

CITY COUNCIL  
WORK SESSION AGENDA  
TOWN HALL CONFERENCE ROOM  
Tuesday, September 7, 2010  
6:00 PM – 6:45 PM

**A. Open Discussion**

**B. Future Work Sessions**

September 20, 2010- No work session  
October 4, 2010 – No Work session  
October 18, 2020 - Fund Reserve Policy

**C. Future Work Session Topics**

Possible Topics:

- Historic District Ordinance
- Council Rules
- Department operations and tours
- Investment Policy
- Revised FOIA Policy
- Revised Conflict of Interest Policy

**D. Other Items**

# MARSHALL CITY COUNCIL AGENDA

TUESDAY – 7:00 p.m.

SEPTEMBER 7, 2010

## HISTORIC MARSHALL

MAYOR: Bruce Smith

### COUNCIL MEMBERS

Ward 1 – James Dyer  
Ward 2 – Mark Weinger  
Ward 3 – Brent Williams  
Ward 4 – Ryan Traver  
Ward 5 – VACANT  
At-Large – Kathy Miller

- 1) CALL TO ORDER
- 2) ROLL CALL
- 3) INVOCATION – Dennis Croy, Marshall Wesleyan Church
- 4) PLEDGE OF ALLEGIANCE
- 5) APPROVAL OF AGENDA -- Items can be added or deleted from the Agenda by Council action.
- 6) PRESENTATIONS AND RECOGNITIONS
- 7) INFORMATIONAL ITEMS
  - A. Event Reports – Blessing of the Animals

City Manager Tarkiewicz will provide an update on the Blessing of the Animals event to be held in Carver Park on Sunday, October 3, 2010.
- 8) PUBLIC COMMENT ON AGENDA ITEMS -- Persons addressing Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of five (5) minutes on any agenda item.
- 9) PUBLIC HEARINGS AND SUBSEQUENT COUNCIL ACTION
- 10) OLD BUSINESS
- 11) REPORTS AND RECOMMENDATIONS
  - A. Wastewater, Water and Electric Cost of Service and Rate Design Studies

Approve the attached resolution accepting the proposal to provide Water and Wastewater Cost of Service and Rate Design Studies by Utility Financial Solutions at a not-to-exceed cost of \$17,700 and the proposal to provide Electric Cost of Service and Rate Design Study by Courtney and Associates at a not-to-exceed cost of \$25,000 and to authorize Sandra Bird, Clerk-Treasurer to sign the respective proposals and contract agreements.
  - B. Council Meeting Time Change

City Council will consider the recommendation to reschedule the time for the September 20, 2010 Council Meeting to 5:00 p.m.
  - C. Zarzuela Liquor License Request

City Council will consider the recommendation to approve the resolution to issue the Class C Liquor License to Zarzuela, LLC located at 301 East Michigan Avenue.
- 12) APPOINTMENTS / ELECTIONS
  - A. City Council Ward 5 Appointment

City Council will discuss filling the vacancy of the Ward 5 Council Seat.
- 13) CONSENT AGENDA
  - A. Set Public Hearing - Mor-Dall Enterprises IFT Application

City Council will consider the recommendation to schedule a public hearing for Monday, September 20, 2010 to hear public comment on the proposed Industrial Facilities Tax Exemption Certificate for Mor-Dall Enterprises (Dark Horse Brewery).

MAYOR: Bruce Smith

COUNCIL MEMBERS:  
Ward 1 - James Dyer  
Ward 2 - Nick Mingo  
Ward 3 - Brent Williams  
Ward 4 - Ryan France  
Ward 5 - VACANT  
At-Large - Randy Miller

**B. Set Public Hearing – Vacate a Portion of Warren Street**

City Council will consider the recommendation to schedule a public hearing for Monday, September 20, 2010 to hear public comment on the vacation of a portion of Warren Street.

**C. Personnel Policy Manual Amendments**

City Council will consider the request to approve the revisions to Section 2.05 of the Personnel Policy manual – Workplace Violence.

**D. City Council Minutes**

Work Session..... Monday, August 16, 2010  
Regular Session..... Monday, August 16, 2010

**E. City Bills**

Regular Purchases.....\$326,977.32  
Purchased Power.....\$876,188.48  
Weekly Purchases – 8/13/10.....\$22,544.81  
Weekly Purchases – 8/20/10.....\$117,315.88  
Weekly Purchases – 8/27/10.....\$340,260.64  
**Total.....\$1,683,287.13**

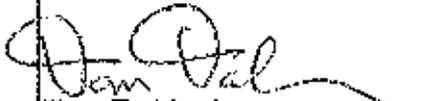
**14) PUBLIC COMMENT ON NON-AGENDA ITEMS**

Persons addressing Council are required to give their name and address for the record when called upon by the Mayor. Members of the public shall be limited to speaking for a maximum of five (5) minutes on any item not on the agenda.

**15) COUNCIL AND MANAGER COMMUNICATIONS**

**16) ADJOURNMENT**

Respectfully submitted,

  
Tom Tarkiewicz  
City Manager

## EVENT REPORT

**EVENT:** Blessing of the Animals

**EVENT LOCATION:** Carver Park

**SPONSOR:** Wendy Nash

**EVENT DATE:** Sunday, October 3rd

**EVENT TIMEFRAME:** 2pm

**MDOT PERMIT REQUIRED:** YES  NO

**MDOT PERMIT GRANTED:** YES  NO

**ROAD CLOSURE TIMEFRAME:** none

**EVENT CLOSURE DETAIL:** None

**DETOUR DETAIL:** No posted detour.

**EVENT DETAIL:** The blessing of the animal's event invites you to bring your animals or pictures of your animals to Carver Park to be blessed during a simple service.

**COUNCIL NOTIFICATION DATE:** September 7, 2010

## Events Request

when: Sunday, 3 October, 2pm

where: Carver Park

what: Blessing of the Animals

Blessing of the Animals was a yearly event for our church and it hasn't happened since my mom passed away. I would like to have a city wide Blessing in her memory and especially include the animals affected by the oil spill (wildlife and domestic). We would invite people to bring their pets OR photos of pets and other animals to be blessed at a simple service in the park.

Thank you,

Wendy Nash

781.3235

in memory of Wanda Nash

in honour of St. Francis

in celebration of all animals

# City of Marshall



323 West Michigan Avenue • Marshall, MI 49068-1578 • Phone (269) 781-5183 • FAX (269) 781-9835

## ADMINISTRATIVE REPORT September 7, 2010 - CITY COUNCIL MEETING

**REPORT TO:** Honorable Mayor and City Council

**FROM:** Sandra Bird, Clerk-Treasurer  
Tom Tarkiewicz, City Manager

**SUBJECT:** Wastewater and Water Cost of Service and Rate Design Studies  
Electric Cost of Service and Rate Design Study

**BACKGROUND:** During the FY 2010 financial/budget forecast and reserve fund analysis work sessions, Administration reviewed with Council the need for conducting utility rate studies for the Wastewater, Water and Electric Funds. Council approved the funding for these studies in the FY 2011 Adopted Budget. Within the industry it is recommended a rate study be conducted every three-five years. The last rate studies were done in 2005.

The City received three (3) RFP responses from the following:

	<u>Wastewater/ Water Studies</u>	<u>Electric Study</u>
Mark Beauchamp, Utility Financial Solutions	\$17,700	\$16,200
John Kaczor, Municipal Analytics	16,250	24,850
John Courtney, Courtney and Associates	20,000	<del>25,000</del>

The Electric study was prepared separately from the Wastewater/Water study due to the unique rate and cost structure compared to the Wastewater and Water utilities. The cost for the Wastewater/Water study is below the required formal bid process and normally would require informal competitive quotes. However, Section 2-146 of the Purchasing Code allows for exceptions for the employment of professional services. Further, any such contract must be authorized by the City Council by resolution.

Administration feels Utility Financial Solutions is an excellent fit for the Wastewater/Water study as they performed the studies in 2005. Administration feels Courtney and Associates is the best fit for the Electric study as they provided continual consulting work over the past few years and have a thorough understanding of industry's purchasing power cost method. Municipal Analytics was referred by the City's auditors, and their proposal meets the project scope; however, Administration prefers to work with professionals who have prior experience and familiarity with the City for these projects.



When complete, the City will receive a five-year cash flow projection and rate design to support these projections. It will take into consideration future capital improvements, as well as normal operations. Above all, it will allow Council and Administration time to assess the impact, if any, to the customer base.

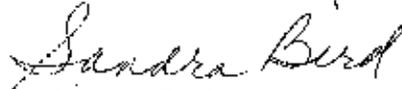
Attached for your review is a copy of the proposal from Utility Financial Solutions to provide the Wastewater and Water Cost of Service and Rate Design Studies and a copy of the proposal from Courtney and Associates to provide the Electric Cost of Service and Rate Design Study. The Wastewater Fund has \$8,500 budgeted for the study, the Water Fund has \$8,500 and the Electric Fund has \$25,000.

**RECOMMENDATION:** Approve the attached resolution accepting the proposal to provide Water and Wastewater Cost of Service and Rate Design Studies by Utility Financial Solutions at a not-to-exceed cost of \$17,700 and the proposal to provide Electric Cost of Service and Rate Design Study by Courtney and Associates at a not-to-exceed cost of \$25,000 and to authorize Sandra Bird, Clerk-Treasurer to sign the respective proposals and contract agreements.

**FISCAL EFFECTS:** To appropriate \$8,850 from the Wastewater Fund Professional Services budgeted line item 590-539-801.00 for the proposed contract services of Utility Financial Solutions, appropriate \$8,850 from the Water Fund Professional Services budgeted line item 591-539-801.00 for the proposed contract services of Utility Financial Solutions and appropriate \$25,000 from the Electric Fund Professional Services budgeted line item 582-539-801.00 for the proposed contract services of Courtney and Associates.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

  
Sandra Bird  
Clerk-Treasurer

  
Tom Tarkiewicz  
City Manager

CITY OF MARSHALL, MICHIGAN  
RESOLUTION #2010-

**RESOLUTION TO APPROVE UTILITY COST OF SERVICE AND RATE DESIGN  
STUDIES FOR THE WASTEWATER, WATER AND ELECTRIC FUNDS**

**WHEREAS**, it is recommended that utility rate studies be conducted every three-five years; and

**WHEREAS**, the last utility rate studies were done in 2005; and

**WHEREAS**, it is the desire of Administration to take a proactive approach in preparation for the FY 2012 budget when it comes to projecting revenue resources available to support the operations; and

**WHEREAS**, Section 2-146 of the Purchasing Code allows sole sourcing for professional services; and

**WHEREAS**, this is a budgeted expense in all the funds and will not require budget amendments for FY 2011.

**NOW, THEREFORE, BE IT RESOLVED** that Utility Financial Solutions be awarded a contract to provide comprehensive water and wastewater cost of service and rate design studies for the City of Marshall at a not-to-exceed cost of \$17,700 and that Courtney and Associates be awarded a contract to provide a comprehensive electric cost of service and rate design study at a not-to-exceed cost of \$25,000.

AYES:

NAYS:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Sandra Bird, Clerk-Treasurer

I hereby certify that the foregoing constitutes a true and complete copy of the resolution adopted by the City Council of the City of Marshall, County of Calhoun, Michigan at a regular meeting held on September 7, 2010.

\_\_\_\_\_  
Sandra Bird, Clerk-Treasurer

## COURTNEY & ASSOCIATES

### *Public Utility Consultants*

1016 North Blanchard Street, Suite A

P.O. Box 676, Findlay, Ohio 45839

Tel (419) 425-2719

Fax (419) 425-2118

August 24, 2010

Ms Sandy Bird  
Clerk-Treasurer  
City of Marshall  
323 West Michigan Avenue  
Marshall, Michigan 49068

Subject: Proposal to Prepare an Electric Cost of Service and  
Rate Design Study for the City of Marshall, Michigan

Dear Ms. Bird:

In response to your request, we are pleased to submit this proposal to prepare an Electric Cost of Service and Rate Design Study (Study) for the City of Marshall, Michigan (City). Set forth below is an outline of the scope of services to be provided in connection with the Study and our proposed fee for providing those services.

#### Purpose of Study

Essential to sound fiscal management of any municipal utility are the rates and charges for the services provided. Increasing power supply costs, expansion requirements, inflation, service demands and competition present increasing challenges and opportunities to municipal utilities in developing and administering fair and equitable utility rates.

The purpose of this Study will be to develop electric rates and charges which properly reflect the functionalized (unbundled) cost of providing service, taking into consideration any stranded or transitional costs which the City may incur as the electric industry moves towards competition at the retail level. Such rates are to be designed to provide adequate revenues that will enable the City's electric operations to continue to be maintained in excellent operating condition and provide adequate and reliable service, and maintain the City in a sound, stable fiscal position with fair and equitable rates to its customers.

Scope of Services

In summary, the Study will consist of achieving the following assignments:

1. Acquisition, review and verification of historical billing, operating and financial data for the electric department;
2. Preparation of a four (4) year projection of electric revenue requirements and electric revenues at current rates;
3. Preparation of a functionalized cost-of-service analysis to identify, to the extent practical, the unbundled cost of serving each customer class;
4. Preparation of detailed electric rate schedules, including terms and conditions of service; and
5. Comparison of proposed rates to existing rates and rates of adjacent utilities.

The final results of the Study, along with our recommendations, will be summarized in a written report (Final Report) and presented to the City Council for consideration. In addition to the Final Report, the Study will also include development of several computer models for analyzing and projecting operating and financial data and for rate calculations. These computer models will be provided in spreadsheet format and can be utilized by the City's staff in future electric rate analyses.

As outlined below, we propose that the Study be performed in five (5) phases in order to facilitate involvement and input from the City's designated representatives with respect to our evaluations and recommendations. The proposed phases are categorized as follows:

- (1) Data Acquisition and Verification
- (2) Revenue Requirements
- (3) Cost of Service
- (4) Rate Design
- (5) Final Report

### Data Acquisition and Verification

The purpose of this phase of the Study will be to acquire and verify the basic data necessary for the Study. In order to ensure the proper interpretation and incorporation of the basic data into our detailed analyses, we would perform the following tasks:

- (1) Identify basic data needs for the Study;
- (2) Review data needs and available data with staff;
- (3) Perform certain analyses in order to verify the accuracy of the data acquired; and
- (4) Review various reports and other documents relating to the water and sewer operations, including but not limited to current rate structures, outstanding bond issues, ordinances relating to the water and wastewater departments and capital construction plans for the water and wastewater departments.

It should be noted that, when possible, our preference is to obtain the prior twelve (12) months billing data directly from the City's billing system. For purposes of this proposal, it is assumed that this data can be extracted from the billing system in a suitable format. The fee estimate contained in this proposal is based on that assumption.

