



**CITY COUNCIL  
WORK SESSION AGENDA  
Monday, November 19, 2012  
6:00 PM – 6:45 PM  
City Hall**

**A. Financial Policy**

City Staff will present and answer questions concerning the proposed:

- Investment Policy
- Fund Balance Reserves Policy
- Debt Management Policy
- Capital Improvement Program Policy

**B. Other Items**

**C. Future Work Sessions**

December 1<sup>st</sup> – FY 2014 Financial Forecast, FY 2014 Budget with Council established goals, and City Building discussion

**D. Future topics**

Cronin Building

2013 & 2014 Goal Setting

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## **City of Marshall Investment Policy**

### **I. Policy**

It is the policy of the City of Marshall (hereafter known as the CITY) to invest public funds in manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the entity and conforming to all State statutes and local ordinances governing the investment of public funds.

### **II. Scope**

This investment policy applies to all financial assets held by the CITY. These assets are accounted for in the CITY's annual financial report and include:

- General Fund
- Special Revenue Funds
- Internal Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Debt Service Funds
- Any new fund created by the local unit, unless specifically exempted by the legislative body.

The CITY does not invest the employee pension fund.

### **III. Investment Objectives**

The following investment objectives, in priority order, will be applied in the management of the CITY's funds:

#### Safety

The primary objective of the CITY's investment activities is the preservation of capital in the overall portfolio and the protection of investment principal. The Clerk-Treasurer will employ mechanisms to control risks and diversify investments regarding specific security types or individual financial institutions.

#### Liquidity

The investment portfolio will remain sufficiently liquid to enable the CITY to meet operating requirements which might be reasonably anticipated.

#### Return on Investment

Subject to the foregoing constraints, the CITY will strive to maximize the rate of return on the portfolio and to preserve the purchasing power but will avoid assuming unreasonable investment risk. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

### **IV. Prudence**

In managing its investment portfolio, CITY officials shall avoid any transaction that might impair public confidence. Investments shall be made with judgment and care, under

circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The above standard is established as the standard for professional responsibility and shall be applied in the context of managing the overall portfolio. The investment staff of the CITY, as designated by the Clerk-Treasurer, acting in accordance with State statute, this Investment Policy, written procedures as may be established, and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

**V. Delegation of Authority**

Authority to manage the CITY's investment program is derived from State statutes.

Daily management responsibility for the investment program is the responsibility of the Clerk-Treasurer, who shall establish written procedures for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under terms of the procedures established by the Clerk-Treasurer. Such procedures should also include reference to safekeeping, repurchase agreements, wire transfer agreements, collateral or depository agreements and banking service contracts. The Clerk-Treasurer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate officials.

**VI. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity which could conflict with proper execution of the investment program or which could impair -- or create the appearance of an impairment -- in their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business with the unit, and they shall further disclose any large personal financial investment positions that could be related to the performance of the CITY's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the CITY, particularly with regard to the time of purchases and sales.

**VII. Authorized Financial Dealers and Institutions**

The Clerk-Treasurer will maintain a list of financial institutions, which are authorized to provide investment and depository services. This list shall be continuously reviewed based on quarterly reports of a rating agency. In addition, a list will also be maintained of approved security broker/dealers selected by credit-worthiness, who maintain an office in the State of Michigan or who are "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public

deposit shall be made except in a qualified public depository as established by State law.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the Clerk-Treasurer with the following: audited financial statements for the recent fiscal year; certification of having read the CITY's investment policy and the pertinent State statutes; proof of National Association of Security Dealers certification; and proof of State registration, where applicable.

### **VIII. Authorized and Suitable Investments**

The CITY is empowered by State statute (1988 Public Act 239, M.C.L. 129.91) to invest in the following types of securities:

- a. Treasury Bills, Treasury Bonds, Treasury Notes, Treasury STRIPS, and other securities or obligations of the United States, or an agency or instrumentality of the United States;
- b. Certificates of Deposit, savings accounts, deposit accounts, or depository receipts of a bank which is a member of the federal deposit insurance corporation or a savings and loan which is a member of the federal savings and loan insurance corporation or a credit union which is insured by the national credit union administration, but only if the bank, savings and loan, or credit union is eligible to be a depository of surplus funds belonging to the state under section 5 or 6 of Act No.105 of the Public Acts of 1855, as amended;
- c. In United States government or federal agency obligation repurchase agreements;
- d. In Banker's Acceptances (BA's) of United States banks;
- e. In commercial paper rated at the time of purchase within the 2 highest classifications established by not less than 2 standard rating services and which matures not more than 270 days after the date of purchase;
- f. In mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan;
- g. Investments purchased through an inter-local agreement under the urban cooperations act of 1967, (Ex Sess) PA 7, MCL 124.501 to 124.512;
- h. Investment pools organized under the surplus funds investment pool act, 1982 Public Act 367, MCL 129.111 to 129.118; and
- i. The investment pools organized under the local investment pool act, 1985 Public Act 121, MCL 129.141 to 129.150.

The Clerk-Treasurer is restricted to investments which meet the statutory restrictions above and limitations on security issues and issuers as detailed below:

a. Repurchase agreements shall be negotiated only with dealers or financial institutions with whom the Clerk-Treasurer's Office has negotiated a Master Repurchase Agreement or with the CITY's primary bank. Repurchase agreements must be signed with the bank or dealer and must contain provisions similar to those outlined in the Public Security Association's model Master Repurchase Agreement.

b. Investment of bond proceeds or funds pledged for bond repayment must be fully insured, fully collateralized or otherwise protected from loss of principal and interest and maturities must assure the availability of funds on the dates for principal and interest repayment specified in the bond covenants.

c. Investments in Commercial Paper are restricted to those which have, at the time of purchase, the top investment rating provided by any two nationally recognized rating agencies. Commercial paper held in the portfolio which subsequently receives a reduced rating shall be closely monitored and sold immediately if the principal invested may otherwise be jeopardized.

d. Certificates of deposits shall be purchased only from financial institutions which qualify under Michigan law and are consistent with Opinion No. 6168, Opinions of the Attorney General (1982).

e. In money market mutual funds or qualified bank trust funds composed of investment vehicles which are legal for direct investment by local governments in Michigan.

**IX. Diversification**

The CITY will diversify its instruments and investments by security type and institution. With the exception of U.S. Treasury securities and authorized investment pools, no more than fifty percent (50%) of the total investment portfolio will be invested in a single security type OR with a single financial institution.

**X. Pooling of Cash**

The investment officer may, where appropriate, pool cash of various funds to maximize earnings. Investment income shall be allocated to the various funds based upon their respective participation.

**XI. Maximum Maturities**

To the extent possible, the CITY will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the CITY will not directly invest in securities maturing more than three (3) years from the date of purchase. Reserve funds may be invested in securities exceeding three (3) years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

**XII. Collateralization, Safekeeping and Custody**

The State of Michigan does not require collateralization of Public Funds. However, negotiable instruments transactions having a value greater than SIPC or other applicable insurance, will be settled on a Delivery-vs.-Payment basis. If so, a Trust (Safekeeping) Receipt and proof of the applicable insurance will be required by a third-party custodian. Non-negotiable, non-collateralized Certificates of Deposit, as is the law in the State of Michigan, shall be evidenced by a Safekeeping Receipt from the issuing bank.

**XIII. Accounting**

The CITY maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the CITY in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board. Accounting treatment will include:

- Investments will be carried at cost or amortized cost which approximates market.
- Premium or discount will be amortized over the life of the investment.
- Gains or losses of investments in all funds will be recognized at the time of disposition of the security.
- Market price shall be disclosed annually in the financial statements and periodically in the performance reports.

