Civic Organizations as well. During development of the Plan, the Advisory Board could be designated as the Parks & Recreation Commission to continue oversight of the City's recreation programs, services and facilities after the Master Plan Update is completed.
2. City staff. City staff includes the parks and recreation department, community development department, and others as identified during the planning process.
3. Volunteers. The volunteers involved in park and recreation programs should be involved in the process. They are a valuable resource of information.
4. Other partners/organizations. These organizations, such as school districts or other public agencies, as identified during the planning process to provide additional public participation.

#### Plan Tasks

1. Establish the Administrative Structure, Timeline and Budget
2. Establish a Public Participation Process
3. Prepare Plan
  - a. Community Description
  - b. Survey Residents (develop questionnaire, distribute and analyze survey results)
  - c. Conduct Inventories (facilities, recreational programs, parks, etc.)
  - d. Develop Goals and Objectives
  - e. Develop Action Program
4. Adoption
  - a. Parks and Recreation Commission (adoption and recommendation to Planning Commission)
  - b. Planning Commission (adoption as part of the City's Comprehensive Plan and recommendation to City Commission)
  - c. City Commission (final adoption)

#### Community Development Department Proposal

City staff has the talent and expertise to prepare the Parks and Recreation Plan Update. There is no need to hire a consultant. It is estimated that the City Planner can prepare the Plan working 20 hours per week for 5 months.

Project work begins:           Immediately  
 Completion date:               July 2008

29 weeks x 20 hrs/week x \$26.00/hr = \$15,080.00

**R08-022**

January 22, 2008

**RE: COMMUNITY DEVELOPMENT DEPARTMENT - Authorization to Proceed with Parks and Recreation Master Plan Update**

**RESOLUTION**

WHEREAS, the a Parks & Recreation Master Plan is a critical component of the City of Adrian’s planning and project implementation policies; and

WHEREAS, the current City of Adrian Parks and Recreation Master Plan was last updated and adopted by the Adrian City Commission in 2002; and

WHEREAS, a need exists to update the current Parks and Recreation Master Plan to identify capital and operating changes which have occurred during the past five years, and also to establish new capital and operating projections for the forthcoming five-year period; and

WHEREAS, the City of Adrian must submit an updated Parks and Recreation Master Plan to the Michigan Department of Natural Resources in order to have standing to apply for funding from the Michigan Natural Resources Trust Fund; and

WHEREAS, the City of Adrian Community Development Department has submitted a proposal for preparing a Parks and Recreation Plan Update for a cost of \$15,000, and the City Administrator and Parks and Recreation Director both recommend its approval; and

WHEREAS, sufficient FY2007-08 Budget funds are available for this purpose in the following accounts:

(101-691.00-801.000) Parks & Recreation Contract Services	\$ 5,026.67
(101-697.00-801.000) Parks & Forestry	5,026.67
(101-699.00-801.000) Fee Estate Maintenance	<u>5,026.66</u>
Total	<u>\$15,080.00</u>

NOW, THEREFORE, BE IT RESOLVED that the Adrian City Commission, by this resolution, hereby approves the Community Development Department’s proposal for updating the City of Adrian Parks and Recreation Master Plan at a cost not to exceed \$15,000, and authorizes commencement of work under such proposal.

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

# MISCELLANEOUS

*m-1*  
CITY OF ADRIAN, MICHIGAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
100 EAST CHURCH STREET  
ADRIAN, MICHIGAN 49221

JANUARY 9, 2008  
8:00 AM – 9:30 AM  
517.264.4860  
www.downtownadrian.org

**CITY OF ADRIAN  
DOWNTOWN DEVELOPMENT AUTHORITY  
REGULAR MEETING MINUTES**

Official proceedings of the January 9, 2008 regular meeting of the City of Adrian Downtown Development Authority Board of Director.

The meeting was called to order by Chairman Douglass at 8:13am in the second floor conference room of Adrian City Hall, 100 E. Church St., Adrian, Michigan 49221.

