

# CITY OF MASON

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Mason, MI 48854-0370

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## CITY COUNCIL MEETING - COUNCIL CHAMBER Monday, October 21, 2013

7:30 PM

### AGENDA

1. Call to Order
2. Roll Call
3. Pledge of Allegiance and Invocation
4. Announcements
5. People from the Floor
6. Presentations
  - A. William Tucker, IV, Abraham & Gaffney—Audit Review/Financial Statements
7. Consent Agenda
  - A. Approval of Minutes – Regular Council Meeting: October 7, 2013
  - B. Approval of Bills
  - C. Excused Absence, Jim Mulvany
8. Regular Business
  - A. Resolution No. 2013-44 – Fireworks Display Permit
  - B. Resolution No 2013- 45 – Mayoral Appointment to the Traffic Commission
  - C. Resolution No 2013- 46 – Change Order to Local Streets Construction Contract to Reith-Riley Construction Company, Inc. to Construct Maple Grove Cemetery's Street Extension
  - D. Motion – Approval of the Master Plan Final Draft Dated October 11, 2013 for Distribution and Public Hearing
9. Unfinished Business
10. New Business
  - A. Report—City of Mason Title VI Plan
11. Correspondence
  - Letters of Support regarding 124 and 140 E. Ash St. development from State Representative Tom Cochran and State Senator Joe Hune
  - Monthly Revenue and Expenditure Report
  - Quarterly Investment Report
12. Liaison Reports
13. Councilmember Reports
14. Administrator's Report
  - Mason Arts and Culture Committee
  - Appreciation from District Court for Mason Police Department
15. Adjournment

# CITY OF MASON

## STAFF AGENDA REPORT TO CITY COUNCIL

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**Meeting Date:** October 21, 2013

**Agenda Item:** 6 (A)

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### **AGENDA ITEM**

- Presentation by William Tucker, IV, Abraham & Gaffney
- Motion – 2012-2013 Financial Statements

### **EXHIBITS**

- Letter from Abraham & Gaffney
- Financial Statements as of June 30, 2013

### **STAFF REVIEW**

Finance Department

### **SUMMARY STATEMENT**

Council retained the firm of Abraham & Gaffney, P.C. to perform the 2012-2013 audit of the City's records. This is the first year of a three year contract with this firm. Mr. William I. Tucker IV, CPA from Abraham & Gaffney will be present to review the financial statements with Council and answer any questions.

Mr. Tucker will explain that the City has received an "unqualified opinion." This means that our records and financial statements are accurately accounted for and presented. They are also in conformity with generally accepted accounting principals.

### **RECOMMENDED ACTION**

Move to accept the City of Mason 2012-2013 Financial Statements and place them on file.

## Principals

Dale J. Abraham, CPA  
Michael T. Gaffney, CPA  
Steven R. Kirinovic, CPA  
Aaron M. Stevens, CPA  
Eric J. Glashouwer, CPA  
Alan D. Panter, CPA  
William I. Tucker IV, CPA



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To the Honorable Mayor and  
Members of the City Council  
City of Mason, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mason for the year ended June 30, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 12, 2013. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Mason are described in Note A to the financial statements. As described in Note N to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement 61, *The Financial Reporting Entity Omnibus*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, during the year ended June 30, 2013. Accordingly, the effects of the accounting changes are reported in the applicable financial statements. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the governmental activities and business-type activities financial statements, where applicable, were:

Management's calculation of the percentages for current and noncurrent compensated absence liability is based on an estimate of the percentage of employees' use of compensated absences. We evaluated the key factors and assumptions used to develop the historical percentages for current and noncurrent compensated absence liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's calculation of depreciation expense for the current period is based on an estimate of the useful lives of the capital assets. We evaluated the key factors and assumptions used to develop the useful lives for the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's calculation of the net post-employment benefit obligation is calculated using an actuarially determined rate based upon certain actuarial assumptions. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures appear neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Material misstatements were not detected as a result of our auditing procedures.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 21, 2013.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of members of the City Council and management of the City of Mason and is not intended to be, and should not be, used by anyone other than these specified parties.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

October 21, 2013

**City of Mason  
Ingham County, Michigan**

**FINANCIAL STATEMENTS**

**June 30, 2013**

City of Mason  
Ingham County, Michigan  
June 30, 2013

CITY COUNCIL AND ADMINISTRATION

Leon Clark	Mayor
Robin Naeyaert	Mayor Pro-Tem
Jon Droscha	Council member
Elaine Ferris	Council member
James Mulvany	Council member
Marlon Brown	Council member
Les Bruno	Council member
Martin Colburn	City Administrator/ Public Works Administrator
Eric Smith	Finance Director/ Treasurer

City of Mason  
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City of Mason

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Principals

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Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Mason, Michigan

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mason, Michigan, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mason, Michigan, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principles***

As discussed in Note N, the City implemented GASB Statement No. 61, *The Financial Reporting Entity Omnibus* during the year. As a result, the criteria for reporting component units as if they were part of the primary government (that is, blending) has been modified. Our opinions are not modified with respect to this matter.

Also discussed in Note N, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously reported as Assets and Liabilities* during the year. As a result of this implementation, the format and reporting of the financial statements has been changed to reflect the new presentation as required by GASB Statements No. 63 and No. 65, as applicable. Our opinions are not modified with respect to these matters.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mason, Michigan's basic financial statements. The combining and individual nonmajor financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2013, on our consideration of the City of Mason, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Mason, Michigan's internal control over financial reporting and compliance.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

October 21, 2013

City of Mason

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Our discussion and analysis of the City of Mason, Michigan's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2013. Please read it in conjunction with the City's financial statements.

**Overview of the Financial Statements**

This annual report consists of the following report sections: management's discussion and analysis (this section), the basic financial statements, required supplemental information, and other supplemental information section that presents combining statements for nonmajor governmental funds. The basic financial statements are presented in two different formats: government-wide financial statements and fund financial statements.

The government-wide financial statements include the statement of net position and the statement of activities. These statements provide both long-term and short-term information about the City's overall financial status.

The fund financial statements include the balance sheet and the statement of revenue, expenditures, and changes in net position/fund balances. These statements focus on individual parts of the City government and report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

The governmental fund statements tell how general government services, like police and fire, were financed in the short term as well as what remains for future spending.

The proprietary fund statements present short and long-term financial information about those activities that the City operates in a business-like manner, such as the water and sewer system.

The fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the information presented in the financial statements. In addition to these required supplementary schedules, we have provided a section with combining statements that provide details about our nonmajor governmental and fiduciary funds.

**Government-wide Financial Statements**

The City's government-wide statements can be found on pages 1 and 2 of this report. These statements report information about the City as a whole under the full accrual method of accounting, which is similar to the accounting used by most private-sector companies. The statement of net position includes all, both current and long-term, of the government's assets and liabilities and the statement of activities includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The combined objective of the government-wide statements is to report the City's net position and how they have changed. The reporting of net position is one way to measure the City's financial health or position.

Over time, increases or decreases in the City's net position can be viewed as indicators of whether its financial health is improving or deteriorating, respectively.

In addition to the financial factors, you will need to consider additional information such as changes in the City's property tax base to assess the overall health.

City of Mason

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

The City's government-wide financial statements divide the reported information into three categories:

- Governmental activities - Most of the City's basic services are included here, such as police, fire, cemetery, parks, and general administration. Property taxes and state revenue sharing are used to finance most of these activities.
- Business-type activities - The City charges fees to customers to help it cover the costs of certain services it provides. The City's water and sewer system is included in this category.
- Component units - The City includes other legal entities in its report such as the Downtown Development Authority and the Local Development Finance Authority. The City is financially accountable for these "component units" although they are legally separate entities.

**Fund Financial Statements**

The City's fund financial statements begin on page 3 of this report. These statements provide more detailed information about the City's most significant funds. The City uses funds to account for specific sources of funding and spending for particular purposes. Some funds are required by state law and others are established by the City to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The City has three kinds of funds that use different accounting approaches:

- Governmental funds - Most of the City's basic services are included in governmental funds. These funds focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. These funds are reported using the modified accrual accounting method that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because governmental fund information has a short-term focus and the government-wide statement incorporates long-term information, we describe the relationship (or differences) between governmental activities and governmental funds in reconciliations on pages 4 and 6.
- Proprietary funds - When the City charges customers fees for the services it provides, the fees are generally reported in proprietary funds. Similar to the reporting method used on the government-wide statements, proprietary funds provide both long- and short-term financial information.
  - In fact, the City's Enterprise Fund (water and sewer) is the same as its business-type activity, but provides more detail and additional information.
  - We use an Internal Service Fund (the other type of proprietary fund) to report activities that provide services and supplies to other programs and activities within the City. The City's Motor Vehicle Pool Fund falls into this category.
- Fiduciary funds - The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The delinquent tax and payroll funds are fiduciary funds.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 35 of the report.

City of Mason

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

**Financial Highlights**

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended June 30, 2013:

- The City's total net position increased as a result of the fiscal year's operations and the continued slow economic recovery. The net position of the business-type activities decreased by \$45,861 or 0.32 percent, and net position of the governmental activities increased by \$436,322, or 2.07 percent.
- During the year, the City had revenues that were \$436,322 more than the \$5.25 million in expenses.
- State shared revenues, the second largest individual revenue source, increased from \$636,625 in 2011/2012 to \$653,932 in the current fiscal year.
- In the City's business-type activities, revenues were \$2.54 million while expenses were \$2.59 million.
- Total costs of all the City's programs were \$7.84 million.
- The General Fund reported an increase in fund balance of \$840,033.

**The City as a Whole**

The following table shows, in a condensed format, the current year's net position for the years ended June 30, 2013 and 2012:

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and other assets	\$ 6,589,254	\$ 5,824,606	\$ 4,183,423	\$ 4,083,465	\$ 10,772,677	\$ 9,908,071
Capital assets, net	20,530,138	21,116,800	16,232,349	16,723,771	36,762,487	37,840,571
Total assets	27,119,392	26,941,406	20,415,772	20,807,236	47,535,164	47,748,642
<b>Liabilities</b>						
Current	689,186	658,009	477,002	467,543	1,166,188	1,125,552
Noncurrent	4,948,169	5,259,382	5,764,419	6,119,481	10,712,588	11,378,863
Total liabilities	5,637,355	5,917,391	6,241,421	6,587,024	11,878,776	12,504,415
<b>Net Position</b>						
Net invested in capital assets	15,546,689	15,831,085	10,188,675	10,325,097	25,735,364	26,156,182
Restricted	1,367,381	1,116,208	-	-	1,367,381	1,116,208
Unrestricted	4,567,967	4,076,722	3,985,676	3,895,115	8,553,643	7,971,837
Total net position	\$ 21,482,037	\$ 21,024,015	\$ 14,174,351	\$ 14,220,212	\$ 35,656,388	\$ 35,244,227

The City's combined net position increased from a year ago from \$35.24 million to \$35.65 million.

Approximately 72.38 percent of the City's net position of governmental activities reflects its investment in capital less any related debt used to acquire those assets. The City's capital assets are used to provide services to citizens. Consequently, these assets are not available for future spending. Restricted net position represents resources that are subject to external restrictions on how they may be used. Unrestricted net position of governmental activities of \$4.57 million represents the amount that may be used to meet the City's ongoing obligations.

City of Mason

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

Net position of the City's governmental activities increased by nearly 2.07 percent to \$21.48 million. This increase is demonstrated by the ongoing commitment to continue providing municipal services, maintaining major streets, local streets, and city parks, and providing public safety technology and personal protection equipment during these difficult economic times.

The net position of our business-type activities decreased by 0.32 percent to \$14.17 million during the fiscal year. This decrease is due to declining capital asset values, and the increased cost of operating and maintaining the water and sewer systems. The City continues to invest in infrastructure such as maintaining water and sewer mains, as well as, continued improvement to the water and wastewater treatment plants.

The following table illustrates the varying results of the governmental activities and business-type activities, which combine to capture the City's total net position, for the years ended June 30, 2013 and 2012.

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenue:						
Charges for services	\$ 935,106	\$ 955,623	\$ 2,498,658	\$ 2,368,274	\$ 3,433,764	\$ 3,323,897
Operating grants and contributions	1,016,589	950,918	-	-	1,016,589	950,918
Capital grants and contributions	58,632	-	79,758	-	138,390	-0-
General revenues:						
Property taxes	2,864,007	2,887,752	-	-	2,864,007	2,887,752
State Revenue Sharing	653,932	636,625	-	-	653,932	636,625
Investment earnings	12,076	10,325	10,053	11,200	22,129	21,525
Miscellaneous	97,307	104,366	-	1,417	97,307	105,783
Transfers	45,958	19,670	(45,958)	(19,670)	-0-	-0-
<b>Total revenues</b>	<b>5,683,607</b>	<b>5,565,279</b>	<b>2,542,511</b>	<b>2,361,221</b>	<b>8,226,118</b>	<b>7,926,500</b>
<b>Expenses</b>						
General government	1,544,778	2,317,787	-	-	1,544,778	2,317,787
Public safety	1,510,679	1,572,801	-	-	1,510,679	1,572,801
Public works	1,624,777	1,546,382	-	-	1,624,777	1,546,382
Community and economic development	113,051	111,480	-	-	113,051	111,480
Recreation and culture	245,863	283,676	-	-	245,863	283,676
Interest on long-term debt	208,137	218,587	-	-	208,137	218,587
Water and Sewer	-	-	2,588,372	2,650,864	2,588,372	2,650,864
<b>Total expenses</b>	<b>5,247,285</b>	<b>6,050,713</b>	<b>2,588,372</b>	<b>2,650,864</b>	<b>7,835,657</b>	<b>8,701,577</b>
<b>Change in net position</b>	<b>436,322</b>	<b>(485,434)</b>	<b>(45,861)</b>	<b>(289,643)</b>	<b>390,461</b>	<b>(775,077)</b>
Restated net position, beginning of year	21,045,715	21,509,449	14,220,212	14,509,855	35,265,927	36,019,304
<b>Net position, end of year</b>	<b>\$ 21,482,037</b>	<b>\$ 21,024,015</b>	<b>\$ 14,174,351</b>	<b>\$ 14,220,212</b>	<b>\$ 35,656,388</b>	<b>\$ 35,244,227</b>

City of Mason

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

**Governmental activities.** Governmental activities increased the City's net position by \$436,322. Key elements of this increase are as follows:

- The cost of all governmental activities this year was \$5.25 million.
- The amount that City taxpayers paid for these activities through City taxes was approximately \$2.86 million.
- Some of the cost was paid by the beneficiaries of the program's activities (\$0.94 million), or by other governments and organizations that subsidized certain programs with grants and contributions (\$1.02 million).
- Decrease in capital spending in Governmental activities areas.
- Timing of the completion of the street construction program.

**Business-type activities.** Business-type activities decreased the City's net position by \$45,861.

Total revenues of the City's business-type activities, water and sewer, increased to \$2.54 million for 2013 from \$2.36 million in 2012 and total expenses decreased to \$2.58 million in 2013 from \$2.65 million in 2012. The City experienced a change in net position of \$45,861 in its water and sewer operations. Factors contributing to these results included:

- Increased Water and Sewer rates in July 2012.
- Increasing cost of operations and maintenance of the water and sewer system.
- Decrease in capital spending in the Water and Sewer Fund.

### **The City's Funds**

The analysis of the City's major funds begins on page 3, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City creates funds to help manage money for specific purposes as well as to show accountability for certain activities. The City's major funds for 2013 include the General Fund and the Special Assessment Fund. These funds, along with the remaining nonmajor governmental funds, reported a combined fund balance of \$4.91 million, and showed an increase from last year's combined fund balance of \$3.70 million.

### **General Fund Budgetary Highlights**

Over the course of the year, the City Council revised the City budget several times. The City began the year expecting to decrease fund balance by \$164,635. The City experienced revenue increases and a completion date to the street program later than expected during the current budget year. The result was an addition to General Fund fund balance of \$840,033.

City of Mason

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

**Capital Asset and Debt Administration**

At the end of the 2013 fiscal year, the City had invested approximately \$36.76 million in a broad range of capital assets, including police equipment, buildings and improvements, public safety equipment, parks and recreational facilities, roads, a water well, and water and sewer lines.

	Governmental Activities	Business-type Activities	Total
Land	\$ 1,855,487	\$ 25,609	\$ 1,881,096
Construction in progress	195,333	81,469	276,802
Land improvements	945,195	-	945,195
Buildings and improvements	5,960,303	235,108	6,195,411
Infrastructure	10,607,368	15,890,163	26,497,531
Vehicles and Equipment	966,452	-	966,452
Capital assets, net	<u>\$ 20,530,138</u>	<u>\$ 16,232,349</u>	<u>\$ 36,762,487</u>

**Debt**

At year end, the City had \$11.52 million in bonds and notes outstanding. This represents a \$0.65 million decrease from the previous year. More detailed information about the City's long-term liabilities is presented in Note F to the basic financial statements.

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 4,050,000	\$ -	\$ 4,050,000
Special assessment bonds	455,000	-	455,000
Loans payable	478,449	-	478,449
Revolving fund loan	-	6,043,674	6,043,674
Accrued compensated absences	392,210	100,931	493,141
Total outstanding debt	<u>\$ 5,375,659</u>	<u>\$ 6,144,605</u>	<u>\$ 11,520,264</u>

The City of Mason has been given a bond rating of "AA-" by Standards and Poor.

**Economic Factors and Next Year's Budgets and Rates**

The City's budget for the 2013/2014 fiscal year is balanced with no property tax rate increase. Total expenses in the General Fund for the 2013/2014 fiscal year are estimated to be \$5.7 million. Economic factors contributing to the total expenses for 2013/2014 include the General Fund's contribution to the 5-year street program (\$543,135) and the rising costs of providing employee benefits.

The City is proceeding with the construction of an additional water well on Temple Street. The completion of the project will allow the City of Mason to continue to meet the needs of the community. A completion date within the 2013/2014 fiscal year is expected. The City is conducting a cost study for water and sewer fees during the 2013/2014 fiscal year to ensure that user fees adequately cover current and future needs.

The City of Mason continues to seek appropriate means of investment and growth of taxable values while reevaluating services provided and cost of services.

City of Mason

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

**Contacting the City of Mason Management**

This financial report is intended to provide citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, we welcome you to contact the City administrator's office at the City of Mason, 517-676-9155.

## **BASIC FINANCIAL STATEMENTS**

## City of Mason

## STATEMENT OF NET POSITION

June 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 5,457,683	\$ 3,633,830	\$ 9,091,513	\$ 1,168,591
Receivables	911,530	445,545	1,357,075	4,292
Due from other governmental units	207,101	79,758	286,859	-
Internal balances	837	(837)	-0-	-
Inventory	-	25,127	25,127	-
Prepays	11,963	-	11,963	-
Total current assets	6,589,114	4,183,423	10,772,537	1,172,883
Noncurrent assets				
Net other post-employment benefits asset	140	-	140	-
Capital assets not being depreciated	2,050,820	107,078	2,157,898	-
Capital assets, net of accumulated depreciation	18,479,318	16,125,271	34,604,589	-
Total noncurrent assets	20,530,278	16,232,349	36,762,627	-0-
<b>TOTAL ASSETS</b>	<b>27,119,392</b>	<b>20,415,772</b>	<b>47,535,164</b>	<b>1,172,883</b>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	42,069	43,306	85,375	24
Accrued wages	62,012	21,403	83,415	-
Accrued liabilities	99,336	-	99,336	-
Due to other governmental units	25	-	25	79,758
Accrued interest payable	51,711	32,107	83,818	578
Unearned revenue	6,543	-	6,543	-
Current portion of compensated absences	117,663	20,186	137,849	-
Current portion of long-term debt	309,827	360,000	669,827	35,000
Total current liabilities	689,186	477,002	1,166,188	115,360
Noncurrent liabilities				
Noncurrent portion of compensated absences	274,547	80,745	355,292	-
Noncurrent portion of long-term debt	4,673,622	5,683,674	10,357,296	-
Total noncurrent liabilities	4,948,169	5,764,419	10,712,588	-0-
<b>TOTAL LIABILITIES</b>	<b>5,637,355</b>	<b>6,241,421</b>	<b>11,878,776</b>	<b>115,360</b>
<b>NET POSITION</b>				
Net investment in capital assets	15,546,689	10,188,675	25,735,364	-
Restricted	1,367,381	-	1,367,381	-
Unrestricted	4,567,967	3,985,676	8,553,643	1,057,523
<b>TOTAL NET POSITION</b>	<b>\$ 21,482,037</b>	<b>\$ 14,174,351</b>	<b>\$ 35,656,388</b>	<b>\$ 1,057,523</b>

See accompanying notes to financial statements.