**XIV. Investment Performance and Reporting**

The Clerk-Treasurer shall submit an annual investment report that provides:

- Principal and type of investment by fund
- Annualized yield
- Ratio of cash to investments
- Earnings for the current month and year-to-date
- Market price and a summary report of cash and investments maintained in each financial institution.

Performance of the portfolio shall be reported to the City Manager and Marshall City Council semi-annually. Reports shall include details of the characteristics of the portfolio as well as its performance for that period. Material deviations from projected investment strategies shall be reported immediately to the City Manager.

**XV. Internal Controls**

The Clerk-Treasurer shall establish a system of internal controls which is designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the Clerk-Treasurer's Office. Required elements of the system of internal controls shall include: 1) The timely reconciliation of all bank accounts (i.e. monthly reconciliation's within 30 days of the end of the monthly cycle), 2) details of delivery versus payment procedures and trust receipt documentation, and 3) a third party

audit to be conducted on annually. Internal controls will also encompass at a minimum the additional issues:

- transfers of all funds (purchases, sales, etc.);
- separation of functions including transaction authority and accounting and record-keeping;
- custodial safekeeping;
- avoidance of delivery of bearer from or non-wireable securities to the CITY;
- delegation of authority to subordinate staff members;
- written confirmation of telephone transactions;
- supervisory control of employee actions;
- specific guidelines regarding securities losses and remedial action;
- identification and minimization of the number of authorized investment officials

**XVI. Investment Policy Adoption**

The CITY's investment policy shall be adopted by resolution of the Marshall City Council. The policy shall be reviewed as necessary by the Marshall City Council.

## GLOSSARY

**Bankers' Acceptance (BA):** A draft or bill of exchange accepted by bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Broker:** A broker brings buyers and sellers together for a commission.

**Commercial Paper:** Short-term unsecured debt obligation issued by a bank holding company, finance company, utility or industrial company to raise short term cash.

**Certificate of Deposit (CD):** A receipt of funds deposited in a financial institution for a specified period at a specified rate of interest. A negotiable receipt may be in bearer or registered form and can be traded in the secondary market. A non-negotiable receipt is always registered and has no secondary market. Denominations can be any agreed amount, and interest is normally calculated using actual number of days on a 360 day year. However, each financial institution's calculations vary, and the investor should ask to avoid misunderstanding.

**Discount:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**Federal Deposit Insurance Corporation (FDIC):** A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

**Federal Savings and Loan Insurance Corporation (FSLIC):** A federal institution that insures deposits of federally chartered savings and loan associations.

**Liquidity:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**Market Price:** The price at which a security is trading and could presumably be purchased or sold.

**National Credit Union Administration:** A federal institution that insures deposits of federal and state chartered credit unions.

**Primary Dealer:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks and a few unregulated firms.

**Portfolio:** Collection of securities held by an investor.

**Rate of Return:** The yield obtainable on a security based on its purchase price or its current market price. (see Yield)

**Repurchase Agreement:** A contractual arrangement, not a security, between a financial institution or dealer and an investor. The agreement normally can run for one to thirty days, but some can go longer. The investor puts up his funds for a certain number of days at a stated yield. In return he takes title to a given block of securities as collateral. At maturity the securities are returned and the funds repaid plus interest.

**Safekeeping:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection.

**SEC Rule 15C3-1:** See Uniform Net Capital Rule.

**Securities & Exchange Commission:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SIPC:** Securities Investor Protection Corporation created as a non-profit member corporation by Congress in 1970 for the purpose of protection of cash and securities held by member SEC-registered broker/dealers that protects customer accounts in the event of the financial failure of a member.

**Treasury Bills:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**Treasury Bonds:** Long-term coupon-bearing U.S. Treasury security issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

**Treasury Notes:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government bearing interest payable at six month intervals and having initial maturities from one to 10 years.

**Treasury STRIPS:** Separate Trading of Registered Interest and Principal of Securities issued by the U.S. Government

**Uniform Net Capital Rule:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash

**Yield:** The rate of annual income return on an investment, expressed as a percentage.



**ASSOCIATION OF PUBLIC TREASURERS**  
UNITED STATES & CANADA

October 17, 2002

Ms. Gail Budrow-Bradstreet  
Finance Director/Clerk-Treasurer  
City of Marshall  
323 West Michigan Avenue  
Marshall, MI 49068-1578

Dear Ms. Budrow-Bradstreet:

The Association of Public Treasurers of the United States and Canada is pleased to present the City of Marshall, Michigan with the Association's Investment Policy Certification. Members of the Association's Investment Policy Certification Committee congratulate your government for its success in developing a comprehensive written investment policy that meets the criteria set forth by the Association's Investment Policy Certification Committee.

Our review of your investment policy is limited to the documentation submitted. The Certification is not a guarantee against loss due to economic and market conditions or human behavior. Governments are welcome to submit their investment policies for review on an annual basis. However, the Investment Policy Certification Committee recommends that a certified government submit its investment policy once every three years or sooner if major revisions are made to the existing policy.

The Association's Investment Policy Certification Committee Chairman, Ernie O'Dell, will be presenting the Investment Policy Certification plaque to all recipients at the Association's 2003 Annual Conference, August 10- August 13. Your government will be recognized during the Awards Luncheon on Wednesday, August 13.

As a treasury/financial officer from a government whose investment policy has been certified by the Association, you are eligible to apply to become a reviewer for the Investment Policy Certification Committee. Please contact the Association's headquarters at (202) 737-0660 if you are interested.

The City of Marshall is to be commended for enhancing its fiscal responsibility in the management of public funds.

Sincerely,

  
Stacey L. Crane  
Executive Director

The following fund balance reserve policy should be used to provide the general framework for setting fund balance reserve levels and for proposals with intended use of fund balance reserves. City Council recognizes there are no absolute rules or easy formulas that provide fund balance reserve levels. Generally, reserve levels are determined based on a percent of operating expenditures plus debt service ratio. The City recognizes the need to provide a policy which provides the guidelines for the annual review and discussion of fund balance reserves during the budget development process. Planned use of fund balance reserve decisions should be the result of deliberative consideration of all factors involved.

**GENERAL FUND      18-22% Operating Expenditures Plus 1.2 Debt Service Ratio**

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund. Expenditures from the General Fund go to services such as public safety (police, fire, and emergency management); parks and recreation programs; development and planning; community development services; roads; the City's legal and general government administration; and a variety of other services and programs.

The City Council considers it a good practice to keep around 18-22% of annual operating expenditures in unrestricted governmental fund balance plus 1.2 debt service ratio to cover new, unexpected expenses or an unanticipated drop in revenue.

**ENTERPRISE FUNDS      25% Operating Expenditures Plus 1.2 Debt Service Ratio**

Includes all revenue and expenses necessary to operate the funds including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

Marshall House – to account for the HUD assistance and rental activities of a lower-income senior citizen housing facility.

Electric System - to account for the provision of electricity of the City and account for the proceeds of bonds and construction of infrastructure related to the City's Electric System.

Dial-A-Ride Transportation – to account for the user fees, property taxes and grants related to the operation and maintenance of a local public transportation system.

Waste Water Disposal System - to account for the collection and treatment of the sewage of the City and to account for the proceeds of bonds and construction of infrastructure related to the City's Sewage Disposal System.

Water Supply System - to account for the provision of treated water of the City and account for the proceeds of bonds and construction of infrastructure related to the City's Water Supply System.

**SPECIAL REVENUE FUNDS    1.2 Debt Service Ratio**

To account for the proceeds of specific revenue sources (other than those from expendable trusts or for major capital projects), which are restricted legally to expenditure for specified purposes.

MVH Major and Local Roads - to account for the State-Shared gasoline and weight tax collections to provide for certain maintenance, repair costs and capital improvements of the City's Roads.