- Roll Call: Chairman Douglass, Vice Chair Webb, Benio, Moore, Scott, Wedemeyer, Willet
- Also Present: Kyle Hoffman, DDA Director, Margaret O'Malley Guided by Grace, Gwen Donahue, Recording Secretary
- Approval of Agenda: DDA Board Member Webb moved to approve the agenda as presented. That motion was seconded by Board Member Wedemeyer. Motion carried by a unanimous vote.
- Approval of Minutes: DDA Board Member Wedemeyer moved to approve the minutes of December 12, 2007 regular meeting of Downtown Development Authority Board. That motion was seconded by Board Member Scott. Motioned was carried by a unanimous vote.
- Approval of Financial Report: No Action Needed
- Audience Participation: Margaret O'Malley, Guided by Grace informed the Board that during January Downtown Business meeting, downtown business owners reported having a good Christmas season. It was suggested that this was a result of the cooperative advertising that the DDA assisted with. Ms. O'Malley also discussed upcoming plans of the Downtown Business Committee group.

New Business: Action Item

**RE: Recommendation to the Adrian City Commission for Development of the City's Downtown Development District as a Redevelopment Project Area for the Purpose of Liquor License Granting**

**RESOLUTION**

WHEREAS, the Adrian Downtown Development Authority and Adrian City Commission have adopted the Blueprint for downtown Adrian in an effort to revitalize and reenergize downtown Adrian;

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

WHEREAS, the aforementioned plan identifies a need to encourage the development of additional up-scale, full service bar-restaurant establishments within the downtown district in an effort to further promote nightlife and enhance the overall quality of life for Adrian residents; and

WHEREAS, the Adrian Downtown Development Authority seeks to work in partnership with private property and business owners to realize these goals; and

WHEREAS, the State of Michigan has adopted Public Act 501 of 2006; providing for the creation of new on-premises liquor licenses for businesses complying with certain requirements including locating with an established downtown development district established under Public Act 197 of 1975; and

WHEREAS, the City of Adrian has established a downtown development district pursuant to the requirements of Public Act 197 of 1975; and

WHEREAS, the City of Adrian downtown development district has seen in excess of \$200,000 in new combined public private investment within the area over the preceding five year period from the date of this resolution; and

WHEREAS, in an effort to further encourage the development of new, full service bar-restaurants within downtown Adrian, the Adrian Downtown Development Authority Board of Directors recommends that the Adrian City Commission establish the City's downtown development district as a redevelopment project for the purposes of allowing new bar-restaurants to apply to the State of Michigan Liquor Control Commission for a liquor license.

NOW THEREFORE BE IT RESOLVED that the City of Adrian Downtown Development Authority Board of Directors by resolution, hereby recommend that the Adrian City Commission establish the City's downtown development district as a redevelopment project area for the purposes of allowing new bar-restaurants to apply to the State of Michigan Liquor Control Commission for a liquor license.

On motion by DDA Board Member Moore, seconded by Board Member Wedemeyer, this resolution was adopted by a unanimous vote.

Old Business: Action Item

**RE: Authorization to Proceed with Payment of the Remaining \$4,000 on the DDA Façade Enhancement Grant as Approved for Stanley Sala of 116 North Main Street in Downtown Adrian**

#### **RESOLUTION**

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

WHEREAS, the aforementioned plan consist of a variety of recommendations aimed at assisting in the economic redevelopment of downtown Adrian, including private property rehabilitation and business recruitment; and

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

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

WHEREAS, the Adrian Downtown Development Authority has established the Site Assistance Grant Program to assist in these efforts through the provision of façade enhancement grants; and

WHEREAS, the Adrian Downtown Development Authority received application from Mr. Stanley Sala property owner of 116 N. Main Street within the City of Adrian Downtown Development District for site assistance grant funds in the amount of \$20,000 to assist him in his private rehabilitation efforts; and

WHEREAS, during their June 14, 2006 regular meeting, the Adrian Downtown Development Authority Board by resolution agreed to provide \$20,000 or fifty percent of total project costs not to exceed to \$20,000 of DDA Two-Mill funds to Stanley Sala on a reimbursable basis for work completed within the scope of the report provided by Mr. Bill Click, historic preservation consultant; and

WHEREAS, the DDA Board of Directors approved that grant contingent upon Mr. Sala's completion of the following items:

- Historically Appropriate Treatments are Utilized on the Building
- The Entire Building restoration project is completed (including the storefront and upper levels); and