In order to expedite this phase of the Study, following submittal of our initial request for data we will travel to Marshall to review and analyze the available data. We anticipate this phase will be completed approximately two (2) weeks following your authorization to proceed.

### Revenue Requirements

This phase will include a review of the historical revenue requirements for the electric department. Based on that review, as well as a review of the current budget and input from the City's staff and other source documents relating to future operating, debt service and capital improvement needs, we will prepare a four (4) year projection of future revenue requirements. This projection will establish the anticipated expenses as well as the target revenues to be provided by future rates. This phase will also include a recommendation regarding the appropriate level of cash reserves for the electric department.

We anticipate completing this phase and reviewing the results with the City staff approximately four (4) weeks following completion of the Data Acquisition and Verification phase.

### Cost of Service

This phase will consist of the preparation of a functionalized class cost-of-service analysis to determine, to the extent practicable, the unbundled cost of serving each of the various customer classes. This analysis will involve an allocation of the functionalized expenses to the various customer classes and will identify any stranded or transitional costs which the City may incur as a result of the movement toward retail competition. Consideration will be given to the cost of meeting peak rates of usage as well as average rates of usage. In particular, we will review the City's power supply arrangements to determine the proper method of allocating power supply related costs. We anticipate that power supply costs will represent more than two-thirds of the City's projected revenue requirements and, as such, will have a significant impact on the cost of service results. The cost-of-service results will be compared to the revenue distribution at current rates in order to determine the distribution of future revenue adjustments.

We anticipate that the cost-of-service results would be reviewed with the City staff approximately four (4) weeks following completion of the Revenue Requirements phase.

### Rate Design

The purpose of this phase of the Study is to evaluate and develop pricing methods and structures which will result in equitable rates and ensure that:

- (1) Recognition is given to the functionalized cost of providing service to the various customer classes and customers within each class;
- (2) Rates and charges are competitive with those of other area utilities; and
- (3) Proper price signals are sent to consumers.

This phase will include the following tasks:

- Develop and evaluate rates which reflect the unbundled cost of providing service (power supply, transmission and distribution).
- Compare the proposed rates to existing rates and, where applicable, to those charged by adjacent utilities.
- Present the results together with the recommendations for review and comments by the City staff.

August 24, 2010

In this phase, we anticipate utilizing twelve (12) months of actual billing data to calculate revenues under present and proposed rates on a customer class basis. To the extent that sufficient data is available, alternative rate forms such as seasonal, time-of-use, interruptible, institutional and governmental rates, and their applicability, will also be considered.

The benefits and merits as well as the disadvantages and impact of these rate design alternatives will be evaluated and discussed with the City. We anticipate the Rate Design phase will be completed and presented to the City approximately four (4) weeks following completion of the Cost of Service phase.

### Final Report

The results of our Study, incorporating comments and input from the City, will be presented to the City in the Final Report. We will also provide copies of the computer models developed for the Study which can be used to analyze operating and financial data. These models will be provided in spreadsheet format and will include historical and projected sales/revenues, power supply requirements/costs, revenue requirements, operating results and the cost of service model. These models can be updated periodically to assess the need for future rate adjustments.

We anticipate presenting the Final Report approximately four (4) months following authorization to proceed. This estimate assumes timely response to requests for data and receipt of comments from the City.

### Qualifications and Experience

Courtney & Associates is a public utility consulting firm which specializes in providing professional services to publicly owned utilities in the areas of planning, operation and management, financing, rates and feasibility analyses. Courtney & Associates has prepared numerous electric rate and cost of service analyses similar to that proposed herein for other municipally-owned electric systems, including the cities of Hudson, Tipton City, Wapakoneta, and Westerville, Ohio and Harbor Springs, Michigan. A copy of our firm's Statement of Qualifications, which includes with the resumes of key personnel that would be assigned to the project, and a list of references is enclosed with this proposal.

### Compensation

We propose that the services set forth above be provided on a time and expense basis for a not-to-exceed fee of \$25,000. Invoices would be rendered at the end of each month for time expended at standard billing rates, plus all out-of-pocket expenses associated with providing the services. Our fee includes five (5) trips to Marshall and providing fifteen (15) copies of the Final Report. Should additional trips or additional

Page 6  
Ms. Bird

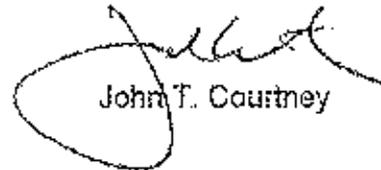
August 24, 2010

copies of the Final Report be requested, those services would be provided on a time and expense basis billed at our standard billing rate.

\* \* \* \* \*

We appreciate the opportunity to assist the City of Marshall in this important matter and we are available to discuss this proposal with you or to provide any supplementary information you may require.

Respectfully submitted,



John T. Courtney

arspropmarshalf

**ELECTRIC RATE STUDY  
REFERENCES  
FOR  
COURTNEY & ASSOCIATES**

MUNICIPALITY	CONTACT
City of Hudson, Ohio	Ms. Priscilla Blanchard Public Works Director 1769 Georgetown Rd. Hudson, Ohio 44236 (330) 342-1711
Village of Tipp City, Ohio	Mr. Richard Drennen Finance Director 260 S. Garber Drive P.O. Box 188 Tipp City, Ohio 45371 (937) 667-8424
Village of Wapakoneta, Ohio	Mr. Bill Rains Safety-Service Director 701 Parlette Court Wapakoneta, Ohio 45895 (419) 738-3011
City of Westerville, Ohio	Mr. Andrew M. Boatright, Manager Westerville Electric Division 139 East Broadway Westerville, OH 43081 (614) 901-6703
City of Harbor Springs, Michigan	Mr. Ron McRae City Clerk/Comptroller PO Box 678 160 Zoll Street Harbor Springs, MI 49740 (231) 526-2104

Courtney & Associates

**ESTIMATED MAN-HOURS  
TO PREPARE  
AN  
ELECTRIC  
COST OF SERVICE  
AND  
RATE DESIGN STUDY  
FOR  
MARSHALL, MICHIGAN**

Line No.	Description	Professional Services*	Technical Services*	Office Services
1	Data Acquisition & Verification	20	30	30
2	Revenue Requirement Analysis	20	20	10
3	Cost of Service Analysis	20	30	0
4	Rate Design	35	45	0
5	Final Report	15	15	10
6	TOTALS	110	140	50

\* Includes allowance for travel time at 50% of actual time.

**COURTNEY & ASSOCIATES**  
**STANDARD BILLING RATES**  
 (Effective January 1, 2010)

Description	Rates
Professional Services	\$ 125.00 per hour
Technical Services	65.00 per hour
Office Services	25.00 per hour
Reimbursable Expenses:	
Reproduction and Copying	\$ 0.10 per copy
Mileage	\$ 0.50 per mile
Travel	*
Miscellaneous	*

\* These items will be billed at actual out-of-pocket costs.

**CITY OF MARSHALL**  
**PROPOSAL FOR WATER and WASTEWATER**  
**COST OF SERVICE and**  
**RATE DESIGN STUDY**  
**August 27, 2010**





August 22, 2010

Mrs. Sandra Bird  
Finance Director  
City of Marshall

Dear Mrs. Bird:

We are pleased to submit a proposal to provide a Water and Wastewater cost of service, long-term financial projection, rate design and rate impact of capital improvement program for the City of Marshall Water and Wastewater Department. Our proposal is based on your request for proposal and our prior experience working with the City of Marshall and other Michigan Water and Wastewater utilities.

Utility Financial Solutions (UFS) will provide you with the highest quality service within an agreed-upon timeframe and has the personnel available to meet your needs. The study will take approximately 12 weeks to complete after receipt of requested information.

UFS has a long standing relationship and history of assisting utilities with financial analysis and are recognized experts in the utility field. Our group and the project team assigned to this engagement are composed of highly qualified, experienced, and knowledgeable professionals who remain current on all issues facing power districts and municipal utilities. We are regularly requested speakers at seminars at regional and national levels including the American Public Power Association, American Water Works Association and numerous municipal utility agencies in various states. We are instructors for the basic, intermediate and advanced electric cost of service courses and financial planning courses offered through the American Public Power Association.

Utility Financial Solutions experience includes serving as expert witnesses on rate issues and delivering testimony and depositions to legal & regulatory agencies. Our financial and engineering expertise resulted in Utility Financial Solutions providing high level rate services to other firms when rate issues become complex and exceed the normal scope. We have provided these services to a number of national engineering and accounting firms including; Black & Veatch, Plante & Moran, Red Oak Consulting and regional civil engineering firms around the nation.



Mrs. Sandi Bird  
Page Two

UFS would like to be a resource to you for many years in the future. Our success is dependent on the quality and timeliness of the services provided to utilities. We are committed to the City of Marshall's complete satisfaction. Our prior experience in providing the requested services allows us to conduct a cost effective and efficient rate study.

Our proposal includes completion of the following tasks:

- Development of Cost of Service
- Rate design study for test year
- Development of long-term financial plan
- Debt service compliance
- Identification of minimum cash reserves levels for the utility
- Rate comparison survey
- Presentation to Management
- Presentation to City Council

Our proposal is structured in the following sections:

- A. Understanding project requirements
- B. Proposed work plan and project approach
- C. Project team qualifications
- D. Firm qualifications
- E. Project schedule
- F. References for similar projects
- G. Project fees
- H. Example Report can be provided upon request

We appreciate the opportunity to submit this proposal and look forward to discussing it with you. If you have questions or need additional information, please contact me at 616-393-9722.

Sincerely,

Utility Financial Solutions, LLC

A handwritten signature in black ink that reads "Mark Beauchamp". The signature is written in a cursive style with a long, sweeping tail on the "p".

Mark Beauchamp  
CPA, MBA, CMA  
185 Sun Meadow Ct  
Holland, MI 49424  
(616)393-9722

## TABLE OF CONTENTS

---

Understanding of Project Requirements	1
Proposed Work Plan and Project Approach	4
Financial Projection	8
Rate Design	9
Qualifications	10
Office Locations	18
Project Schedule	19
References	20
Project Fees	21



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### UNDERSTANDING OF PROJECT REQUIREMENTS

The City of Marshall provides water and wastewater services to residential, commercial and industrial customers in the City and surrounding area. The City is requesting a comprehensive cost of service study, long term financial projection model and design of water and wastewater rates. The City of Marshall is requesting the following tasks to be included in the scope of services listed on the following pages:

1. Review Relevant Reports
  - Review current rate structures
  - Review outstanding bond issuances
  - Review ordinances related to water and wastewater department
  - Review capital construction plan for water and wastewater department
  - Review administrative allocations
2. Cost of Service Analysis
  - Determination of revenue requirements
  - Provide long-range financial model with the ability to modify expenditures, debt service, growth projections and financing alternatives
  - Review and forecast sales and revenues
  - Develop allocation factors for each expenditure item
  - Determine cost of service for customers
  - Determine appropriate equipment replacement funding
  - Provide guidance and recommendations on appropriate cash reserves and target net (operating) income for the utility
  - Provide rate comparison survey to compare City of Marshall rates with area communities
  - Work with utility management and Council in the design of utility rates
3. Provide 15 copies of final study when completed
4. We will provide all personnel and equipment to accomplish the study

## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### UNDERSTANDING OF PROJECT REQUIREMENTS

In addition to the objectives and tasks listed above, our proposal will be designed to meet the following objectives:

#### 1. Cost of Service Study

- Complete a comprehensive water and wastewater cost of service study to identify the cost of providing service to each customer class of the water and wastewater department and compare the cost of service with the current revenues anticipated from each class of customers
- Review each rate class and provide assistance on identifying the need for new rate classes
- Identify surcharge rates for customers
- Identify the cost to provide service to water and wastewater customers located outside the city limits

#### 2. The utility rates will be separated and the following determined.

- Monthly (customer) meter charges
- Commodity charges broken down by season

#### 3. Long Term Financial Projection

- Development of five year financial projection
- Development of five year rate track
- Incorporate changes in capital costs and impact changes may have on water and wastewater charges for customers
- Incorporate debt covenants into financial projection including any SRF funding requirements

#### 4. Development of Financial Targets

- Minimum cash reserve levels
- Annual funding of repair and replacement of infrastructure
- Target Operating Income levels
- Minimum Debt Coverage calculations

#### 5. Identification of future bonding requirements

#### 6. Review utility rate classes and recommend additional rate classes or alternative rate forms for existing customer classes. (i.e. Net Metering)

- Discuss with management the current rate tariffs offered to customers and if any additional rate offerings are anticipated
- Modify the cost of service program to incorporate future potential rate offerings



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### UNDERSTANDING OF PROJECT REQUIREMENTS

**7. Review results of study to management and be available for additional presentations if requested.**

- We will review the results to management on a conference call
- The executive summary of the report will include the detailed results and recommendations for review with staff
- Presentation to City Council
- We will be available for additional presentation if requested by management.

**8. Development of Rate Designs.**

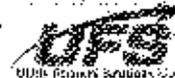
- We will develop rates based on cost of service results, discussions with management and city council

**9. Development of Rate Survey**

- We will develop a rate survey using a minimum of four specific utilities as requested by the City

**10. Completion of Study prior to February 1, 2011**

- A timeline will be developed during the initial meeting to complete the study prior to February 1, 2011



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### PROPOSED WORK PLAN AND PROJECT APPROACH

Our approach to this project was developed to meet the objectives of the City and is based on the City's request for proposal and our prior experience working with the City of Marshall and water and wastewater utilities around the nation. Our proposed work plan is designed to meet the requirements and methodologies established in the industry. The following section of our proposal includes the Technical Approach/Work Plan and includes the following sections:

- Preliminary Tasks to Complete Study
- Development of water and wastewater Cost of Service Model
- Development of surcharge Rates
- Reports
- Meetings and Presentations
- Deliverables

#### Preliminary Tasks

##### Task One - Review of Relevant Reports

Review of certain reports is necessary to ensure the models are established to fit the specific requirements of the City. Listed below are examples of reports to obtain and review.