**INTERNAL SERVICE FUNDS    1.2 Debt Service Ratio**

To account for the costs of the various services below, which are billed to the various other funds on the basis of services used. The costs include, but are not limited to, administrative, operation, maintenance and financing costs.

Data Processing - to account for the operation and maintenance of the City's information technology equipment and software.

Motor Pool - to account for the operation and maintenance of the City's motor vehicle fleet and other equipment.

Safety - to account for the operation of the City's safety training program.

Health Reimbursement Arrangement - to account for the City's funding for health insurance HRA and HSA deductibles.

**COMPONENT UNITS    15% Plus 1.2 Debt Service Ratio**

Legally separate organizations for which the elected officials of the primary government are financially accountable.

Downtown Development Authority - to account for the tax increment revenue that is derived from new construction in the Downtown Development District, which is used to finance various improvements in the downtown area.

Local Development Finance Authority - to account for the monies which provide local financing/partnership for developing and sustaining local industrial business.

The following debt management policy should be used to provide the general framework for planning and reviewing debt proposals. City Council recognizes there are no absolute rules or easy formulas that can substitute for a thorough review of all information affecting the City's debt position. Debt decisions should be the result of deliberative consideration of all factors involved.

## 1. **General Debt Policy**

- 1.1 The City shall seek to maintain and, if possible, to improve its current A+ bond rating so borrowing costs are minimized and access to credit is preserved. It is imperative that the City demonstrates to rating agencies, investment bankers, creditors, and taxpayers that City officials are following a prescribed financial plan. The City will follow a policy of full disclosure by communicating with bond rating agencies to inform them of the City's financial condition.
- 1.2 The City recognizes that it is of the utmost importance that elected and appointed City officials, and all others associated with the issuance of City debt, not only avoid the reality of a conflict of interest, but the appearance thereof as well. City officials must conduct themselves in a manner consistent with the best interests of the City and taxpayers. Elected and appointed City officials should avoid even the appearance of linkages between politics and public finance that can erode the confidence of taxpayers, ratepayers, and voters. This includes avoiding gratuities, and political contributions of more than nominal value from service providers and the disclosure of all possible conflicts of interest shall be provided in writing and filed with the City Clerk.
- 1.3 Bonds will be sold on a competitive basis unless it is in the best interest of the City to conduct a negotiated sale. Competitive sales will be the preferred method. Negotiated sales may occur when selling bonds for a defeasance of existing debt, for current or advanced refunding of debt, or for other appropriate reasons.

## 2. **Taxpayer Equity**

- 2.1 Marshall's property taxpayers and citizens who benefit from projects financed by bonds should be the source of the related debt service funding. This principle of taxpayer equity should be a primary consideration in determining the type of projects selected for financing through bonds. Furthermore, the principle of taxpayer equity shall be applied for setting rates in determining net revenues for bond coverage ratios.

## 3. **Uses**

- 3.1 Bond proceeds should be limited to financing the costs of planning, design, land acquisition, buildings, permanent structures, attached fixtures or equipment, and movable pieces of equipment, such as fire engines, or other costs as permitted by

law. Utility revenue bond proceeds may be used to establish a debt service reserve as allowed by State law. Acceptable uses of bond proceeds can be viewed as items, which can be capitalized. Non-capital furnishings and supplies will not be financed from bond proceeds. Refunding bond issues designed to restructure currently outstanding debt are an acceptable use of bonds proceeds.

#### **4. Decision Analysis**

4.1 Whenever the City is contemplating a possible bond issue, information will be developed concerning the following four categories commonly used by rating agencies assessing the City's creditworthiness. The subcategories are representative of the types of items to be considered. The Finance Director will present this information to the City Manager:

##### 4.1.a Debt Analysis

- Debt capacity analysis
- Purpose for which debt is issued
- Debt structure
- Debt burden
- Debt history and trends
- Adequacy of debt and capital planning
- Obsolescence of capital plant

##### 4.1.b Financial Analysis

- Stability, diversity, and growth rates of tax or other revenue sources
- Trend in assessed valuation and collections
- Current budget trends
- Appraisal of past revenue and expenditure trends
- History and long-term trends of revenues and expenditures
- Evidences of financial planning
- Adherence to generally accepted accounting principles
- Audit results
- Fund balance status and trends in operating and debt funds
- Financial monitoring systems and capabilities
- Cash flow projections

##### 4.1.c Governmental and Administrative Analysis

- Government organization structure
- Location of financial responsibilities and degree of control
- Adequacy of basic service provision
- Intergovernmental cooperation/conflict and extent of duplication
- Overall city planning efforts

##### 4.1.d Economic Analysis

- Geographic and location advantages

- Population and demographic characteristics
- Wealth indicators
- Housing characteristics
- Level of new construction
- Types of employment, industry, and occupation
- Evidences of industrial decline
- Trend of the economy

4.2 The City may use the services of qualified internal staff and outside advisors to assist in the analysis, evaluation, and decision process, including bond counsel and financial advisors. Recognizing the importance and value to the City's creditworthiness and marketability of the City's bonds, this policy is intended to ensure that potential debt complies with all laws and regulations, as well as sound financial principles.

## 5. **Debt Planning**

- 5.1 Unlimited-tax general obligation bond borrowing should be planned and the details of the plan should be included in the City's Capital Improvement Plan.
- 5.2 Unlimited-tax general obligation bond issues should be included in at least two Capital Improvement Plans preceding the year of the bond sale. The first inclusion should contain a general description of the project, its timing, and financial limits; subsequent inclusions should become increasingly specific.

## 6. **Communication and Disclosure**

- 6.1 Significant financial reports affecting or commenting on the City will be forwarded to the rating agencies. Each bond prospectus will follow the disclosure guidelines of the Government Finance Officers Association of the U.S. & Canada.
- 6.2 The City should attempt to develop coordinated communication processes concerning collective plans for future debt issues with all other jurisdictions with which it shares a common property tax base. Reciprocally, shared information on debt plans including amounts, purposes, timing, and types of debt would aid each jurisdiction in its debt planning decisions.

## **7. General Obligation Bonds**

- 7.1 Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project.
- 7.2 Generally, bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed. The City will attempt to keep the average maturity of general obligation bonds at or below 20 years. The City will limit the total of its general obligation debt to 10% of the City's assessed value.
- 7.3 Whenever possible, the City will finance capital projects by using self-supporting revenue bonds. Revenue bonds assure the greatest degree of equity because those who benefit from a project and those who pay for a project are most closely matched.

## **8. Limited Tax General Obligation Debt**

- 8.1 Limited tax general obligation bonds should be considered only when constraints preclude the practice of voter approved general obligation bonds. As a precondition to the issuance of limited tax general obligation bonds, all alternative methods of financing should have been investigated. Consideration should always be given to provide a pledge of facility revenue to accompany the basic pledge of limited tax revenues.
- 8.2 Limited tax general obligation bonds should only be issued under certain conditions:
  - 8.2.a A project to be financed will generate positive net revenues, i.e., additional revenues generated by the project will be greater than the debt service requirements. The net revenues should be positive over the life of the bonds, and be positive each year if possible. The City recognizes that net revenues may not be positive in the early years of certain projects, but should be positive within a reasonable time period of five to seven years. These calculations will be made on a conservative basis so that the potential for a long-term net decrease in general fund revenues is minimized.
  - 8.2.b Matching fund monies are available which may be lost if not applied for in a timely manner.
  - 8.2.c Catastrophic conditions.

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## 9. Debt Coverage

- 9.1 It is City policy that each utility or enterprise should provide adequate debt service coverage. A specific factor is established by City Council that projected operating revenues in excess of operating expenses less capital expenditures, depreciation and amortization in the operating fund should be at least 1.2 times the annual debt service costs. An example of the debt coverage calculation is below.