WHEREAS, Mr. Sala has received updated quotes for the work to be performed at 116 North Main Street including the complete rehabilitation of the street and rear facing for a total cost of \$69,182.00 for the street facing facade; and

WHEREAS, Mr. Sala had requested an additional allocation from the DDA Board of Director of \$14,000 to provide a full 50% of the total project costs which are expected to be \$69,182.00; and

WHEREAS, Mr. Sala has provided the DDA with an elevation indicating the proposed treatments to the front façade of the building; and

WHEREAS, Mr. Bill Click, Historic Preservationist has provided a statement to the DDA Board of Directors that the total project costs provided by Mr. Sala's contractor appear to be within the reasonable costs for work of this scope and nature; and

WHEREAS, the City of Adrian has granted Mr. Sala a \$75,000 Downtown Rental Rehabilitation Grant to assist in the completion of this project; and

WHEREAS, the City of Adrian has granted Mr. Sala a seven year Obsolete Property Rehabilitation Certificate to assist in the completion of this project; and

WHEREAS, during a June 22, 2007 special meeting of the DDA, the Adrian Development Authority Board of Directors by resolution approved an additional appropriation of \$7,000 for a total appropriation of \$27,000 of DDA Site Assistance grant funds for the project as proposed by Mr. Sala contingent upon the following conditions;

- Both the street and rear facing facades must be completed in their entirety consistent with the bid documents received from Mr. Sala
- The work completed is consistent with the elevation provided by Mr. Sala with the exception of proposed address numbers on the upper level of the building which the DDA would require are not placed in that location
- The work must be completed on or before the original grant deadline date

and;

WHEREAS, the project completion deadline date was July 20, 2007 or one year from the date of receipt of authorization from the DDA for Mr. Sala to proceed with work; and

WHEREAS, Mr. Sala had not completed the façade project as proposed by July 20, 2007; and

WHEREAS, Mr. Sala has not completed the façade project proposed in original prints or consistent with what was approved previously by the DDA Board of Director; and

WHEREAS, the City of Adrian Downtown Development Authority Board of Directors approved a thirty (30) day extension from Tuesday, September 4, 2007 as requested by Mr. Sala, for project completion relative to the Site Assistance Grant Approved for Mr. Stanley Sala of 116 North Main Street for Façade Enhancement Work; and

WHEREAS, the City of Adrian Downtown Development Authority Board of Directors has assessed a ten percent penalty of the approved grant total (\$27,000) as a result of Mr. Sala failure to comply with Site Assistance Program guidelines; and

WHEREAS, the City of Adrian Downtown Development Authority required that the following contingencies are followed;

- Mr. Sala must complete the project in its entirety. The installed windows may stay.

and;

WHEREAS, Mr. Sala completed the project in its entirety on Friday, October 5, 2007; and

WHEREAS, Mr. Sala has requested that the DDA authorize payment of the grant originally approved by the DDA Board of Directors on June 14, 2006; and

WHEREAS, Mr. Sala's project has caused damages to the property owned by Ms. Joyce Sprunger at 120 North Main Street the property located to the North of Mr. Sala's property; and

WHEREAS, as a result of the damages caused during Mr. Sala's project to the neighboring structure, the DDA Board of Directors has withheld \$4,000 of funds previously approved form Mr. Sala until the situation with the neighbor could be rectified; and

WHEREAS, Mr. Sala has requested payment of the additional \$4,000; and

WHEREAS, the Downtown Development Director and the City Attorney have reviewed the DDA Site Assistance Program Guidelines and do not believe that the DDA maintains a legal right to withhold the funds from Mr. Sala as a result of the damages caused to private property by private individuals; and

WHEREAS, the Downtown Development Director and City Attorney are recommending payment of the remaining \$4,000 balance on the grant awarded to Mr. Sala.

NOW THEREFORE LET IT BE RESOLVED that the City of Adrian Downtown Development Authority Board of Directors concurs with the recommendation of the Downtown Development Director and City Attorney and hereby authorizes payment of the remaining \$4,000 balance on the Site Assistance Grant to Mr. Sala.