- Outstanding bond issues and specific bond covenants
- Monthly financial, operating and maintenance reports including EPA and MDEQ reports
- Rate schedules and any special contracts

##### Task Two - Collect and Verify Data

Meeting with utility management is critical to ensuring the final reports will meet the objectives of the City and the information request prepared by Utility Financial Solutions is understood. The specific objectives of the meeting will be to identify and

Clarify the scope of services and specific expectations of management

- Review billing system capabilities for providing the information necessary for the cost of service analysis.
- *We will complete one revenue proof to reconcile revenues received compared with calculated revenues from billing system, if significant variations exist additional information will be requested for review by City staff*
- Review chart of accounts and determine strengths and weaknesses and its consistency with utility accounting practices
- Discuss with management the strengths and weaknesses of determining utility revenue requirements using a utility basis vs. cash basis



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

---

### PROPOSED WORK PLAN AND PROJECT APPROACH

---

- Discuss anticipated changes in operations
- Review of capital improvement program
- Additions or losses of major customers

#### Task Three -- Preparation of Data Request

Based on discussion with management and staff, we will prepare an information request that will include the necessary information to complete the study. Listed below are specific reports that will be requested:

- Customer billing and usage statistics by month for latest fiscal year
- Monthly EPA and MDEQ reports for water and wastewater treatment plant
- Trial balances for latest two years
- Audited financial statements for the latest three years
- Debt service schedules
- Current work-in-process
- Five-year capital improvement plan

#### Develop Test Year Sales and Power Requirements

Through review of historical sales, we will project future sales, number of customers, peak demand requirements of water treatment plant and revenue derived from projected sales. As part of this process, we will discuss with staff potential capital improvement program and impacts on operating costs of water and wastewater system.

#### Develop Test Year Revenue Requirements

Revenue requirements and the cost of service analysis will be completed on the embedded cost of service basis using a base year adjusted for known changes in expenses. Listed below are specific tasks that will be completed:

- **Expenses**  
We will review expenses over the past three years and discuss with management significant changes and exclude any non-recurring expenses from the test year projection.
- **Debt Service**  
Based on review of bond issues and debt service schedules, the principal and interest expense will be identified and incorporated into the analysis.



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### PROPOSED WORK PLAN AND PROJECT APPROACH

- **Capital Improvement Plan**  
We will request the City's projected capital improvement plan, if available, and incorporate the plan into the cost of service and long-term financial plan
- **Rate of Return**  
We will discuss with management appropriate rates of return based on industry standards and the specific requirements of the City and rate of return methodologies for customer located outside city limits.
- **Funding of Equipment Replacement Accounts**  
We will provide guidance on funding of the replacement of equipment account using capital improvement program, current depreciation expense and historical investment in assets made by the City.

### Development of Customer Class Demands and Allocation Factors

#### Customer Usage and Demand Information

Load profile information identifies how customers use the infrastructure provided to meet their needs on an average and peak basis. We will analyze information from the billing system to identify the usage profiles for each meter size and customer class.

#### Development of Allocators:

The customer usage and demand information will be used to allocate expenses based on cost-causation and each class's contribution to the water and wastewater system peak demands. The allocators will be developed on a seasonal and annual basis and used to determine the following costs for each customer class.

#### Prepare Cost of Service Analysis

Customer classes are typically established based on differences in load and usage patterns how customers use the infrastructure.

The cost of service portion of the model will determine the following:

- Rate adjustment necessary to meet rate of return requirements of utility
- Cost to serve each meter size and class compared with projected revenues
- Rate adjustment necessary for each meter size and class to meet cost of service requirements
- Monthly customer charge by meter size
- Surcharge rates for significant wastewater users

# WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

## PROPOSED WORK PLAN AND PROJECT APPROACH

### Format of Reports

UFS reports are separated into three reports listed below:

- **Executive Summary Report** – An overview that identifies the objectives, process and results of the rate study in a clear and concise format, the report includes graphs, charts, tables and recommendations.
- **Full Report** – Includes all the detailed schedules developed to complete the study and includes the executive summary report.
- **Rate Design Recommendation Report** – The rate design report is a separate module. To ensure efficiency and timeliness of the study the executive summary and the full detail report are provided to management for input into the rate design process. The rate design report includes the following:
  1. Comparison of the current and proposed rates
  2. Expected revenues generated from proposed rates
  3. Impact on customer classes at various usage levels or load factors within each rate class

### Meetings and Presentations

We are anticipating two on-site meetings to complete the analysis. The following meetings are anticipated:

- Initial meeting – Clarify scope of services, expectations of management and preliminary fieldwork (Conference Call)
- Review draft reports with management (On Site)
- Presentation to City Council (On Site)
- We are available for additional presentations as requested by management

### Deliverables

- Executive summary for Management
- Detail of Cost of Service analysis for Management
- Final report to management for distribution



# WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

---

## FINANCIAL PROJECTION

---

### Development of Financial Plan & Rate Track

Development of a long-term financial plan is critical to help ensure the utility remains financially stable. The financial plan includes development of a five-year projection to assist the utility with the following:

- Identify long-term rate track and a plan, if necessary, to phase in rate adjustments
- Project cash balances of utility over the planning period
- Identify appropriate cash reserve requirements of the utility
- Identify the utility's ability to meet bond covenants specified in the ordinances
- Projected revenues and expenses over the five-year planning period
- Project impact capital improvement program will affect water and wastewater charges

UFS will work with staff in development of the long-term financial plan. To ensure the integrity of the model, we typically perform the following tasks:

- Develop a forecasting model for system growth and sales
- Adjust the model for known changes in sales, such as the addition of a large manufacturing company or recently closed facilities
- Adjust operating costs based on historical expenses adjusted for inflation or changes in operations

### Development of Minimum Cash Reserves Levels

A critical question for utilities is the amount of funds necessary to hold in reserve for emergencies and future capital improvements. We will identify an appropriate funding for repair and replacement and the amount of cash to hold in reserve to meet the current and future needs of the utilities. The identification of minimum reserves requires a review of the following:

- Historical investment in assets
- Future capital improvement plan
- Operation and maintenance expenses
- Debt service payments
- Insurance requirements
- Customer deposits



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

---

### RATE DESIGN

---

#### Rate Design

Cost of service results are one factor in design of utility rates for customers. Other factors must be considered such as impact on customers, social and environmental issues and philosophy of City Council. We will work with management and staff in the design of electric rates based on cost of service results; current rates; and impact on customer classes at various usage levels. We will make recommendations on rates for each class; identify potential new rate classifications, and weaknesses in current rate designs. We will complete one year rate design.

#### Presentation of Cost of Service and Rate Design Study

A critical aspect of the study is the clear and concise presentation to the Board of Directors or City Council. UFS professionals are skilled at explaining and working with advisory and governing bodies to ensure decisions are based on information they can understand and apply to the local environment. UFS will present the results of the study at a City Council meeting.



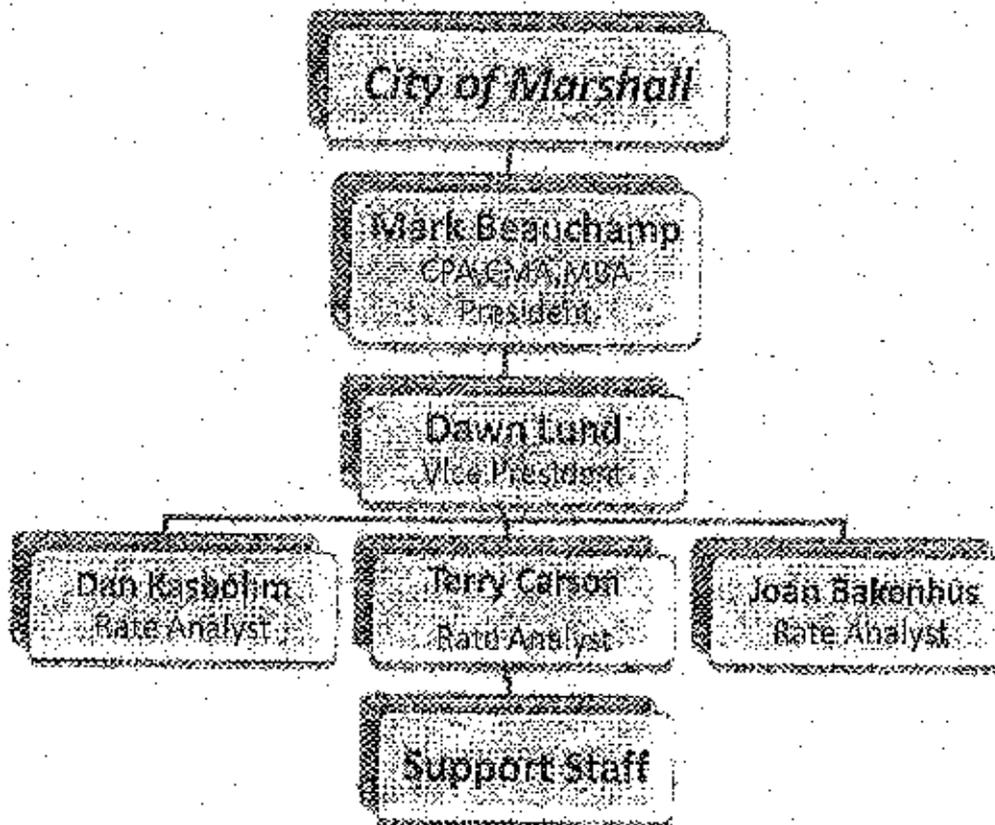
## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### QUALIFICATIONS

We have put together a project team with the knowledge and experience to successfully meet your requirements. The team has over 68 years of combined experience performing similar studies for cooperatives, Public Power Districts and municipal utilities. This provides the City of Marshall's Electric Department with experience to creatively solve financial and operational issues and help ensure financial stability in future years. The project team is recognized national experts and completed over 300 electric cost of service studies in 22 states.

### UTILITY FINANCIAL SOLUTIONS STAFF

UFS staff consists of accountants, engineers and CPA's, additional staff is available if needed to ensure timely completion of the project. Their role is dependent on work load and timing requirements of project and will be used in various stages of the cost of service study. Resumes of key staff members are listed below.



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### QUALIFICATIONS

#### Mark Beauchamp, CPA, MBA, CMA, Project Manager

Mark has over 29 years of experience in a utility environment. He possesses degrees in Water Purification Technology, Accounting, and a Masters Degree in Business. He holds a Class "A" license in sanitary sewer treatment from the State of Michigan, the highest license attainable and is a licensed water plant operator. He has completed cost of service and rate studies for over 300 electric systems around the nation, and served as an expert witness in rate cases around the country. Prior to starting his own consulting practice, he held a number of positions with one of the largest municipal systems in Michigan and a national consulting firm. Brief overviews of his responsibilities are listed below:

- Completed over 300 Electric Cost of Service and Rate Design studies in 26 states
- Completed over 100 water and wastewater cost of service and rate design studies
- Served as expert witness before regulatory agencies, governing bodies of municipal utilities and State Legislators
- Served as expert witness for investor-owned utility on pole attachments
- Developed marginal cost based rates for utilities
- Developed wholesale time of use rates for Joint Action Agencies
- Developed seasonal and time of use rates
- Developed special rates for standby, interruptible, special contracts, economic development and net metering rates.
- Negotiating and implemented wholesale water and sanitary sewer contracts
- Experienced in pricing electric line extension fees and system development charges
- Designing competitive cost based rates for electric utilities, including real time pricing and wholesale rates
- Developed "Utilities Telecommunication Guidebook" for the American Public Power Association
- Preparation of econometric forecasting models to project future loads and resources of electric utilities, joint action agencies, and power pools.
- Presented information before bond rating agencies to improve or maintain utility bond ratings
- Financial evaluations to determine the economics and rate impacts of anticipated capital improvement projects
- Preparing information to FERC to dispute open-access tariffs filed by investor owned utility
- APFA Instructor for "Intermediate and Advanced Cost of Service and Electric Unbundling courses"
- APFA Instructor for "Financial Planning for Municipal Utilities"



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### QUALIFICATIONS

Mark is a Certified Management Accountant and Certified Public Accountant. He is recognized as a national expert in developing cost of service, unbundling and rate design studies for utilities and has spoken at several seminars regarding utility issues including cost of service studies for water and sanitary sewer utilities, benchmarking costs, marginal cost analysis, and electric cost of service and unbundling.

Mark has the following industry involvement:

- Member of the American Public Power Association
- Member of the American Water Works Association
- Member of the Institute of Management Accountants
- Speaker at national conferences on Financial Planning for Municipal Utilities, Pricing for Water Utilities, Pricing Fiber Optic backbone systems, Unbundling Electric Rates, and Ways to Attract and Retain Customers
- Author of articles appearing in national magazines and newsletters regarding pricing fiber optics, unbundling electric rates, and designing water rates
- Served on the Pricing and Market Analysis Committee, Task Force on Competitive Rate Designs, and Task Force on Open-Access Transmission Tariffs through the American Public Power Association

## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### QUALIFICATIONS

#### Dawn Lund, Project Manager

Dawn has 15 years experience in pricing and marketing utility services and is experienced in pricing water, sanitary sewer, electric, refuse, and telecommunication services. Dawn worked with a large municipal utility and held positions as Cost Analyst, Marketing and Communications Specialist, and Cost and Rate Specialist. Dawn has completed over 60 water, wastewater and telecommunication cost of service and rate design studies. Dawn has a degree in Accounting and has the following experience:

- Development of long-term sales and expense projections for electric, water, and sanitary sewer utilities
- Development of long-term financial plan and rate track for electric utilities
- Completed over 50 electric cost of service and unbundling studies
- Completed over 70 cost of service analysis for Water, Wastewater, Trash and Telecommunication Utilities
- Development of electric rate designs to meet financial and social objectives of Utility
- Development of power (fuel) cost adjustments for electric utilities
- Development of connection charges for water and wastewater utilities based on the equity method and consistent with Michigan Supreme Court decision
- Review and recommend changes to ordinances related to utility operations
- Development of fees for utility services
- Business plan development for telecommunications and pricing of fiber services to customers
- Determining high strength surcharge rates for sanitary sewer treatment plants consistent with EPA requirements
- Determining appropriate allocations of overhead costs between utility services
- Development of marketing plans for utilities
- Development of special rates for electric utilities including Net Metering, Economic Development and Time of Use
- Determination of minimum cash reserve requirements for utilities
- Experienced in pricing electric line extension fees and system development charges
- Presentations to City Councils and Board of Directors for approval of utility rates and proposed rate track



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### QUALIFICATIONS

#### Dan Kasbohm, Rates Manager

Dan has 5 years experience with Utility Financial Solutions. He has a degree in Engineering and has been employed in the automotive manufacturing industry for 16 years. Dan is experienced in development of time of use rates, load research data for electric utilities, long-term financial plans, power cost adjustment models, rate design models and cost of service studies for electric, cable, water and wastewater utilities.