City of Mason

STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units
					Governmental Activities	Business-type Activities	
<b>Primary government</b>							
Governmental activities							
General government	\$ 1,544,778	\$ 275,915	\$ 484,105	\$ 58,632	\$ (726,126)	\$ (726,126)	\$ -
Public safety	1,510,679	216,625	10,433	-	(1,283,621)	(1,283,621)	-
Public works	1,624,777	405,846	517,051	-	(701,880)	(701,880)	-
Community and economic development	113,051	-	-	-	(113,051)	(113,051)	-
Recreation and culture	245,863	36,720	5,000	-	(204,143)	(204,143)	-
Interest on long-term debt	208,137	-	-	-	(208,137)	(208,137)	-
<b>Total governmental activities</b>	<b>5,247,285</b>	<b>935,106</b>	<b>1,016,589</b>	<b>58,632</b>	<b>(3,236,958)</b>	<b>(3,236,958)</b>	<b>-0-</b>
<b>Business-type activities</b>							
Water and Sewer	2,588,372	2,498,658	-	79,758	-	(9,956)	-
<b>Total primary government</b>	<b>\$ 7,835,657</b>	<b>\$ 3,433,764</b>	<b>\$ 1,016,589</b>	<b>\$ 138,390</b>	<b>(3,236,958)</b>	<b>(3,246,914)</b>	<b>-0-</b>
<b>Component units</b>							
Local Development Finance Authority	\$ 101,972	\$ -	\$ -	\$ -	\$ -	\$ -	(101,972)
Downtown Development Authority	55,696	-	24,704	-	-	-	(30,992)
<b>Total component units</b>	<b>\$ 157,668</b>	<b>\$ -0-</b>	<b>\$ 24,704</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>(132,964)</b>
<b>General revenues</b>							
Property taxes					2,864,007	2,864,007	453,352
State shared revenue					653,932	653,932	-
Investment earnings					12,076	10,053	22,129
Miscellaneous					97,307	97,307	-
Transfers					45,958	(45,958)	-
<b>Total general revenues and transfers</b>					<b>3,673,280</b>	<b>(35,905)</b>	<b>459,037</b>
<b>Change in net position</b>					<b>436,322</b>	<b>(45,861)</b>	<b>326,073</b>
<b>Restated net position, beginning of year</b>					<b>21,045,715</b>	<b>14,220,212</b>	<b>35,265,927</b>
<b>Net position, end of year</b>					<b>\$ 21,482,037</b>	<b>\$ 14,174,351</b>	<b>\$ 35,656,388</b>

See accompanying notes to financial statements.

City of Mason  
Governmental Funds  
BALANCE SHEET  
June 30, 2013

	General	Special Assessment	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,802,739	\$ 460,426	\$ 1,714,012	\$ 4,977,177
Receivables				
Accounts	20,393	-	5,614	26,007
Taxes	13,309	-	-	13,309
Special assessments	-	872,214	-	872,214
Due from other governmental units	125,458	-	81,643	207,101
Due from other funds	1,975	-	93,177	95,152
Prepays	11,963	-	-	11,963
<b>TOTAL ASSETS</b>	<b><u>\$ 2,975,837</u></b>	<b><u>\$ 1,332,640</u></b>	<b><u>\$ 1,894,446</u></b>	<b><u>\$ 6,202,923</u></b>
<b>LIABILITIES</b>				
Accounts payable	\$ 19,328	\$ -	\$ 16,269	\$ 35,597
Accrued wages	55,422	-	5,045	60,467
Accrued liabilities	99,336	-	-	99,336
Due to other funds	80,246	-	26,965	107,211
Due to other governmental units	25	-	-	25
Unearned revenue	6,543	-	-	6,543
<b>TOTAL LIABILITIES</b>	<b>260,900</b>	<b>-0-</b>	<b>48,279</b>	<b>309,179</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	108,196	872,214	-	980,410
<b>FUND BALANCES</b>				
Nonspendable	11,963	-	-	11,963
Restricted	127,578	284,491	1,007,023	1,419,092
Committed	-	-	155,000	155,000
Assigned	-	175,935	684,144	860,079
Unassigned	2,467,200	-	-	2,467,200
<b>TOTAL FUND BALANCES</b>	<b><u>2,606,741</u></b>	<b><u>460,426</u></b>	<b><u>1,846,167</u></b>	<b><u>4,913,334</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 2,975,837</u></b>	<b><u>\$ 1,332,640</u></b>	<b><u>\$ 1,894,446</u></b>	<b><u>\$ 6,202,923</u></b>

See accompanying notes to financial statements.

City of Mason

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

June 30, 2013

**Total fund balances - governmental funds** **\$ 4,913,334**

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 35,437,666	
Accumulated depreciation is	<u>(15,133,380)</u>	
Capital assets, net		20,304,286

Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Fund are included in the governmental activities in the Government-wide Statement of Net Position.

Net position of governmental activities accounted for in the Internal Service Fund		695,456
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Long-term receivables are not available to pay for current period expenditures and, therefore, are considered unavailable in the funds. These consist of:

Unavailable revenue		872,214
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Some assets are not a current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.

Net other post-employment benefits asset		140
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Various amounts due from other governmental units are not expected to be collected within 60 days of year end and are not available to pay for current period expenditures.		108,196
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. Long-term liabilities at year-end consist of:

Direct City obligations	4,983,449	
Accrued interest payable	51,711	
Compensated absences	<u>376,429</u>	
		<u>(5,411,589)</u>

**Net position of governmental activities** **\$ 21,482,037**

City of Mason

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2013

	General	Special Assessment	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 2,970,171	\$ -	\$ -	\$ 2,970,171
Licenses and permits	59,850	-	-	59,850
Intergovernmental	1,137,040	-	517,051	1,654,091
Charges for services	641,062	-	4,431	645,493
Fines and forfeits	27,561	-	-	27,561
Interest, rents, and royalties	26,940	75,778	48,078	150,796
Other	60,426	364,682	6,200	431,308
<b>TOTAL REVENUES</b>	<b>4,923,050</b>	<b>440,460</b>	<b>575,760</b>	<b>5,939,270</b>
<b>EXPENDITURES</b>				
Current				
General government	1,699,940	-	-	1,699,940
Public safety	1,385,720	-	-	1,385,720
Public works	434,901	-	474,687	909,588
Community and economic development	113,051	-	-	113,051
Recreation and culture	164,427	-	10,000	174,427
Debt service	97,082	99,018	317,308	513,408
<b>TOTAL EXPENDITURES</b>	<b>3,895,121</b>	<b>99,018</b>	<b>801,995</b>	<b>4,796,134</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,027,929</b>	<b>341,442</b>	<b>(226,235)</b>	<b>1,143,136</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	165,077	-	367,983	533,060
Transfers out	(352,973)	(105,704)	(28,425)	(487,102)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(187,896)</b>	<b>(105,704)</b>	<b>339,558</b>	<b>45,958</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>840,033</b>	<b>235,738</b>	<b>113,323</b>	<b>1,189,094</b>
Fund balances, beginning of year	1,766,708	224,688	1,732,844	3,724,240
Fund balances, end of year	<u>\$ 2,606,741</u>	<u>\$ 460,426</u>	<u>\$ 1,846,167</u>	<u>\$ 4,913,334</u>

See accompanying notes to financial statements.

City of Mason

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

**Net change in fund balances - total governmental funds** **\$ 1,189,094**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 542,468	
Depreciation expense	<u>(1,166,534)</u>	
Excess of depreciation expense over capital outlay		(624,066)

Internal service funds are used by management to charge the costs of certain activities to individual funds.

Decrease in net position of Internal Service Funds		(54,687)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(Decrease) in unavailable receivable	(360,253)	
(Decrease) in net pension asset	<u>(21,626)</u>	
		(381,879)

Repayment of long-term debt and borrowing of long-term debt is reported as expenditures and other financing sources in governmental funds, but the repayment reduces long-term liabilities and the borrowings increase long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Long-term debt principal retirements		302,266
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Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued interest payable	3,005	
Decrease in compensated absences	2,594	
(Increase) in net other post-employment benefits	<u>(5)</u>	
		<u>5,594</u>

**Change in net position of governmental activities** **\$ 436,322**

See accompanying notes to financial statements.

City of Mason  
Proprietary Funds  
STATEMENT OF NET POSITION  
June 30, 2013

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Fund - Motor Vehicle Pool
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 3,633,830	\$ 480,506
Accounts receivable	445,545	-
Due from other governmental units	79,758	-
Due from other funds	94	12,896
Inventory	25,127	-
Total current assets	4,184,354	493,402
Noncurrent assets		
Capital assets not being depreciated	107,078	-
Capital assets, net of accumulated depreciation	16,125,271	225,852
Total noncurrent assets	16,232,349	225,852
<b>TOTAL ASSETS</b>	<b>20,416,703</b>	<b>719,254</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	43,306	6,472
Accrued wages	21,403	1,545
Accrued interest payable	32,107	-
Due to other funds	931	-
Current portion of compensated absences	20,186	4,734
Current portion of long-term debt	360,000	-
Total current liabilities	477,933	12,751
Noncurrent liabilities		
Noncurrent portion of compensated absences	80,745	11,047
Noncurrent portion of long-term debt	5,683,674	-
Total noncurrent liabilities	5,764,419	11,047
<b>TOTAL LIABILITIES</b>	<b>6,242,352</b>	<b>23,798</b>
<b>NET POSITION</b>		
Net investment in capital assets	10,188,675	225,852
Unrestricted	3,985,676	469,604
<b>TOTAL NET POSITION</b>	<b>\$ 14,174,351</b>	<b>\$ 695,456</b>

See accompanying notes to financial statements.

City of Mason

Proprietary Funds

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Year Ended June 30, 2013

	Business-type Activities	Governmental Activities
	Water and Sewer	Internal Service Fund - Motor Vehicle Pool
<b>OPERATING REVENUES</b>		
Internal user charges	\$ -	\$ 177,697
Water user charges	1,336,732	-
Sewer user charges	1,091,894	-
Interest and penalty charges	55,329	-
Rent	500	-
Other	14,203	40,604
<b>TOTAL OPERATING REVENUES</b>	<b>2,498,658</b>	<b>218,301</b>
<b>OPERATING EXPENSES</b>		
Cost of water produced	423,487	-
Cost of sewage treatment	829,934	-
Operation and maintenance	540,220	222,299
Billing and administrative costs	38,946	-
Depreciation	621,699	52,160
<b>TOTAL OPERATING EXPENSES</b>	<b>2,454,286</b>	<b>274,459</b>
<b>OPERATING INCOME (LOSS)</b>	<b>44,372</b>	<b>(56,158)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Intergovernmental	79,758	-
Investment income	10,053	1,471
Interest expense and fees	(134,086)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(44,275)</b>	<b>1,471</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>97</b>	<b>(54,687)</b>
<b>TRANSFERS OUT</b>	<b>(45,958)</b>	<b>-</b>
<b>CHANGE IN NET POSITION</b>	<b>(45,861)</b>	<b>(54,687)</b>
Net position, beginning of year	14,220,212	750,143
Net position, end of year	<u>\$ 14,174,351</u>	<u>\$ 695,456</u>

See accompanying notes to financial statements.

City of Mason  
Proprietary Funds  
STATEMENT OF CASH FLOWS  
Year Ended June 30, 2013

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Water and Sewer</u>	<u>Internal Service Fund - Motor Vehicle Pool</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 2,454,019	\$ 218,301
Cash paid to suppliers	(1,282,846)	(143,949)
Cash paid to employees	<u>(538,458)</u>	<u>(70,888)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	632,715	3,464
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
(Payment) of interfund balances	(46,179)	(11,838)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Intergovernmental	79,758	-
Payments on borrowing	(355,000)	-
Purchase of capital assets	(130,277)	(89,564)
Interest expense and fees	<u>(135,972)</u>	<u>-</u>
NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(541,491)	(89,564)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment income	<u>10,053</u>	<u>1,471</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,098	(96,467)
Cash and cash equivalents, beginning of year	<u>3,578,732</u>	<u>576,973</u>
Cash and cash equivalents, end of year	<u>\$ 3,633,830</u>	<u>\$ 480,506</u>
<b>Reconciliation of operating income (loss) to net cash net cash provided by operating activities</b>		
Operating income (loss)	\$ 44,372	\$ (56,158)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	621,699	52,160
(Increase) decrease in:		
Accounts receivable	33,738	-
Due from other governmental units	(79,758)	-
Inventory	1,381	-
Increase in:		
Accounts payable	3,349	6,472
Accrued liabilities	1,762	145
Compensated absences	<u>6,172</u>	<u>845</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 632,715</u>	<u>\$ 3,464</u>

See accompanying notes to financial statements.

City of Mason

Fiduciary Funds

STATEMENT OF ASSETS AND LIABILITIES

June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	<u>\$ 32,122</u>
LIABILITIES	
Due to individuals and agencies	\$ 27,745
Due to other governmental units	<u>4,377</u>
TOTAL LIABILITIES	<u>\$ 32,122</u>

See accompanying notes to financial statements.

City of Mason

Component Units

COMBINING STATEMENT OF NET POSITION

June 30, 2013

	Local Development Finance Authority	Downtown Development Authority	Total Component Units
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 947,590	\$ 221,001	\$ 1,168,591
Receivables	-	4,292	4,292
	<u>947,590</u>	<u>225,293</u>	<u>1,172,883</u>
<b>TOTAL ASSETS</b>	<b>947,590</b>	<b>225,293</b>	<b>1,172,883</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	-	24	24
Due to other governmental units	79,758	-	79,758
Accrued interest payable	578	-	578
Current portion of long-term debt	35,000	-	35,000
	<u>115,336</u>	<u>24</u>	<u>115,360</u>
<b>TOTAL LIABILITIES</b>	<b>115,336</b>	<b>24</b>	<b>115,360</b>
<b>NET POSITION</b>			
Unrestricted	<u>\$ 832,254</u>	<u>\$ 225,269</u>	<u>\$ 1,057,523</u>

See accompanying notes to financial statements.

City of Mason  
Component Units

COMBINING STATEMENT OF ACTIVITIES

Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues Operating Grants and Contributions	Net (Expense) Revenues and Changes in Net Position		
			Local Development Finance Authority	Downtown Development Authority	Total Component Units
Governmental activities					
Local Development Finance Authority	\$ 101,972	\$ -	\$ (101,972)	\$ -	\$ (101,972)
Downtown Development Authority	55,696	24,704	-	(30,992)	(30,992)
Total component units	\$ 157,668	\$ 24,704	(101,972)	(30,992)	(132,964)
General revenues					
Property taxes			393,363	59,989	453,352
Investment earnings			5,191	494	5,685
Total general revenues			398,554	60,483	459,037
Change in net position			296,582	29,491	326,073
Restated net position, beginning of year			535,672	195,778	731,450
Net position, end of year			\$ 832,254	\$ 225,269	\$ 1,057,523

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Mason is located in Ingham County, Michigan and has a population of approximately 8,252. The City of Mason operates with a City Administrator/Council form of government and provides services to its residents in many areas including general government, law enforcement, highways and streets, human services, and utilities services.

The City has seven (7) City Council members who are elected at large for overlapping two (2) or four (4) year terms. The Council elects two (2) of its members to serve as Mayor and Mayor Pro-Tem. The Council appoints the City Administrator and Finance Director/Treasurer.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

1. Reporting Entity

As required by accounting principles generally accepted in the United States of America; GASB Statement No. 14, *The Financial Reporting Entity* (as amended by GASB Statements No. 39 and No. 61); and Michigan Committee on Governmental Accounting and Auditing Statement No. 4, these financial statements present the financial activities of the City of Mason (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. All component units are included in the City's Financial Statements and are not audited separately.

2. Blended Component Units

The City of Mason has two blended component units. Although they are legally separate from the City, their sole purpose is to benefit the City.

Mason Building Authority - The Mason building Authority was established for the purpose of acquiring, furnishing, equipping, owning, improving, enlarging, operating, and maintaining a building or buildings, automobile parking lots or structures, recreation facilities and the necessary site or sites therefore, and the payment of the bond principal and interest for any related debt incurred. The Mason Building Authority is blended with the primary government as the Mason Building Authority Debt Service Fund, in conformity with GASB Statement No. 61, since the component unit provides services entirely to the primary government.

Economic Development Corporation - The Economic Development Corporation was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, and expanding within the City to provide needed services and facilities of such enterprises to the residents of the City. The Corporation's governing body, which consists of nine (9) individuals, is appointed by the City Administrator with the approval of the City Council. The Economic Development Corporation is blended with the primary government as Economic Development Corporation Special Revenue Fund, in conformity with GASB Statement No. 61.

3. Discretely Presented Component Units

These component units are reported in a separate column to emphasize that, while legally separate, the City remains financially accountable for this entity or the nature and significance of the relationship between the entity and the City is such that exclusion of the entity would render the financial statements misleading or incomplete. The financial statements contain the following discretely presented component unit:

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

3. Discretely Presented Component Units - continued

Downtown Development Authority - The Downtown Development Authority (DDA) was established in order to work in cooperation with the City Council in order to correct and prevent deterioration of the downtown district of the City, to promote economic growth and revitalization, to encourage historic preservation, to address problems of urban decline, and to strengthen existing areas and encourage new private development within the downtown district. The DDA's governing body, which consists of the City Mayor and eight (8) other individuals, is appointed by the City Council. Additionally, the DDA's budget is subject to approval by the City Council. The DDA may issue debt payable solely from tax increment revenues. The full faith and credit of the City may be given for the debt of the DDA.

Local Development Finance Authority - The Local Finance and Development Authority (LDFA) was established by the City of Mason and the Township of Vevay as a condition of an agreement to transfer approximately 134 acres of land from the Township to the City. The purpose of the LDFA is to help stimulate economic growth, improve employment, stimulate new private investment in the City of Mason and Vevay Township, and to broaden the local tax base.

4. Basis of Presentation

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities (the government-wide statements) present information for the primary government and its component units as a whole. All non-fiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide statements). For the most part, interfund activity has been eliminated in the preparation of these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

FUND FINANCIAL STATEMENTS

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- a. The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except for those that are required to be accounted for in another fund.
- b. The Special Assessment Fund is used to account for the revenue from special assessments used for the payment of principal and interest on long-term special assessment debt.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

4. Basis of Presentation - continued

FUND FINANCIAL STATEMENTS - CONTINUED

The City reports the following major enterprise fund:

- a. The Water and Sewer Fund is used to account for utility operations that are financed primarily by user charges.

Additionally, the City reports an internal service fund to account for the management of motor vehicle pool services provided to other departments on a cost reimbursement basis.

The City also reports agency funds to account for assets held by the City as the trustee or as the agent for others. Agency Funds are, by nature, custodial; therefore, operation results are not measured. The City's agency funds are the Delinquent Tax Fund and Payroll Fund.

5. Measurement Focus

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

There is no measurement focus for fiduciary agency funds since assets equal liabilities.

6. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both "measurable" and "available to finance expenditures of the current period"). The length of time used for "available" for purposes of revenue recognition in the governmental fund financial statements is 60 days. Revenues that are considered measurable but not available are recorded as a receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for interest on long-term debt which is recorded when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

6. Basis of Accounting - continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

If/when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

7. Budgets and Budgetary Accounting

The General and Special Revenue Fund budgets shown as required supplementary information were prepared on the same modified accrual basis used to reflect actual results. This basis is consistent with accounting principles generally accepted in the United States of America. The City employs the following procedures in establishing the budgetary data reflected in the financial statements.