Debt Coverage Example:

Operating Revenues	\$13,903,166
Operating Investment Income	<u>751,270</u>
Total Operating Revenue	\$14,654,436
Operating Expenses	\$11,644,355
Less: Depreciation and Amortization	<u>1,155,004</u>
Net Expenses	\$10,489,351
Net Revenue Available for Debt Service	\$ 4,165,085 (1*)
Principal	\$ 1,520,000
Interest	<u>1,963,116</u>
Total Debt Service	\$ 3,483,116 (2*)
Debt Coverage Ratio (1* divided by 2*)	1.19

## 10. Short Term Financing/Capital Lease Debt

- 10.1 Short-term financing or capital lease debt will be considered to finance certain equipment and rolling stock purchases when the aggregate cost of equipment to be purchased exceeds \$100,000. Adequate funds for the repayment of principal and interest must be included in the requesting service area's approved budget.
- 10.2 The term of short-term financing will be limited to the usual useful life period of the vehicle or equipment, but in no case will exceed ten years.

City Council recognizes the importance of CIP policies to guide capital programming because: 1) they provide a better understanding of the basis for a CIP; 2) they raise issues that should be discussed; and 3) they provide more specific guidance to the City Manager as well as to the operating service areas that propose capital improvements. These policies are intended to be the basis for deliberation and debate. Both policies and priorities change over time as new components of the master plan are adopted.

- 1) The Capital Improvements Plan plays an increasingly significant role in the implementation of the master plan, providing the link between planning and budgeting for capital projects. Nearly all of the capital improvement project requests will evolve, over time, from a component of the master plan. All City service areas will be asked to take a more active role in the planning process so that master plan components more consistently contain objectives and policies for capital improvements.
- 2) The capital improvements program will continue to develop by adding features each year to gradually improve its quality and sophistication. Greater attention will be devoted to more detailed information about individual project requests, program planning, fiscal analysis, fiscal policies, and developing debt strategy.
- 3) Projects first will be evaluated in relation to each other before consideration is given to available financing. Projects will be prioritized as a matter of implementing the goals and objectives of adopted plans and policies, not as a matter of available funds.
- 4) Capital projects that encourage private economic investment in the City will be considered in components of the master plan.
- 5) Projects that maintain the existing infrastructure normally will take precedence over projects that create or expand facilities.
- 6) The City must develop sources of revenue to pay for capital expenditures that do not use, or compete for, resources from the General Fund.
- 7) A successful capital improvements program cannot be achieved without the understanding and support of the taxpayers and voters. A more comprehensive effort to involve the public in the process will evolve to ensure that their concerns, preferences, and priorities are considered.

- 8) The capital improvements program must strive to provide for services equally among all residents of the City and to focus on those projects that provide the most benefit to the entire community. Likewise, careful evaluation must be made as to which projects should be paid for in greater measure by those who benefit from them, and which are better spread among all residents.
- 9) Projects that are necessary to protect against a clear and immediate risk to public health or public safety should be regarded as highest priority.



# MARSHALL CITY COUNCIL AGENDA

MONDAY – 7:00 P.M.

NOVEMBER 19, 2012

- 1) CALL TO ORDER
- 2) ROLL CALL
- 3) INVOCATION – Richard Gerten, Family Bible Church
- 4) PLEDGE OF ALLEGIANCE
- 5) APPROVAL OF AGENDA – Items can be added or deleted from the Agenda by Council action.
- 6) 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.
- 7) CONSENT AGENDA
  - A. City Council Minutes  
Work Session..... Monday, November 5, 2012  
Regular Session..... Monday, November 5, 2012
  - B. City Bills  
Regular Purchases ..... \$ 127,587.92  
Purchased Power..... \$ 716,483.72  
Weekly Purchases –11/02/12..... \$ 48,942.87  
Weekly Purchases –11/09/12..... \$ 99,610.53  
Total ..... \$ 992,625.04

8) PRESENTATIONS AND RECOGNITIONS

9) INFORMATIONAL ITEMS

A. Marshall Public School Agreement

City Staff will update City Council on discussions with MPS regarding the City Garage.

10) PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION

11) OLD BUSINESS

12) REPORTS AND RECOMMENDATIONS

A. CCAIS Agreement

City Council will consider the recommendation to approve the agreement with the County Agricultural & Industrial Society for the ice skating rink.

B. Goal Setting Work Session

City Council will consider the recommendation to schedule a work session on Saturday, January 5, 2013 from 9:00 a.m. to 12:00 p.m. at the Public Services Building Training Room to establish goals for 2013 and 2014.

**Mayor:**

James Dyer

**Council Members:**

Ward 1 - Wayne Booton

Ward 2 - Nick Metzger

Ward 3 - Brent Williams

Ward 4 - Jack Reed

Ward 5 - Jody Mankerian

At-Large - Kathy Miller

**13) APPOINTMENTS / ELECTIONS**

**A. Calhoun County Consolidated Dispatch Authority Board Appointment**

City Council will consider the recommendation to appoint a representative to the Calhoun County Consolidated Dispatch Authority Board for a term of January 1, 2013 to December 31, 2014.

**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



IN A WORK SESSION Monday, November 5, 2012 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.

Present: Council Members: Booton, Mayor Dyer, Mankerian, Metzger, Miller, Reed, and Williams

Also Present: City Manager Tarkiewicz and Clerk-Treasurer Bird

Absent: None.

**A.** City Staff discussed the agreement with Marshall Public Schools concerning their usage of the DPW garage.

**B.** Discussion took place regarding the establishment of a Building and Grounds Committee at a future Council meeting.

The meeting was adjourned at 6:57 p.m.

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James L. Dyer, Mayor

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Sandra Bird, Clerk-Treasurer

**CALL TO ORDER**

IN REGULAR SESSION Monday, November 5, 2012 at 7:00 P.M. in the Council Chambers of Town Hall, 323 West Michigan Avenue, Marshall, MI, the Marshall City Council was called to order by Mayor Dyer.

**ROLL CALL**

Roll was called:

Present: Council Members: Booton, Mayor Dyer, Mankerian, Metzger, Miller, Reed and Williams.

Also Present: City Manager Tarkiewicz.

Absent: None.

**INVOCATION/PLEDGE OF ALLEGIANCE**

Kris Tarkiewicz of Family Bible Church gave the invocation and Mayor Dyer led the Pledge of Allegiance.

**APPROVAL OF THE AGENDA**

**Moved** Metzger, supported Miller to approve the agenda with the addition of item 8A Historical Society Award. On a voice vote – **MOTION CARRIED.**

**PUBLIC COMMENT ON AGENDA ITEMS**

John LaPietra of 386 Boyer Court asked a question regarding board vacancies and appointments.

**CONSENT AGENDA**

**Moved** Metzger, supported Reed to approve the Consent Agenda:

- A. Approve minutes of the City Council Regular Session held on Monday, October 15, 2012;
- B. Approve city bills in the amount of \$670,133.33.

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

**PRESENTATIONS AND RECOGNITIONS**

**A. Historical Society Award**

Linda Rasher of the Marshall Historical Society spoke of the award presented to them.

**INFORMATIONAL ITEMS**

None.

**PUBLIC HEARINGS & SUBSEQUENT COUNCIL ACTION**

None.

**OLD BUSINESS**

None.

**REPORTS AND RECOMMENDATIONS**

**A. 1<sup>st</sup> Quarter Investment Portfolio Report:**

**Moved** Williams, supported Metzger, to accept the 1<sup>st</sup> Quarter Investment Portfolio Report as presented. On a voice vote – **MOTION CARRIED.**

**B. 1<sup>st</sup> Quarter Financial Report:**

**Moved** Williams, supported Mankerian, to accept the 1<sup>st</sup> Quarter Financial Report as presented. On a voice vote – **MOTION CARRIED.**

**C. Financial Policies:**

Council will discuss the financial policies at a work session on Monday, November 19, 2012 at 6:00 p.m.