Dan's experience includes:

- Development of cost of service studies for electric, cable, water and wastewater utilities
- Development of long-term financial forecasts for water, wastewater, and electric utilities to determine the amount and timing of rate adjustments
- Managing professional, technical, and contract staff
- Balancing models for development of cost of service and rate design for water, wastewater and electric utilities to determine commodity charges and customer charges
- Assisted in developing econometric models and use of statistical analysis for forecasting
- Assisted in the development of rate design models
- Development of rate surveys for Utility Financial Solutions
- Balancing of sales with revenue to help ensure proper billing statistics are used in cost of service models
- Development of electric TOU models to analyze large load data files
- Development of inclining bloc rate models to determine projected revenues with ability to adjust block size, fixed monthly rate, usage block rates and varying rates of elasticity
- Assist in the development of Power Cost Adjustment models to project and balance power costs with actual monthly billings
- Develop power cost projections
- Prepared filing to Public Utility Commission



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### QUALIFICATIONS

#### Joan Bakenhus, Rate Analyst

Joan has 14 years experience working with municipal utilities and has a degree in Business Administration. Joan has worked as a Rate Analyst for one of the largest public power systems in the nation (Lincoln Electric System) and for Utility Financial Solutions since 2006. Joan is experienced in development of long-term financial plans, rate design models and cost of service studies for electric, water and wastewater utilities. Joan's experience includes:

- Working with Utilities to identify information requirements to complete cost of service and financial plans.
- Set up and develop utility revenue requirements, cost of service program and utility revenue proof.
- Development of long-term financial forecasts for water, wastewater, and electric utilities to determine the amount and timing of rate adjustments
- Balancing and set up of models for development of cost of service and rate design for water, wastewater and electric utilities to determine commodity and customer charges
- Responsible for analysis, preparation and updating cost of service models for a number of electric, water and wastewater utilities
- Development of rate design models for electric, water and wastewater utilities
- Development of rate surveys
- Balancing of sales with revenue to help ensure proper billing statistics are used in cost of service models

## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### QUALIFICATIONS

Utility Financial Solutions is best qualified to meet the needs of the City of Marshall. UFS has a long standing relationship and history of assisting municipal utilities with financial analysis for Water, Wastewater and Electric utilities and are recognized experts in the utility field. Our group and the project team assigned to this engagement is composed of highly qualified, experienced, and knowledgeable professionals who remain current on all issues facing electric, water and wastewater systems. UFS has completed similar rate design studies for municipally-owned utilities around the country and our reference list is second to none.

Utility Financial Solutions provides consulting services to assist publicly-owned utilities in meeting their strategic and financial objectives. Services are designed to ensure complete client satisfaction and a commitment that:

- Services will be completed in the agreed upon timeframe
- Services are delivered within budget for services requested
- Services provided will meet or exceed client expectations
- Services will be unbiased and independent recommendations provided to the utility

Our experience and commitment to publicly-owned utilities ensures that we understand the issues they face and can assist in providing a variety of services including:

- Electric, water & wastewater cost of service and rate design
- Review of indirect cost allocations
- Fee and ancillary service charges
- Electric cost of service and unbundling studies
- Cost reduction strategies and benchmarking analysis for utilities
- Cost of service and rate designs for storm water, landfill, and gas utilities
- Financial analysis and feasibility studies for offering telecommunication services
- Evaluating and developing policies and procedures
- Econometric forecasts of sales and load growth
- Strategic planning assistance
- Utility valuation services
- Power supply negotiation and financial analysis
- Software selection and review



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### QUALIFICATIONS

As a result of our specialized industry knowledge we are frequently called upon to share our experience with others in the industry. We have given presentations at regional and national seminars regarding electric, water and wastewater pricing, electric restructuring, electric unbundling, telecommunications, and other issues. Some of our presentations are listed below.

Conference	Date	Organization
Smart Grid and New Rate Designs for the Future	2010	American Public Power Association National Conference
Rate Designs for the Future	2010	American Public Power Association National Conference
Financial Planning for Municipal Utilities	2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010	American Public Power Association
Advance Electric Cost of Service and Rate Design	2003, 2004, 2005, 2006 2007, 2008, 2009, 2010	American Public Power Association
Public Policy Makers Understanding of Financial Planning	2005, 2006, 2007 & 2009	National Conference American Public Power Association
Pricing Energy Efficiency Programs and Impact on Customer Rates	2009	National Conference American Public Power Association
Developing Economic Development Rates for Customers	2008	Broadband Conference American Public Power Association
Special Rates for Key Account Customers	2007	Customer Connections Workshop - American Public Power Association
Development of Special Fees and Line Extension Policies for Electric Utilities	2006	Business and Financial Workshop - American Public Power Association
Public Policy Makers Understanding Rate Designs	2006	National Conference - American Public Power Association



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### OFFICE LOCATIONS

Utility Financial Solutions provides consulting services throughout the nation and has the following office locations:

Corporate Office: Utility Financial Solutions, LLC  
185 Sun Meadow Ct  
Holland, MI 49424  
Phone: 616-393-9722  
Fax: 616-393-9721

Leland, MI Utility Financial Solutions, LLC  
604 South Lake St  
Leland, MI 49654  
Phone: 231-256-0092

Grand Haven, MI Utility Financial Solutions, LLC  
14986 Sandstone Road  
Grand Haven, MI 49417  
Phone: 616-846-6464

Lincoln, NE Utility Financial Solutions, LLC  
4951 South 75<sup>th</sup>  
Lincoln, NE 68516  
Phone: 402-483-2542

## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### PROJECT SCHEDULE

Our experience with municipal electric cost of service studies, allows us to conduct a cost effective and efficient study. The following is the tentative project schedule for completion of the study. This schedule will be finalized during the initial project kick-off meeting with management.

Task	Expected Completion Twelve Weeks
Initial Meeting -- Preparation of Information Request	Week One
Completion of information Request by Client	Week Two
Planning/Set-up Models	Week Three -- Five
Review and Development of Revenue Requirements	Week Six -- Seven
Fieldwork	Week Eight
Cost of Service Analysis Component/Functional Costs	Week Nine
Cost based Rate Design and alternatives	Week Ten
Report, Recommendations & Presentation of Draft	Week Eleven
Final Report	Week Twelve

THE COMPLETION OF THE PROJECT ON THE PROPOSED SCHEDULE IS DEPENDENT ON THE COOPERATION OF VARIOUS DEPARTMENTS WITHIN THE CITY TO PREPARE THE INFORMATION REQUEST IN A TIMELY MANNER.



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### REFERENCES

**City of Charlevoix, Charlevoix, Michigan**  
Contact: Rick Brandt, Finance Director  
Phone: 1-231-547-3251

Completion of Electric/Water/Wastewater cost of service/unbundling study, long term financial projection and rate design. Presentation to City Council. The study completed June 2009.

**City of Niles, Niles, Michigan**  
Contact: JW Rossow, General Manager  
Phone: 1-269-683-4700

Completion of Electric/Water/Wastewater cost of service/unbundling study, long term financial projection and rate design. Presentation to Board of Directors and City Council. The study completed June 2010.

**City of Sturgis, Sturgis, Michigan**  
Contact: John Griffith, General Manager  
Phone: 269-659-7218

Completion of Electric/Water/Wastewater cost of service/unbundling study, long term financial projection and rate design. Presentation to Board of Directors and City Council. The study completed June 2010.

**Coldwater Board of Public Utilities:**  
Contact: Jeff Budd, City Manager  
Phone: 517-273-9531

**Project Description:** Recently completed a long-term financial projection and cost of service study for the water and wastewater departments. The study included pricing for inside and outside city customers, development of connection charges, identification of the minimum cash reserves, filing of a user charge system with the Michigan Department of Environmental Quality to obtain financing for capital improvements, presentation to the Board of Directors and design of water and wastewater rates. The project started in October, 2008 after receipt of information request for the study and completed in February of 2009. Currently engaged to update the electric cost of service study that was originally completed in 2007.



## WATER AND WASTEWATER COST OF SERVICE AND RATE DESIGN STUDY

### PROJECT FEES

Water Cost of Service and Financial Projection Study	\$7,500
Water Rate Design and Revenue Proof	1,000
Wastewater Cost of Service and Financial Projection Study	7,500
Wastewater Rate Design and Revenue Proof	1,000
Out of Pocket Expenses	700
<b>Total</b>	<b>\$17,700</b>

Prices, terms, and conditions are good for a period of 90 days from this date.  
 Payment will be made through submission of invoice itemizing the work performed.  
 "Total not to exceed amount" includes all out of pocket expenses.

We have budgeted for two on-site meeting. Additional meetings will be charged at the following:

Additional Meeting Services	\$1,300
-----------------------------	---------

Service provided outside the scope of service, including optional services, will be billed at the following costs:

President	\$225
Vice President	195
Senior Rate Analyst	110
Rate Analyst	93

# City of Marshall



Marshall Town Hall ca. 1857

323 West Michigan Avenue - Marshall, MI 49968-1578 - Phone (269) 781-5183 - FAX (269) 781-3835

## ADMINISTRATIVE REPORT September 7, 2010 - CITY COUNCIL MEETING

**REPORT TO:** Mayor Bruce Smith and City Council Members

**FROM:** Tom Tarkiewicz, City Manager

**SUBJECT:** September 20, 2010 Council Meeting Time Change

**BACKGROUND:** The Marshall Business Association will be holding their Candidate Forum on September 20, 2010 at 6:00 PM. This is the normal scheduled date for the Council meeting. It appears to be a light agenda. It is suggested that the meeting time be rescheduled to 5:00 PM.

**RECOMMENDATION:** It is recommended that the City Council reschedule the time for the September 20, 2010 Council Meeting to 5:00 PM.

**FISCAL EFFECTS:** None.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

  
Tom Tarkiewicz  
City Manager



HISTORIC  
LANDMARK  
DISTRICT

# City of Marshall



Marshall Town Hall ca. 1857

323 West Michigan Avenue - Marshall, MI 49068-1578 - Phone (269) 781-5183 - FAX (269) 781-3835

## ADMINISTRATIVE REPORT September 7, 2010 - CITY COUNCIL MEETING

**REPORT TO:** Mayor Bruce Smith and City Council Members

**FROM:** James Schwartz, Chief of Police  
Tom Tarkiewicz, City Manager

**SUBJECT:** Zarzuela Liquor License Request

**BACKGROUND:** The owners of Zarzuela have requested the issuance of an on-premises Class C liquor license for this business. This business is located at 301 East Michigan Ave. The Michigan Liquor Control Commission requires the approval of the governing body through a resolution pursuant to the provisions of MCL 436.1501 of the Liquor Control Code of 1998.

This building has been approved and inspected by the Marshall Fire Department, Marshall Police Department and the Michigan Department of Agriculture Food and Dairy Division.

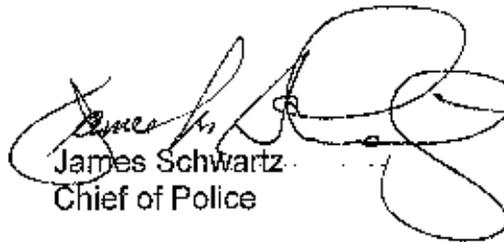
**RECOMMENDATION:** It is recommended that the City Council approve the resolution to issue the Class C license to Zarzuela. A checklist of requirements was provided and all items have been met or will be met prior to the issuance of the license by the Michigan Liquor Control Commission.

**FISCAL EFFECTS:** None known.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

  
Tom Tarkiewicz  
City Manager

  
James Schwartz  
Chief of Police



### RESOLUTION

At a \_\_\_\_\_ meeting of the \_\_\_\_\_  
(Regular or Special) (Township Board, City or Village Council)

called to order by \_\_\_\_\_ on \_\_\_\_\_ at \_\_\_\_\_ P.M.

The following resolution was offered:

Moved by \_\_\_\_\_ and supported by \_\_\_\_\_

That the request to TRANSFER OWNERSHIP ESCROWED 2008 CLASS C LICENSED BUSINESS WITH DANCE-ENTERTAINMENT PERMIT, LOCATED AT 924 W. HANOVER, MARSHALL, MI 49068, CALHOUN COUNTY, FROM PLACE NEXT DOOR, INC., STEPHEN L. LANGELAND, TRUSTEE AND TRANSFER LOCATION TO 301 E. MICHIGAN, MARSHALL, MI 49068, CALHOUN COUNTY.

be considered for \_\_\_\_\_  
(Approval or Disapproval)

#### APPROVAL

#### DISAPPROVAL

Yeas: \_\_\_\_\_

Yeas: \_\_\_\_\_

Nays: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

Absent: \_\_\_\_\_

It is the consensus of this legislative body that the application be:

\_\_\_\_\_ for issuance  
(Recommended or Not Recommended)

State of Michigan \_\_\_\_\_

County of \_\_\_\_\_

I hereby certify that the foregoing is a true and complete copy of a resolution offered and

adopted by the \_\_\_\_\_ at a \_\_\_\_\_  
(Township Board, City or Village Council) (Regular or Special)

meeting held on \_\_\_\_\_  
(Date)

(Signed) \_\_\_\_\_  
(Township, City or Village Clerk)

SEAL

\_\_\_\_\_  
(Mailing address of Township, City or Village)

# City of Marshall

323 West Michigan Avenue • Marshall, MI 49068-1578 • Phone (269) 781-5183 • FAX (269) 781-3835



## ADMINISTRATIVE REPORT September 7, 2010 - CITY COUNCIL MEETING

**TO:** Honorable Mayor and City Council

**FROM:** Tom Tarkiewicz, City Manager  
Mike Hindenach, Manager, Marshall Economic Development

**SUBJECT:** Mor-Dall Enterprises Industrial Facility Exemption Certificate

**BACKGROUND:** The City of Marshall received a request from Mor-Dall Enterprises (The Dark Horse Brewery) for an Industrial Facilities Tax Exemption Certificate. The requested abatement is to consider \$248,913.68 in personal property. Mor-Dall Enterprises is investing these dollars for new machinery and equipment. Mor-Dall Enterprises is not located in the LDFA district.

**RECOMMENDATION:** Schedule a Public Hearing for September 20, 2010 as required by the Industrial Facilities Tax Exemption Certificate Application.

**FISCAL EFFECTS:** If the IFT is granted, the City will forego an estimated \$6,500.00 in taxes over the next 12 years. Mor-Dall Enterprises will receive an estimated \$11,000.00 in tax savings over the next 12 years.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Tarkiewicz".

Tom Tarkiewicz  
City Manager

A handwritten signature in black ink, appearing to read "Michael D. Hindenach".