- a. On the Council meeting date nearest to the third Monday in April, the City Administrator submits to City Council the proposed operating budgets for the fiscal year commencing the following July 1. The operating budgets include proposed expenditures and resources to finance them.
- b. A Public Hearing is conducted to obtain taxpayers' comments.
- c. Prior to the second regular Council meeting in May, the budget is legally enacted through passage of a resolution.
- d. The budget is legally adopted at the activity level for the General Fund and total expenditure level for the Special Revenue Funds; however, they are maintained at the account level for control purposes.
- e. The City does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds. Appropriations unused at June 30 are not carried forward to the following fiscal year.
- f. Budgeted amounts are reported as originally adopted or amended by the City Council during the year. Individual amendments were appropriately approved by the City Council as required.

8. Cash and Cash Equivalents

Cash and cash equivalents consist of checking, savings, and money market accounts. The cash equivalents are recorded at cost, which approximates market value.

9. Due from Other Governmental Units

Due from other governmental units consists of amounts due from the State of Michigan for various payments and grants and receivables for charges for services provided to local governmental units.

10. Receivables

Receivables consist of amounts due related to charges for services, interest receivable, special assessments, and other amounts owed to the City at year-end.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

11. Property Tax

The City of Mason bills and collects its own property taxes and also taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph:

Property taxes are levied by the City of Mason on July 1 and December 1 and are payable without penalty through August 31 and February 14, respectively. The July 1 levy is composed of the City's millage, refuse, special assessments, Lansing Community College, Ingham I.S.D., Mason School operating, Ingham County operating and State Education Tax. The December 1 levy is composed of Ingham County drains, Mason School debt, Mason School Sinking Fund, and Capital Area District Library. All real property taxes not paid to the City by March 1 are turned over to the Ingham County Treasurer for collection. The Ingham County Treasurer purchases the receivables of all taxing districts on any delinquent real property taxes. Delinquent personal property taxes receivable are retained by the City for subsequent collection. Collections and remittances of all taxes are accounted for in the Current Tax Collections Agency Fund. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted by charter to levy taxes up to 20 mills (\$20 per \$1,000 of taxable valuation) for general governmental services other than the payment of Debt Service Fund expenditures. For the year ended June 30, 2013, the City levied 13.2500 mills per \$1,000 of taxable valuation for general governmental services. The total taxable value for the 2012 levy for property within the City was \$212,927,446.

12. Inventory

The cost of inventory items in governmental funds is recorded as an expenditure at the time of purchase. Inventory in the enterprise funds consists of water and sewer system supplies which are stated at cost on a first-in/first-out basis.

13. Prepays

Prepaid expenditures in the governmental funds, such as insurance premiums, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance, which indicates they do not constitute "available spendable resources" even though they are a component of net current assets.

14. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. City employees are granted vacation amounts based on length of service. Sick pay is earned at the rate of eight hours per month. The City's policy provides for payment of unused vacation, but not sick pay, to terminated employees. Retiring employees are paid for unused vacation and a portion of sick pay. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only when they have matured or come due for payment, generally when an individual's employment has terminated as of year end.

15. Interfund Transactions

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as operating transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

15. Interfund Transactions - continued

The Internal Service Fund (Motor Vehicle Pool) records charges for services provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

16. Capital Assets

PRIMARY GOVERNMENT AND COMPONENT UNITS

Capital assets are recorded (net of accumulated depreciation, if applicable) in the government-wide financial statements under the governmental activities and business-type activities columns. Capital assets are those with an initial individual cost of \$2,500 or more and an estimated useful life of more than one year. Capital assets are not recorded in the governmental funds. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair market value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Depreciation is computed using the straight-line method over the following useful lives:

Land improvements	10 - 40 years
Buildings and improvements	10 - 40 years
Equipment	5 - 20 years
Vehicles	3 - 10 years
Utility systems	20 - 67 years
Infrastructure	33 - 40 years

17. Unearned Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period or for resources that have been received, but not yet earned.

The Statement of Net Position reports unearned revenue for resources that have been received, but not yet earned.

18. Long-term Liabilities

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as noncurrent.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in a Debt Service Fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE A: DESCRIPTION OF CITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

19. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only two types of items, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from revenues collected subsequent to 60 days after year end, and from long-term special assessment receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

20. Comparative Data

Comparative data for the prior year has not been presented in the accompanying financial statements since their inclusion would make the statements unduly complex and difficult to read.

**NOTE B: CASH AND CASH EQUIVALENTS**

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other 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 State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles, which are legal for direct investment by local units of government in Michigan.

City of Mason  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

**NOTE B: CASH AND CASH EQUIVALENTS - CONTINUED**

Deposits

As of June 30, 2013, the carrying amounts and bank balances for each type of bank account are as follows:

<u>ACCOUNT TYPE</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>
PRIMARY GOVERNMENT		
Checking and savings	\$ 8,307,342	\$ 8,912,517
FIDUCIARY FUNDS		
Checking and savings	32,122	140,399
COMPONENT UNITS		
Savings	<u>1,119,826</u>	<u>1,119,826</u>
TOTAL REPORTING ENTITY	<u>\$ 9,459,290</u>	<u>\$ 10,172,742</u>

Deposits of the City are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the City. As of June 30, 2013, the City accounts were insured by the FDIC for \$854,447 and the amount of \$9,308,295 was uninsured and uncollateralized. The City had \$405 of imprest cash on hand.

Investments

As of June 30, 2013, the City had the following investments:

<u>INVESTMENT TYPE</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Weighted Average Maturity</u>
PRIMARY GOVERNMENT			
Uncategorized pooled investment funds			
Cutwater - Michigan Class	\$ 783,766	\$ 783,766	49 days
COMPONENT UNITS			
Uncategorized pooled investment funds			
Cutwater - Michigan Class	<u>48,765</u>	<u>48,765</u>	49 days
TOTAL REPORTING ENTITY	<u>\$ 832,531</u>	<u>\$ 832,531</u>	

Credit risk

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). As of June 30, 2013, the MBIA - Michigan Class investment was rated AAAM by Standard and Poor's.

Interest rate risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio.

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE B: CASH AND CASH EQUIVALENTS - CONTINUED**

Concentration of credit risk

The City will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the City's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk

The City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities authorized by the Council and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business in accordance with Council approved policy.

The cash and cash equivalents referred to above have been reported in either the cash and cash equivalents captions on the basic financial statements, based upon criteria disclosed in Note A.

The following summarizes the categorization of these amounts as of June 30, 2013:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Reporting Entity</u>
Cash and cash equivalents	<u>\$ 9,091,513</u>	<u>\$ 32,122</u>	<u>\$ 1,168,591</u>	<u>\$ 10,292,226</u>

**NOTE C: INTERFUND RECEIVABLES AND PAYABLES**

The amount of interfund receivables and payables at June 30, 2013, are as follows:

Due to General Fund from:	
Nonmajor governmental funds	<u>\$ 1,975</u>
Due to nonmajor governmental funds from:	
General Fund	\$ 68,187
Nonmajor governmental funds	<u>24,990</u>
	<u>\$ 93,177</u>
Due to Water and Sewer Fund from:	
General Fund	<u>\$ 94</u>
Due to Internal Service Fund from:	
General Fund	\$ 11,965
Water and Sewer Fund	<u>931</u>
	<u>\$ 12,896</u>

Amounts appearing as interfund payables and receivables arise from two types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE D: INTERFUND TRANSFERS**

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, all interfund transfers between individual governmental funds and the component unit funds have been eliminated.

Transfers to General Fund from:		
Special Assessment Fund	\$	105,704
Water and Sewer Fund		45,958
Nonmajor governmental funds		13,415
		<u>165,077</u>
	\$	<u>165,077</u>
Transfer to nonmajor governmental funds from:		
General Fund	\$	352,973
Nonmajor governmental funds		15,010
		<u>367,983</u>
	\$	<u>367,983</u>

The transfers to the General Fund from the Special Assessment Fund, Water and Sewer Fund, and nonmajor governmental funds were to fund combined activities paid for by the General Fund. The transfers to the nonmajor governmental funds (local street) from the General Fund and nonmajor governmental funds were to finance capital asset construction and purchases. The transfers to the nonmajor governmental funds from the General Fund were for debt payments.

**NOTE E: CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2013, was as follows:

**Primary Government**

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,432,912	\$ 422,575	\$ -	\$ 1,855,487
Construction in progress	110,913	84,420	-	195,333
Subtotal	1,543,825	506,995	-0-	2,050,820
Capital assets being depreciated				
Land improvements	1,717,283	10,849	-	1,728,132
Buildings and improvements	6,808,389	-	-	6,808,389
Infrastructure	22,893,514	1,889	-	22,895,403
Vehicles and equipment	3,516,148	112,299	-	3,628,447
Subtotal	34,935,334	125,037	-0-	35,060,371

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE E: CAPITAL ASSETS - CONTINUED**

**Primary Government - Continued**

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<b>Governmental activities - continued</b>				
Less accumulated depreciation for:				
Land improvements	\$ (705,449)	\$ (77,488)	\$ -	\$ (782,937)
Buildings and improvements	(681,127)	(166,959)	-	(848,086)
Infrastructure	(11,553,897)	(734,138)	-	(12,288,035)
Vehicles and equipment	(2,421,886)	(240,109)	-	(2,661,995)
Subtotal	(15,362,359)	(1,218,694)	-0-	(16,581,053)
Net capital assets being depreciated	19,572,975	(1,093,657)	-0-	18,479,318
Capital assets, net	<u>\$ 21,116,800</u>	<u>\$ (586,662)</u>	<u>\$ -0-</u>	<u>\$ 20,530,138</u>

Depreciation expense was charged to the following governmental activities:

General government	\$ 196,273
Public safety	183,475
Public works	764,324
Recreation and culture	74,622
Total depreciation expense	<u>\$ 1,218,694</u>

	Balance July 1, 2012	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2013
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 25,609	\$ -	\$ -	\$ 25,609
Construction in progress	21,430	81,469	(21,430)	81,469
Subtotal	47,039	81,469	(21,430)	107,078
Capital assets being depreciated				
Buildings and improvements	460,107	4,500	-	464,607
Infrastructure	24,877,668	65,738	-	24,943,406
Subtotal	25,337,775	70,238	-0-	25,408,013
Less accumulated depreciation for:				
Buildings and improvements	(221,299)	(8,200)	-	(229,499)
Infrastructure	(8,439,744)	(613,499)	-	(9,053,243)
Subtotal	(8,661,043)	(621,699)	-0-	(9,282,742)
Net capital assets being depreciated	16,676,732	(551,461)	-0-	16,125,271
Capital assets, net	<u>\$ 16,723,771</u>	<u>\$ (469,992)</u>	<u>\$ (21,430)</u>	<u>\$ 16,232,349</u>

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE E: CAPITAL ASSETS - CONTINUED**

**Component Unit**

	Balance July 1, 2012	Additions/ Reclassifications	Deletions/ Reclassifications	Balance June 30, 2013
<b>Component Unit (LDFA)</b>				
Capital assets being depreciated				
Equipment	\$ 710,587	\$ -	\$ -	\$ 710,587
Less accumulated depreciation for:				
Equipment	(710,587)	-	-	(710,587)
Capital assets, net	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

**NOTE F: LONG-TERM DEBT**

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2013.

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013	Amounts Due Within One Year
<b>Primary government</b>					
<b>Governmental activities</b>					
1997 Building Authority Bonds	\$ 225,000	\$ -	\$ (25,000)	\$ 200,000	\$ 30,000
2010 Building Authority Bonds	3,935,000	-	(85,000)	3,850,000	85,000
Special Assessment Bonds	532,000	-	(77,000)	455,000	75,000
Loans Payable	593,715	-	(115,266)	478,449	119,827
Compensated Absences	393,959	152,558	(154,307)	392,210	117,663
	5,679,674	152,558	(456,573)	5,375,659	427,490
<b>Business-type activities</b>					
Drinking Water Revolving Fund Loan	6,398,674	-	(355,000)	6,043,674	360,000
Compensated Absences	94,759	81,826	(75,654)	100,931	20,186
	6,493,433	81,826	(430,654)	6,144,605	380,186
<b>Total primary government</b>	12,173,107	234,384	(887,227)	11,520,264	807,676
<b>Component unit</b>					
Local Development Finance Authority General Obligation Bonds	70,000	-	(35,000)	35,000	35,000
<b>Total reporting entity</b>	<u>\$ 12,243,107</u>	<u>\$ 234,384</u>	<u>\$ (922,227)</u>	<u>\$ 11,555,264</u>	<u>\$ 842,676</u>

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE F: LONG-TERM DEBT - CONTINUED**

Significant details regarding outstanding long-term debt (including current portion) are presented below:

**Primary Government**

1997 Building Authority Bond

\$450,000 General Obligation Bonds dated November 1, 1997, due in annual installments ranging from \$30,000 to \$40,000 through October 1, 2018, with interest ranging from 3.85 to 5.15 percent, payable semi-annually.

\$ 200,000

2010 Building Authority Bond

\$4,100,000 General Obligation Bonds dated April 1, 2010, due in annual installments ranging from \$85,000 to \$230,000 through April 1, 2040, with interest ranging from 3.35 to 6.50 percent, payable semi-annually.

\$ 3,850,000

Special Assessment Bonds

The City issued Special Assessment Bonds for the purpose of capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties that benefited from the construction. In the event a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources are received.

The following summarizes the significant details regarding these bond issues:

\$52,000 1999 Special Assessment dated October 22, 1999, due in an annual installment of \$5,000 on October 1, 2013, with interest of 4.90 percent, payable semi-annually.

\$ 5,000

\$205,000 2001 Special Assessment dated June 1, 2001, due in annual installments ranging from \$10,000 to \$15,000 through October 1, 2013, with interest ranging from 4.90 to 5.00 percent, payable semi-annually.

25,000

\$750,000 2005 Special Assessment dated November 18, 2005, due in annual installments ranging from \$50,000 to \$55,000 through November 1, 2020, with interest ranging from 4.20 to 4.55 percent, payable semi-annually.

425,000

\$ 455,000

Loans Payable

Dart National Bank Loan due in annual installments of \$83,785 to \$93,563 through December 20, 2016, with interest of 3.70 percent, for a fire truck costing \$605,741.

\$ 354,659

Dart National Bank Loan due in annual installments of \$26,982 to \$29,668 through June 28, 2016, with interest of 4.80 percent, for land costing \$325,877.

84,945

Mason State Bank Loan due in annual installments of \$9,060 to \$10,384 through April 16, 2017, with interest of 4.65 percent, for land costing \$115,500.

38,845

\$ 478,449

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE F: LONG-TERM DEBT - CONTINUED**

**Primary Government - Continued**

Drinking Water Revolving Fund Loan

\$8,000,000 Water Supply System Bonds dated September 27, 2007, due in annual installments ranging from \$360,000 to \$485,000 through April 1, 2028, with interest of 2.125 percent, payable semi-annually.

\$ 6,043,674

**Component Unit - LDFA**

General Obligation Bonds

\$425,000 General Obligation Local Development Finance Authority Bond dated April 1, 1993, due in an annual installment of \$35,000 on October 1, 2013, with interest of 8.00 percent, payable semi-annually.

\$ 35,000

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused vacation. Retiring employees are paid for unused vacation and a portion of sick pay. The dollar amounts of these vested rights including related payroll taxes, which have been accrued on the government-wide financial statements. The total liability amounted to approximately \$493,141 at June 30, 2013. Of this amount, \$392,210 and \$100,931 are shown as accrued liabilities within the government-wide financial statements' governmental and business-type activities, respectively, in accordance with criteria disclosed in Note A.

The annual requirements to pay the debt principal and interest outstanding for the Bonds and Loans are as follows:

**Primary Government**

Year Ending June 30,	<u>General Obligation Bonds</u>		<u>Special Assessment Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 115,000	\$ 244,578	\$ 75,000	\$ 18,420
2015	120,000	240,253	65,000	15,356
2016	120,000	235,745	50,000	12,863
2017	130,000	229,431	55,000	10,591
2018	130,000	222,715	55,000	8,185
2019-2023	575,000	1,019,403	155,000	10,513
2024-2028	650,000	839,563	-	-
2029-2033	790,000	618,663	-	-
2034-2038	970,000	340,275	-	-
2039-2040	450,000	42,760	-	-
	<u>\$ 4,050,000</u>	<u>\$ 4,033,386</u>	<u>\$ 455,000</u>	<u>\$ 75,928</u>

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE F: LONG-TERM DEBT - CONTINUED**

**Primary Government - Continued**

Year Ending June 30,	Loans Payable		Drinking Water Revolving Fund Loan	
	Principal	Interest	Principal	Interest
2014	\$ 119,827	\$ 19,237	\$ 360,000	\$ 128,428
2015	124,704	14,360	370,000	120,778
2016	129,985	9,287	375,000	112,916
2017	103,933	4,002	385,000	104,947
2018	-	-	395,000	96,766
2019-2023	-	-	2,095,000	354,734
2024-2028	-	-	2,063,674	122,578
	<u>\$ 478,449</u>	<u>\$ 46,886</u>	<u>\$ 6,043,674</u>	<u>\$ 1,041,147</u>

**Component Unit - LDFA**

Year Ending June 30,	Bonds Payable	
	Principal	Interest
2014	<u>\$ 35,000</u>	<u>\$ 1,155</u>

**NOTE G: RETIREMENT PLAN**

Plan Description

The City participates in the Michigan Municipal Employees Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers all employees of the City. The system provides retirement, disability, and death benefits to plan members and their beneficiaries. The Michigan Municipal Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the System at 1134 Municipal Way, Lansing, Michigan 48917.

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by the City Council and by negotiation with the City's collective bargaining units. The plan requires employee contributions ranging from 9.42% to 15.27%, depending on the employee division.

Annual Pension Cost

For year ended June 30, 2013, the City's annual pension cost of \$249,606 for the plan was equal to the City's actual contribution. The estimated annual required contribution was determined as part of an actuarial valuation at December 31, 2011, using the entry age normal cost method. Actual contributions to the retirement system are based on actual reported monthly payroll. Significant actuarial assumptions used include (a) an 8.00 percent investment rate of return; (b) projected salary increases of 4.5 percent per year compounded annually, attributable to inflation; (c) additional salary increases ranging from 0 to 13.0 percent per year depending on age, seniority, and merit; and (d) post-retirement benefit increases of 2.5 percent annually.

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE G: RETIREMENT PLAN - CONTINUED**

Annual Pension Cost - continued

The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a ten (10) year period. The unfunded actuarial liability is being amortized as a level percentage of payroll over a period of twenty-six (26) years.

Three (3) year trend information

	Year Ended December 31,		
	2010	2011	2012
Actuarial value of assets	\$ 11,124,695	\$ 11,346,721	\$ 11,523,570
Actuarial accrued liability (AAL) (entry age)	14,181,492	14,884,287	15,367,036
Unfunded AAL (UAAL)	3,056,797	3,537,566	3,843,466
Funded ratio	78%	76%	75%
Annual covered payroll	\$ 2,113,365	\$ 2,102,937	\$ 2,040,185
UAAL as a percentage of covered payroll	145%	168%	188%

	Year Ended June 30,		
	2011	2012	2013
Annual pension cost	\$ 226,678	\$ 253,102	\$ 249,606
Percentage of APC contributed	100%	100%	100%
Net pension obligation	\$ -	\$ -	\$ -

This trend information was obtained from the most recently issued actuarial reports.

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS**

Plan Description

The City provides certain retiree medical benefits as other post-employment benefits (OPEB) to all applicable employees, in accordance with union agreements and/or personnel policies. The following are the Governmental Accounting Standards Board Statement No. 45 (GASB Statement No. 45) required disclosures and these disclosures have been implemented prospectively by the City. The City pays the full cost of coverage for these benefits for certain retirees and their beneficiaries. The retirees must contribute the balance of premiums not paid by the City in accordance with plan provisions.