On motion by DDA Board Member Moore, seconded by Board Member Webb, this resolution was adopted by a 5 aye 2 nay vote.

**New Business- Discussion Items:**

DDA Director Hoffman informed the Board of his decision to resign from his position effective March 21, 2008. Mr. Hoffman has accepted a position with the Lenawee Intermediate School District.

Old Business: None

Other DDA Business Matters: None

Adjournment: 9:20am

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

ADRIAN D.A.R.T. PASSENGER RIDERSHIP REPORT FOR DECEMBER 2007

WEEK END:	DEC 7	DEC 14	DEC 21	DEC 28	DEC 31	TOTAL
MONDAY	407	269	305	125	162	1268
TUESDAY	391	295	348	0	0	1034
WEDNESDAY	366	337	317	265	0	1285
THURSDAY	345	335	345	298	0	1323
FRIDAY	305	349	351	256	0	1261
		1585	1666	944	162	6171

SERVICE DAYS	DEC 2007	DEC 2006	+/-	NOV 2007
	(20)	(20)		(21)

SENIORS	884	779	105	1020
HDCP SENIORS	932	1061	-129	1067
HANDICAPPED	2922	3002	-80	3064
WHEELCHAIRS **	129	204	-75	190
GENERAL	1433	1768	-335	1567
	6171	6610	-439	6718

JANUARY	2006	7056	2007	7633	8%
FEBRUARY	2006	7060	2007	6833	-3%
MARCH	2006	7748	2007	7656	-1%
APRIL	2006	6426	2007	6705	4%
MAY	2006	7061	2007	6778	-4%
JUNE	2006	6190	2007	6023	-3%
JULY	2006	5865	2007	5775	-2%
AUGUST	2006	6918	2007	6378	-8%
SEPTEMBER	2006	6328	2007	6071	-4%
OCTOBER	2006	7117	2007	7357	3%
NOVEMBER	2006	6597	2007	6718	2%
DECEMBER	2006	6610	2007	6171	-7%
		80976		80098	-1%

\*\* WHEELCHAIR TOTALS ARE INCLUDED IN HANDICAPPED PASSENGER TOTALS

M-3

**CITY OF ADRIAN**  
**COMMUNITY DEVELOPMENT WORK PROGRAM STATUS REPORT**  
**January 17, 2008**

**I. Land Use**

A. Planning Commission (A-CPC)

i. Casework

- a. February Mtg – Public Hearing – Amend Section 25.14 to allow beauty and barber shops as home occupations
- b. February Mtg – Public Hearing to consider revisions to Comp Plan
- c. February Mtg – Public hearings to consider amending the B-1 and B-2 Districts to include language for shopping centers
- d. February Mtg – Public hearing to consider revisions to Article XXX – Signs.
- e. February Mtg – Public hearing to consider eliminating work release facilities from the B-3 District
- f. February Mtg – Request joint meeting with Madison Charter Township Planning Commission. May attend 1/28/08 public meeting on approval of Township Land Use Plan
- g. February Mtg – Planning Commission to set public hearing to consider zoning exception permit for 730 Riverside. Request is for pharmacy to sell medical supplies/equipment per prescription
- h. Planning Commission to give recommendation on Capital Improvement Projects
- i. January Mtg – Planning Commission directed staff to draft language that would allow Admission House in the R-4 District as zoning exception.
- j. January Mtg – Planning Commission amended By-Laws
- k. December Mtg – Public hearing to consider adaptive reuse – 440 E. Church Street – Barnabas Mission – on hold pending development “homeless shelter” language.
- l. December Mtg - Public hearing to consider rezoning 440 E Church from B-1 and R-4 to B-1 Local Business -- on hold pending development “homeless shelter” language.
- m. December Mtg – Review Site Plan for Barnabas Mission, 440 E Church – on hold pending development of “homeless shelter” language.
- n. December Mtg – Staff to recommend to establish ad-hoc committee to address congregate living facilities and homeless shelters
- o. December Mtg – open case file and do research on mother-in-law apts.
- p. December – PC reviewed proposed language for student housing and directed staff to present this to Ad-Hoc Committee with changes – mtg scheduled for 12/6/07
- q. Revised site plan review for North Towne Commons – waiting on revised drawings
- r. Raisin Charter Township Land Use Plan – L Kettren volunteered as a representative of City to help township with this plan. Waiting for