Michael D. Hindenach  
Manager, Marshall Economic Development



# City of Marshall

323 West Michigan Avenue • Marshall, MI 49068-1578 • Phone (269) 781-5183 • FAX (269) 781-3835



## ADMINISTRATIVE REPORT September 7, 2010 - CITY COUNCIL MEETING

**REPORT TO:** Honorable Mayor and City Council

**FROM:** Carl Fedders, Director of Public Services  
Tom Tarkiewicz, City Manager

**SUBJECT:** Public hearing to vacate a portion of Warren Street

**BACKGROUND:** In 2001 the City of Marshall retained Fishbeck, Thompson, Carr and Huber for the engineering services associated with the extension of utilities and street improvements throughout the fairgrounds area. During the course of this work the designers discovered that the Calhoun County Agricultural and Industrial Society (CCAIS) had encroached onto the city right of way along Warren Street with the installation of a horse track. An aerial view of this encroachment is attached. As a resolution the designer suggested a simple land swap with the CCAIS and a relocation of Warren Street. The project was shelved due to some changes in the type of money that could be used for the extension of public utilities. Recently this issue resurfaced with the opportunity to receive American Recovery and Reinvestment Act Grant to fund the project. The proposed vacation is one of the steps needed to correct this issue. The second step will be the execution of a warranty deed that will give the necessary land to the City of Marshall to construct the road when it obtains funding.

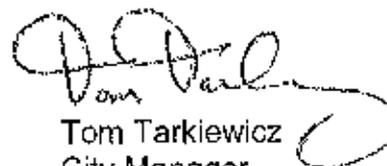
**RECOMMENDATION:** Set a public hearing for September 20, 2010 to hear public comment on the vacation of a portion of Warren Street.

**FISCAL EFFECTS:** None.

**ALTERNATIVES:** As suggested by the Council.

Respectfully submitted,

  
Carl Fedders  
Director of Public Services

  
Tom Tarkiewicz  
City Manager



CITY OF MARSHALL, MICHIGAN  
RESOLUTION #2010-\_\_\_\_\_

City of Marshall Resolution  
To Vacate a Portion of Warren Street

WHEREAS, the City of Marshall has the authority under the Michigan Home Rule City Act (MCL 117.4h) to regulate, improve and control of the surface of its streets, alleys and public ways, and of the space above and beneath them; and

WHEREAS, the City of Marshall's Charter Section 2.23 provides that the council shall have the power to establish, vacate and use, and to control and regulate the use of streets; and

WHEREAS, the actual use and occupation of a portion of Warren Street has been outside the area identified on the original plat of the Upper Village of Marshall (now City), according to the Plat recorded at Liber 3 of Plats, Page 12, Calhoun County Records; and

WHEREAS, the Calhoun County Agricultural and Industrial Society ("CCAIS"), a Michigan non-profit corporation owns and occupies the land on both sides of the platted portion of Warren Street; and

WHEREAS, the CCAIS desires to exchange parcels of property with the City of Marshall so that the land where Warren Street is, in fact, located will be owned by the City of Marshall and the adjacent property will be owned by the CCAIS,

THEREFORE, BE IT RESOLVED, that the City of Marshall does hereby vacate that part of Warren Street lying East of the centerline of vacated Chestnut Street, extended from the North line of Warren Street, South to the South line of Warren Street, to the East line of Cedar Street, Upper Village of Marshall (now City), according to the Plat thereof as recorded in Liber 3 of Plats, Page 12, Calhoun County Records.

---

Sandra Bird, Clerk-Treasurer

I, Sandra Bird, being duly sworn as the Clerk-Treasurer for the City of Marshall, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council, City of Marshall, County of Calhoun, State of Michigan, at a regular meeting held on September \_\_\_\_\_, 2010 and that said meeting was conducted and that the minutes of said meeting were kept and will be or have been made available.

---

Sandra Bird, Clerk-Treasurer

Prepared by and Return to:  
Paul K. Beardslee (P42177)  
206 S. Kalamazoo Ave.  
Marshall, MI 49068  
(269) 781-5193

# CERTIFIED BOUNDARY SURVEY

FOR CITY OF MARSHALL

**CERTIFICATE OF SURVEY:**

I hereby certify only to the parties named hereon that we have surveyed, at the direction of said parties, the following described three parcels of land, and that we have found or set, as noted hereon, permanent markers to all corners of said parcels and that all visible encroachments of a permanent nature upon said parcels are as shown on this survey.

**PARCEL 1**

A parcel of land located in the Southeast 1/4 of Section 25, Town 2 South, Range 6 West, City of Marshall, Calhoun County, Michigan and being Lots 579, 580, 501, 582, 583, and a part of Lots 578, 584, 585, 586, 587, 588, 589, and a part of Chestnut Street (vacated) of the Upper Village (now City) of Marshall, as recorded in Liber 3 of Plats, on page 12, in the Office of the Register of Deeds for Calhoun County, Michigan, and being further described as: Commencing at the Southeast Corner of said Lot 584; thence  $N87^{\circ}07'19''W$ , 430.99 feet along the North line of Warren Street to the centerline of said Chestnut Street and the point of beginning of the following described parcel; thence  $N02^{\circ}46'32''E$ , 280.24 feet along said centerline to the South line of Montgomery Street; thence  $S87^{\circ}09'24''E$ , 375.79 feet along said South line; thence  $S02^{\circ}46'32''W$ , 230.46 feet; thence  $N87^{\circ}07'19''W$ , 211.13 feet; thence  $S75^{\circ}59'50''E$ , 172.19 feet to the point of beginning; said parcel contains 2.05 acres (90,849 s.f.), more or less; said parcel being subject to any easements or restrictions of use or record.

**PARCEL 2**

A parcel of land located in the Southeast 1/4 of Section 25, Town 2 South, Range 6 West, City of Marshall, Calhoun County, Michigan and being a part of Lots 578, 584, 585, 586, 587, 588, 589, and a part of Chestnut Street (vacated) of the Upper Village (now City) of Marshall, as recorded in Liber 3 of Plats, on page 12 in the Office of the Register of Deeds for Calhoun County, Michigan, and being further described as: Beginning the Southeast Corner of said Lot 584; thence  $N87^{\circ}07'19''W$ , 430.99 feet along the North line of Warren Street to the centerline of said Chestnut Street; thence  $N75^{\circ}59'50''E$ , 172.19 feet thence  $S87^{\circ}07'19''E$ , 211.13 feet; thence  $N02^{\circ}46'32''E$ , 230.46 feet to the South line of Montgomery Street; thence  $S87^{\circ}09'24''E$ , 53.00 feet to the Northeast Corner of said Lot 578; thence  $S02^{\circ}46'32''W$ , 280.50 feet along the West line of Cedar Street to the point of beginning; said parcel contains 0.69 acres (30,104 s.f.), more or less; said parcel being subject to any easements or restrictions of use or record.

**PARCEL 3**

A parcel of land located in the Southeast 1/4 of Section 25, Town 2 South, Range 6 West, City of Marshall, Calhoun County, Michigan and being a part of Warren Street of the Upper Village (now City) of Marshall, as recorded in Liber 3 of Plats, on page 12 in the Office of the Register of Deeds for Calhoun County, Michigan, and being further described as: Commencing at the Southeast Corner of Lot 584 of said Upper Village (now City) of Marshall; thence  $N87^{\circ}07'19''W$ , 430.99 feet along the North line of Warren Street to the centerline of said Chestnut Street; thence  $S02^{\circ}46'32''E$ , 86.00 feet to the South line of Warren Street and the point of beginning of the following described parcel; thence  $S75^{\circ}59'50''E$ , 172.19 feet; thence  $S87^{\circ}07'19''E$ , 266.34 feet; thence  $S02^{\circ}46'32''W$ , 86.00 feet to the South line of Warren Street; thence  $N87^{\circ}07'19''W$ , 430.99 feet along said South line to the point of beginning; said parcel contains 0.40 acres (17,424 s.f.), more or less; said parcel being subject to any easements or restrictions of use or record.

This survey complies with the requirements of Public Act 152 of 1970, as amended, and is subject to Public Act 591 of 1996, as amended, and was performed with an error of closure no greater than a ratio of 1 in 5000.

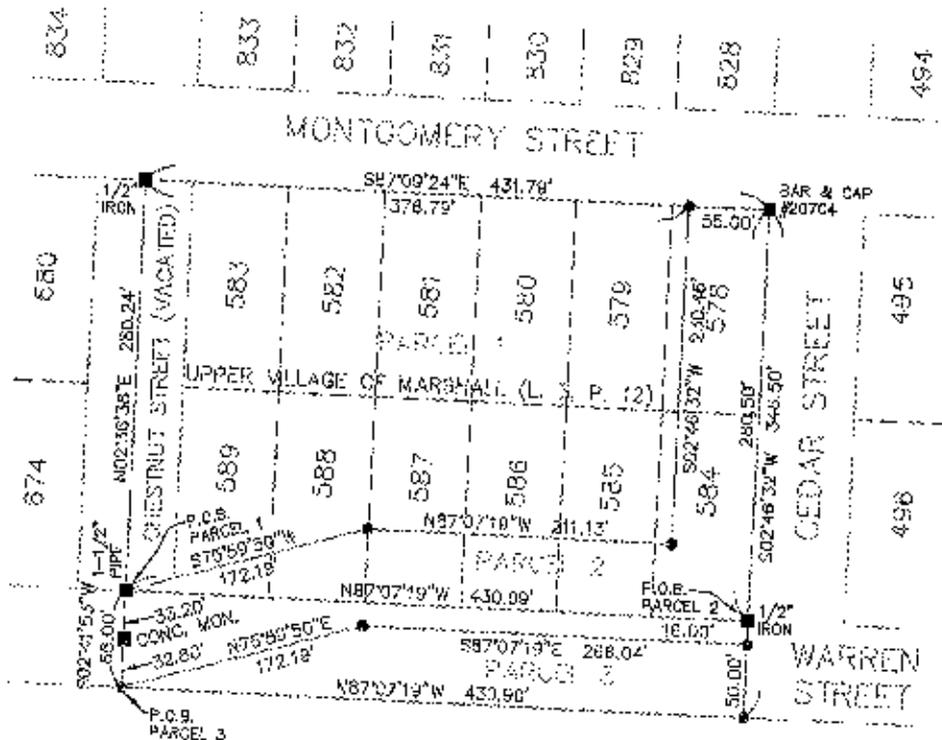
All bearings are derived from G39 observations.

Michael A. Groat                      Date:  
Professional Surveyor No. 39079

	<b>KESB, INC.</b> KYES ENGINEERING BRYAN LAND SURVEYS
	1000 WESTERN AVE., MARSHALL, MI 49801 PH: 268-2244 FAX: 268-2618 112 MARKET ROAD, HAZLET, MI 49603 PH: 268-3444 FAX: 268-3374
DRAWN BY    DJJ	SECTION    05, T2S, R6W
FIELD WORK BY    REY	JOB NUMBER:    01590
FIELD WORK DATE: 2/13/08	SHEET    2    OF    2

# CERTIFIED BOUNDARY SURVEY

FOR: CITY OF MARSHALL



PARCEL 1 - 2.06 ACRES (00.843 S.F.)  
 PARCEL 2 - 0.79 ACRES (34,104 S.F.)  
 PARCEL 3 - 0.46 ACRES (17,824 S.F.)

SCALE 1" = 100'



**LEGEND**

- - 1/2" IRON PIPE
- - 3" IRON PIPE
- - VACATED
- - CONCRETE MONUMENT
- - 1/2" IRON PIPE
- - 3" IRON PIPE
- - 6" IRON PIPE
- - 12" IRON PIPE

All Dimensions are in Feet and  
 Fractions Thereof.  
 All angles are in Degrees.



**KEBS, INC.** KYLES ENGINEERING  
 BRYAN LAND SURVEYS

1001 2nd WYKE DRIVE, MARSHALL, W. VIRGINIA 24703  
 TEL: 336-334-1800 FAX: 336-334-1805  
 2104 HARRIS RD. MARSHALL, W. VIRGINIA  
 TEL: 336-334-1011 FAX: 336-334-1011

DRAWN BY: GEB	SECTION: 13, T16, R10W
FIELD WORK BY: GEB	JOB NUMBER: 9253
FIELD WORK DATE: 2/25/03	SHEET: 1 OF 1

## WARRANTY DEED

The Grantor, Calhoun County Agricultural and Industrial Society, a Michigan non-profit corporation, of 720 Fair Street, Marshall, Michigan 49068, for and in consideration of Resolution of City Council vacating adjacent property to the Grantor herein, the value of which the parties stipulate at One Dollar (\$1.00), conveys and warrants to the City of Marshall, Michigan, a Michigan Home Rule City with offices at 323 W. Michigan Avenue, Marshall, Michigan 49068, the following described real estate situated in the City of Marshall, County of Calhoun, State of Michigan, in fee simple absolute:

A part of Lots 578, 584 thru 589, including part of vacated Chestnut Street, and also being part of Warren Street, Upper Village of Marshall (now City), according to the Plat thereof as recorded in Liber 3 of Plats, Page 12, Calhoun county Records, described as:

Commencing at the Southeast corner of said Lot 584; Upper Village of Marshall (now City), according to the Plat thereof as recorded in Liber 3 of Plats, Page 12, Calhoun County Records; Thence North  $87^{\circ} 07' 19''$  West, 430.99 feet along the North line of Warren Street to the centerline of said Chestnut Street (now vacated); Thence North  $75^{\circ} 59' 50''$  East, 172.19 feet; Thence South  $87^{\circ} 07' 19''$  East, 211.13 feet; Thence North  $02^{\circ} 46' 32''$  East, 230.46 feet to the South line of Montgomery Street; Thence South  $87^{\circ} 09' 24''$  East, along said South line, 55 feet to the Northeast corner of said Lot 578; Thence South  $02^{\circ} 46' 32''$  West, along the East line of said Lots 578 and 584 (West line of Cedar Street) to the Southeast corner of said Lot 584 and the Point of Beginning.

Commonly known as: 801 Warren Street

Tax Parcel No.: 12-53-001-578-00 (Part of)

subject to any reservations, exceptions, or encumbrances, e.g., restrictions and easements of record.

Dated \_\_\_\_\_

GRANTOR

\_\_\_\_\_ [Signature ]

[Typed name ]

STATE OF MICHIGAN )  
 ) ss  
COUNTY OF CALHOUN )

The foregoing instrument was acknowledged before me on September \_\_\_\_\_ 2010 by \_\_\_\_\_, Secretary of Calhoun County Agricultural and Industrial Society, a Michigan non-profit corporation, on behalf of the corporation.

[Notarial seal ]

\_\_\_\_\_ [Signature ]

Notary Public, Calhoun County, Michigan.

My commission expires \_\_\_\_\_ [date ].

Prepared by and return to:  
Paul K. Boardslee (P42177)  
Boardslee Law Office  
206 S. Kalamazoo Ave.  
Marshall, MI 49068  
(269) 781-5193

# City of Marshall

323 West Michigan Avenue • Marshall, MI 49068-1578 • Phone (269) 781-5183 • FAX (269) 781-3835



Marshall Town Hall ca. 1857

## ADMINISTRATIVE REPORT September 7, 2010 – CITY COUNCIL MEETING

**TO:** Honorable Mayor and City Council Members

**FROM:** Tom Tarkiewicz, City Manager  
Tracy Hall, HR Coordinator

**SUBJECT:** Personnel Policy Manual amendments

**BACKGROUND:** The Personnel Policy Manual is a document that addresses the personnel needs of the City. Changes to the manual are dealt with in Section 1.05 “*These policies are subject to change upon approval by City Council.*” The current manual has been amended several times since its adoption by Council in 2003.