During the year ended June 30, 2013, 16 retirees were receiving benefits. Expenditures for post-employment benefits are recognized when claims are paid. During the year, expenditures of \$82,700 were recognized for post-employment benefits.

The plan does not issue a separate stand-alone financial statement.

Funding Policy

The City has no obligation to make contributions in advance of when the premiums are due for payment (i.e., may be financed on a "pay-as-you-go" basis). The current contributions being made are based on an actuarial calculated valuation. Administrative costs of the plan are paid for by the City.

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED**

Funding Progress

For the year ended June 30, 2013, the City has determined an estimated cost of providing post-employment benefits through an actuarial valuation as of July 1, 2012. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to cover the amortization of any unfunded actuarial liabilities from the past, over a period not to exceed twenty-seven (27) years.

The City's computed contribution and actual funding is summarized as follows:

Annual required contribution (ARC)	\$ 146,785
Adjustment to annual required contribution	<u>5</u>
Annual OPEB cost	146,790
Amounts contributed:	
Payments of current requirements (gross of employee reimbursement)	<u>146,785</u>
Increase in net OPEB obligation	5
OPEB obligation (asset) - Beginning of year	<u>(145)</u>
OPEB obligation (asset) - End of year	<u><u>\$ (140)</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

	Year Ended June 30,		
	<u>2011</u>	<u>2012</u>	<u>2013</u>
Annual OPEB cost	\$ 144,041	\$ 150,529	\$ 146,790
Percentage contributed	102.5%	100.0%	100%
Net OPEB obligation	\$ (149)	\$ (145)	\$ (140)

The current funding progress of the plan is as follows:

	<u>Dec. 31, 2007</u>	<u>July 1, 2012</u>
Actuarial value of assets	\$ 77,869	\$ 191,398
Actuarial accrued liability (AAL) (entry age)	2,273,747	2,648,079
Unfunded AAL (UAAL)	2,195,878	2,456,681
Funded ratio	3.4%	7.2%
Annual covered payroll	\$ 2,102,937	\$ 2,113,365
UAAL as a percentage of covered payroll	104.4%	116.2%

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revisions as actual results are compared with past expectations and new estimates and assumptions are made about the future.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE H: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED**

Actuarial Methods and Assumptions - continued

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2012, actuarial valuation, the projected unit credit service cost method was used. The actuarial assumptions include a 6.0% per year rate of investment return, compounded annually net after investment expense, which is the expected long-term investment returns on plan assets. A discount rate of 6.0% was also used. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed underlying rate was 4.5%.

**NOTE I: RISK MANAGEMENT**

The City participates in a pool, the Michigan Municipal League Workers' Compensation Fund, with other municipalities for workers' compensation losses. The pool is organized under Public Act 317 of 1969, as amended. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

The City also participates in a State pool, the Michigan Municipal Risk Management Authority, with other municipalities for property and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. The City has a deductible of \$75,000 for Sewage System Overflows (per occurrence) and a \$1,000 deductible per occurrence of property and crime coverage. State pool members' limits of coverage (per occurrence) are \$10,000,000 for liability and about \$25,204,913 for property. In the event the pool's claims and expenses for a policy year exceed the total normal annual premiums for said years, all members of the specific pool's policy year may be subject to special assessment to make up the deficiency. The City has not been informed of any special assessments being required.

**NOTE J: CODE ENFORCEMENT FINANCIAL INFORMATION**

The City has elected to report the financial activities of the code enforcement department in the General Fund. The following is the required information as it relates to this department for the year ended June 30, 2013:

Surplus at July 1, 2012	\$ 138,345
REVENUES	
Licenses and permits	
Permits	46,633
EXPENDITURES	
Building Department	<u>(64,965)</u>
Cumulative surplus at June 30, 2013	<u>\$ 120,013</u>

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE K: RESTATEMENT OF BEGINNING NET POSITION**

Beginning net position has been restated for governmental activities and component units due to a change in accounting principles. The restatement has resulted in an increase of governmental activities net position by \$21,700 and a decrease of component units net position by \$21,700.

**NOTE L: RESTRICTED NET POSITION**

Restrictions of net position shown in the government-wide financial statements indicate that restrictions imposed by the funding source or some other outside source which precludes their use for unrestricted purposes. The following are the various restrictions in net position as of June 30, 2013:

PRIMARY GOVERNMENT	
Highways	\$ 196,314
Community enrichment	474,447
Rayner Park	7,565
Construction code activity	120,013
Cemetery operations	316,236
Flowers	19,494
Debt service	233,312
	<hr/>
	\$ 1,367,381
	<hr/>

**NOTE M: DETAILS OF FUND BALANCE CLASSIFICATIONS**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The following are the five (5) fund balance classifications under this standard:

*Nonspendable* - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

*Restricted* - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulations or enabling legislation.

*Committed* - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

*Assigned* - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

*Unassigned* - all other resources; the remaining fund balance after nonspendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

**Fund Balance Classification Policies and Procedures**

For committed fund balance, the City's highest level of decision-making authority is the City Council. The formal action that is required to be taken to establish a fund balance commitment is a council resolution.

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE M: DETAILS OF FUND BALANCE CLASSIFICATIONS - CONTINUED**

For assigned fund balance, the City Council is authorized to assign amounts to a specific purpose. Currently, assigned fund balance is determined through the budget and any residual amounts of fund balance in governmental funds other than the General Fund.

For the classification of fund balances, the City considers restricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the City considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

	General Fund	Special Assessment	Nonmajor Governmental Funds	Total
Fund Balances				
Nonspendable:				
Prepays	\$ 11,963	\$ -	\$ -	\$ 11,963
Restricted for:				
Highways	-	-	196,314	196,314
Community enrichment	-	-	474,447	474,447
Rayner Park	7,565	-	-	7,565
Construction code activity	120,013	-	-	120,013
Cemetery operations	-	-	316,236	316,236
Flowers	-	-	19,494	19,494
Debt service	-	284,491	532	285,023
Committed to:				
Community enrichment	-	-	155,000	155,000
Assigned to:				
Highways	-	-	683,757	683,757
Other purposes	-	175,935	387	176,322
Unassigned	2,467,200	-	-	2,467,200
<b>TOTAL FUND BALANCES</b>	<b><u>\$ 2,606,741</u></b>	<b><u>\$ 460,426</u></b>	<b><u>\$ 1,846,167</u></b>	<b><u>\$ 4,913,334</u></b>

**NOTE N: CHANGES IN ACCOUNTING PRINCIPLES**

GASB Statement No. 61, *The Financial Reporting Entity Omnibus* was implemented in the current period. This Statement, an amendment to Statement No. 14 and Statement No. 34, modifies certain requirements for inclusion of component units in the financial reporting entity. This statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. Lastly, the statement clarifies the reporting of equity interests in legally separate organizations.

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* were implemented during the current year. These statements incorporate deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets, and fund balance, when applicable.

City of Mason

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

**NOTE O: UPCOMING ACCOUNTING PRONOUNCEMENTS**

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The statement requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the financial statements for the City's 2014-2015 fiscal year.

**REQUIRED SUPPLEMENTARY INFORMATION**

City of Mason

General Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Property taxes	\$ 2,854,950	\$ 2,862,545	\$ 2,864,007	\$ 1,462
Penalties and interest	15,000	16,845	16,866	21
Administration fees	87,855	89,395	89,298	(97)
Total taxes	2,957,805	2,968,785	2,970,171	1,386
Licenses and permits	25,300	57,875	59,850	1,975
Intergovernmental				
State	601,985	650,735	653,035	2,300
Local	1,031,680	483,795	484,005	210
Total intergovernmental	1,633,665	1,134,530	1,137,040	2,510
Charges for services				
Refuse collection	323,660	326,630	326,631	1
Cable franchise fee	42,500	42,750	42,751	1
Other	272,655	271,065	271,680	615
Total charges for services	638,815	640,445	641,062	617
Fines and forfeits	28,400	30,235	27,561	(2,674)
Interest and rents	21,745	26,980	26,940	(40)
Other	66,800	60,450	60,426	(24)
TOTAL REVENUES	5,372,530	4,919,300	4,923,050	3,750

## City of Mason

## General Fund

## BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended June 30, 2013

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Current				
General government				
City Council	\$ 44,305	\$ 37,835	\$ 34,561	\$ 3,274
Administrator	240,240	182,285	177,230	5,055
Assessor	47,185	48,135	47,696	439
Board of Review	650	690	690	-0-
Treasurer	475,615	368,855	360,608	8,247
Technology	48,565	48,565	47,138	1,427
Election	135,590	120,105	112,272	7,833
Building office and City Hall	369,150	395,735	378,496	17,239
Attorney	70,000	90,000	87,430	2,570
Cemetery	146,525	111,565	100,544	11,021
Workers compensation	55,100	39,385	39,382	3
Retiree benefits	157,295	146,785	146,785	-0-
Administrative services	234,390	169,850	167,108	2,742
Total general government	2,024,610	1,759,790	1,699,940	59,850
Public safety				
Police administration	337,945	299,580	285,967	13,613
Crossing guards	33,595	20,270	19,459	811
Police patrolling	1,016,720	834,635	818,808	15,827
Fire department	297,025	259,900	253,936	5,964
Civil defense	8,200	8,150	7,550	600
Total public safety	1,693,485	1,422,535	1,385,720	36,815
Public works				
Public services	6,685	4,610	3,405	1,205
Street lighting	134,985	115,750	114,255	1,495
Refuse collection	331,235	317,250	317,241	9
Total public works	472,905	437,610	434,901	2,709
Community and economic development				
Cable commission	4,300	4,120	3,554	566
Planning and zoning	120,000	106,900	104,218	2,682
Planning commission	1,385	1,200	885	315
Christmas decorations	4,505	4,445	4,394	51
Total community and economic development	130,190	116,665	113,051	3,614

City of Mason

General Fund

BUDGETARY COMPARISON SCHEDULE - CONTINUED

Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES - CONTINUED				
Current - continued				
Recreation and culture				
Parks	\$ 142,860	\$ 106,720	\$ 96,294	\$ 10,426
Library	8,045	9,455	6,589	2,866
Forestry	67,705	61,100	54,844	6,256
Senior citizens	8,010	6,700	6,700	-0-
Total recreation and culture	226,620	183,975	164,427	19,548
Debt service				
Principal	80,715	80,675	80,671	4
Interest and fiscal fees	16,370	16,415	16,411	4
Total debt service	97,085	97,090	97,082	8
TOTAL EXPENDITURES	4,644,895	4,017,665	3,895,121	122,544
EXCESS OF REVENUES OVER EXPENDITURES	727,635	901,635	1,027,929	126,294
OTHER FINANCING SOURCES (USES)				
Transfers in	152,750	165,080	165,077	(3)
Transfers out	(1,045,020)	(1,045,020)	(352,973)	692,047
TOTAL OTHER FINANCING SOURCES (USES)	(892,270)	(879,940)	(187,896)	692,044
NET CHANGE IN FUND BALANCE	(164,635)	21,695	840,033	818,338
Fund balance, beginning of year	1,766,708	1,766,708	1,766,708	-0-
Fund balance, end of year	\$ 1,602,073	\$ 1,788,403	\$ 2,606,741	\$ 818,338

City of Mason

Special Assessment Fund

BUDGETARY COMPARISON SCHEDULE

Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest	\$ 62,695	\$ 75,685	\$ 75,778	\$ 93
Other				
Special assessments	141,810	364,165	364,682	517
TOTAL REVENUES	204,505	439,850	440,460	610
EXPENDITURES				
Debt service	99,020	99,020	99,018	2
EXCESS OF REVENUES OVER EXPENDITURES	105,485	340,830	341,442	612
OTHER FINANCING (USES)				
Transfers out	(96,645)	(105,705)	(105,704)	1
NET CHANGE IN FUND BALANCE	8,840	235,125	235,738	613
Fund balance, beginning of year	224,688	224,688	224,688	-0-
Fund balance, end of year	\$ 233,528	\$ 459,813	\$ 460,426	\$ 613

**OTHER SUPPLEMENTARY INFORMATION**

City of Mason  
 Nonmajor Governmental Funds  
 COMBINING BALANCE SHEET  
 June 30, 2013

	Special		
	Major Street	Local Street	Rayner Bond
<b>ASSETS</b>			
Cash and cash equivalents	\$ 587,780	\$ 163,343	\$ 603,662
Accounts receivable	1,132	460	4,022
Due from other governmental units	60,675	20,968	-
Due from other funds	93,162	15	-
<b>TOTAL ASSETS</b>	<b><u>\$ 742,749</u></b>	<b><u>\$ 184,786</u></b>	<b><u>\$ 607,684</u></b>
<b>LIABILITIES</b>			
Accounts payable	\$ 16,269	\$ -	\$ -
Accrued wages	2,514	2,531	-
Due to other funds	-	26,150	-
<b>TOTAL LIABILITIES</b>	<b>18,783</b>	<b>28,681</b>	<b>-0-</b>
<b>FUND BALANCES</b>			
Restricted for:			
Highways	196,314	-	-
Community enrichment	-	-	452,684
Cemetery operations	-	-	-
Flowers	-	-	-
Debt service	-	-	-
Committed to:			
Community enrichment	-	-	155,000
Assigned to:			
Highways	527,652	156,105	-
Other purposes	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>723,966</u></b>	<b><u>156,105</u></b>	<b><u>607,684</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 742,749</u></b>	<b><u>\$ 184,786</u></b>	<b><u>\$ 607,684</u></b>

Revenue Economic Development Corporation	Debt Service		Capital Projects	Permanent	Total Nonmajor Governmental Funds
	Park Street Property	Mason Building Authority	Capital Improvement	Cemetery Trust	
\$ 21,763	\$ -	\$ 532	\$ 387	\$ 336,545	\$ 1,714,012
-	-	-	-	-	5,614
-	-	-	-	-	81,643
-	-	-	-	-	93,177
<u>\$ 21,763</u>	<u>\$ -0-</u>	<u>\$ 532</u>	<u>\$ 387</u>	<u>\$ 336,545</u>	<u>\$ 1,894,446</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,269
-	-	-	-	-	5,045
-	-	-	-	815	26,965
-0-	-0-	-0-	-0-	815	48,279
-	-	-	-	-	196,314
21,763	-	-	-	-	474,447
-	-	-	-	316,236	316,236
-	-	-	-	19,494	19,494
-	-	532	-	-	532
-	-	-	-	-	155,000
-	-	-	-	-	683,757
-	-	-	387	-	387
<u>21,763</u>	<u>-0-</u>	<u>532</u>	<u>387</u>	<u>335,730</u>	<u>1,846,167</u>
<u>\$ 21,763</u>	<u>\$ -0-</u>	<u>\$ 532</u>	<u>\$ 387</u>	<u>\$ 336,545</u>	<u>\$ 1,894,446</u>

City of Mason

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

Year Ended June 30, 2013

	Special		
	Major Street	Local Street	Rayner Bond
REVENUES			
Intergovernmental	\$ 366,453	\$ 150,598	\$ -
Charges for services	1,227	3,204	-
Interest, rents, and royalties	1,521	301	45,326
Other	185	1,500	-
	<u>369,386</u>	<u>155,603</u>	<u>45,326</u>
TOTAL REVENUES	369,386	155,603	45,326
EXPENDITURES			
Current			
Public works	305,588	169,099	-
Recreation and culture	-	-	10,000
Debt service	-	-	-
	<u>305,588</u>	<u>169,099</u>	<u>10,000</u>
TOTAL EXPENDITURES	305,588	169,099	10,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	63,798	(13,496)	35,326
OTHER FINANCING SOURCES (USES)			
Transfers in	68,165	15,010	-
Transfers out	(15,196)	(1,500)	(10,914)
	<u>52,969</u>	<u>13,510</u>	<u>(10,914)</u>
TOTAL OTHER FINANCING SOURCES (USES)	52,969	13,510	(10,914)
NET CHANGE IN FUND BALANCES	116,767	14	24,412
Fund balances, beginning of year	<u>607,199</u>	<u>156,091</u>	<u>583,272</u>
Fund balances, end of year	<u>\$ 723,966</u>	<u>\$ 156,105</u>	<u>\$ 607,684</u>

<u>Revenue</u>	<u>Debt Service</u>		<u>Capital Projects</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Economic Development Corporation</u>	<u>Park Street Property</u>	<u>Mason Building Authority</u>	<u>Capital Improvement</u>	<u>Cemetery Trust</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 517,051
-	-	-	-	-	4,431
63	-	52	-	815	48,078
-	-	-	-	4,515	6,200
63	-0-	52	-0-	5,330	575,760
-	-	-	-	-	474,687
-	-	-	-	-	10,000
-	41,982	275,326	-	-	317,308
-0-	41,982	275,326	-0-	-0-	801,995
63	(41,982)	(275,274)	-0-	5,330	(226,235)
-	41,982	242,826	-	-	367,983
-	-	-	-	(815)	(28,425)
-0-	41,982	242,826	-0-	(815)	339,558
63	-0-	(32,448)	-0-	4,515	113,323
21,700	-	32,980	387	331,215	1,732,844
<u>\$ 21,763</u>	<u>\$ -0-</u>	<u>\$ 532</u>	<u>\$ 387</u>	<u>\$ 335,730</u>	<u>\$ 1,846,167</u>

City of Mason

Agency Funds

COMBINING STATEMENT OF ASSETS AND LIABILITIES

June 30, 2013

	<u>Delinquent Tax</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	<u>\$ 4,377</u>	<u>\$ 27,745</u>	<u>\$ 32,122</u>
<b>LIABILITIES</b>			
Due to individuals and agencies	\$ -	\$ 27,745	\$ 27,745
Due to other governmental units	<u>4,377</u>	<u>-</u>	<u>4,377</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 4,377</u>	<u>\$ 27,745</u>	<u>\$ 32,122</u>

City of Mason

Component Unit Funds

COMBINING BALANCE SHEET - LOCAL DEVELOPMENT FINANCE AUTHORITY

June 30, 2013

	<u>General</u>	<u>Debt Service 1992 Bond</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 947,590	\$ -	\$ 947,590
<b>LIABILITIES</b>			
Due to other governmental units	\$ 79,758	\$ -	\$ 79,758
<b>FUND BALANCES</b>			
Unassigned	867,832	-	867,832
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <b>\$ 947,590</b>	 <b>\$ -0-</b>	 <b>\$ 947,590</b>

City of Mason

Component Unit Funds

RECONCILIATION OF THE COMBINING BALANCE SHEET TO  
THE STATEMENT OF NET POSITION - LOCAL DEVELOPMENT FINANCE AUTHORITY

June 30, 2013

**Total fund balances - governmental funds** \$ 867,832

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

The cost of capital assets is	\$ 710,587	
Accumulated depreciation is	<u>(710,587)</u>	
		-0-

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds payable	35,000	
Accrued interest payable	<u>578</u>	
		<u>(35,578)</u>

**Net position of governmental activities** \$ 832,254

City of Mason

Component Unit Funds

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - LOCAL DEVELOPMENT FINANCE AUTHORITY

Year Ended June 30, 2013

	General	Debt Service 1992 Bond	Total
REVENUES			
Taxes	\$ 393,363	\$ -	\$ 393,363
Interest	5,191	-	5,191
TOTAL REVENUES	398,554	-0-	398,554
EXPENDITURES			
Current			
Community and economic development	98,734	-	98,734
Debt service	-	38,815	38,815
TOTAL EXPENDITURES	98,734	38,815	137,549
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	299,820	(38,815)	261,005
OTHER FINANCING SOURCES (USES)			
Transfers in	-	38,815	38,815
Transfers out	(38,815)	-	(38,815)
TOTAL OTHER FINANCING SOURCES (USES)	(38,815)	38,815	-0-
NET CHANGE IN FUND BALANCES	261,005	-0-	261,005
Fund balances, beginning of year	606,827	-	606,827
Fund balances, end of year	<u>\$ 867,832</u>	<u>\$ -0-</u>	<u>\$ 867,832</u>

City of Mason

Component Unit Funds

RECONCILIATION OF THE COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL  
FUND TO THE STATEMENT OF ACTIVITIES - LOCAL DEVELOPMENT FINANCE AUTHORITY

Year Ended June 30, 2013

**Net change in fund balances - governmental funds** \$ 261,005

Amounts reported for governmental activities in the statement of activities are different because:

Repayment of long-term debt is reported as expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

Long-term debt principal retirements 35,000

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Decrease in accrued interest payable 577

**Change in net position of governmental activities** \$ 296,582

City of Mason  
 Component Unit Funds  
 BALANCE SHEET - DOWNTOWN DEVELOPMENT AUTHORITY  
 June 30, 2013

	General
<b>ASSETS</b>	
Cash and cash equivalents	\$ 221,001
Taxes receivable	3,322
Accounts receivable	970
<b>TOTAL ASSETS</b>	<b>\$ 225,293</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 24
<b>FUND BALANCE</b>	
Unassigned	225,269
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 225,293</b>

Note: Reconciliation of the governmental fund balance sheet to the statement of net position for this component unit is not required as the fund balance was equal to the net position as of June 30, 2013.