- response from township.
- s. Work Release facility follow-up w/Jim Daly re: possible lawsuit. Discussions regarding procedures with City Attorney -- ongoing
- t. Discussion to resolve on-site drainage with Adrian College & City Engineer -- ongoing
- u. Land Division – 413 South Dean Street – waiting on survey
- v. Land Division – 402 S Tecumseh – waiting on application and survey
- w. Land Division – 715 Lakeshire – waiting on go-ahead from applicant
- x. Pre-meetings with Planning Commission chair & vice chair re agenda
- y. Bench Signs – working on inventory/locations and enforcement
- z. Attend Planning Commission meetings
- aa. Discussion with Siler Associates on amending Golden Corral site plan
- bb. Discussion on ordinance requirements for railroad property
- ii. Special Projects/Tasks
  - a. Steering Committee – Schedule meeting to review proposals
  - b. Rewrite Zoning Ordinance & setting up and attending Steering Committee meetings, ongoing
  - c. Form-Based Code Research, ongoing
  - d. Attend weekly staff meetings
  - e. Prepared and distributed Planning Commission Packets
  - f. Researching Smart Growth Readiness Assessment Tool
  - g. Discussions with JCC, Mike Masters, regarding student housing
  - h. Discussions with Anita Frederick regarding student housing
  - i. Respond to phone calls from Mike Ayre, Adrian College, regarding student housing issues
  - j. Sent reminder to Adrian College of unresolved issues with Baseball Stadium site plan. Need to be resolved before Certificate of Occupancy
  - k. Administrative approval given to Friendly Village Mobile Home Park for new maintenance building and picnic shelter.
  - l. Discussion and research on homeless shelters. First meeting of Ad-Hoc Committee will be 1/16/08
  - m. 702 E Maumee – discussed proposed use of bakery
  - n. 305 Dennis – discussed possible land division
  - o. 4152 W Maumee – discussed land area and setback with developer

## B. Board of Zoning Appeals (A-BZA)

- i. Casework
  - a. No February Mtg
  - b. January Mtg – Sign variance for Crossroads Plaza – withdrawn by petitioner
  - c. 521 Northwestern – waiting on variance application material
  - d. Attend ZBA Meeting
  - e. Pre-Meeting with ZBA Chair & Vice Chair regarding agenda
- ii. Special Projects
  - a. Rewrite Zoning Ordinance
  - b. Form-Based Codes research
  - c. Reviewing new Codified Zoning Ordinance for unclear language
  - d. Setting up and attending Steering Committee meetings
  - e. Research language on LEED Certification for lighted signs
  - f. Research other communities who have eliminated pole signs

## II. Downtown/Economic Development

### A. Downtown Development Authority (A-DDA)

- i. Design
  - a. DDA Façade Rehabilitation Program Administration – DDA Board Disposition – Project Administration
    - i. 132 North Main Street – Awaiting Project Completion
      - OPRA Exemption – Approved transmitted to State
      - Brownfield MBT Credits – Assisted Applicant with Part II application upon approval of Brownfield Redevelopment Plan
      - Federal Historic Tax Credit – Assisted Applicant/Architect with Phase I application – awaiting response from SHPO
      - Relocation of Public Dumpster – Authorized demolition by Slusarski Excavating (\$1,400)
    - ii. 113 W. Maumee Street – Received Applicant Prints/Awaiting Additional Construction Estimates  
Expected to be a \$500,000 full rehabilitation  
City Facilitation of Redevelopment Incentives
      - OPRA
      - DDA Façade
      - Public Infrastructure Covered Parking
      - Brownfield MBT Credit
      - Historic Tax Credits???
    - iii. Toledo Street South Municipal Parking Lot Dumpster Reconstruction Project – Receipt of Project Bids From Slusarski and Rock Hard Concrete
    - iv. Church Street Parking Lot Reconstruction Design  
Working with the City Engineer’s Department on Development of Prints and Supporting Bid Package
  - b. Redevelopment Incentive Programs – Property Owner Assistance and Review
    - i. 132 N. Main Street – see above (ongoing)
    - ii. 113 W. Maumee Street – see above (ongoing)
    - iii. 101-111 E. Maumee Street – OPRA Exemption Request, Brownfield Redevelopment Plan Authorization/Development, Negotiation with Developer over Eligible TIF Activities, Local Historic District Establishment (ongoing)
  - c. Discussions with Various Parties on Potential Development Opportunities
  - d. Farmer’s Market Discussion/Analysis – Capital Improvements
  - e. Downtown Wireless Network Discussion/Meetings – Request for Proposal Development
  - f. Two-Way Traffic Discussion with MDOT/URS, Inc. (ongoing)
- ii. Economic Restructuring
  - a. Site Assistance for Business Prospects/Local Realtors
  - b. See Projects Above
  - d. Environmental Assessment Work (various downtown properties)
  - e.
- iii. Promotions
  - a. Downtown Adrian Website Development/Management ([www.downtownadrian.org](http://www.downtownadrian.org)) - Significant Site Update per City Commission Strategic Planning Session
  - b. Downtown Advertising (cooperative) – working with Downtown Business Committee
  - c. Completion of Downtown Newsletter
  - d. Community Movie Program Work – (not specific to downtown)
  - e. Art-A-Licious Festival Planning
  - f. Downtown Business Guide – 2008 Development