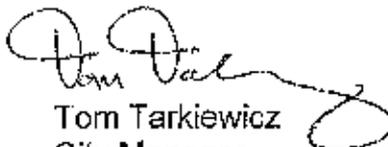
In March 2010, City Council adopted Section 2.05 – Workplace Violence as part of the Personnel Policy Manual. This policy was distributed to staff on July 1, 2010 as part of the revised manual. Staff has questioned what is considered “city property”. Therefore, we feel it is necessary to amend the policy to change “city property” to “workplace”, and to clearly define “workplace”.

**RECOMMENDATION:** It is recommended City Council approve the attached revisions to Section 2.05 of the Personnel Policy Manual - Workplace Violence.

**FISCAL EFFECTS:** None.

**ALTERNATIVES:** As suggested by the Council.

Respectfully submitted,

  
Tom Tarkiewicz  
City Manager

  
Tracy Hall  
HR Coordinator



## **2.05 - WORKPLACE VIOLENCE**

The City of Marshall is committed to providing a safe, healthy, and secure work environment for its employees. The presence of unauthorized weapons and violence in the workplace or on City time will not be tolerated. The City maintains the right to search any areas on City property or items brought on to City property for weapons including but not limited to lockers, furniture, containers, drawers, lunch boxes, briefcases, personal bags, personal tool boxes or tool kits, parking lots, City vehicles and personal vehicles parked on City property.

The following list of behaviors, while not inclusive, provides examples of conduct that the City specifically prohibits and for which the City will routinely discipline up to and including discharge:

1. Unauthorized use, possession, or sale of any weapons on City time or property at the workplace.
2. Unauthorized storage of any weapon in a locker, desk, personal vehicle, lunch box, tool kit, bag, purse, or other repository on the work site, or in a City vehicle ~~or on~~ City property.
3. Refusal to submit to an authorized inspection for the presence of a weapon.
4. Refusal to participate in an authorized investigation of an employee alleged to be carrying a weapon.
5. Refusal to participate in an authorized investigation pertaining to allegations or suspicions that violence has or is likely to occur at the work site.
6. Engaging in conduct or speech which would tend to incite or promote a hostile or violent reaction such as using a racial, religious, or ethnic slur or remark; a physical gesture; profane or abusive language.
7. Engaging in assaultive conduct; making threatening remarks (direct or implied) to another employee, visitor, member of the public, etc., including but not be limited to engaging in, promoting, or inciting a fight; the intentional touching of another person without that person's permission; causing physical injury to another person; engaging in any other physical violence or intimidation while on City time or property.
8. Intentionally or recklessly damaging employer property or property of another.

A "weapon" includes an explosive device; a device principally designed, manufactured or adapted for delivering or shooting a projectile; a gun of any type; a firearm silencer; a switchblade knife or any other type of knife with a blade in excess of three (3) inches in length; a double edged blade; brass knuckles; or any other implement for infliction of bodily injury which has no common or proper purpose in the workplace.

"Possession" shall include but not be limited to the presence of a weapon on the employee, in the employee's personal vehicle, lunch box, purse, briefcase, locker, tool kit, bag, purse, or desk.

**"Workplace" shall include the following locations and the contiguous, City owned parking areas:**

- Brooks Airport**
- City Hall**
- Marshall House Apartments**
- Municipal Garage**
- Power Plant**
- Public Services Building**
- Waste Water Plant**
- Water Plant**

IN A WORK SESSION Monday, August 16, 2010 at 6:00 P.M. in the Conference Room of Town Hall, 323 West Michigan Avenue, Marshall, MI, the Marshall City Council was called to order by Mayor Smith.

Present: Council Members: Dyer, Metzger, Miller, Mayor Smith, and Williams

Also Present: City Manager Tarkiewicz, Attorney Beardslee, Chief Jim Schwartz, Natalie Huestis, and Deputy Clerk Nelson.

Absent: Council Members: Traver

**A.** Attorney Beardslee provided information to the Council regarding the Michigan Medical Marihuana Act.

**B.** Council discussed scheduling a public forum to allow the public an opportunity to comment.

The meeting was adjourned at 6:55 p.m.

---

Bruce Smith, Mayor

---

Sandra Bird, Clerk-Treasurer

**CALL TO ORDER**

**IN REGULAR SESSION** Monday, August 16, 2010 at 7:00 P.M. in Council Chambers of Town Hall, 323 West Michigan Avenue, Marshall, MI, the Marshall City Council was called to order by Mayor Smith.

**ROLL CALL**

Roll was called:

Present: Council Members: Dyer, Metzger, Miller, Mayor Smith, and Williams.

Also Present: City Manager Tarkiewicz

Absent: Council Members: Traver.

**Moved** Miller, supported Metzger, to excuse Council Member Traver. On a voice vote: **MOTION CARRIED.**

**INVOCATION/PLEDGE OF ALLEGIANCE**

Kris Tarkiewicz of Family Bible Church gave the Invocation and Mayor Smith led the Pledge of Allegiance.

**APPROVAL OF THE AGENDA**

**Moved** Williams, supported Metzger, to approve the agenda with the following amendments:

- 1) Removal of item 9A. High Street Lot Rezoning,
- 2) The addition of the Holland Bus Invoice under item 13E Consent Agenda-City Bills for a new bill total of \$508,072.34 and
- 3) The addition of Council Vacancy discussion after Old Business.

On a voice vote: **MOTION CARRIED.**

**PRESENTATIONS AND RECOGNITION**

None.

**INFORMATIONAL ITEMS**

City Manager Tarkiewicz provided an update on the Community Movie Nights, Historic Fly and Drive In, and the Marshall Pumpkin Glow.

**PUBLIC COMMENT ON AGENDA ITEMS**

None.

**PUBLIC HEARINGS AND SUBSEQUENT COUNCIL ACTION**

**A. High Street Lot Rezoning:**

Mayor Smith opened the Public Hearing to hear comment on the rezoning of the High Street Lot, parcel #003-582-00, from PSP (Public/Semi-Public) to R-3 (Traditional Residential).

John LaPietra of 386 Boyer Court inquired which zoning was more appropriate R-2 or R-3.

Hearing no further comment the hearing was closed.

**B. Public Hearing – Tenneco**

Mayor Smith opened the Public Hearing to hear comment on the proposed application for an Industrial Facilities Exemption Certificate for Tenneco.

Randy Rial of Tenneco explained the new F-150 and GM Duramax programs and the company's investment as well as the creation of 54 new jobs and the retention of 99 jobs.

Hearing no further comment the hearing was closed.

**Moved** Williams, supported Metzger, to adopt the resolution approving the Industrial Facilities Exemption Certificate for Tenneco with a certificate term of 12 years. On a roll call vote – ayes: Dyer, Metzger, Miller, Mayor Smith, and Williams; nays: none.  
**MOTION CARRIED**

**CITY OF MARSHALL, MICHIGAN  
RESOLUTION # 2010-18**

**RESOLUTION TO APPROVE APPLICATION OF TENNECO  
904 INDUSTRIAL ROAD  
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR  
PERSONAL PROPERTY COSTS**

**WHEREAS**, pursuant to P.A. 198 of 1974, MCL 211.551 et seq., after a duly noticed public hearing held on April 16, 1984 the Council by Resolution established Industrial Development District No. 12 as requested; and after a duly noticed public hearing held on August 16, 2010, and

**WHEREAS**, Tenneco has filed an application for an Industrial Facilities Exemption Certificate with respect to personal property improvements and the acquisition and

installation of new machinery and equipment within Industrial Development District 12;  
and

**WHEREAS**, in accordance with Act 334, P.A. 1993 amending Act 198, P.A. 1974, a written agreement shall be executed between the applicant and the City of Marshall allowing, under specific circumstances, the reduction and/or revocation of the certificate and recapture of the taxes abated; and

**WHEREAS**, before acting on said application, the City of Marshall held a hearing on August 16, 2010 in the Council Chambers of Town Hall, located at 323 West Michigan Avenue, Marshall, Michigan, at 7:00 p.m. at which hearing the applicant, public, Assessor and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

**WHEREAS**, the facility upgrades, did not begin earlier than six (6) months before 7/15/10, the date of acceptance of the application for the Industrial Facilities Exemption Certificate; and

**WHEREAS**, the acquisition of the upgrades is calculated to and will, at the time of issuance of the certificate, have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Marshall; and

**WHEREAS**, the granting of said certificate shall not have the effect of substantially impeding the operation of the City of Marshall, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Marshall; and

**WHEREAS**, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Marshall, after granting this certificate, will exceed 5% of an amount equal to the sum of the SEV of the local unit, plus the SEV of personal and real property thus exempted.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Marshall that:

1. The City Council find and determine that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974, shall not have the effect of substantially impeding the operation of the City of Marshall, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Marshall.
2. The application of Tenneco, 904 Industrial Road, for an Industrial Facilities Exemption Certificate, with respect to real property improvements described as new equipment upgrades to be acquired and installed within the Industrial Development District No. 12 is hereby approved.

3. **That** and IFEC Letter of Agreement, attached, be signed and submitted by Tenneco to the City of Marshall.
4. The Industrial Facilities Exemption Certificate, when issued, shall be and remain in force and effect for a period of twelve (12) years under the rules and regulations of Act 198 of Public Acts of 1974, as amended, for the new equipment from the date of approval by the State Tax Commission.

AYES: Dyer, Metzger, Miller, Mayor Smith, and Williams.

NAYS: None.

---

Sandra Bird, Clerk-Treasurer

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Marshall, County of Calhoun, Michigan at a regular meeting held on August 16, 2010.

---

Sandra Bird, Clerk-Treasurer

**C. Industrial Development District #31:**

Mayor Smith opened the public hearing to hear comment on the creation of Industrial Development District 31.

Marshall Economic Development Manager Mike Hindenach summarized what an Industrial Development District is.

Hearing no comment the hearing was closed.

**Moved** Dyer, supported Miller, to approve the creation of Industrial Development District #31 and adopt the resolution. On a roll call vote – ayes: Metzger, Miller, Mayor Smith, Williams, and Dyer; nays: none: **MOTION CARRIED.**

**CITY OF MARSHALL, MICHIGAN  
Resolution #2010-19**

**A RESOLUTION ESTABLISHING AN INDUSTRIAL DEVELOPMENT DISTRICT  
NUMBER 31 PURSUANT TO ACT 198, P.A. 1974, AS AMENDED**

**WHEREAS**, Act No. 198 of the Michigan Public Acts of 1974, as amended, provides for the establishment of Industrial Development Districts in local governmental units and also to provide within such districts as exemption for certain taxes as an incentive to industries to build new facilities in the City of Marshall; and,

**WHEREAS**, the City of Marshall wishes to establish an Industrial Development District consisting of the land located at 519 S Kalamazoo Avenue; and,

**WHEREAS**, the City Council set the date of August 16, 2010, at 7:00 p.m. in the City Hall, Marshall, Michigan as the time and place at which any resident or taxpayer of the City was given and afforded an opportunity for a hearing on the establishment of the Industrial Development District.

**NOW, THEREFORE IT IS HEREBY RESOLVED** that the City Council does hereby approve an Industrial Development District to be established as shown on the map attached to this Resolution and marked Exhibit A and which district is described as follows:

Parcel Number: 001-346-00 MARSHALL CITY, UPPER VILLAGE LOTS 346 & 348.

As City Clerk-Treasurer, I place my signature and seal that this a true and accurate copy of the action taken and accurate copy of the action taken at a regular meeting of the Marshall City Council on August 16, 2010.

Date: August 16, 2010

---

Sandra Bird, CLERK-TREASURER  
City of Marshall, Michigan

**D. Industrial Development District #32**

Mayor Smith opened the public hearing to hear public comment on the creation of Industrial Development District #32.

Hearing no comment the hearing was closed.

**Moved** Dyer, supported Metzger, to approve the creation of Industrial Development District #32 and adopt the resolution. On a roll call vote – ayes: Miller, Mayor Smith, Williams, Dyer, and Metzger; nays: none: **MOTION CARRIED.**

**CITY OF MARSHALL, MICHIGAN  
Resolution #2010-20**

**A RESOLUTION ESTABLISHING AN INDUSTRIAL DEVELOPMENT DISTRICT  
NUMBER 32 PURSUANT TO ACT 198, P.A. 1974, AS AMENDED**

**WHEREAS**, Act No. 198 of the Michigan Public Acts of 1974, as amended, provides for the establishment of Industrial Development Districts in local governmental units and also to provide within such districts as exemption for certain taxes as an incentive to industries to build new facilities in the City of Marshall; and,

**WHEREAS**, the City of Marshall wishes to establish an Industrial Development District consisting of the land located at 1308 S Kalamazoo Avenue; and,

**WHEREAS**, the City Council set the date of August 16, 2010, at 7:00 p.m. in the City Hall, Marshall, Michigan as the time and place at which any resident or taxpayer of the City was given and afforded an opportunity for a hearing on the establishment of the Industrial Development District.

**NOW, THEREFORE IT IS HEREBY RESOLVED** that the City Council does hereby approve an Industrial Development District to be established as shown on the map attached to this Resolution and marked Exhibit A and which district is described as follows:

Parcel Number: 002-635-00 MARSHALL CITY, PART OF SEC 35-2-6 BEG 396 FT S & 50 FT W OF E ¼ PST.S PAR TO E SEC LINE 380.14 FT, W 248.05 FT, N 380.14 FT, E 248.05 FT TO BEG. FT TO BEG.

As City Clerk-Treasurer, I place my signature and seal that this a true and accurate copy of the action taken and accurate copy of the action taken at a regular meeting of the Marshall City Council on August 16, 2010.

Date: August 16, 2010

---

Sandra Bird, CLERK-TREASURER  
City of Marshall, Michigan

**OLD BUSINESS**

None.

**COUNCIL VACANCY**

Council discussed the need to fill the vacancy of the Ward 5 Council seat.