City of Mason

Component Unit Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - DOWNTOWN DEVELOPMENT AUTHORITY

Year Ended June 30, 2013

	<u>General</u>
REVENUES	
Taxes	\$ 59,989
Interest	494
Other	<u>24,704</u>
 TOTAL REVENUES	 85,187
 EXPENDITURES	
Current	
Community and economic development	<u>55,696</u>
 NET CHANGE IN FUND BALANCE	 29,491
 Fund balance, beginning of year	 <u>195,778</u>
 Fund balance, end of year	 <u><u>\$ 225,269</u></u>

Note: Reconciliation of the statement of revenues, expenditures, and changes in fund balance of this component unit's governmental fund to the statement of activities is not required as the net change in fund balance was equal to the change in net position for the year ended June 30, 2013.

Principals

Dale J. Abraham, CPA  
Michael T. Gaffney, CPA  
Steven R. Kirinovic, CPA  
Aaron M. Stevens, CPA  
Eric J. Glashouwer, CPA  
Alan D. Panter, CPA  
William I. Tucker IV, CPA



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Honorable Mayor and  
Members of the City Council  
City of Mason, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Mason, Michigan, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 21, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Mason's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Mason's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Mason's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Mason's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Mason's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Abraham & Gaffney, P.C.*

ABRAHAM & GAFFNEY, P.C.  
Certified Public Accountants

October 21, 2013

**CITY OF MASON  
REGULAR CITY COUNCIL MEETING  
MINUTES OF OCTOBER 7, 2013**

Clark called the meeting to order at 7:32 p.m. in the Council Chambers at 201 W. Ash Street, Mason, Michigan. Ferris led the Pledge of Allegiance and offered the invocation.

Present: Councilmembers: Brown, Bruno, Clark, Droscha, Ferris, Mulvany, Naeyaert  
Absent: Councilmember: None  
Also present: Martin A. Colburn, City Administrator  
Deborah J. Cwiertniewicz, City Clerk  
Eric Smith, Finance Director/Treasurer  
John Stressman, Chief of Police  
David Haywood, Zoning & Development Director

**ANNOUNCEMENTS**

- Chamber Raffle – Bestsellers – October 10, 2013

**PEOPLE FROM THE FLOOR**

None.

**PRESENTATION**

Christian Andersen, System Manger of WOW, gave an update of the rebuild being conducted throughout Michigan. He stated that the city of Mason is scheduled for the beginning of 2014.

**EXECUTIVE SESSION – PERSONNEL ISSUE**

MOTION by Naeyaert,  
to adjourn to executive session to discuss a matter regarding a personnel issue.

ROLL CALL VOTE:

Yes (7) Brown, Bruno, Droscha, Ferris, Mulvany, Naeyaert, Clark

No (0)

**MOTION APPROVED UNANIMOUSLY**

The meeting adjourned to executive session at 8:21 p.m. The meeting reconvened at 9:48 p.m.

MOTION by Naeyaert, second by Droscha,  
to modify the action to three days and two full days be restored on the  
personnel matter.

ROLL CALL VOTE:

Yes (6) Brown, Bruno, Clark, Droscha, Mulvany, Naeyaert

No (1) Ferris

**MOTION APPROVED**

**PUBLIC HEARINGS**

**Authorizing the City of Mason to Establish an Obsolete Property Rehabilitation Act District**

Colburn spoke to the process to establish an obsolete property rehabilitation district as well as the process of property rehabilitation.

Clark opened the public hearing at 9:53 p.m.

Jeff Burdick, Executive Director of Ingham County Land Bank, elaborated on the letter of request he submitted regarding establishing an obsolete property rehabilitation district.

Being there were no further comments, Clark closed the public hearing at 9:55 p.m.

**Resolution 2013-43—To Establish an Obsolete Property Rehabilitation Act District Pursuant to 2000 PA 146**

MOTION by Naeyaert, second by Droscha,  
to consider Resolution No. 2013-43 read.  
**MOTION APPROVED UNANIMOUSLY**

Resolution No. 2013-43 was introduced by Ferris, seconded by Bruno.

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2013-43  
A RESOLUTION TO ESTABLISH AN OBSOLETE PROPERTY  
REHABILITATION ACT DISTRICT PURSUANT TO 2000 PA 146  
October 7, 2013**

At a regular meeting of the City Council of the City of Mason, Ingham County, Michigan, held on the 7th day of October, 2013, at the City Council Chambers, located at 201 W. Ash Street, Mason, Michigan, at 7:30 p.m., the following resolution was offered by Council member Ferris and seconded by Council member Bruno:

**WHEREAS**, a qualified local governmental unit has the authority, pursuant to section 3 of Act No. 146 of the Public Acts of 2000, to establish an "Obsolete Property Rehabilitation Act District" within the city of Mason upon the written request filed by the owner of property comprising at least 50% of all taxable value of the property to be located within a proposed Obsolete Property Rehabilitation Act District; and

**WHEREAS**, the City of Mason, Ingham County, was declared and remains a "qualified local governmental unit" within the meaning of subsection 2(k) of 2000 PA 146 by determination of the Michigan State Tax Commission adopted at its June 12, 2012 meeting; and

**WHEREAS**, the Ingham County Land Bank has filed a written request with the Mason City Clerk requesting that the City establish an Obsolete Property Rehabilitation Act District on certain tax-reverted property owned by the Ingham County Land Bank located in the city of Mason and described as follows:

East 2/3 of Lot 2; West 2/3 of Lot 3; and North 41 feet of Lot 9, Block 17, Section 9, T2N, R1W, City of Mason, Ingham County, Michigan.

TIN 33-19-10-09-110-021 - commonly known as 124 E. Ash Street

TIN 33-19-10-09-110-007 - commonly known as 140 E. Ash Street

TIN 33-19-10-09-110-015 - being a portion of Alley 17 of the Plat of the City of Mason

and

**WHEREAS**, the City of Mason finds that the property proposed for the Obsolete Property Rehabilitation Act District is "obsolete property" as defined by section 2(h) of Act 146, that it comprises at least 50% of all taxable value of the property to be located within the proposed Obsolete Property Rehabilitation Act District and otherwise meets the requirements set forth in section 3(1) of 2000 PA 146; and

**WHEREAS**, written notice has been given by mail to all owners of real property located within the proposed district and to the public by newspaper advertisement in the *Ingham County Community News* of the hearing on the establishment of the proposed district as required by Act 146; and

**WHEREAS**, on October 7, 2013, a public hearing was held regarding the establishment of the proposed Obsolete Property Rehabilitation Act District and all residents and taxpayers of the City of Mason were afforded an opportunity to appear and be heard thereon; and

**WHEREAS**, the City of Mason deems it to be in the public interest of the City of Mason to establish the Obsolete Property Rehabilitation Act District as proposed by the applicant;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Mason that the following described parcels of land situated in the city of Mason, Ingham County, Michigan, to wit:

East 2/3 of Lot 2; West 2/3 of Lot 3; and North 41 feet of Lot 9, Block 17, Section 9, T2N, R1W, City of Mason, Ingham County, Michigan.

TIN 33-19-10-09-110-021 - commonly known as 124 E. Ash Street

TIN 33-19-10-09-110-007 - commonly known as 140 E. Ash Street

TIN 33-10-10-09-110-015 - being a portion of Alley 17 of the Plat of the City of Mason

be and hereby are established as an Obsolete Property Rehabilitation Act District pursuant to the provisions of Act No. 146 of the Public Acts of 2000, to be known as the City of Mason Obsolete Property Rehabilitation Act District No. 1.

RESOLUTION APPROVED UNANIMOUSLY

**Motion – Authorizing City of Mason to Enter into Development Agreement for the Rehabilitation of 124 and 140 E. Ash Street**

MOTION by Naeyaert, second by Droscha,  
to approve the Development Agreement as to form.

MOTION APPROVED UNANIMOUSLY

**CONSENT AGENDA**

It was discussed to move the Minutes of September 16, 2013 to Regular Business.

MOTION by Naeyaert, second by Droscha,  
to amend the Consent Agenda by moving Agenda Item No. 10(C) – Motion – Streets Closure Request for Mason High School Homecoming Parade, to the Consent Agenda, Item No. 9(C) and to move the agenda items under 10 – Regular Business as appropriate.

MOTION APPROVED UNANIMOUSLY

MOTION by Naeyaert, second by Droscha,  
to approve the Consent Agenda as amended:

- A. Approval of Minutes – Regular Council Meeting: September 3, 2013
- B. Approval of Bills - \$543,742.12
- C. Motion - Streets Closure Request for Mason High School Homecoming Parade  
Approve the use of Oak, Jefferson, Maple, and Barnes Streets for the Mason High School Homecoming Parade, October 18, 2013 between 5:00 p.m. and 7:00 p.m.

MOTION APPROVED UNANIMOUSLY

**REGULAR BUSINESS**

**Motion – Approval of Minutes – Regular Council Meeting: September 16, 2013**

MOTION by Bruno, second by Droscha,  
to correct the Minutes of September 16, 2013, page 6, in the title of Resolution No. 2013-41, delete the words, Award of Hayes Park Well Rehabilitation, and insert the words, Award of Well No. 8 Rehabilitation and Cleaning.

MOTION APPROVED UNANIMOUSLY

**First Reading – Ordinance No. 195 – An Ordinance to Amend Section 94-151 of Chapter 94 – Zoning – of the Code of the City of Mason to Amend Subsection (D) to Add a New Subsection (4) to Permit the Sale of Repaired, Used Vehicles, by Special Use Permit as an Accessory Use to a Body and Paint Shop for Automobiles and Other Vehicles**

MOTION by Droscha, second by Brown,  
to take Ordinance No. 195 from the table.

MOTION APPROVED UNANIMOUSLY

Clark stated that Ordinance No. 195 was tabled to allow staff and the city attorney determine the appropriate procedure regarding consideration of zoning ordinance amendments. Specifically, whether it would be considered by the Planning Commission and then referred to the Council with a recommendation, or whether Council would hold first reading and then send it to the Planning Commission for their review and recommendation.

Clark stated his opinion being that Council could initiate zoning amendments, and refer them to the Planning Commission for review.

As a point of order, Brown stated that the motion made September 16, 2013 is on the floor, as a result of the motion to take the ordinance from the table. In recognition of the point of order, Clark restated the motion on the floor:

MOTION by Naeyaert, second by Droscha,  
to consider Ordinance No. 195 read for the first time and refer it to the Planning Commission.

MOTION APPROVED UNANIMOUSLY

**Resolution No. 2013-41 – Award of Well No. 8 Rehabilitation and Cleaning**

It was discussed that Resolution No. 2013-41 was deferred from the September 16, 2013 meeting, requesting staff to provide the hourly rates from each bid.

MOTION by Droscha, second by Brown,  
to consider Resolution No. 2013-41 read.

MOTION APPROVED UNANIMOUSLY

Resolution No. 2013-41 was introduced by Droscha, seconded by Mulvany.

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2013-41  
AWARD OF WELL NO. 8 REHABILITATION AND CLEANING  
SEPTEMBER 16, 2013**

**WHEREAS**, it is in the best interests of the City of Mason to maintain our wells; and

**WHEREAS**, Well No. 8 is in the need of rehabilitation; now

**THEREFORE BE IT RESOLVED**, that the Mason City Council does hereby approve the award of Well No. 8 rehabilitation and cleaning to Northern Pump and Well in the amount of \$15,963.00.

RESOLUTION APPROVED UNANIMOUSLY

**UNFINISHED BUSINESS**

None.

**NEW BUSINESS**

It was requested to include a report on Title VI Non-Discrimination Plan at the October 21, 2013 meeting.

**CORRESPONDENCE**

Distributed.

**LIAISON REPORTS**

No reports at this time.

**COUNCILMEMBER REPORTS**

Droscha informed Council that he prepared a report on the sessions he attended at the MML Conference, as well as literature he collected. A brief discussion ensued regarding wireless infrastructure.

Clark reported on the sessions he attended at the MML Conference. He suggested that the City enter the Community Excellence Award at the 2014 Regional Meeting.

**ADMINISTRATOR'S REPORT**

Colburn informed Council regarding City business. He gave a brief report on the sessions he attended at the MML Conference.

**ADJOURNMENT**

The meeting adjourned at 10:34 p.m.

---

Deborah J. Cwierniewicz, City Clerk

---

Leon R. Clark, Mayor

10/18/2013 10:57 AM  
 User: TF  
 DB: Mason City

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF MASON  
 EXP CHECK RUN DATES 10/04/2013 - 10/23/2013  
 BOTH JOURNALIZED AND UNJOURNALIZED  
 BOTH OPEN AND PAID  
 COUNCIL REPORT  
 MONDAY, OCTOBER 21, 2013

Vendor Code Invoice GL Number	Vendor Name Invoice Description GL Description	Invoice Date	Amount
07778	ALL PHASE ELECTRIC SUPPLY		
3986-538928	LED BULBS FOR INGHAM CT & N CEDAR ST	10/18/2013	
101-448.00-970.000	14 - LED BULBS FOR INGHAM CT		1,288.00
101-448.00-970.000	48 - LED BULBS FOR NORTH CEDAR ST		5,232.00
			<u>6,520.00</u>
		VENDOR TOTAL:	<u>6,520.00</u>
07800	BLUE CROSS BLUE SHIELD OF MICHIGAN		
GR#7029499710DIV#000	NOV HEALTH INS CITY EXPENSE	10/18/2013	
750-000.00-231.015	NOV HEALTH INS CITY EXPENSE		15,039.08
GR#7029499DIV#0001	NOV RETIREES INS CITY EXPENSE	10/18/2013	
101-855.00-874.001	NOV RETIREES INS CITY EXPENSE		7,378.57
			<u>22,417.65</u>
		VENDOR TOTAL:	<u>22,417.65</u>
06474	CONSUMERS ENERGY		
OCT 2013	ELECTRICITY 9/1 - 9/30	10/11/2013	
101-448.00-926.000	ELECTRICITY 9/1 - 9/30		8,555.53
			<u>8,555.53</u>
		VENDOR TOTAL:	<u>8,555.53</u>
07899	GAWNE TRUCKING, INC		
OCT 2013	BIOSOLIDS REMOVAL 2013	10/18/2013	
592-555.00-818.000	768,000 GALLONS BIOSOLIDS REMOVAL		23,808.00
592-555.00-818.000	19 HRS LABOR CLEANING DIGESTER		6,175.00
			<u>29,983.00</u>
		VENDOR TOTAL:	<u>29,983.00</u>
05221	MCGINTY, HITCH, HOUSEFIELD, PERSON,		
OCT 2013	SEPT LEGAL FEES	10/18/2013	
101-266.00-826.000	SEPT LEGAL FEES		8,735.03
			<u>8,735.03</u>
		VENDOR TOTAL:	<u>8,735.03</u>
07550	RIETH-RILEY CONSTRUCTION CO INC		
PAY#2	2013 LOCAL ST PAY EST #2 & 2013 TEMPLE WATERMAIN	10/18/2013	
202-451.00-970.211	2013 LOCAL STREETS PAY EST #2		141,663.60
592-558.00-970.919	2013 TEMPLE ~ WATER MAIN		5,270.20
			<u>146,933.80</u>
		VENDOR TOTAL:	<u>146,933.80</u>

10/18/2013 10:57 AM  
User: TF  
DB: Mason City

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF MASON  
EXP CHECK RUN DATES 10/04/2013 - 10/23/2013  
BOTH JOURNALIZED AND UNJOURNALIZED  
BOTH OPEN AND PAID  
COUNCIL REPORT  
MONDAY, OCTOBER 21, 2013

Vendor Code	Vendor Name	Invoice Date	
Invoice	Invoice Description		
GL Number	GL Description		Amount
07943	SIGNATURE FORD, L - M		
7653P	2014 FORD POLICE CAR INTERCEPTOR	10/18/2013	
661-901.00-970.098	2014 FORD POLICE CAR INTERCEPTOR		24,439.00
VENDOR TOTAL:			24,439.00
TOTAL - ALL VENDORS:			247,584.01

I hereby certify that I have reviewed the above bills and expenses and to the best of my knowledge and belief, they cover expenditures of City services and materials and are within current budget appropriations.



Martin A. Colburn  
City Administrator

**CITY OF MASON**  
**STAFF AGENDA REPORT TO CITY COUNCIL**

---

**Meeting Date:** October 21, 2013

**Agenda Item:** 7 (C)

---

**AGENDA ITEM**

Motion - Request for Excused Absence – Councilmember Mulvany

**EXHIBITS**

Email from Councilmember Mulvany dated October 16, 2013

**STAFF REVIEW**

City Clerk

**SUMMARY STATEMENT**

Councilmember Mulvany is requesting to be excused from the October 21, 2013 City Council meeting.

**RECOMMENDED ACTION**

Move to excuse the absence of Councilmember Mulvany from the October 21, 2013 City Council Meeting.

**To:** Martin Colburn  
**Subject:** RE: excused absence

---

**From:** James Mulvany [<mailto:mulvanyj@hotmail.com>]  
**Sent:** Wednesday, October 16, 2013 2:59 AM  
**To:** Martin Colburn  
**Subject:** RE: excused absence

Marty,

Yes, would like to request an excused absence for October 21 Council meeting.

from Jim Mulvany

**CITY OF MASON**  
**STAFF AGENDA REPORT TO CITY COUNCIL**

---

**Meeting Date:** October 21, 2013

**Agenda Item:** 8 (A)

---

**AGENDA ITEM**

Resolution No. 2013-44 – Fireworks Display Permit

**EXHIBITS**

- Application
- Letter of Request
- Site Plan

**STAFF REVIEW**

City Clerk

**SUMMARY STATEMENT**

The Ingham County Fair Board has submitted a Fireworks Permit application to hold a public display following the lighted Parade on Friday, November 29, 2013, beginning at 8:45 p.m.

In accordance with Mason Code, City Council is the designated authority granting fireworks display permits requested by fair associations. The applicant has submitted the required certificate of public liability insurance for the event.

Sandy Dargatz, Manager, Ingham County Fair, will be present to answer questions.

**RECOMMENDED ACTION**

Approve Resolution No. 2013-44.

Introduced:

Second:

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2013-44**

**FIREWORKS DISPLAY PERMIT**

**October 21, 2013**

**WHEREAS**, the Ingham County Fair Board (ICFB) has applied for a Fireworks Display Permit to hold a public display following the lighted Parade on Friday, November 29, 2013, beginning at 8:45 p.m.; and

**WHEREAS**, ICFB has provided the required documentation, a certificate of insurance and site plan; now

**BE IT HEREBY RESOLVED**, by the City Council of the City of Mason, that it does hereby grant permission to the Ingham County Fair Board to hold a fireworks display at the Ingham County Fairgrounds on the evening of November 29, 2013, commencing at 8:45 p.m. in conjunction with the annual Lighted Parade.

Yes

No

**CLERK'S CERTIFICATION:** I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, October 21, 2013 the original of which is part of the Council's minutes.