- iv. Organization
  - a. VSCI Grant Application – Formal Application Process  
Environmental Review Process
  - c. Historic District Study Committee Work
  - d. Downtown Capital Improvements Plan (ongoing)
  - e. Administration of Parking Validation Program (ongoing)

**B. Economic Development/Redevelopment**

- 1. Brownfield Redevelopment Authority (A-BRA)
  - i. 136 North Main Street (Proposed Site #3) – City Commission approved Brownfield Plan on 11/19/07. On-site structures have been demolished.
  - ii. 1130 North Main Street (Proposed Site #4) – City Commission approved Brownfield Plan on 11/19/07. On-site structures have been demolished.
  - iii. Act 381 Reauthorization – House Bills 4711/12 and Senate Bills 534/539 were approved by Michigan Legislature and signed into law as Acts 210-203 of 2007. CD staff and the Mayor were involved in this effort.
  - iv. Adrian Silos – MDEQ has approved City request to use an additional \$91,000 for such work. Staff is currently awaiting proposals from project contractor.
  - v. Buckeye Products –Above-grade demolition was completed on 12/21/07. CD staff is assisting with recommending corrective action completion/duel care requirements, procedure, and timing
- 2. GAIDC/Local Development Finance Authority (A-LDFA)  
Proposal was submitted to GAIDC Board on 10/24 to dissolve GAIDC and transfer its land and cash assets to the Adrian LDFA. Discussion and action on the formal resolution will occur at next GAIDC meeting, tentatively planned for on or about 2/1/08.
- 3. Commercial/Industrial Development Assistance
  - i. GAIDC – Adrian Industrial Park  
Negotiations continuing with three (3) prospects

**III. Housing/Historic Preservation**

- A. Neighborhood Enterprise Zones (NEZ)
  - i. Two (2) applications sent to Michigan Tax Commission for Approval
- B. MSHDA Programs
  - i. Property Improvement Program (PIP)
    - a. No applications at this time
  - ii. Downtown Rental Rehab (DRRH)
    - a. Four (4) projects were completed (5 MSHDA units created)
    - b. Four (4) of the five (5) MSHDA units are occupied
    - c. \$40,000 of the grant was not expended – will be returned to MSHDA
- C. County CDBG Allocation 2005-2007

- i. Total Projects completed
  - a. Grant complete
  - b. 21 Projects completed
    - Adrian – 10 Hudson – 3 Madison – 5 Morenci – 2 Tecumseh - 1
  - c. Total dollars expended - \$332,138.00
    - \$246,000 – CDBG \$      \$86,138 – Program Income
- D. 2008-2009 CDBG Application has been submitted to MSHDA
- E. Request for permission to submit Rental Rehabilitation Grant application