**D. Establish Work Session:**

**Moved** Metzger, supported Reed, to schedule a work session for Saturday, December 1, 2012 from 9:00 a.m. to 12:00 p.m. at the Public Services Building Training Room to discuss FY 2014 Financial Forecast, reporting City Goals in the FY 2014 budget book and the proposed building plan for the Police and City Hall Facilities. On a voice vote – **MOTION CARRIED.**

**APPOINTMENTS / ELECTIONS**

None.

**PUBLIC COMMENT ON NON-AGENDA ITEMS**

John LaPietra of 386 Boyer Court commented regarding the number of issues on the City's ballot and the different ways you may cast a vote.

Brian Munger asked questions regarding the City's bond rating and our banking facilities.

Marshall City Council, Regular Session  
Monday, November 5, 2012  
Unofficial

**COUNCIL AND MANAGER COMMUNICATIONS**

**ADJOURNMENT**

The meeting was adjourned at 8:52 p.m.

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James L. Dyer, Mayor

---

Sandra Bird, Clerk-Treasurer

User: SBird

DB: Marshall

EXP CHECK RUN DATES 11/21/2012 - 11/22/2012

UNJOURNALIZED

OPEN

INVOICE NUMBER	VENDOR NAME	STATUS	AMOUNT
BANK CODE: MAIN			
19067	A & D LIGHTING SUPPLY	Open	141.57
26025	ABLE HEATING & COOLIN	Open	240.00
26045	ABLE HEATING & COOLIN	Open	182.00
483486-IN	ALEXANDER CHEMICAL CO	Open	2,033.00
483487-CM	ALEXANDER CHEMICAL CO	Open	(1,100.00)
5003545	ALTEC INDUSTRIES INC	Open	800.06
11354	ARBOR MASTER	Open	5,212.68
11-742335	ARROW UNIFORM	Open	135.58
11-749981	ARROW UNIFORM	Open	20.00
11-749973	ARROW UNIFORM	Open	26.37
11-749979	ARROW UNIFORM	Open	62.30
11-742333	ARROW UNIFORM	Open	54.56
11-749978	ARROW UNIFORM	Open	54.56
11-749980	ARROW UNIFORM	Open	135.58
11-742329	ARROW UNIFORM	Open	26.37
11-742334	ARROW UNIFORM	Open	62.30
11-742336	ARROW UNIFORM	Open	20.00
103525-01	AUSTIN-BATTERIES PLUS	Open	78.50
103546-01	AUSTIN-BATTERIES PLUS	Open	899.64
147073	AUSTIN-BATTERIES PLUS	Open	26.82
225-311973	AUTO VALUE MARSHALL	Open	31.08
225-310170	AUTO VALUE MARSHALL	Open	395.80
225-311433	AUTO VALUE MARSHALL	Open	112.56
225-311842	AUTO VALUE MARSHALL	Open	9.89
225-309070	AUTO VALUE MARSHALL	Open	20.48
14284	CEREAL CITY WINDOW CL	Open	210.00
171508	CITY OF ALBION	Open	127.49
1200008174	CITY OF JACKSON	Open	458.98
26298	CLASSIC DRY CLEANING&	Open	315.80
IN18968	CORNERSTONE OFFICE SY	Open	388.28
4111	COURTNEY & ASSOCIATES	Open	250.00
14552	CRIMSON FIRE	Open	36.32
81049	CRT, INC	Open	339.00
661589016	CRYSTAL FLASH ENERGY	Open	908.29
710856	CRYSTAL FLASH ENERGY	Open	24.32
661592002	CRYSTAL FLASH ENERGY	Open	468.18
661592001	CRYSTAL FLASH ENERGY	Open	790.74
1155180-1012	CULLIGAN	Open	24.00
62636	DADOW POWER EQUIPMENT	Open	83.64
419268	DARLING ACE HARDWARE	Open	6.48
418728	DARLING ACE HARDWARE	Open	16.36
418761	DARLING ACE HARDWARE	Open	10.45
419240	DARLING ACE HARDWARE	Open	5.98
419131	DARLING ACE HARDWARE	Open	7.99
419362	DARLING ACE HARDWARE	Open	49.53
419083	DARLING ACE HARDWARE	Open	7.56
418766	DARLING ACE HARDWARE	Open	23.79
418982	DARLING ACE HARDWARE	Open	7.92
418711	DARLING ACE HARDWARE	Open	12.24
418203	DARLING ACE HARDWARE	Open	2.49
418168	DARLING ACE HARDWARE	Open	11.48
418058	DARLING ACE HARDWARE	Open	25.99
417380	DARLING ACE HARDWARE	Open	28.99
417432	DARLING ACE HARDWARE	Open	57.98
417050	DARLING ACE HARDWARE	Open	63.98
418744	DARLING ACE HARDWARE	Open	11.75
417617	DARLING ACE HARDWARE	Open	207.93
417989	DARLING ACE HARDWARE	Open	59.98
418346	DARLING ACE HARDWARE	Open	89.97
475849	DAVIS, MATT	Open	1,175.80
501	ED'S DECORATING	Open	525.00
806-110712	ED'S DECORATING	Open	350.00
19168	ELECTION SOURCE	Open	389.78
8534	ERIC DALE HEATING & A	Open	630.00
MIMA142128	FASTENAL COMPANY	Open	19.03
MIMA142214	FASTENAL COMPANY	Open	16.57
MIMA142439	FASTENAL COMPANY	Open	38.72
273742	FISHBECK THOMPSON CAR	Open	4,345.50
584041	FIVE STAR SPRINKLERS	Open	70.00
584036	FIVE STAR UNDERGROUND	Open	70.00
584038	FIVE STAR UNDERGROUND	Open	70.00
584037	FIVE STAR UNDERGROUND	Open	70.00
584039	FIVE STAR UNDERGROUND	Open	70.00
584035	FIVE STAR UNDERGROUND	Open	70.00
103112	FRED'S STANDARD SERVI	Open	130.85
2112349981	GANNETT MICHIGAN NEWS	Open	390.79