**REPORTS AND RECOMMENDATIONS**

**A. Emergency Services Building Land Purchase:**

**Moved** Miller, supported Williams, to approve the purchase of two parcels of land from Morris Stulberg for \$40,000 plus closing costs. On a roll call vote – ayes: Mayor Smith, Williams, Dyer, Metzger, and Miller; nays: none: **MOTION CARRIED**

**B. Special Land Use Permit for 115 South Grand Street:**

**Moved** Williams, supported Dyer, to approve the Special Land Use permit #SLU10.02 to allow an indoor recreational center, KidCare America after school program, at 115 S. Grand. On a roll call vote – ayes: Williams, Dyer, Metzger, Miller, and Mayor Smith; nays: none: **MOTION CARRIED**

**APPOINTMENTS / ELECTIONS**

**A. Brooks Nature Area Advisory Board:**

**Moved** Miller, supported Williams, to approve the reappointment of Vicki Knickerbocker and Ben Lark to the Brooks Nature Area Advisory Board with terms expiring August 15, 2013. On a voice vote: **MOTION CARRIED.**

**CONSENT AGENDA**

**Moved** Dyer, supported Metzger, to approve the consent agenda as presented.

- A. Approve the bid from Excell paving plus of Coldwater for \$24,940.50 for the paving of accessible pathways at the Athletic Field;
- B. Accept the low bid of \$37,380 from Concord Excavating from Concord, MI for the Water System Improvement Project;
- C. Approve the resolution to designate the Clerk-Treasurer as the authorized individual to sign MDOT contracts for Marshall Dial-A-Ride;
- D. Minutes of the City Council Regular Session held on Tuesday, August 3, 2010;
- E. Approve city bills in the amount of \$508,072.34.

On a roll call vote – ayes: Dyer, Metzger, Miller, Mayor Smith, and Williams; nays: none. **MOTION CARRIED.**

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

Brian Mason of 320 N. Mulberry extended a thank you on behalf of Marshall Carriages for all the support they have received.

John LaPietra of 386 Boyer Court announced his Green Party candidacy for Secretary of State.

Scott Buttrick of 1050 Arms Street extended an invitation to the Council to attend the Community Movie Night.

**COUNCIL AND MANAGER COMMUNICATIONS**

None.

**ADJOURNMENT**

The meeting was adjourned at 8:17 p.m.

---

Bruce R. Smith, Mayor

---

Sandra Bird, Clerk-Treasurer

VENDOR APPROVAL SUMMARY REPORT

Date: 05/02/2010

Time: 8:33am

Page: 1

CITY OF MARSHALL

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
S AGARM	4260	3 AWPS	371.63	0.00
AB'N HEATING & COOLING	3722	SERVICE	220.00	0.00
AIRGAS GREAT LAKES	4992	CYLINDER RENTAL	74.01	0.00
AIRTRAC FLEET EQUIPMENT	7057	HURST MOC II CHITTR	5,550.00	0.00
ARCISO CHEM, INC	7059	LAWN CHEMICALS	379.56	0.00
ARROW UNIFORM	4909	COST #010138-01	860.66	0.00
ATOC INTERNATIONAL	300353	ADD-PRO	129.00	0.00
ATOC VALUE MARSHALL	21340	75W140 SYNTH, MTF MERCOS	2,477.60	0.00
BATTERIES PLUS	6302	BATTERY CORES CREDIT	-20.00	0.00
BATTIE CREEK CITY TREASURER	3621	SIGNAL MAINTENANCE	1,249.96	0.00
BEROUBLEE LAW OFFICES	3471	PIPELINE	1,323.73	0.00
BIRD CROSS B OR SHLUB OF VI	9629	GROUP #17902-009	-30,833.63	0.00
BORGAC OF LANSING	5868	#322 AIR CLEANER COVER	39.40	0.00
BOSHEARS FORD SALES INC	7117	M-3 POLICE SWITCH ASSY	324.94	0.00
BROWN WOOD PRESERVING CO INC	6764	POLES	10,906.00	0.00
BRUCSCHE CONCRETE PRODUCTS	7142	1 YARD 5 BAG	103.77	0.00
BUD'S TOWING & AUTOCOLING	7149	TOWING	185.85	0.00
CARLETON EQUIPMENT COMPANY	7159	CANCEL #1-16258 (SCNERPLAN)	0.00	0.00
CB HALL ELECTRIC COMPANY	5387	CHANGE FROM OH TO DR	505.00	0.00
CHAMPION CHARTER SALES & SVC	7211	FLUG IN STARTER	838.80	0.00
CHECO PRODUCTS INC	7217	CHEMICALS	5,040.61	0.00
COGIZATE INC	8443	Monthly Support	140.00	0.00
COMPLETE ELECTRIC	7244	FOUNTAIN PUMP MOTOR-CRAWLER	482.41	0.00
CONTRACTORS EQUIPMENT & SUPPLY	7256	Farming cylinders for Dixie Ch	1,696.70	0.00
CORPORATE CLEAN INC	217997	GENERAL CLEANING, GARBAGE BINS	1,016.00	0.00
ROBBELL CROW	3590	PRESCRIPTION REIMBURSEMENT	5.00	0.00
CRYSTAL FLASH ENERGY	6176	FOEL	724.63	0.00
D & D MAINTENANCE SUPPLY	7271	JANITORIAL SUPPLIES	391.63	0.00
DARTING ACK HARDWARE	7281	PAINT SUPPLIES, ROD, NIFFLES,	943.57	0.00
DORNBOS SIGN & SAFETY	6378	BRACKETS	31.50	0.00
DOUGLASS SAFETY SYSTEMS LLC	5012	REP OF THERMAL IMAGER	1,236.00	0.00
DYNAX SERV OF INC	6875	Demolition System Study and	11,175.74	0.00
ARTHUR ECKHOFF	21384	PRESCRIPTION REIMBURSEMENT	66.60	0.00
ETNA SUPPLY	7340	TUBE SEAL	19.18	0.00
EXALINK INC	300350	#5 ENGINE REPAIR	160.08	0.00
FACONAL COMPANY	5789	LIFTING HOOK FOR NEW PUMP	29.99	0.00
FISHBECK THOMPSON CARR & HUPER	7365	PUBLIC SAFETY BUILDING DESIGNS	3,319.47	0.00
CAVE, AN ARAMARK COMPANY	300091	BACK ENHLEM	10.54	0.00
GRADNER	3644	LUBING	95.60	0.00
GRAPHIC CONTROLS	7435	VOLTAGE CREATS	306.54	0.00
GRAND AMERICAN BUSINESS PROC	509131	RETURN SIGN, WORK ORDER BOOK	121.00	0.00
GRIFFIN PEST SOLUTIONS	6272	200 E SPRUCE	730.00	0.00
HALL-PRITS, INC	9753	LAMP	304.54	0.00
HC SUPPLY FACILITIES MAINT	9791	SUPPLIES	127.14	0.00
HEPHEMS MARSHALL HARDWARE	7446	COB1, CABLE	164.70	0.00
HORIBA JOBIN YVON INC	21024	POLY-CAST POLYWINYLE	204.61	0.00
HUNTER PELL COMPANY	7450	Spruce Street Water Main and P	85,239.40	0.00
ICMA DISTRICTION CENTER	300352	SUPERVISORY TRAINING COURSES	1,749.51	0.00
INTERACTIVE LEARNING SYSTEMS	3921	ECOM WEBSITE	4,993.75	0.00
INTERNATIONAL INSTITUTE OF	4516	MEMBERSHIP-TRISHA NELSON	147.50	0.00
J & K PLYMING SUPPLY	3351	CLAMP, NIFFLE, ELBOW, COUPLING	6.73	0.00
JACK DORNEY SUPPLIES	7309	PRESSURE SWITCH	227.23	0.00
JACKSON RUCK SERVICE	7495	PAGE AIR CONDITIONER REPAIR	1,059.20	0.00
JOBTARGET	300354	JOB POSTINGS	171.60	0.00
JOHN D BRUNAGE &	6437	JULY CHARGES	2,210.00	0.00
JS BUCK SH	8962	SOCK LIME SICKRY	1,116.50	0.00
KBS INC	3051	Survey of garchon dam between	1,650.00	0.00
LAKELAND ASPHALT CORPORATION	7526	SETTIMINOUS AGGREGATES	702.42	0.00
LAYTON-PUSHER ASSOCIATES PC	2296	fiscal year 09/10 Licensing Ac	1,756.11	0.00
LEWY'S SICE REPAIR	7538	YMTT FREEZE' SHOES	145.00	0.00
LIFECARE AMBULANCE SERVICE	300357	WHEEL CHAIR L WAY, D STEVENS	44.00	0.00
MAIS MANAGEMENT INC	8518	POLYMER/INSURER MACHINE	6,740.00	0.00
MARSHALL LUMBERTOWN	7669	DUPLICATE PAYMENT	137.90	0.00
MARSHALL MEDICAL ASSOCIATES	7571	ROGERS, DASSIE	166.00	0.00
MARSHALL TIRE	5771	1501 TUBE	92.99	0.00
MARSHALL WELDING & FABRICATION	7390	SOCK GUN PARTS	534.00	0.00
MASA	2072	FALL TRAP REGISTRATION	520.00	0.00

VENDOR APPROVAL SUMMARY REPORT

Date: 09/02/2010

Time: 8:33am

Page: 2

CITY OF MARSHALL

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
MICHIGAN RECREATION AND	7661	MEMBERSHIP DLWS 9/1/10-9/1/11	645.00	0.00
MICHIGAN WASHER DISTRIBUTING	6580	BOLSTERS	274.95	0.00
MOSES FIRE EQUIPMENT INC	7699	SAFETY SYSTEM	10,476.75	0.00
MSC INDUSTRIAL SUPPLY CO	6881	CELLING GRANS	1,253.72	0.00
MUKOMPA SUPPLY CO.	7701	HYDRANT METER, BACKFLOW PREVEN	2,131.76	0.00
NAK WOODING	6200	F5 Engine repair parts	2,173.00	0.00
JAMES HOWLIN	5153	MERALE	10.00	0.00
NO-MIST SCREEN PAINTING	7732	D-SHERTS - VOLLEYBALL	190.60	0.00
NYL UNIFORM COMPANY	7733	NY UNIFORMS, SHIRTS	413.35	0.00
ORTHERS	21127	STERN	8.02	0.00
POWER LINE SUPPLY	7821	WHITE HOSE & COUPLER	7,474.78	0.00
PRECISION LAWN CARE	300237	MOW, TRIM, FERTILIZE	800.00	0.00
PROSCHE LOW SOLUS, LLC	9701	SCREEN MACHINE RENTAL	3,451.00	0.00
QUALITY ASPHALT PAVING	4184	Rehabilitation of E. Green Sta	33,150.48	0.00
QUALITY AUTO CARE	7798	CLEANED BACK SEAL AREA	15.00	0.00
QUALITY ENGRAVING SERVICE	7800	OPS CHARGES	27.60	0.00
QUALITY LAWN CARE	8333	MOWING & BROOKS MOWER	1,170.00	0.00
RADIO SENCK	7811	FUEL MONITOR	33.99	0.00
REHMAN BOBSON PC	6455	ADDED YEAR AND 06/30/10	12,000.00	0.00
RICKINGTON ARMS CO INC	300372	ARCHER'S COURSE FIELD	600.00	0.00
RIO SUPPLY MICHIGAN METEOR, INC.	21833	1 1/2 PRO REGISTER	127.04	0.00
ACTO-ROOFLER	7838	SERVICE AT 213 E SPRUCE	235.00	0.00
RS TECHNICAL SERVICE INC	3149	COMPUTER SERVICE CALL	1,861.90	0.00
S-F ANALYTICAL LABORATORIES	8972	EPA DRG QA WETT STUDY	65.00	0.00
SAFETY-KLEEN	6671	RECYCLING	184.77	0.00
SCHOLERS RESTAURANT	7857	MIKA, CHFC SAFRANSKI	68.06	0.00
SCOTT FR CONSTRUCTION	5302	2010 Overband Crackfilling	12,300.00	0.00
SHERWIN-WILLIAMS	2073	VINYL & CARPET	911.99	0.00
SOIL AND MATERIAL ENGINEERS	5745	Spruce Street Water Main and P	1,736.77	0.00
SOLOMON CORPORATION	6144	75 KVA TRANSFORMER	16,900.00	0.00
STANDARD PRINTING & SERVICE	7905	24 X 36 ENGINEER COPY	15.80	0.00
STANLEY LAWN & GARDEN	7903	MOWER TRIMMERS	1,133.37	0.00
STATE OF MICHIGAN	300213	TANK CERTIFICATION FMS	246.00	0.00
STATE OF MICHIGAN	4021	906 S MARSHALL	160.00	0.00
STRUBLE'S HARDWARE & SUPPLY	4332	BACKPACK BOWTIE	1,199.96	0.00
SUMPLAS EQUIP FINANCE	9678	POLICE & FIRE COMM SYS LOAN	28,756.08	0.00
SURVALENT TECHNOLOGY CORP	6205	Annual support/ maintenance of	5,100.00	0.00
TASER INTERNATIONAL	4185	BOLSTERS	111.50	0.00
TLC LAWN SERVICE	300295	LAWN CARE	375.00	0.00
UNITED PETROLEUM EQUIPMENT	2268	SERVICE CALL	115.00	0.00
VALDIVY SCREENING SOLUTIONS	21635	D ROULER	13.00	0.00
VALLEY TRUCK PARTS	9535	4303 TRANS PARTS	849.93	0.00
WESCO	5150	LECHS FIXTURE AND CRYSTAL TI	41,196.73	0.00
Grand Total:			326,977.32	0.00

CHECK NUMBER SERIES AS OF FRIDAY, 08/27/10

Beginning #    Ending #                    Dated

PAYROLL-ACH	71077	71084	07/24/10 - 08/20/10
A/P & P/R-OTHER	84636	84860	07/24/10 - 08/27/10



# MICHIGAN SOUTH CENTRAL POWER AGENCY

720 HERRING ROAD • LITCHFIELD, MICHIGAN 49652  
 PHONE (517) 542-2346 • FAX (517) 542-3049  
 www.mscpa.net

## ORIGINAL INVOICE

MARSHALL CITY ELECTRIC DEPARTMENT  
 323 WEST MICHIGAN AVENUE  
 MARSHALL, MICHIGAN 49068  
 Attn: Mr. Tom Tarkewicz

Invoice Date: 17-Aug-10  
 Due Date: 21-Aug-10  
 Service From: 01-Jul-10  
 To: 31-Jul-10

Peak Demand 22,954 kw  
 Total Energy Received 11,563,677 kWh

Area	Entitlement %	Operating and Maintenance Costs	Debt Service	Total
PROJECT 1-ENDICOTT	24.0%	410,579.15	130,330.90	540,910.05
PROJECT 2	18.0%	3,239.92	20,221.73	23,461.65
PROJECT 3	20.2%	1,047.61	6,137.62	7,185.22
PURCHASED POWER	16.0%	260,058.39		260,058.39
TRANSMISSION	94.2%	(22,779.94)	11,974.23	(10,745.71)
MISO	20.2%	1,191.10		1,191.10
SUBSTATION	34.4%	123.44	33,678.68	33,802.11
ADMINISTRATION	20.2%	30,248.26		30,248.26
MEMBER	12.5%	4,854.88		4,854.88
CAPACITY	12.5%	-		-
RATE STABILIZATION		-		-
<b>TOTAL COST</b>		\$ 688,622.79	202,343.15	890,965.95
	\$/kWh	0.05986	0.01759	0.07745
<b>CREDITS</b>		\$ (14,777.47)	-	(14,777.47)
	\$/kWh	(0.00128)	0.00000	(0.00128)
<b>NET COST</b>		\$ 673,845.32	202,343.15	876,188.48
	\$/kWh	0.05858	0.01759	0.07617

<b>Pay this amount</b>	<b>\$ 876,188.48</b>
------------------------	----------------------

Any amounts due and not paid by the due date shall bear interest at the rate of 1% per month until paid.