---

Deborah J. Cwierniewicz, City Clerk  
City of Mason  
Ingham County, Michigan



**700 East Ash Street  
Mason, Michigan 48854  
Phone: (517) 676-2428  
Fax: (517) 676-3733  
www.inghamfair.org**



October 10, 2013

Mason City Council  
201 W Ash St  
Mason, MI 48854

RE: Ingham County Fairgrounds Winter Festival Fireworks

Dear Council Members,

The Ingham County Fairgrounds hosts multiple events annually in support of the Ingham County Board of Commissioners strategic goals to enhance the services offered to the community and within the City of Mason.

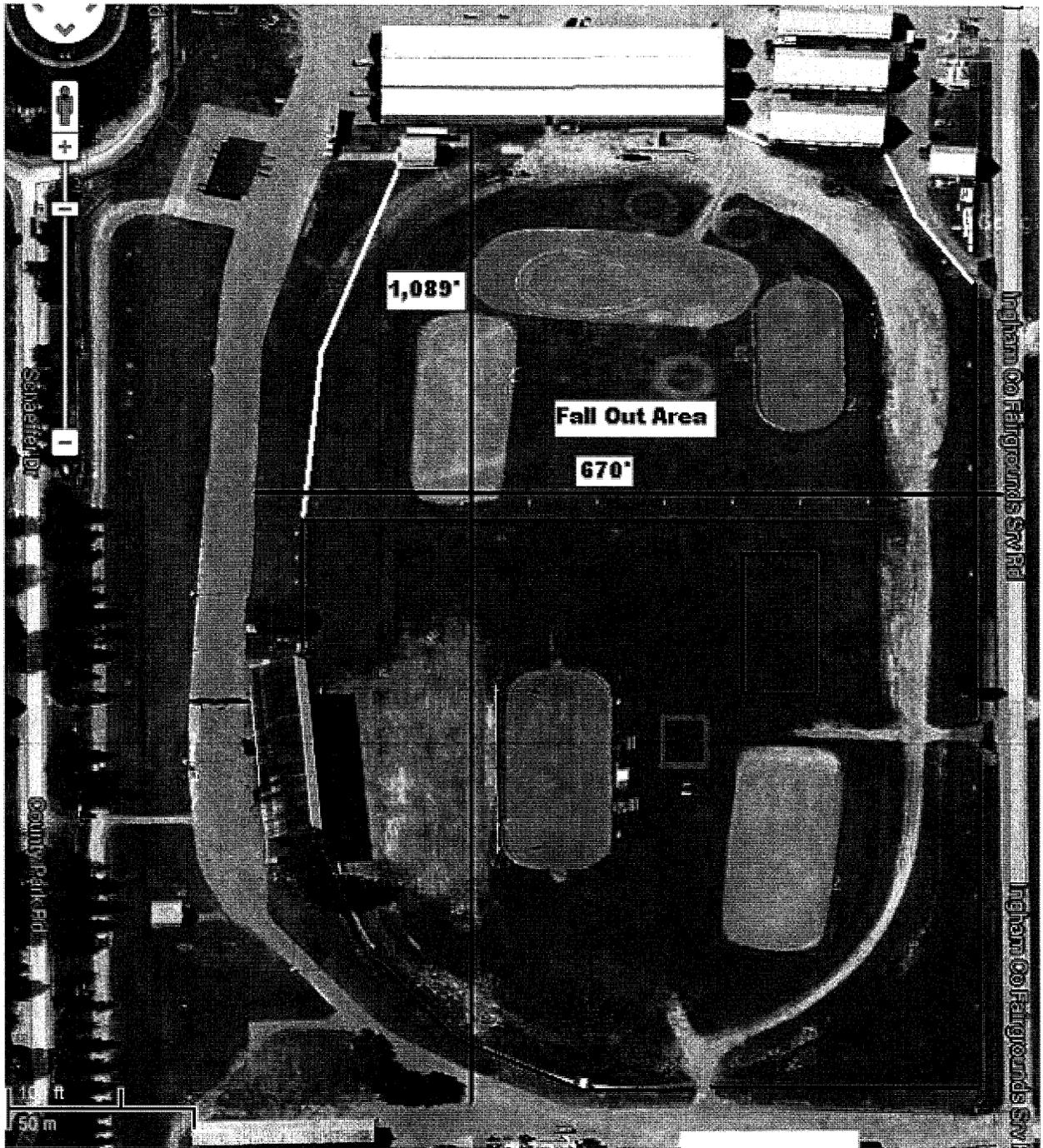
The Fair Board has passed a resolution supporting the pursuit of the continue diversification of the types of events offered to our community, which in turn assists with expanding our revenue base, and has a significant financial impact on other businesses within the City of Mason.

Humbly, the Ingham County Fair Board requests permission from the Mason City Council, as an additional offering in conjunction with the Lighted Parade, to have ACE Pyro, LLC performs a fireworks display on the Ingham County Fairgrounds on Friday, November 29, 2013, commencing at 8:45pm.

The Ingham County Fair Board and Staff are grateful for your consideration and continued partnership and support as we work to connect our community, families, and grow our economic base.

Sincerely,

Sandra Dargatz  
Manager, Ingham County Fair  
700 E. Ash St.  
Mason, MI 48854  
Phone: 517.676.2428  
Direct: 517.676.2857  
Fax: 517.676.3733  
Email: sdargatz@ingham.org



- Chain Link Fence
- Ground Displays
- Caution Tape
- 3" & 4" Racks
- Cakes

**CITY OF MASON**  
**STAFF AGENDA REPORT TO CITY COUNCIL**

---

**Meeting Date:** October 21, 2013

**Agenda Item:** 8 (B)

---

**AGENDA ITEM**

Resolution No. 2013-45 – Mayoral Appointment to the Traffic Commission

**EXHIBITS**

None.

**STAFF REVIEW**

City Clerk

**SUMMARY STATEMENT**

Resolution No. 2013-45 would appoint Mark Howe, Downtown Development Authority (DDA) Chair, to the Traffic Commission as the DDA representative.

**RECOMMENDED ACTION**

Approve Resolution No. 2013-45.

Introduced:  
Second:

**CITY OF MASON**  
**CITY COUNCIL RESOLUTION NO. 2013-45**  
**MAYORAL APPOINTMENT TO THE TRAFFIC COMMISSION**  
**OCTOBER 21, 2013**

**WHEREAS**, in accordance with Mason Code, the Traffic Commission shall appoint one member in representation of the Mason Downtown Development Authority; now

**BE IT HEREBY RESOLVED**, that the Mayor, with confirmation by the City Council, does hereby appoint Mark Howe to the Traffic Commission commencing October 21, 2013 and expiring December 31, 2013.

Yes

No

**CLERK'S CERTIFICATION:** I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, October 21, 2013 the original of which is part of the City Council minutes.

---

Deborah J. Cwierniewicz, City Clerk  
City of Mason  
Ingham County, Michigan

**CITY OF MASON**  
**STAFF AGENDA REPORT TO CITY COUNCIL**

---

**Meeting Date:** October 21, 2013

**Agenda Item:** 8 (C)

---

**AGENDA ITEM**

Resolution No. 2013-46 – Change Order to Local Streets Construction Contract to Reith- Riley Construction Company, Inc. to Construct Maple Grove Cemetery Street Extension

**EXHIBITS**

- Change Order from Reith-Riley dated October 14, 2013

**STAFF REVIEW**

Administration

**SUMMARY STATEMENT**

The City of Mason went out for public bids for the construction of the local streets of North Street from Mason Street to Cedar Street, and Temple Street from East Columbia Street to Ash Street. Bids were received and publicly opened on May 14, 2013, and the low bidder is Reith-Riley Construction with a bid of \$521,502.29. A Change Order was received on October 14, 2013, to construct the Maple Grove Cemetery street extension, in the amount of \$37,558.50. The new final cost with all approved Change Orders will be **\$559,060.79**.

**RECOMMENDED ACTION**

Move to approve Resolution No. 2013-46.

Introduced:  
Second:

**CITY OF MASON  
CITY COUNCIL RESOLUTION NO. 2013-46**

**CHANGE ORDER TO LOCAL STREETS CONSTRUCTION CONTRACT TO REITH-  
RILEY CONSTRUCTION COMPANY, INC. TO CONSTRUCT MAPLE GROVE  
CEMETERY STREET EXTENSION**

**October 21, 2013**

**WHEREAS**, the City of Mason went out for public bids for the construction of the local streets of North Street from Mason Street to Cedar Street, and Temple Street from East Columbia Street to Ash Street; and

**WHEREAS**, bids were received and publicly opened on May 14, 2013; and

**WHEREAS**, the low bidder is Reith-Riley Construction with a bid of \$521,502.29.

**WHEREAS**, a Change Order to the above-referenced local streets bid to increase expenditures by \$37,558.50;

**BE IT HEREBY RESOLVED**, that the Mason City Council approves the expenditures as part of the Fiscal Year 2013-2014 budget totaling \$559,060.79 for the construction of local street construction program, and authorizes the City Administrator signature authority.

Yes:

No:

**CLERK'S CERTIFICATION:** I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, October 21, 2013 the original of which is part of the City Council minutes.

---

Deborah J. Cwiertniewicz, City Clerk  
City of Mason  
Ingham County, Michigan

CHANGE ORDER NO. 1

PROJECT: Mason-2013 Local Streets-North St. and Temple St. DATE: October 14, 2013

OWNER: City of Mason, 201 W. Ash Street, Mason, MI 48854

CONTRACTOR: Rieth-Riley Construction Co. Inc.  
4150 S. Creyts Road  
Lansing, MI 48917

ENGINEER: Wolverine Engineers and Surveyors, Inc.  
312 North Street  
Mason, MI 48854

CONTRACT: Mason-2013 Local Streets-North St. and Temple St. PROJECT NO. 13-0002

Description of Changes

**Maple Grove Cemetery - Dutch Lane Loop**

<u>Item No.</u>	<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Unit Price</u>	<u>Total</u>
1	Earth Excavation	555	Cyd	\$22.00	\$12,210.00
2	Agg Base 8" 22A CIP	370	Cyd	\$17.29	\$6,397.30
3	HMA 13A 4"	320	Tons	\$51.41	\$16,451.20
4	Restoration & Cleanup	1	LS	\$2,500.00	\$2,500.00
<b>Total Increase Change Order No. 1</b>					<b>\$37,558.50</b>

CHANGES IN CONTRACT PRICE:

Original Contract Price: \$ 521,502.29

Previous Change Orders: \$ 0.00

Contract Price prior to this Change Order: \$ 521,502.29

Net Increase of this Change Order: \$ 37,558.50

Contract Price with all approved Change Orders: \$ 559,060.79

CHANGE IN CONTRACT TIME:

Original Contract Time: 180 Days

Net Change from Previous Change Orders: 0 Days

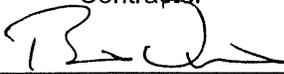
Contract Time Prior to this Change Order: 180 Days

Net Increase of this Change Order: 0 Days

Contract Time with all approved Change Orders: 11/4/2013

**RIETH-RILEY CONSTRUCTION CO., INC.**

Contractor

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

Date: 10/15/13

**CITY OF MASON**

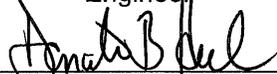
Owner

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

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

**Wolverine Engineers and Surveyors, Inc.**

Engineer

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

Date: 10/15/2013

**CITY OF MASON**  
**STAFF AGENDA REPORT TO CITY COUNCIL**

---

**Meeting Date:** October 21, 2013

**Agenda Item:** 8 (D)

---

**AGENDA ITEM**

Motion – Approval of the Master Plan Final Draft Dated October 11, 2013 for Distribution and Public Hearing

**EXHIBITS**

- Master Plan – Final Draft, October 11, 2013
- Master Plan Update – Joint Workshop Results, September 30, 2013

**STAFF REVIEW**

Zoning and Development Department

**SUMMARY STATEMENT**

Based on the agreement of the members of the City Council (CC) and Planning Commission (PC) at the September 30, 2013 joint work shop staff prepared a final draft document to reflect the agreed to changes. On October 15, 2013, the Planning Commission approved the draft prepared by staff and took action to recommend the City Council approve it as well for distribution.

Staff would like to thank the City Council members and Planning Commissioners who participated in the workshops and provided constructive input to develop an agreeable list of changes to the draft Master Plan. Attached is the final list of comments agreed to by both parties. All of the items listed as “accepted” have been incorporated into the document.

Attached is the response from the City Attorney commenting on the use of the word “annexation.” His recommendation is to use the term “municipal boundary adjustments” as it would be consistent with the term used in the Settlement Agreement of 1998.

When the Council approves the final draft for distribution, staff will schedule a public hearing date and distribute the draft to the appropriate parties pursuant to requirements of the Michigan Planning Enabling Act.

Due to this file being very large, the Master Plan document is not included in your packet. You may obtain a copy of the draft Master Plan dated October 11, 2013 on the City’s website.

The following are the remaining steps required for adoption of the Master Plan:

- The CC authorizes the final draft for distribution/public hearing
- Public hearing notice is then published in paper

- The PC then notifies all parties that received the notice of intent to plan at the beginning of the update process that a final draft is available for review, beginning the 63 day public comment period
- The PC then holds public hearing after the 63 day period
- After public input, the PC approves by 2/3 and forwards to CC for final adoption
- The CC may adopt or reject the plan and send it's reasons to the PC for consideration
- At such time the CC approves the plan, the Clerk shall insert a statement inside the front or back cover recording the CC approval

**RECOMMENDED ACTION**

Move to approve the final draft of the Master Plan dated October 11, 2013 for public distribution and public hearing.

## Master Plan Update - Joint Workshop Results 9-30-13

### Comments Accepted by the Planning Commission

Page #	Comment
1-3	List adjoining twps that were invited to participate
1-4	Strike "dominated by agriculture" and replace with "surrounding is mostly" as worded at beginning of Appx B
1-4	Change reference to MSU as a "premere institution"
1-4	LEAP art grant language - overview of the City
1-5	parapgraph 7, right column - Strike entire paragraph and replace (which supports the objective 7, page 2-4, and objective 3 on page 2-9) with, "Agriculture is a significant part of the economic base of the City and surrounding Townships. It consists of grain farming, livestock farming and forestry. In 2013 the taxable value of agricultural real estate in Alaiedon, Aurelius and Vevay Townships totaled 43.8 million dollars. Mason commercial businesses supply and service agriculture through the sale of fertilizer, chemicals, farm machinery and hardware. It also remains the site of a large grain termianl that receives, processes and stores corn, soybeans and wheat. Mason's strongh rural culture and heritage is evident in two well-attended annual events, the Ingham County Fair and the Steam Threshers Show south of the City".
1-5	Check census data to see if it is consistent with 2010 data
1-5	Rewrite to include all farming areas...
1-5	Last Par. - change Okemos Rd to Okemos St.
1-6	right column, remove the word "annexation"
2-1	flip the flow chart - outline with box as compromise
2-2,3	Combine 2-9 and 1-8
2-3	Add 17th objective for destination restaurant and entertainment
2-3,4	Combine objective #9 with #2
2-4	Objective #6 - encourage as "continued"
2-4	Objective #18 - Move to private sector, end at "...of local arts and culture initiatives."
2-4	Omit creation of a commission in objective 18
2-5	Objective #9 - remove entire objective, or remove "and/or public transit stops"
2-5	Objective #10 - Chamber... "and other local organizations" or strike "Chamber" and replace with "and other local organizations"
2-5	Objective #9 - drop "and/or public transit stops"
2-5	Objective #9 - No residential
2-7	Add language in transportation section to require connection with neighboring street system in new developments where possible.
2-8	Objective #2 - do not discourage high traffic generating land uses
2-8	"maintain healthy balance between new development and adequate infrastructure to support that development"
2-8	Add objective #9 to encourage a main north-south thoroughfare along the City's west side allowing easier access to I-127 for residential developments as a part of residential growth in the area
2-8	Objective #4 - strike "rural"
2-8	Objective #5 - list road type under current system
3-5	Public Areas - County/City land - clean up

3-5	Careful to prevent new building size in conflict with Courthouse (i.e. - don't encourage maximum building height)
3-7	Objective #2 - Don't discourage uses (see mikes notes)
3-8	Objective #4 - strike "large outdoor rec."
4-1	Intent of C-1 should not include the phrase "regional draw"
5-1	Objectives #1,2,4 should be on website
5-2	Objective #6 - a five year review is more reasonable given evidence of slow growth in area
5-2	Objective #7 - Newsletter is not necessary given amount spent on making city business accessible on City website
5-2	Objective #7 - strike "mail"
5-4	Adopt fire code
5-4	Objective #7 - rewrite this objective
5-5	Expand, upgrade or replace POTW
5-5	Objective #4 - Don't strike A/V, technology as these are still issues at new city hall, also add landscaping
5-6	Strike objective #3 in right column under DDA
5-6	Objective #6 - Parks - change "were" to "where"
5-6	Objective #6 - work toward diversifying tree species
5-6	Add under Transportation another link between Sitts/South and Kipp
5-6	Objective #5 - do not mention wind as alternative power source for City, do mention digester for POTW
5-6	Objective #4 (Trans) - leave as is, "continue to develop"
5-6	Parks & Rec - Improve Bond & Hayes bathrooms
5-6	DDA - #3 - include sound system
5-6	Transportation - don't include complete streets #8
5-6	Need for railroad crossing from Elevator property on Zimmerman to North Mason Street to lessen impact of truck traffic at intersection of Curtis and North Cedar
5-8	Strike items #2-11 and keep #1 - (revised to keep #s 1,2,4,7,8,11)
5-6	Library #1 - "Actively continue to research..." to replace "pursue alternatives".
5-8	Objective #9 - recreation - add art commission, or remove objective #9
5-8	Entertainment - add destination restaurant
5-8	Objective #11 - remove "turtle ponds" and other specificity
5-8	Entertainment - add destination restaurant
5-9	Objective #6 - relax "MDOT" and replace with study and explore option
A-1	Appendix does not mention Stevens T. Mason
B-1	Par. 1 - should be in intro
B-4	Update employer # list
B-4,5	Strike "Summit High School"
B-5	Relevance of par. 2 - rewrite to generally supportive and link purpose of centralized facility
B-5	School projections are speculative, meet with Mark Dillingham to discuss
Cover Pg.	Theme for MP to go with cover
E-1	M-36 resurfaced in 2008, Kipp Rd in 2015
E-3	This section should mention LCC at airport
H-2	Page #2 should #1 - Appendix out of date

**Comments NOT Accepted by the Planning Commission**

Page #	Comment
--------	---------

1-1	First sentence - grammar
1-2	Issue with last par., right column
1-4	why mention "Tri-County"?
1-5	Strike the term "urban" in paragraph 3
2-2	add "and recreational facilities" instead of "recreation"
2-3	Rank by importance
2-4	Objective #16 - Aren't we already doing this
2-4	Remove objective 18 (in the immediate future, we cannot afford another commissino through administrative support and therefore should not list it as an objective.
3-2,3	Photos would help in paragraph 2 in right column, also in industrial section
5-2	Objective #15 - Bicycles, we don't do it, so why mention it
5-6	Pedestrian protection on railroad crossings, not practical given rail traffic at this time
5-6	Remove item #1 under Library
5-8	Objective #1 (Seniors) - Pluralize senior
5-8	Recreation - City pool
Appx.	Too much information in appendicies (e.g. Hist. overview, utilities, etc.)
D-2	Should this section mention other officers besides the Clerk
Summary	Summary good - create side document up to 5 pages to include: How plan was prepared, outline, powerpoint slides

# CITY OF MASON

## STAFF AGENDA REPORT TO CITY COUNCIL

---

**Meeting Date:** October 21, 2013

**Agenda Item:** 10 (A)

---

### **AGENDA ITEM**

- Update to City Council regarding the City of Mason's Title VI Plan

### **EXHIBITS**

- City of Mason Title VI Plan
- Resolution 2012-23

### **STAFF REVIEW**

- City Administrator

### **SUMMARY STATEMENT**

The mission of Title VI is to ensure equity and Title VI compliance in Michigan Department of Transportation (MDOT) activities.

Title VI of the Civil Rights Act of 1964 (42 U.S.C. 200d), related statutes and regulations, provide that no person shall on the ground of race, color, national origin, gender, or disabilities be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal funds.