User: SBird

DB: Marshall

EXP CHECK RUN DATES 11/21/2012 - 11/22/2012

UNJOURNALIZED

OPEN

INVOICE NUMBER	VENDOR NAME	STATUS	AMOUNT
BANK CODE: MAIN			
11-11845	GARAGE DOORS UNLIMITE	Open	95.00
TRP/100034903	GLOCK PROFESSIONAL IN	Open	195.00
9962190170	GRAINGER	Open	5.59
902	GUTTERS R US	Open	3,177.30
65557	HERMANS MARSHALL HARD	Open	195.98
65536	HERMANS MARSHALL HARD	Open	24.47
65573	HERMANS MARSHALL HARD	Open	21.97
65530	HERMANS MARSHALL HARD	Open	23.76
65597	HERMANS MARSHALL HARD	Open	30.73
413	HIGLEY'S TREE SERVICE	Open	465.00
71510	HOLLAND SUPPLY	Open	193.16
386162	HUB INTERNATIONAL MID	Open	43,943.00
386163	HUB INTERNATIONAL MID	Open	4,000.00
386167	HUB INTERNATIONAL MID	Open	29,399.00
386166	HUB INTERNATIONAL MID	Open	781.00
12-268	INDIANA MUNICIPAL ELE	Open	300.00
102912I-5	IRISH ACRES DISTRIBUT	Open	150.00
79483	J & K PLUMBING SUPPLY	Open	6.32
79515	J & K PLUMBING SUPPLY	Open	26.19
79438	J & K PLUMBING SUPPLY	Open	2.12
1590760-00	J.O. GALLOUP COMPANY	Open	38.36
1590760-01	J.O. GALLOUP COMPANY	Open	5.46
1591480-00	J.O. GALLOUP COMPANY	Open	2.61
103112	JIMMY'S JOHNS	Open	111.25
4303	JS BUXTON	Open	1,034.78
102512	K-MART	Open	389.70
127425	KAR LABORATORIES INC	Open	100.00
58901.96	KIDDER HEATING & AIR	Open	309.00
10110	KIMBALL ELECTRIC	Open	650.00
80274	KRUM PUMP & EQUIPMENT	Open	1,083.80
25543	LAKELAND ASPHALT CORP	Open	327.08
1528265-20121031	LEXISNEXIS RISK DATA	Open	139.56
3	MAGIC MAIDS	Open	1,050.00
5894	MARSHALL WELDING & FA	Open	750.00
S3291214.002	MEDLER ELECTRIC COMPA	Open	117.69
S3291214.001	MEDLER ELECTRIC COMPA	Open	447.84
58619532	MSC INDUSTRIAL SUPPLY	Open	167.76
57356862	MSC INDUSTRIAL SUPPLY	Open	230.48
332034	NAPA OF MARSHALL	Open	6.56
181225	NEPM - ASI #279381	Open	247.50
12-589	NU-TWIST SCREEN PRINT	Open	256.20
12-578	NU-TWIST SCREEN PRINT	Open	265.45
391648	NYE UNIFORM COMPANY	Open	38.00
391679	NYE UNIFORM COMPANY	Open	33.09
733208	OVERHISER, MARTIN	Open	684.80
5686880	POWER LINE SUPPLY	Open	85.95
5686881	POWER LINE SUPPLY	Open	653.16
5684807	POWER LINE SUPPLY	Open	31.60
5684808	POWER LINE SUPPLY	Open	47.40
5685635	POWER LINE SUPPLY	Open	96.00
F12310-F04086	POWERPLAN	Open	266.78
7851	RADIO COMMUNICATIONS	Open	250.00
7852	RADIO COMMUNICATIONS	Open	75.00
7850A	RADIO COMMUNICATIONS	Open	250.00
15493	RC SYSTEMS INC.	Open	3,382.50
332006	ROE-COMM., INC	Open	50.00
111212	S.M.R.P.A.	Open	20.00
111212A	S.M.R.P.A.	Open	20.00
91182	SHAFER REDI-MIX INC	Open	542.00
21063-1112	SPARTAN STORES	Open	222.92
24555	STANDARD PRINTING & O	Open	804.49
24541	STANDARD PRINTING & O	Open	7.00
24578	STANDARD PRINTING & O	Open	319.22
24650	STANDARD PRINTING & O	Open	57.65
774853	STATE OF MICHIGAN	Open	2,921.45
20536	SUMMIT POINTE	Open	190.00
22601/1	THE HARVESTER FLOWER	Open	48.95
214500696	U.S. BANK EQUIPMENT F	Open	37.62
530340232	UTILITIES INSTRUMENTA	Open	2,208.00
24520	WEST MICHIGAN LAWN SE	Open	230.05

TOTAL BANK CODE: MAIN

127,587.92

127,587.92



## MICHIGAN SOUTH CENTRAL POWER AGENCY

720 HERRING ROAD • LITCHFIELD, MICHIGAN 49252  
 PHONE (517) 542-2346 • FAX (517) 542-3049  
[www.mscca.net](http://www.mscca.net)

### ORIGINAL INVOICE

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

Invoice Date: 15-Nov-12  
 Due Date: 30-Nov-12  
 Service From: 01-Oct-12  
 To: 31-Oct-12

Peak Demand 16,091 kw

Total Energy Received 9,185,870 kWh  
 Hydro Generation 55,188 kWh  
 Net Billing kWh's 9,130,682 kWh

Area	Entitlement %	Operating and Maintenance Costs	Debt Service Costs and Capacity Credits	Total
<b>PROJECT 1-ENDICOTT</b>	24.0%	416,638.99	-	416,638.99
<b>PROJECT 2</b>	18.0%	(67.51)	-	(67.51)
<b>PROJECT 3</b>	20.2%	-	-	-
<b>PRAIRIE STATE</b>	16.7%	19,898.62	20,199.28	40,097.90
<b>AFEC</b>	15.6%	135,478.61	28,213.75	163,692.36
<b>AMP CONTRACTS</b>	21.2%	124,821.97		124,821.97
<b>CVEC</b>	0.0%	-		-
<b>MISO PURCHASES</b>	11.3%	23,762.64		23,762.64
<b>MISO SALES</b>	10.3%	(54,145.77)		(54,145.77)
<b>TRANSMISSION</b>	30.9%	(20,246.31)	-	(20,246.31)
<b>MISO</b>	18.0%	4,253.64		4,253.64
<b>SUBSTATION</b>	34.4%	-	-	-
<b>ADMINISTRATION</b>	18.0%	20,838.76		20,838.76
<b>MEMBER</b>	15.6%	1,556.25		1,556.25
<b>MEMBER HYDRO</b>	0.0%	-		-
<b>CAPACITY</b>	15.6%	-		-
<b>RATE STABILIZATION</b>		-		-
<b>TOTAL COST</b>		\$ 672,789.90	48,413.03	721,202.93
		\$/kWh 0.07368	0.00530	0.07899
<b>CREDITS</b>		\$ (4,719.20)	-	(4,719.20)
		\$/kWh (0.00052)	0.00000	(0.00052)
<b>NET COST</b>		\$ 668,070.69	48,413.03	716,483.72
		\$/kWh 0.07317	0.00530	0.07847

**Pay this amount \$ 716,483.72**

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

EXP CHECK RUN DATES 11/02/2012 - 11/02/2012  
 UNJOURNALIZED  
 OPEN

INVOICE NUMBER	VENDOR NAME	DESCRIPTION	AMOUNT
102712	AYLOR, KOBY	ENERGY OPTIMIZATION - CFL LAMPS	7.45
110112	BATTLE CREEK UNLIMITE	NOV 2012	14,041.66
102312	BEARDSLEE LAW OFFICES	SERVICES THRU 10/22/12	3,494.50
110112	CALHOUN COUNTY EQUALI	NOV 2012	2,122.00
36180296	CITGO	FLEET #132271610	13,398.04
8-002800-08	CRITESER. JIM	UTILITY DEPOSIT REFUND	50.00
MI022820001-1112	DELTA DENTAL PLAN OF	CUST #MI022820001	4,714.62
102312	EDWARD COSTINE	OPTICAL ALLOWANCE	300.00
985677	GRIFFIN PEST SOLUTION	323 W MICHIGAN AVE	44.00
102612	LEACH, DOUG	MEAL	10.00
102712	LEHMANN, GERALD	ENERGY OPTIMIZATION - A/C TUNEUP	50.00
102712	MARSH, JOHN	ENERGY OPTIMIZATION-REFRIG/FRZR A/C	75.00
2113-1012	MARSHALL COMMUNITY CU	2113 - TRUDEAU	284.23
102712	MARSHALL COMMUNITY FO	TREE REPLACEMENT PROGRAM	5,000.00
13-53-000-138-00	MATTESON, JENNIFER RE	REFUND TAX OVERPAYMENT	250.00
103012	MEYER, STEVE	BOOT ALLOWANCE	127.19
32-051000-26	MILLER, BETTY	REFUND UTILITY DEPOSIT	74.23
329467	NAPA OF MARSHALL	SENSOR	40.84
102612	PORTER, CINDY	DDA MINUTES	30.00
30-042200-13	RAMON, MELODEA	REFUND UTILITY OVERPAYMENT	119.54
13-53-003-422-00	SPERO PROPERTIES LLC	REFUND TAX OVERPAYMENT	3,892.01
224843832-078	SPRINT	ACCT #224843832	396.17
103112	TAYLOR, JEFF	BOOT ALLOWANCE	103.88
102612	TICE, LUCAS	MEAL	10.00
4-009600-08	TUCKER, WHITNEY	REFUND UTILITY DEPOSIT	122.51
10040269-1012	WOW! BUSINESS	ACCT #010040269	170.00
			48,927.87