M-4

**DEPARTMENTAL REPORT**

**JANUARY 2008**

	<b>DECEMBER 2007</b>	<b>NOVEMBER 2007</b>	<b>DECEMBER 2006</b>	<b>YEAR-TO-DATE 2007</b>	<b>YEAR-TO-DATE 2006</b>
<b>POLICE DEPARTMENT</b>					
Complaints Answered	817	877	901	11,729	12,041
<b>VIOLATIONS</b>					
Moving Citations	99	108	110	1,835	2,413
3-6 am Parking Tickets	153	323	142	2,001 *	2,372
Misc. Parking Tickets	0*	0*	0	0 *	0
Non-Moving Citations	2	6	12	164	12
Downtown Parking Tickets	0	386	0	6,094	0
<b>TOTAL VIOLATIONS</b>	<b>254</b>	<b>823</b>	<b>264</b>	<b>10,094</b>	<b>4,797</b>
<b>ARRESTS</b>	<b>133</b>	<b>123</b>	<b>103</b>	<b>1,745</b>	<b>1,523</b>
(*3-6am Parking Tickets and Misc Parking Tickets are now a combined total)					
<b>FIRE DEPARTMENT (See M-4)</b>					
<b>INSPECTION DEPARTMENT</b>					
Building Permits	40	87	25	648	510
Electrical Permits	30	25	20	379	408
Mechanical Permits	29	32	21	326	401
Plumbing Permits	6	10	6	108	138
Sidewalk Permits	0	1	0	38	29
Sign Permits	4	4	3	99	109
<b>TOTAL PERMITS</b>	<b>109</b>	<b>159</b>	<b>75</b>	<b>1,598</b>	<b>1,595</b>
Estimated Bldg. Costs	\$1,730,141	\$1,048,913	\$702,366	\$12,552,945	\$19,909,257
<b>PARKING SYSTEM</b>					
Meters in Operation	232	232	232	-	-
Parking Assessment	\$0	\$0	\$4,283	\$26,147	\$4,283
Lot Revenue	\$316	\$736	\$0	\$17,428	\$12,875
Street Revenue	\$0	\$0	\$0	\$0	\$0
Misc. Revenue	\$89	(\$81)	\$5	\$39	\$46
Permits	\$288	\$625	\$1,600	\$40,115	\$25,870
Fines	\$420	\$2,390	\$6,727	\$37,372	\$8,390
Token Sales	\$0	\$0	\$0	\$0	\$0
Contribut-GenFund	\$0	\$0	\$0	\$6,000	\$34,375
<b>TOTAL REVENUE</b>	<b>\$1,112</b>	<b>\$3,670</b>	<b>\$12,615</b>	<b>\$127,100</b>	<b>\$85,839</b>
<b>WASTE WATER DEPARTMENT</b>					
M. G. Pumped	188.607	138.547	180.906	1,852.537	2,035.937
Cost of Plant Operation	*	\$305,267	\$292,500	\$3,631,548	\$3,199,121
<b>WATER DEPARTMENT</b>					
M. G. Pumped	84	83	79	1,071	901
Number of Customers	6,316	6,333	6,400	-	-
	<b>Industrial</b>	<b>Commercial</b>	<b>Residential</b>	<b>Other</b>	<b>TOTAL</b>
M. G. Sold Revenue	\$21,243	\$66,175	\$86,435	\$48,389	66,517 \$222,242

\*Figure not available

m-5

### FIRE REPORT

Month of December, 2007

	This Month	Last Month	Last Year	To Date This Year	To Date Last Year
Structure Fires	1	2	1	24	26
Loss	\$0	\$2,500	\$890,000	\$126,350	\$1,098,250
Vehicle Fires	0	2	1	9	7
Loss	\$0	\$0	\$0	\$7,350	\$7,050
Other Fires	1	0	3	17	19
Loss	\$0	\$0	\$0	\$1,000	\$1,000
Smoke & Odor	4	3	6	51	61
False Alarms	3	6	10	126	126
Hazardous Conditions	10	12	10	95	95
Other	12	9	8	162	162
Medical Emergencies	136	101	147	1505	1505
Vehicle Accidents	5	5	3	93	111
Total Runs	172	140	189	2,208	2258
Total Fire Loss	\$0	\$2,500	\$890,000	\$131,450	\$1,102,550

\*Year to date total reflects total number of calls in 2006.