The City of Mason's Title VI Plan was formally adopted by Mason City Council at their meeting on August 20, 2012. This Plan has been published on the City website as well as forwarded to City staff members. The Title VI Plan assists in educating the community under the requirements to respond to and meet their applicable needs.

A most recent example of the City's Title VI activity was a written request to provide an ADA compliant swing chair for a family with a special needs child. The City researched the issue, and worked with the family from the community to purchase a swing more useable and appropriate for their child. The swing chair has since been placed on the swing set at Laylin Park. Other recent considerations that the City has implemented include adding ADA ramps on street projects. City staff also takes review and appropriate action on complaints and implements procedures as necessary regarding the Fair Housing Act. Attached is the policy implemented by the City of Mason.

### **RECOMMENDED ACTION**

None

**TITLE VI**  
**NON-DISCRIMINATION PLAN**

**CITY OF MASON**  
**201 W Ash St.**  
**Mason, MI 48854**  
**Phone : 517-676-9155**  
**Fax: 517-676-1330**

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## INTRODUCTION

Title VI of the Civil Rights Act of 1964, is the overarching civil rights law that prohibits discrimination based on race, color, or national origin, in any program, service or activity that receives federal assistance. Specifically, Title VI assures that, “No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefit of, or be otherwise subjected to discrimination under any program or activity receiving federal assistance.” Title VI has been broadened by related statutes, regulations and executive orders. Discrimination based on sex is prohibited by Section 324 of the Federal-Aid Highway Act, which is the enabling legislation of the Federal Highway Administration (FHWA). The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 prohibit unfair and inequitable treatment of persons as a result of projects which are undertaken with Federal financial assistance. The Civil Rights Restoration Act of 1987 clarified the intent of Title VI to include all programs and activities of federal-aid recipients and contractors whether those programs and activities are federally funded or not.

In addition to statutory authorities, Executive Order 12898, “Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations,” signed in February of 1994, requires federal agencies to achieve Environmental Justice as part of its mission by identifying disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations. Environmental Justice Initiatives are accomplished by involving the potentially affected public in the development of transportation projects that fit within their communities without sacrificing safety or mobility. In 1997, the U.S. Department of Transportation (USDOT) issued its DOT Order to Address Environmental Justice in Minority Populations and Low-Income Populations to summarize and expand upon the requirements of Executive Order 12898 on Environmental Justice. Also, Executive Order 13166, “Improving Access to Services for Persons with Limited English Proficiency (LEP),” provides that no person shall be subjected to discrimination on the basis of race, color, or national origin under any program or activity that receives Federal financial assistance.

As a recipient of federal financial assistance, the City of Mason must provide access to individuals with limited ability to speak, write, or understand the English language. The City of Mason must not restrict an individual in any way from the enjoyment of any advantage or privilege enjoyed by others receiving any service, financial aid, or other benefit under its programs or projects. Individuals may not be subjected to criteria or methods of administration which cause adverse impact because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program because of race, color or religion. Therefore, the primary goals and objectives of The City of Mason’s Title VI Program are:

1. To assign roles, responsibilities, and procedures for ensuring compliance with Title VI of the Civil Rights Act of 1964 and related regulations and directives;

2. To ensure that people affected by Mason's programs and projects receive the services, benefits, and opportunities to which they are entitled without regard to race, color, national origin, age, sex, or disability;
3. To prevent discrimination in The City of Mason's programs and activities, whether those programs and activities are federally funded or not;
4. To establish procedures for identifying impacts in any program, service, or activity that may create an illegal adverse impact on any person because of race, color, national origin, age, sex, or disability; or on minority populations, low-income populations, the elderly, persons with disabilities, all interested persons and affected Title VI populations;
5. To establish procedures to annually review Title VI compliance within specific program areas within The City of Mason
6. To set forth procedures for filing and processing complaints by persons who believe they have been subjected to illegal discrimination under Title VI in The City of Mason's service, program or activity.

As the sub-recipient of federal transportation funds, the City of Mason must comply with federal and state laws, and related statutes, to ensure equal access and opportunity to all persons, with respect to transportation services, facilities, activities, and programs, without regard to race, color, religion, national origin, sex, socio-economic status, or geographical location. Every effort will be made to prevent discrimination in any program or activity, whether those programs and activities are federally funded or not, as guaranteed by the Civil Rights Restoration Act of 1987.

The City of Mason shall also ensure that their sub-recipients adhere to state and federal law and include in all written agreements or contracts, assurances that the sub-recipient must comply with Title VI and other related statutes. The City of Mason, as a sub-recipient who distributes federal transportation funds, shall monitor their sub-recipients for voluntary compliance with Title VI. In the event that non-compliance is discovered, The City of Mason will make a good faith effort to ensure that the sub-recipient corrects any deficiencies arising out of complaints related to Title VI; and that sub-recipients will proactively gauge the impacts of any program or activity on minority populations and low-income populations, the elderly, persons with disabilities, all interested persons and affected Title VI populations.

### **Discrimination Under Title VI**

There are two types of illegal discrimination prohibited under Title VI and its related statutes. One type of discrimination which may or may not be intentional is "disparate treatment." Disparate treatment is defined as treating similarly situated persons differently because of their race, color, national origin, sex, disability, or age.

The second type of illegal discrimination is “disparate impact.” Disparate impact discrimination occurs when a “neutral procedure or practice” results in fewer services or benefits, or inferior services or benefits, to members of a protected group. With disparate impact, the focus is on the consequences of a decision, policy, or practice rather than the intent.

The City of Mason’s efforts to prevent such discrimination must address, but not be limited to, a program’s impacts, access, benefits, participation, treatment, services, contracting opportunities, training, investigation of complaints, allocation of funds, prioritization of projects, and the overarching functions of planning, project development and delivery, right-of-way, construction, and research.

The City of Mason has developed this Title VI Plan to assure that services, programs, and activities of the department are offered, conducted, and administered fairly, without regard to race, color, national origin, sex, age, or disability of the participants or beneficiaries of federally funded programs, services, or activities (see Title VI Assurances below).

**CITY OF MASON  
TITLE VI ASSURANCE**

The City of Mason (hereinafter referred to as the City) hereby agrees that as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation, it will comply with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 USC 2000d-42 USC 2000d-4 (hereinafter referred to as the Act), and all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-Assisted Programs for the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the Regulations) and other pertinent directives, to the end that in accordance with the Act, Regulations, and other pertinent directives, no person in the United States shall, on the grounds of gender, race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the City received Federal financial assistance from the Department of Transportation, including the Federal Highway Administration, and hereby gives assurances that it will promptly take any measures necessary to effectuate this agreement. This assurance is required by subsection 21.7 (a) (1) and (b) of the Regulations.

More specifically and without limiting the above general assurance, the City hereby gives the following specific assurance with respect to the Federal Aid Highway Program:

1. That the Recipient agrees that each "program" and each "facility as defined in subsections 21.23(e) and 21.23(b) of the Regulations, will be (with regard to a "program") conducted, or will be (with regard to a "facility") operated in compliance with all requirements imposed by, or pursuant to, the Regulations.
2. That the Recipient shall insert the following notification in all solicitations for bids for work or material subject to the Regulations and made in connection with all Federal Aid Highway Programs and, in adapted form in all proposals for negotiated agreements:

The (Recipient), in accordance with Title VI of the Civil Rights Act of 1964, 78 Stat. 252, 42 U.S.C 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, SubTitle A, Office the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation issued pursuant to such Act, hereby notifies all bidden that it will affirmatively insure that in any contact entered into pursuant to this advertisement, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

3. That the Recipient shall insert the clauses of Appendix A of this assurance in every contract subject to the Act and the Regulations.
4. That the Recipient shall insert the clauses of Appendix B of this assurance, 'as a covenant running with the land, in any deed from the United States effecting a transfer of real property, structures, or improvements thereon, or interest therein.
5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the assurance shall extend to the entire facility and facilities operated in connection therewith.

6. That where the Recipient receives Federal financial assistance in the form, or for the acquisition of real property or an interest in real property, the assurance shall extend to rights to space on, over or under such property.
7. That the Recipient shall include the appropriate clauses set forth in Appendix C of this assurance, as a covenant running with the land, in any future deeds, leases, permits, licenses, and similar agreements entered into by the Recipient with other parties: (a) for the subsequent transfer of real property acquired or improved under the Federal Aid Highway Program; and (b) for the construction or use of or access to space on, over or under real property acquired, or improved under the Federal Aid Highway Program.
8. That this assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property or interest therein or structures or improvements thereon, in which case the assurance obligates the Recipient or any transferee for the longer of the following periods: (a) the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or (b) the period during which the Recipient retains ownership or possession of the property.
9. The Recipient shall provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he delegates specific authority to give reasonable guarantee that it, other recipients, sub-grantees, contractors, subcontractors, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Act, the Regulations and this assurance.
10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Act, the Regulations, and this assurance.

This assurance is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the City under the Federal Aid Highway Program and is binding on it, other recipients, sub-grantees, contractors, sub-contractors, transferees, successors in interest and other participants in the Federal Aid Highway Program. The person or persons whose signatures appear below are authorized to sign this assurance on behalf of the City.

Dated: 7/13/12

City of Mason

  
\_\_\_\_\_  
Martin Colburn, City Administrator

**CITY OF MASON  
POLICY STATEMENT**

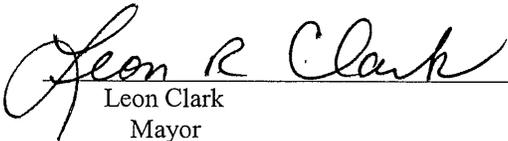
The City of Mason reaffirms its policy to allow all individuals the opportunity to participate in federal financially assisted services and adopts the following provision:

No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. In applying this policy, the City of Mason and its sub-recipients of federal funds will not:

1. Deny any individual with any services, opportunity, or other benefit for which such individual is otherwise qualified;
2. Provide any individual with any service, or other benefit, which is inferior (in quantity or quality) to, or which is provided in a different manner from that which is provided to others;
3. Subject any individual to segregated or disparate treatment in any manner related to such individual's receipt of services or benefits;
4. Restrict an individual in any way from the enjoyment of services, facilities or any other advantage, privilege or other benefit provided to others;
5. Adopt or use methods of administration, which would limit participation by any group of recipients or subject any individual to discrimination;
6. Address any individual in a manner that denotes inferiority because of race, color, or national origin;
7. Permit discriminatory activity in a facility built in whole or in part with federal funds;
8. Deny any segment of the population the opportunity to participate in the operations of a planning or advisory body that is an integral part of a federally funded program;
9. Fail to provide information in a language other than English to potential or actual beneficiaries who are of limited English speaking ability, when requested and as appropriate;
10. Subject an individual to discriminatory employment practices under any federally funded program whose object is to provide employment;
11. Locate a facility in any way, which would limit or impede access to a federally-funded service or benefit.

The City of Mason will actively pursue the prevention of any Title VI deficiencies or violations and will take the necessary steps to ensure compliance. If irregularities occur in the administration of the program's operation, procedures will be promptly implemented to resolve Title VI issues all within a period not to exceed 90 days.

The City of Mason designates the City Administrator as the Title VI Coordinator. The City Administrator will be responsible for initiating and monitoring Title VI activities and other required matters, ensuring that the City of Mason complies with the Title VI regulations and pursues prevention of Title VI deficiencies or violations. Inquires concerning the City of Mason and Title VI may be directed to the Martin Colburn, < 201 W Ash St., Mason, MI 48854; Phone : 517-676-9155; Fax: 517-676-1330; Email: [martyc@mason.mi.us](mailto:martyc@mason.mi.us).

  
Leon Clark  
Mayor

  
Martin Colburn  
City Administrator

## AUTHORITIES

**Title VI of the Civil Rights Act of 1964, 42 USC 2000d to 2000d-4; 42 USC 4601 to 4655; 23 USC 109(h);**

Title VI of the 1964 Civil Rights Act provides that no person in the United States shall, on the grounds of race, color, national origin (including Limited English Proficiency), or sex, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving federal financial assistance (please refer to 23 CFR 200.9 and 49 CFR 21). Related statutes have broadened the grounds to include age, low income, and disability.

The Civil Rights Restoration Act of 1987 also broadened the scope of Title VI coverage by expanding the definition of terms “programs or activities” to include all programs or activities of Federal Aid recipients, sub-recipients, and contractors, whether such programs and activities are federally assisted or not (Public Law 100-259 [S. 557] March 22, 1988).

**Federal Aid Highway Act of 1973, 23 USC 324:** No person shall on the ground of sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal assistance under this title or carried on under this title.

**Age Discrimination Act of 1975, 42 USC 6101:** No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving federal financial assistance.

**Americans With Disabilities Act of 1990 PL 101-336:** No qualified individual with a disability shall, by reason of his/her handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination by a department, agency, special purpose district or other instrumentality of a state or local government.

**Section 504 of the Rehabilitation Act of 1973:** No qualified handicapped person shall, solely by reason of his handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity that receives or benefits from federal financial assistance.

**USDOT Order 1050.2:** Standard Title VI Assurances.

**EO12250:** Department of Justice Leadership and coordination of Non-discrimination Laws.

**EO12898:** Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations; and

**28 CFR 50.3:** Guidelines for the enforcement of Title VI, Civil Rights Act of 1964.

**EO13166:** Improving Access to Services for Persons with Limited English Proficiency.

## DEFINITIONS

Adverse Effects – The totality of significant individual or cumulative human health or environmental effects including interrelated social and economic effects, which may include, but are not limited to: (See Appendix B for additional discussion of “significant”)

- Bodily impairment, infirmity, illness or death
- Air, noise and water pollution and soil contamination
- Destruction or disruption of man-made or natural resources
- Destruction or diminution of aesthetic values
- Destruction or disruption of community cohesion or community’s economic vitality
- Destruction or disruption of the availability of public and private facilities and services
- Adverse employment effects
- Displacement of person’s businesses, farms or non-profit organizations
- Increased traffic congestion, isolation, exclusion or separation of minority or low-income individuals within a given community or from the broader community
- Denial of, reduction in, or significant delay in the receipt of benefits of the City programs, policies and activities

Significant Adverse effects on Minority and Low-Income Populations – An adverse effect that:

- a. is predominantly borne by a minority population and/or a low-income population, or
- b. will be suffered by the minority population and/or low-income population and is shown to be appreciably more severe or greater in magnitude than the adverse effect that will be suffered by the non-minority population and/or non-low-income population.

Limited English Proficiency - Individuals with a primary or home language other than English who much, due to limited fluency in English, communicate in that primary or home language if the individuals are to have an equal opportunity to participate effectively in or benefit from any aid, service or benefit provided by the City.

Federal Assistance – Includes grants and loans of federal funds; the grant or donation of federal property and interests in property; the detail of federal personnel, federal property or any interest in such property without consideration or at a nominal consideration or at a consideration which is reduced for the purpose of assisting the recipient, or in recognition of the public interest to be served by such sale or lease to the recipient; and any federal agreement, arrangement or other contract which has, as one of its purposes, the provision of assistance.

Low-Income – A person whose median household income is at or below the Department of Health and Human Service Poverty guidelines. <http://aspe.hhs.gov/poverty/>

Low-Income Population – Any readily identifiable group of low-income persons who live in geographic proximity and, if circumstances warrant, geographically dispersed/transient persons (such as migrant workers or Native Americans) who will be similarly affected by a proposed City program, policy or activity.

Minority – A person who is:

- a. Black – A person having origins in any of the black racial groups of Africa;
- b. Hispanic – A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race;
- c. Asian American – A person having origins in any of the original people of the Far East, Southeast Asia, the Indian sub-continent, or the Pacific Islands; or
- d. American Indian and Alaskan Native – A person having origins in any of the original people of North American and who maintains cultural identification through tribal affiliation or community recognition.

Minority Population – Any readily identifiable groups of minority persons who live in geographic proximity and, if circumstances warrant, geographically dispersed/transient persons (such as migrant workers or Native Americans) who will be similarly affected by a proposed City program, policy or activity.

Non-Compliance – A recipient has failed to meet prescribed requirements and has shown an apparent lack of good faith effort in implementing all the requirements of Title VI and related statutes.

Persons – Where designation of persons by race, color or national origin is required, the following designation ordinarily may be used; “White not of Hispanic origin”, “Black not of Hispanic origin”, “Hispanic”, “Asian or Pacific Islander”, “American Indian or Alaskan Native”. Additional sub-categories based on national origin of primary language spoken may be used, where appropriate, on either a national or a regional basis.

Program – Includes any road or park project including planning or any activity for the provision of services financial aid or other benefits to individuals. This includes education or training, work opportunities, health welfare, rehabilitation, or other services, whether provided directly by the recipient of federal financial assistance or provided by others through contracts or other arrangements with the recipient.

Recipient - Any state, territory, possession, the District of Columbia, Puerto Rico, or any political subdivision, or instrumentality thereof, or any public or private agency, institution, or organization, or other entity, or any individual, in any state, territory, possession, the District of Columbia, or Puerto Rico, to whom Federal assistance is extended, either directly or through another recipient, for any program. Recipient includes any successor, assignee, or transferee thereof, but does not include any ultimate beneficiary under any such program.

Sub-Recipient – Any agency such as a council or governments, regional planning agency, education institution, for example, that received Federal Highway Administration (FHWA) funds through the State DOT and not directly from the FHWA. Other agencies, local governments, contractors, consultants that receive these funds are all considered sub-recipients.

## **ADMINISTRATION – GENERAL**

The City Administrator shall have lead responsibility for coordinating the administration of the Title VI and related statutes program, plan and assurances.

Complaints: If any individual believes that he/she or any other program beneficiaries have been the object of unequal treatment or discrimination as to the receipt of benefits and/or service, or on the grounds of race, color, national origin (including Limited English Proficiency), sex, age or handicap, she/he may exercise his/her right to file a complaint with the City. Complaints may be filed with the City Administrator. Every effort will be made to resolve complaints informally at the lowest level.

Data Collection: Statistical data on race, color, national origin, English language ability and sex of participants in, and beneficiaries of City programs; e.g., impacted citizens and affected communities will be gathered and maintained by the City. The gathering procedures will be reviewed annually to ensure sufficiency of the data in meeting the requirements of the Title VI program.

City Reviews: Special emphasis program reviews will be conducted based on the annual summary of Title VI activities accomplishments and problems. The reviews will be conducted by the City to assure effectiveness in their compliance of Title VI provisions. The City Administrator will coordinate efforts to ensure the equal participation in all their programs and activities at all levels. The City does not have any special emphasis programs at this time.

Title VI Reviews on Sub-Recipients: Title VI compliance reviews will be conducted annually by the City Administrator. Priority for conducting reviews will be given to those recipients of federal (U.S. Department of Transportation) funds with the greatest potential of impact to those groups covered by the act. The reviews will entail examination of the recipients' adherence to all Title VI requirements. The status of each review will be reported in the annual update and reported to relevant U.S. Department of Transportation (USDOT) modes upon request.

Annual Reporting Form: The City Administrator will be responsible for coordination, compilation, and submission of this information and provide the data to the Michigan Department of Transportation, Office of Civil Rights Programs and Federal Highway Administration via the Sub-Recipient Annual Certification Form (MDOT form #0179) by October 5<sup>th</sup>.

Title VI Plan Updates: If updated, a copy of Title VI Plan will be submitted by October 5<sup>th</sup> to the Michigan Department of Transportation.

Public Dissemination: The City will disseminate Title VI Program information to City employees and to the general public. Title VI Program information will be submitted to sub-recipients, contractors and beneficiaries. Public dissemination will include inclusions of Title VI language in contracts and publishing the Title VI plan on the City internet website, [www.Mason.mi.us](http://www.Mason.mi.us).

Remedial Action: The City, through the City Administrator will actively pursue the prevention of Title VI deficiencies and violations and will take the necessary steps to ensure compliance with all program administrative requirements. When deficiencies are found, procedures will be promptly implemented to correct the deficiencies and to put in writing the corrective action(s). The period to determine corrective action(s) and put it/them in writing to effect compliance may not exceed 90 days from the date the deficiencies are found.