Prescription reimbursements 15.00

Total Cash Disbursements \$48,942.87

EXP CHECK RUN DATES 11/08/2012 - 11/09/2012  
 UNJOURNALIZED  
 OPEN

INVOICE NUMBER	VENDOR NAME	STATUS	AMOUNT
110612	AARON, BARB	Open	80.00
8102266-000-1112	AD-VISOR & CHRONICLE	Open	17.95
6100458-000-1112	AD-VISOR & CHRONICLE	Open	504.92
110612	ADAMS, ADALINE	Open	150.00
30-043500-27	BAUMGARTNER, NORMA	Open	0.67
110612	BEGG, CHERYL	Open	140.00
21-037100-13	BOYD, ERIC	Open	178.72
103112-1	CALHOUN COUNTY TREASU	Open	12,961.93
103112-2	CALHOUN COUNTY TREASU	Open	11.33
103112-3	CALHOUN COUNTY TREASU	Open	543.21
103112-4	CALHOUN COUNTY TREASU	Open	14,461.56
103112-5	CALHOUN COUNTY TREASU	Open	12.63
103112-6	CALHOUN COUNTY TREASU	Open	572.99
OCT 2012	CALHOUN COUNTY TREASU	Open	80.00
103112-1	CALHOUN INTERMEDIATE	Open	7,543.92
103112-2	CALHOUN INTERMEDIATE	Open	6.58
103112-3	CALHOUN INTERMEDIATE	Open	316.11
21-001000-23	CAROL MCCREARY	Open	97.47
110612	CITY OF MARSHALL	Open	17.94
110512	CITY OF MARSHALL	Open	38.54
982	CORNERSTONE INSPECTIO	Open	1,515.00
110612	DAY, SUSAN	Open	158.00
110612	DESIGN STUDIO EAST	Open	45.00
21-042200-10	ELMENDORF, STEPHANIE	Open	50.08
110612	HAGERTY, MELISSA	Open	150.00
110612	HAGERTY, PHILLIP	Open	158.00
110612	HARVEY, NICOLE	Open	30.35
21-006600-05	HEATH, MIRANDA & PHIL	Open	159.00
22-009400-01	HINSKE, DAVID	Open	4.16
385080	HUB INTERNATIONAL MID	Open	55.00
110612	JONES, RANDI	Open	45.00
110612	KEENE, MICHELLE	Open	45.00
103012	KEIPER, LAURA	Open	133.00
103112-1	KELLOGG COMMUNITY COL	Open	4,471.55
103112-2	KELLOGG COMMUNITY COL	Open	3.89
103112-3	KELLOGG COMMUNITY COL	Open	187.33
110612	KEVIN VANDYBOGURT	Open	45.00
110612	MACHATA, ROBERTA	Open	158.00
103112-1	MARSHALL DISTRICT LIB	Open	4,027.56
103112-2	MARSHALL DISTRICT LIB	Open	3.50
103112-3	MARSHALL DISTRICT LIB	Open	168.76
103112-1	MARSHALL PUBLIC SCHOO	Open	5,845.77
103112-2	MARSHALL PUBLIC SCHOO	Open	3.44
103112-3	MARSHALL PUBLIC SCHOO	Open	675.82
103112-4	MARSHALL PUBLIC SCHOO	Open	8,291.08
103112-5	MARSHALL PUBLIC SCHOO	Open	7.24
103112-6	MARSHALL PUBLIC SCHOO	Open	347.52
103112-7	MARSHALL PUBLIC SCHOO	Open	1,205.00
103112-8	MARSHALL PUBLIC SCHOO	Open	1.03
103112-9	MARSHALL PUBLIC SCHOO	Open	50.48
31-029800-01	MARTINSON, LINDA	Open	202.48
7-002200-34	MCKEEN, DENNIS & HOLL	Open	57.68
331528	NAPA OF MARSHALL	Open	17.59
331526	NAPA OF MARSHALL	Open	5.07
331700	NAPA OF MARSHALL	Open	180.10
331467	NAPA OF MARSHALL	Open	35.83
331397	NAPA OF MARSHALL	Open	315.09
331477	NAPA OF MARSHALL	Open	10.94
331463	NAPA OF MARSHALL	Open	284.88
331448	NAPA OF MARSHALL	Open	72.64
331655	NAPA OF MARSHALL	Open	40.84
331527	NAPA OF MARSHALL	Open	25.40
110612	NEIDLINGER, DARLENE	Open	197.50
110612	NELSON, KRISTI	Open	45.00
101212	NELSON, TRISHA	Open	24.98
790004405582930711	NEOFUNDS BY NEOPOST	Open	3,000.00
110612	PARKER, KRISTI	Open	45.00
110612	RAUSCH, JANEAN	Open	136.00
110612	REDDICK, KENNETH E	Open	166.00
110612	REDDICK, PAULINE	Open	92.00
249-003552859	REPUBLIC SERVICES #24	Open	626.94
29-004000-24	RIBBEY, CHAD	Open	0.59
110612	RICHARDSON, MARC	Open	45.00
110612	SIZEMORE, DARLYNE	Open	136.00
38-6004708-1012	STATE OF MICHIGAN	Open	27,174.83
15-003400-00	TUCKER, JOHN W	Open	4.80
110612	WALBECK, DEB	Open	187.50

EXP CHECK RUN DATES 11/08/2012 - 11/09/2012  
UNJOURNALIZED  
OPEN

INVOICE NUMBER	VENDOR NAME	STATUS	AMOUNT
110612	WALBECK, RICHARD	Open	166.00
12-019800-08	WHITCOMB, SAVANNAH	Open	11.53
19-007300-35	WOOD, ANDREW	Open	96.76
110612	WORKS, SHIRLEY	Open	144.00
16-028600-05	YOUNG, MICHELE	Open	75.87
			99,401.87
		Prescription reimbursements	208.66
		Total Cash Disbursements	\$99,610.53



**ADMINISTRATIVE REPORT**  
**November 19, 2012 – City Council Meeting**

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

**FROM:** Tom Tarkiewicz, City Manager

**SUBJECT:** Agreement with Calhoun County Agricultural & Industrial Society for Ice Skating Rink

**BACKGROUND:** A local group of citizens have secured a \$11,000 grant from the Cronin Foundation to purchase an outdoor portable ice skating rink. The skating rink will not be refrigerated. The Fairgrounds have agreed to host the rink under their show barn roof. City crews will maintain the ice surface and it is planned that volunteers will assist in the winter installation and spring removal. The rink will be for recreational skating and hockey will not be allowed. It is planned that the rink will be unsupervised.

The City Attorney has drafted the attached agreement and the CCAIS has approved the agreement.

**RECOMMENDATION:** It is recommended that City Council approve the agreement with the County Agricultural & Industrial Society for the ice skating rink.

**FISCAL EFFECTS:** City crews will assist in the ice resurfacing.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tom Tarkiewicz".

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

p 269.781.5183

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cityofmarshall.com



Elizabeth  
1906 - 1989

# Cronin Foundation

ESTABLISHED 1989  
THROUGH THE GENEROSITY OF  
ELIZABETH AND VIRGINIA CRONIN



Virginia  
1904 - 2002

June 19, 2012

Tom Tarkiewicz  
Marshall City Manager  
323 West Michigan Avenue  
Marshall, Michigan 49068

**Re: City of Marshall Outdoor Portable Ice Skating Rink (\$11,000.00)**

Dear Mr. Tarkiewicz:

The Cronin Foundation is pleased to inform you is pleased to inform you that the City of Marshall grant request for Eleven Thousand Dollars (\$11,000.00) to purchase an outdoor portable ice-skating rink was approved at the regular quarterly meeting held on June 13, 2012.