**RATE STABILIZATION FUND BALANCE**

8/18/2010

**MARSHALL**

DATE	DEPOSIT (\$)	INTEREST (\$)	WITHDRAWAL (\$)	BALANCE (\$)
Jul-09	2,561	406	0	636,800
Aug-09	0	403	30,766	606,436
Sep-09	0	346	0	606,782
Oct-09	240,000	327	16,510	830,599
Nov-09	0	426	4,822	826,203
Dec-09	0	383	19,584	807,003
Jan-10	0	336	11,190	796,149
Feb-10	72,000	268	42,995	825,423
Mar-10	0	272	16,997	808,697
Apr-10	0	218	22,266	786,649
May-10	0	257	25,590	761,316
Jun-10	0	261	0	761,577
Jul-10	0	206	0	761,783
Aug-10	0	199	0	761,983
Sep-10	0	0	0	NA
Oct-10	0	0	0	NA
Nov-10	0	0	0	NA
Dec-10	0	0	0	NA
Jan-11	0	0	0	NA
Feb-11	0	0	0	NA
Mar-11	0	0	0	NA
Apr-11	0	0	0	NA
May-11	0	0	0	NA
Jun-11	0	0	0	NA

VENDOR APPROVAL SUMMARY REPORT

Date: 05/13/2010

Time: 11:49am

Page: 1

CITY OF FARRIS, LA

Vendor Name	Vendor Number	Description	Check Amount	Hand Check Amount
A T & T	5176	269 761-4467 749 4	1,464.80	0.00
AD-VENDOR & CHRONICLE	7557	JULY CHARGES	994.11	0.00
AIRPORT WINDSOCK CORP	21115	TRIPCO MOUNT KIT, WINDSOCK	109.09	0.00
BARLA ARUSHI	217834	CASH ADVANCE	250.00	0.00
CASH ON EQUIPMENT COMPANY	7189	CANCEL #1-12658 (POWERPLAN)	5.00	0.00
ISAIDORE CASARES	500345	DEPOSIT REFUND	100.00	0.00
BRIANNA CRONIN	500342	DEPOSIT REFUND	66.10	0.00
GENESE DESAMIES	000040	DEPOSIT REFUND	57.06	0.00
COULESBERG HOTEL BAY CITY-	21761	CONF 196169880	90.79	0.00
FAIRFIELD INN WRENHURST-KARRIOT	300338	RR# #788771436	77.70	0.00
TON FREDE	5067	RENTS	15.00	0.00
JAMES TRICK	500344	DEPOSIT REFUND	41.59	0.00
GRFAI LAKE BURN CAMP	000039	CAMPERS HELPING CAMPERS	600.00	0.00
HOLIDAY INN EXPRESS	500337	HUD TRAINING	436.00	0.00
RETIROS HOTEL & CONFERENCE CTR	9648	CANCELLATION 42269048	381.90	0.00
LONGS BUSINESS ACCOUNT	4857	821 3023 106909 5	82.00	0.00
MARSHALL COUNTRY CLUB	5033	JULY GOLF CAFE	422.00	0.00
CITY OF MARSHALL	7595	BETTY CASH REIMBURSEMENT	50.40	0.00
RODNEY MCFAHON	4239	RENTS	10.00	0.00
MICHIGAN SECTION, NAMA	4895	LCD TREATMENT--MASON	650.00	0.00
WMA	2222	CONF REG--CAR. FARRIS	600.00	0.00
JEFFREY BONES	6899	ACCT #17848649	5,000.00	0.00
ARCURO RAMIREZ JR	500341	REFUND SERVICE CHARGES	39.38	0.00
TODD RYNDLGE	21639	DEPOSIT REFUND	7.64	0.00
SUZEPHANIE ROBERTS	500343	DEPOSIT REFUND	50.22	0.00
UNEMPLOYMENT INSURANCE AGENCY	6947	UIA 10001670, PER MES 12/31/09	13,100.09	0.00
Grand Total:			22,544.81	0.00

Prescription Reimbursement 10.00

Total Cash Disbursement \$22,544.81

VENDOR APPROVAL SUMMARY REPORT

Date: 08/20/2010  
 Time: 11:05am  
 Page: 1

CITY OF MARSHALL

Vendor Name	Vendor Number	Description	Check Amount	Hard Check Amount
AMERICAN MESSAGING	6857	ACCT #41-006436	150.65	0.00
BLUE CROSS AND BLUE SHIELD	7946	GROUP #17902-001	0,142.98	0.00
BLUE CROSS AND BLUE SHIELD	8554	GROUP #17902-000	43,233.36	0.00
BLUE CROSS BLUE SHIELD	9681	GROUP #17902-002	44,517.51	0.00
BLUE CROSS BLUE SHIELD OF MT	9821	GROUP #17902-003	1,707.12	0.00
BONNIE'S TAILORING	2257	ALTERATIONS, CMO PATCH	22.00	0.00
BROADCASTREC	3293	ACCT #198-040788	1,918.77	0.00
CARLETON EQUIPMENT COMPANY	7189	CANCEL #1-16658 (CONCREPLAN)	0.00	0.00
CLASSIC DRY CLEANING&TAILORING	5975	CLEANING, LAUNDRY, REPAIRS	460.20	0.00
COMMERCIAL OFFICE PRODUCTS	9765	OFFICE SUPPLIES	1,267.39	0.00
GRAND HOTEL	8089	Mackinac Island Trip Oct. 2010	12,718.00	0.00
AMY HECKERT	300350	REMISS DEPOSIT	12.80	0.00
ROBERT KIESSELING	8913	COFFEE & SUPPLIES	130.80	0.00
MICHAEL KUKONSKI	300348	DEPOSIT REFUND	60.16	0.00
JOSH LANKERD	2321	EXPENSE REIMBURSEMENT	249.72	0.00
DYANK LANKERD	9373	EXPENSE REIMBURSEMENT	105.08	0.00
JIM LIFFENCOLE	21297	AGENCY ASSESSING SERVICES	3,250.00	0.00
ERIC TOMAN	300349	REFUND DEPOSIT	9.39	0.00
MARSHALL COMMUNITY CU	7558	7681 - TERKIEWICK	428.03	0.00
MEDLER ELECTRIC COMPANY	7604	32W FLR LAMP	1,038.25	0.00
MOTION INDUSTRIES INC	7954	DRIVE BELTS	81.50	0.00
NAPA OF MARSHALL	2959	BATTERY	46.05	0.00
ONE COMMUNICATIONS	2723	ACCT #1018274	2,273.78	0.00
ROBERT SIEGEL	2773	MEALS	10.00	0.00
SPARTAN STORES	9656	JULY CHARCIS	237.28	0.00
U S POSTMASTER	7883	STAMPS	44.00	0.00
VERIZON WIRELESS	217862	ACCT#683169426-00001	62.66	0.00
Grand Total:			117,217.33	0.00

Prescription Reimbursements 98.50  
 Total Cash Disbursement \$117,315.88

VENDOR APPROVAL SUMMARY REPORT

Date: 08/21/2010  
 Time: 11:11am  
 Page: 1

CITY OF MARSHALL

Vendor Name	Vendor Number	Description	Check Amount	Land Check Amount
312 REVENUE LLC	300346	AMOUNT OF TAX CRR OF CATION	9.82	0.00
ALL YOU NEED GRAND RENTAL	8791	CAROPY RENTAL-BOULEVARD EAST	1,201.00	0.00
A*GI SERVICES INC-SUBURBAN CTR	300355	CHARGE FOR OFFICE SUBPOSTAGE	50.00	0.00
EAC TAX SERVICES CORP	300359	REBOND 2010 SBR TAX OVERPAYMENT	1,690.28	0.00
BARBARA BILBY	71721	DEPOSIT REFUND	101.00	0.00
ALISSA BIEBECKER	300362	REFUND DEPOSIT	87.25	0.00
BRAMS & SHERMINE ECONOMEGA	300370	REBOND 2010 SBR PROP TAX	643.50	0.00
FRANK E DOLEY	300367	REFUND OVERPAYMENT	29.16	0.00
BRANTON COATS	100522	REISSUE CK #72744 & #73582	52.00	0.00
BROADSTRIP	3293	ACCT #198-040292	113.23	0.00
MICHELLE BROCKIE	2323	REISSUE CK #74051	80.00	0.00
TIM BRYAN	0193	EXPENSE REIMBURSEMENT	21.02	0.00
CALHOUN COUNTY TREASURER	7177	08/01/10--08/15/10 PERS AD VAL	131,558.72	0.00
CLIFTON INTERMEDIARY	7178	08/01/10--08/15/10 PERS AD VAL	37,236.95	0.00
CARLTON EQUIPMENT COMPANY	7189	CANCEL #1-16653 (POWELLAN)	0.00	0.00
CONSUMERS ENERGY	8880	1000 0033 5602	539.28	0.00
CORNERSTONE CONSTRUCTION	9805	PLUMBING/MECH INSPECTR PAY	40.00	0.00
COURTNEY	21663	BROOKS NATURE PARK MAPS	75.69	0.00
RUSSELL CROO	3566	BOOY ALLOWANCE	63.59	0.00
DWAN TRAILWAYS OF MICHIGAN	2343	Mackinac Island Bus Trip Cot.	2,360.00	0.00
TROY DEKKYGER	4823	EXPENSE REIMBURSEMENT	17.33	0.00
DELTA DENTAL PLAN OF MICHIGAN	7284	COST #ML022820001	4,692.89	0.00
JAMES R DEVEREY	300396	MECHANICAL INSPECTOR PAY	476.25	0.00
TIM EGLESTON	3734	EXPENSE REIMBURSEMENT	237.29	0.00
CARL FEDERS	6811	EXPENSE REIMBURSEMENT	137.68	0.00
TOM FINE PATRICK	6083	CD REIMBURSEMENT	47.00	0.00
FOX CROFT TROPHY & DENNING	300367	REFUND OVERPAYMENT	42.51	0.00
DAVID GANO	8148	ELECTRICAL INSPECTOR PAY	662.50	0.00
CYNTHIA GAUTHIER	300363	AMOUNT OVERPAYMENT	30.30	0.00
GRAND HOTEL	3211	ADDITIONAL PARTICIPANTS	6,240.00	0.00
JOHN GROSS	300013	PLUMBING/MECH INSPECTR PAY	495.50	0.00
STEVEN & ROBIN GUERRA	300066	REBOND TAX CERT	495.19	0.00
PAMELA HIGDEN	300365	REFUND OVERPAYMENT	92.06	0.00
JOHN HALE	100531	REISSUE CHECK #72514	18.00	0.00
JOY LAKE	20750	RELEASE CK #72467	20.00	0.00
LAWRENCE KEBLE	21405	REFUND OVERPAYMENT	36.91	0.00
NELSON COMMUNITY COLLEGE	7507	08/01/10--08/15/10 PERS AD VAL	20,840.35	0.00
KELLY PETERSON	100675	REISSUE CK #70906	7.00	0.00
MARK MICHIGAN MAILERS	9359	MAIL SERVICE	500.00	0.00
DEBBIE LARKIN	3373	RELEASE CK #78111 & #75792	88.64	0.00
KEITH LOWMAN	300349	REFUND OVERPAYMENT	42.32	0.00
MERIC A PIAN	10023	REISSUE CK #70910	19.00	0.00
MARSHALL COMMUNITY CO	7558	4313 - ARTJCC	419.42	0.00
MARSHALL DISTRICT LIBRARY	8063	08/01/10--08/15/10 PERS AD VAL	18,777.20	0.00
MARSHALL PUBLIC SCHOOLS	7574	08/01/10 08/15/10 PERS AD VAL	89,421.14	0.00
HUMMER ELECTRIC COMPANY	7604	REISSUE CK #77781	69.15	0.00
ROBERTSON ALLIANCE	3932	REISSUE CK #75950	15.00	0.00
JUDITH MORSON	300369	REFUND DEPOSIT	4.52	0.00
OAKLAWN HOSPITAL	1006	2009 PARKING STRUCTURE LEASE	10,925.00	0.00
CHRISTOPHER OLSON	9582	REISSUE CK #72036 & #77142	44.00	0.00
PAUL DOGAN	100684	PAYROLL 8/20	0.00	120.00
MAGDALENE PETROFF	300326	REFUND OVERPAYMENT	53.28	0.00
JEROME PRAGER	11150	REFUND OVERPAYMENT	10.46	0.00
RICHARD AND ELEN DREBACH	20085	REISSUE CK #71144	23.00	0.00
KIM ROBBIN	300360	REFUND -CANCELLED CAMP	114.00	0.00
SHERIDAN APARTMENTS	8163	REFUND OVERPAYMENT	3.33	0.00
ROBERT SIEGEL	2773	REISSUE CK #72771	10.00	0.00
SERENT	5828	ACCT #224443832	476.55	0.00
SUCCESS FUND	21756	GOLF SPONSORSHIP-SUCCESS FUND	100.00	0.00
CHERYL SWANSON	300367	REFUND TAX CERT	250.00	0.00
TOM TARBLEWICZ	6014	EXPENSE REIMBURSEMENT	13.00	0.00
RAMON TRAVIS	100343	REISSUE CK #79810	21.00	0.00
JACK WATSON	2776	REFUND OVERPAYMENT	162.45	0.00
PAULA WESTCOTE	300362	REFUND OVERPAYMENT	19.63	0.00
LOREANNE WILSON	21673	REISSUE CK #79570	75.56	0.00
THOMAS ZABARON	21455	REFUND OVERPAYMENT	4.16	0.00

VENDOR APPROVAL SUMMARY REPORT

Date: 08/27/2010  
 Time: 11:11am  
 Page: 2

CITY OF MARSHALL

Vendor Name	Vendor Number	Description	Check Amount	Hard Check Amount
		Grand Total:	340,188.04	120.00
		Prescription reimbursements	71.60	
		Total Cash Disbursement	\$340,260.64	