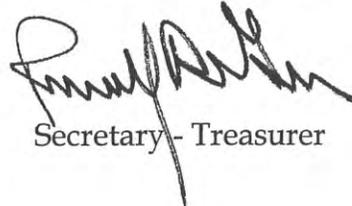
We will issue our check to the City of Marshall upon receipt of a copy of an invoice in the amount of at least Eleven Thousand Dollars (\$11,000.00) or more for the acquisition of the portable rink. Payment should be forthcoming within two weeks after the presentment of the invoice.

In the event you have any questions in this matter, please contact the undersigned.

Yours very truly,

CRONIN FOUNDATION

By:

  
Secretary - Treasurer

RJD/bb  
cc: Cronin Foundation Board Members

## LEASE AGREEMENT

This Lease is made and entered into between the Calhoun County Agricultural and Industrial Society, a Michigan non-profit corporation of 720 Fair Street, Marshall, Michigan, referred to in this lease as **Lessor**, and The City of Marshall, a Michigan home rule city, of 323 W. Michigan Avenue, Marshall, Michigan through its Recreation Department, referred to in this lease as **Lessee**.

In consideration of the mutual covenants and agreements set forth in this lease, and other good and valuable consideration, Lessor leases to Lessee, and Lessee leases from Lessor, the premises commonly known as the Show Barn, located at the Calhoun County fairgrounds in the city of Marshall, county of Calhoun, Michigan. These premises are referred to in this lease as "the premises" or "the leased premises."

### ARTICLE 1. TERM

#### Term of Lease

1.01. The term of this lease shall begin November 21, 2012 and continue to April 6, 2013, unless terminated sooner as provided in this lease.

### ARTICLE 2. RENT

#### Fixed Rent

2.01. Lessee agrees to pay to Lessor the sum of One Dollar (\$1.00) on or before November 21, 2012

### ARTICLE 3. USE OF PREMISES

#### Permitted Use

3.01. Lessee may use the premises to operate and conduct a temporary ice-skating rink. Lessee may not use the premises for any other purpose without the written consent of Lessor.

#### Waste, Nuisance, or Illegal Uses

3.02. Lessee shall not use, or permit the use of, the premises in any manner that results in waste of the premises or constitutes a nuisance or violates any statute, ordinance, rule or regulation applicable to the premises or for any illegal purpose.

## ARTICLE 4. REPAIRS AND MAINTENANCE

### Repairs and Maintenance by Lessee

4.01. Lessee shall construct, repair and maintain an ice-skating rink in the Show Barn. All other maintenance of the fairgrounds shall continue to be borne by the Lessor.

## ARTICLE 5. UTILITIES AND GARBAGE REMOVAL

### Utility Charges

5.01. Lessor shall provide, at no additional charge, electric lighting when needed, trash removal, running water, and a mutually agreed upon location for the placement of a portable toilet.

## ARTICLE 6. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

### Consent of Lessor

6.01. Lessee shall make no alterations, additions or improvements to the leased premises only with the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor. The materials necessary for the construction of the skating rink shall continue to be owned by the Lessee.

## ARTICLE 7. SIGNAGE and OPERATIONS

### Directional Signs

7.01. Lessee may, with prior written consent of Lessor, erect signs on any portion of the leased premises, including but not limited to, the exterior walls of the premises, subject to applicable laws, ordinances, and regulations. Lessee must remove all signs at the termination of this lease and repair any damage resulting from the erection or removal of the signs. Lessor and Lessee shall work cooperatively to install directional signs or other signage necessary or helpful to direct the public to the Leased Premises.

### Hours of Operation

7.02 Lessee shall make the skating rink available for public use between the hours of 10:00 a.m. and 9:00 p.m., or during such other times as the Lessor and Lessee may agree in writing. Lessor and Lessee shall work cooperatively to limit access to the Premises at other times by, to the extent reasonably possible, securing the Fairgrounds from trespassers, and patrolling the vicinity.

## ARTICLE 8. MECHANIC'S LIENS

8.01. Lessee will not permit any mechanic's lien or liens to be placed on the leased premises or improvements on the premises.

## ARTICLE 9. INSURANCE AND INDEMNITY

### Liability Insurance

9.01. Lessee, at its own expense, shall provide and maintain in force during the term of this lease, liability insurance in the amount of \$1,000,000 covering Lessor as well as Lessee, for any liability for property damage or personal injury arising as a result of Lessee's occupation or Lessor's ownership of the leased premises. This insurance is to be carried by one or more insurance companies authorized to transact business in Michigan and approved by Lessor.

## ARTICLE 10. MISCELLANEOUS

### Notices and Addresses

10.01. All notices to be given under this agreement shall be given by certified mail or registered mail, addressed to the proper party, at the addresses stated above. Either party may change the address to which notices are to be sent by giving the other party notice of the new address in the manner provided in this section.

### Parties Bound

10.02. This agreement shall be binding on, and inure to the benefit of, the parties to the lease and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this agreement.

Michigan Law to Apply

10.03. This agreement shall be construed under, and in accordance with, the law of the State of Michigan, and all obligations of the parties created by this lease are performable in Calhoun County, Michigan.

Legal Construction

10.04. In case any one or more of the provisions contained in this agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of the agreement, and this agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in this agreement.

Amendment

10.05. No amendment, modification, or alteration of the terms of this agreement shall be binding unless it is in writing, dated subsequent to the date of this agreement, and duly executed by the parties to this agreement.

The undersigned Lessor and Lessee execute this agreement on November \_\_\_\_\_, 2012, at Marshall, Calhoun County, Michigan.

LESSOR

LESSEE

By



By:

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



**ADMINISTRATIVE REPORT**  
**November 19, 2012 - CITY COUNCIL MEETING**

**TO:** Honorable Mayor and City Council  
**FROM:** Tom Tarkiewicz, City Manager  
**SUBJECT:** Establishment of a Work Session date

**BACKGROUND:** City staff would like to hold a work session with the Council at 9:00 AM to Noon at the Public Services Building Training Room on Saturday January 5, 2013 to establish goals for 2013 and 2014.

**RECOMMENDATION:** It is recommended that the City Council schedule a work session at 9:00 AM to Noon at the Public Services Building Training Room on Saturday January 5, 2013.

**FISCAL EFFECTS:** None.

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tom Tarkiewicz". The signature is written in a cursive style with a large, looping "T" and "W".

Tom Tarkiewicz  
City Manager

323 W. Michigan Ave.

Marshall, MI 49068

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**ADMINISTRATIVE REPORT**  
**November 19, 2012 – City Council Meeting**

**REPORT TO:** Honorable Mayor and Council Members  
**FROM:** Tom Tarkiewicz, City Manager  
**SUBJECT:** Calhoun County Consolidated Dispatch Authority Board Appointment

**BACKGROUND:** The City currently has a Director (representative) on the CCCDA Governing Board of Directors whose term is set to expire at year's end. Formal appointments are necessary for these Director positions for a term of two (2) years starting January 1, 2013 thru December 31, 2014. Directors are eligible for reappointment at the request of the governmental unit originally appointing him/her; term limits do not apply. If a vacancy occurs during mid-term, the vacancy shall be filled by the governmental unit or entity by appointing another Director for the remainder of the original term. .

**RECOMMENDATION:** It is recommended that the Council appoint a representative to the Calhoun County Consolidated Dispatch Authority Board for a term of January 1, 2013 to December 31, 2014.

**FISCAL EFFECTS:** None

**ALTERNATIVES:** As suggested by Council.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tom Tarkiewicz". The signature is written in a cursive style with a large, stylized "T" and "K".

Tom Tarkiewicz  
City Manager

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