## **LIMITED ENGLISH PROFICIENCY**

On August 11, 2000, President William J. Clinton signed an executive order, Executive Order 13166: Improving Access to Service for Persons with Limited English Proficiency<sup>i</sup>, to clarify Title VI of the Civil Rights Act of 1964. It had as its purpose, to ensure accessibility to programs and services to otherwise eligible persons who are not proficient in the English language.

This executive order stated that individuals who do not speak English well and who have a limited ability to read, write and speak, or understand English are entitled to language assistance under Title VI of the Civil Rights Act of 1964 with respect to a particular type of service, benefit, or encounter<sup>ii</sup>. These individuals are referred to as being limited English in their ability to speak, read, write, or understand English, hence the designation, "LEP," or Limited English Proficient. The Executive Order states that:

"Each federal agency shall prepare a plan to improve access to it's federally conducted programs and activities by eligible LEP persons. Each plan shall be consistent with the standards set forth in the LEP Guidance, and shall include the steps the agency will take to ensure that eligible LEP persons can meaningfully access the agency's programs and activities.

Not only do all federal agencies have to develop LEP plans as a condition of receiving federal financial assistance, recipients have to comply with Title VI and LEP guidelines of the federal agency from which funds are provided as well.

Federal financial assistance includes grants, training, use of equipment, donations of surplus property, and other assistance. Recipients of federal funds range from state and local agencies, to nonprofits and organizations. Title VI covers a recipient's entire program or activity. This means all parts of a recipient's operations are covered, even if only one part of a recipient's organization receives the federal assistance. Simply put, any organization that receives federal financial assistance is required to follow this Executive Order.

The City of Mason receives funds from the US Department of Transportation via the Federal Highway Administration.

The US Department of Transportation published *Policy Guidance Concerning Recipients' responsibilities to Limited English Proficient Person* in the December 14<sup>th</sup>, 2005 Federal Register.<sup>iii</sup>

The Guidance implies the City of Mason is an organization that must follow this guidance:

This guidance applies to all DOT funding recipients, which include state departments of transportation, state motor vehicle administrations, airport operators, metropolitan planning organizations, and regional, state, and local transit operators, among many others. Coverage extends to a recipient's entire program or activity, i.e., to all parts of a recipient's operations. This is true even if only one part of the recipient receives the Federal assistance. For example, if DOT provides assistance to a state department of transportation to rehabilitate a particular highway on the National Highway System, all of the operations of the entire state department of transportation—not just the particular highway program or project—are covered by the DOT guidance.

### **Elements of an Effective LEP Policy**

The US Department of Justice, Civil Rights Division has developed a set of elements that may be helpful in designing and LEP policy or plan. These elements include:

1. Identifying LEP persons who need language assistance
2. Identifying ways in which language assistance will be provided
3. Training Staff
4. Providing notice to LEP persons
5. The recommended method of evaluating accessibility to available transportation services is the Four-Factor Analysis identified by the USDOT.

These recommended plan elements have been incorporated into this plan.

### **Methodology for Assessing Needs and Reasonable Steps for an Effective LEP Policy**

The DOT guidance outlines **four factors** recipients should apply to the various kinds of contacts they have with the public to assess language needs and decide what reasonable steps they should take to ensure meaningful access for LEP persons:

1. The number or proportion of LEP persons eligible to be served or likely to be encountered by a program, activity, or service of the recipient or grantee.
2. The frequency with which LEP individuals come in contact with the program.
3. The nature and importance of the program, activity, or service provided by the recipient to the LEP Community.
4. The resources available to the City of Mason and overall cost.

The greater the number or proportion of eligible LEP persons; the greater the frequency with which they have contact with a program, activity, or service' and the greater the importance of that program, activity, or service, the more likely enhanced language services will be needed. The intent of DOT's guidance is to suggest a balance that ensures meaningful access by LEP

persons to critical services while not imposing undue burdens on small organizations and local governments.

Smaller recipients with more limited budgets are typically not expected to provide the same level of language service as larger recipients with larger budgets.

The DOT guidance is modeled after the Department of Justice’s guidance and requires recipients and sub recipients to take steps to ensure meaningful access their programs and activities to LEP persons. More information for recipients and sub recipients can be found at <http://www.lep.gov>.

**The Four-Factor Analysis**

This plan uses the recommended four-factor analysis of an individualized assessment considering the four factors outlined above. Each of the following factors is examined to determine the level and extent of language assistance measures required to sufficiently ensure meaningful access to the City of Mason’s services and activities that may affect their quality of life. Recommendations are then based on the results of the analysis.

**Factor 1: The Proportion, Numbers and Distribution of LEP Persons**

The Census Bureau has a range of four classifications of how well people speak English. The classifications are ‘very well’, ‘not well’, and ‘not at all’. For our planning purposes, we are considering people that speak English ‘less than very well’ as Limited English Proficient persons.

As seen in Table #1, the Census 2010 Data for the City of Mason shows a small amount of the population that would speak English ‘less than very well’.

**TABLE #1**

LANGUAGE SPOKEN AT HOME	# of individuals	Percentage
Population 5 years and over	7,677	7,677
English only	7,412	96.5%
Language other than English	265	3.5%
Speak English less than "very well"	102	1.3%
Spanish	86	1.1%
Speak English less than "very well"	9	0.1%
Other Indo-European languages	133	1.7%
Speak English less than "very well"	73	1.0%
Asian and Pacific Islander languages	41	0.5%
Speak English less than "very well"	20	0.3%
Other languages	5	0.1%
Speak English less than "very well"	0	0.0%

## **Factor 2: Frequency of Contact with LEP Individuals**

The City of Mason has conducted an informal survey of their employees with regard to whether they have had encounters with LEP individuals in the performance of their job functions and found that they have not had many encounters with LEP individuals. We have offices accessible to the public and therefore accessible to LEP individuals and we have staff that work in the field that could encounter LEP individuals. Additionally, City Council meetings are held the first and third Mondays of every month, which would potentially bring LEP individuals to these meetings. Given the small of LEP individuals as displayed in Table #1 (above) the probability of our employees to encounter and LEP individual is low.

## **Factor 3: The Nature and Importance of the Program, Activity, or Service to LEP**

The City of Mason serves individuals throughout the City in a variety of ways including managing roads, water, sewer, police, fire, elections, and other services to citizens of the City and individuals from outside of the City, such as visitors and those traversing the state. The nature of the services that the City provides is very important to an individual's day-to-day life. Therefore the denial of services to an LEP individual would have a significant detrimental effect. Although the LEP population in the City is small, we will ensure that those individuals are not denied access to our programs, services, and activities.

## **Factor 4: The Resources Available to the City of Mason and Overall Cost**

US Department of Transportation Policy Guidance Concerning Recipients' Responsibilities to Limited English Proficient (LEP) Persons published in the Federal Register: December 14, 2005 (Volume 70, Number 239) states:

*Certain DOT recipients, such as those serving very few LEP persons or those with very limited resources, may choose not to develop a written LEP plan.*

While the City of Mason does serve very few LEP persons and has very limited resources, it has decided to include a LEP section in its Title VI Plan.

## **Safe Harbor Stipulation**

Federal law provides a "Safe Harbor" situation so that recipients can ensure with greater certainty that they comply with their obligation to provide written translations in languages other than English. A "safe harbor" means that if a recipient provides written translation in certain circumstances, such action will be considered strong evidence of compliance with the recipient's written-translation obligations under Title VI.

The failure to provide written translations under the circumstances does not mean there is noncompliance, but rather provides a guide for recipients that would like greater certainty of compliance than can be provided by a fact-intensive, four factor analysis. For example, even if a safe harbor is not used, if written translation of a certain document(s) would be so burdensome as to defeat the legitimate objectives of its program, it is not necessary. Other ways of providing meaningful access, such as effective oral interpretation of certain vital documents, might be acceptable under such circumstances.

Strong evidence of compliance with the recipient's written-translation obligations under "safe harbor" includes providing written translations of vital documents for each eligible LEP language group eligible to be served or likely to be affected or encountered. Translation of other documents, if needed, can be provided orally.

This "safe harbor" provision applies to the translation of written documents only. It does not affect the requirement to provide meaningful access to LEP individuals through competent oral interpreters where oral language services are needed and are reasonable.

Given the small number of LEP language group members, the City of Mason's budget and number of staff, it is deemed that written translations of vital documents would be so burdensome as to defeat the legitimate objectives of our programs. It is more appropriate for Mason to proceed with oral interpretation options for compliance with LEP regulations.

### **Providing Notice to LEP Persons**

USDOT LEP guidance says:

Once an agency has decided, based on the four factors, that it will provide language service, it is important that the recipient notify LEP persons of services available free of charge. Recipients should provide this notice in languages LEP persons would understand.

The guidance provides several examples of notification including:

1. Signage when free language assistance is available with advance notice.
2. Stating in outreach documents that language services are available from the agency.
3. Working with community-based organizations and other stakeholders to inform LEP individuals of the recipient's services, including the availability of language assistance services.

The City of Mason will provide statements in public information and public notices in languages that LEP individuals would understand that persons requiring language assistance or special accommodations will be provided, with reasonable advance notice to the City of Mason

## **Options and Proposed Actions**

### **Options:**

Federal fund recipients have two (2) main ways to provide language services: oral interpretation either in person or via telephone interpretation service and written translation. The correct mix should be based on what is both necessary and reasonable in light of the four-factor analysis.<sup>iv</sup>

The City of Mason is defining as interpreter as a person who translates spoken language orally, as opposed to a translator, who translates written language and a translator as a person who transfers the meaning of written text from one language into another. The person who translates orally is not a translator, but an interpreter.<sup>v</sup>

Considering the relatively small scale of the City of Mason, the small number of LEP individuals in the service area, and limited financial resources, it is necessary to limit language aid to the most basic and cost-effective services.

### **What the City of Mason will do. What actions will the City of Mason take?**

With advance notice of seven calendar days, the City of Mason will provide interpreter services at the public meetings. Interpreter to include foreign language, and hearing impaired.

The City of Mason will utilize the *Translators Resource List* as provided by MDOT for translation services and verbal interpretation.

Ensure placement of statements in notices and publications in languages that LEP individuals would understand that interpreter services are available for these meetings in a language that the affected LEP community could understand with seven days advance notice. The Census Bureau “I-speak” Language Identification Card will be distributed to all employees that may potentially encounter LEP individuals. Once the LEP individual’s language has been identified City of Mason employees will contact an agency from the Translators Resource List to provide interpretation services to assist.

Publications of the city’s complaint form will be available at public meetings.

## City of Mason Staff Training

City of Mason staff will be provided training or made aware of the requirements for providing meaningful access to services for LEP persons.

### LEP Plan Access

A copy of the Title VI plan document can be requested at the City of Mason's main office during normal business hours and the City of Mason will make the plan available on the website at [www.mason.mi.us](http://www.mason.mi.us).

Any person or agency may also request a copy by contacting:

City of Mason  
Attn: Martin Colburn  
City Administrator  
201 W Ash St.  
Mason, MI 48854  
Phone : 517-676-9155  
Fax: 517-676-1330  
Email: [martyc@mason.mi.us](mailto:martyc@mason.mi.us)

## ENVIRONMENTAL JUSTICE

Compliance with Title VI includes ensuring that no minority or low income population suffers "disproportionately high and adverse human health or environmental effect" due to any "programs, policies and activities" undertaken by any agency receiving federal funds. This obligation will be met by the **City of Mason** in the following ways:

When planning specific programs or projects, identifying those populations that will be affected by a given program or project.

If a disproportionate effect is anticipated, following mitigation procedures.

If mitigation options do not sufficiently eliminate the disproportionate effect, discussing and, if necessary, implementing reasonable alternatives

Disproportionate effects are those effects which are appreciably more severe for one group or predominantly borne by a single group. The **City of Mason** will use U.S. Census data to identify low income and minority populations.

Where a project impacts a small number or area of low income or minority populations, the **City of Mason** will document that:

Other reasonable alternatives were evaluated and were eliminated for reasons such as the alternatives impacted a far greater number of people or did greater harm to the environment, etc.

The project's impact is unavoidable,

The benefits of the project far out-weigh the overall impacts and

Mitigation measures are being taken to reduce the harm to low income or minority populations.

If it is concluded that no minority and/or low income population groups are present in the project area, the **City of Mason** will document how the conclusion was reached. If it is determined that one or more of these population groups are present in the area, the **City of Mason** will administer potential disproportionate effects test.

The following steps will be taken to assess the impact of project on minority and/or low income population groups:

**STEP ONE:** Determine if a minority of low income population is present within the project area. If a conclusion is that no minority and/or low income population is present within the project area, document how the conclusion was reached. If the conclusion is that there are minority population and/or low income population groups present, proceed to Step Two.

**STEP TWO:** Determine whether project impacts associated with the identified low income and minority populations are disproportionately high and adverse. In doing so, refer to the list of potential impacts and questions contained in Appendix E. If it is determined that there are disproportionately high and adverse impacts to minority and low income populations, proceed to Step Three.

**STEP THREE:** Propose measures that will avoid, minimize and/or mitigate disproportionately high and disproportionate adverse impacts and provide offsetting benefits and opportunities to enhance communities, neighborhoods and individuals affected by proposed project.

**STEP FOUR:** If after mitigation, enhancements and off setting benefits to the affected populations, there remains a high and disproportionate adverse impact to minority or low income populations, then the following questions must be considered:

Question 1: Are there further mitigation measures that could be employed to avoid or reduce the adverse effect to the minority or low income population?

Question 2: Are there other additional alternatives to the proposed action that would avoid or reduce the impacts to the low income or minority populations?

Question 3: Considering the overall public interest, is there a substantial need for the project?

Question 4: Will the alternatives that would satisfy the need for the project and have less impact on protected populations (a) have other social economic or environmental impacts that are more severe than those of the proposed action (b) have increased costs of extraordinary magnitude?

**STEP FIVE:** Include all findings, determinations or demonstrations in the environmental document prepared for the project.

## **FILING A COMPLAINT**

### **I. Introduction**

The Title VI complaint procedures are intended to provide aggrieved persons an avenue to raise complaints of discrimination regarding the City programs, activities and services as required by statute.

### **II. Purpose**

The purpose of the discrimination complaint procedures is to describe the process used by the City for processing complaints of discrimination under Title VI of the Civil Rights Act of 1964 and related statutes.

### **III. Roles and Responsibilities**

The City Administrator has overall responsibility for the discrimination complaint process and procedures. The City Administrator may, at his/her discretion assign a capable person to investigate the complaint.

The designated investigator will conduct an impartial and objective investigation, collect factual information and prepare a fact-finding report based upon information obtained from the investigation.

### **IV. Filing a Complaint**

The complainant shall make him/herself reasonably available to the designated investigator, to ensure completion of the investigation within the timeframes set forth.

Applicability: The complaint procedures apply to the beneficiaries of City programs, activities and services, including but not limited to: the public, contractors, sub-contractors, consultants, and other sub-recipients of federal and state funds.

Eligibility: Any person who believes that he/she has been excluded from participation in, denied benefits or services of any program or activity administered by the City or its sub-recipients, consultants and contractors on the basis of race, color, national origin (including Limited English Proficiency), sex, age or disability may bring forth a complaint of discrimination under Title VI.

Time Limitation on Filing Complaints: Title VI complaints may be filed with the City of Mason's City Administrator. In all situations, the City of Mason employees must contact the City Administrator immediately upon receipt of Title VI related statutes complaints.

Complaints must be filed within 180 days of the alleged discrimination. If you could not reasonably be expected to know that the act was discriminatory within the 180 day period, you have 60 days after you became aware to file your complaint.

Complaints must be in writing, and must be signed by the complainant and/or the complainant's representative. The complaint must set forth as fully as possible the facts and circumstances surrounding the claimed discrimination. In cases where the complainant is unable or incapable of providing a written statement, the complainant will be assisted in converting the verbal complaint into a written complaint. All complaints, however, must be signed by the complainant and/or by the complainant's representative. Items that should not be considered a formal complaint: (unless the items contain a signed cover letter specifically alleging a violation of Title VI) include but are not limited to:

1. An anonymous complaint that is too vague to obtain required information
2. Inquiries seeking advice or information
3. Courtesy copies of court pleadings
4. Newspaper articles
5. Courtesy copies of internal grievances

## **V. Investigation**

Investigation Plan: The investigator shall prepare a written plan, which includes, but is not limited to the following:

- Names of the complainant(s) and respondent(s)
- Basis for complaint
- Issues, events or circumstances that caused the person to believe that he/she has been discriminated against
- Information needed to address the issue
- Criteria, sources necessary to obtain the information
- Identification of key people
- Estimated investigation time line
- Remedy sought by the complainant(s)

Conducting the Investigation:

- The investigation will address only those issues relevant to the allegations in the complaint.
- Confidentiality will be maintained as much as possible.
- Interviews will be conducted to obtain facts and evidence regarding the allegations in the complaint. The investigator will ask questions to elicit information about aspects of the case.
- A chronological contact sheet is maintained in the case file throughout the investigation.
- If a Title VI complaint is received on a MDOT related contract against the City of Mason, MDOT will be responsible for conducting the investigation of the complaint. Upon receipt of a Title VI complaint filed against the City of Mason the complaint and any pertinent information should immediately be forwarded to the MDOT Office of Civil Rights Program Unit.

### Investigation Reporting Process:

- Within 40 days of receiving the complaint, the investigator prepares an investigative report and submits the report and supporting documentation to the office of the City Administrator for review.
- The City Administrator reviews the file and investigative report. Subsequent to the review, the City Administrator makes a determination of “probable cause” or “no probable cause” and prepares the decision letter.

### **Retaliation**

The laws enforced by this City prohibit retaliation or intimidation against anyone because that individual has either taken action or participated in action to secure rights protected by these laws. If you experience retaliation or intimidation separate from the discrimination alleged in this complaint please contact:

City of Mason  
Attn: Martin Colburn  
City Administrator  
201 W Ash St.  
Mason, MI 48854  
Phone : 517-676-9155  
Fax: 517-676-1330  
Email: [martyc@mason.mi.us](mailto:martyc@mason.mi.us)

### **Reporting Requirements to an External Agency**

A copy of the complaint, together with a copy of the investigation report and final decision letter will be forwarded to the Michigan Department of Transportation, Office of Civil Rights Program within 60 days of the date the complaint was received.

### **Records**

All records and investigative working files are maintained in a confidential area. Records are kept for three years.

## APPENDIX A [To be inserted in all Federal-aid contracts]

During the performance of this contract, the contractor, for itself, its assignees and successors, in interest (hereinafter referred to as the “contractor”) agrees, as follows:

1. **Compliance with Regulations:** The contractor shall comply with Regulations relative to nondiscrimination in Federally-assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The contractor, with regard to the work performed by it during the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials in the discrimination prohibited by Section 21.5 of the Regulation, including employment practices when the contractor covers a program set for in Appendix B of the Regulations.
3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the contractor of the contractor’s obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor shall provide all information and reports required by the Regulations, or directives issues pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the State Highway Department of the Federal Highway Administration to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor shall so certify to the State Highway Department or the Federal Highway Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.
5. **Sanctions for Noncompliance:** In the event the contractor’s noncompliance with the nondiscrimination provisions of this contract, the State Highway Department shall impose such contract sanctions as it or the Federal Highway Administration may determine to be appropriate, including, but not limited to:
  - a. Withholding payments to the contractor under the contract until the contractor complies and/or
  - b. Cancellation, termination or suspension of the contract, in whole or in part.

6. **Incorporation of Provisions:** The contractor shall include provisions of paragraphs (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the State Highway Department or the Federal Highway Administration may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, that, in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the State Highway Department to enter into such litigation to protect the interests of the State, and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

## APPENDIX B TRANSFER OF PROPERTY

The following clauses shall be included in any and all deeds effecting or recording the transfer of real property, structures or improvements thereon, or interest therein from the United States.

### (GRANTING CLAUSE)

NOW THEREFORE, the Department of Transportation, as authorized by law, and upon the condition that the State of Michigan, will accept title to the lands and maintain the project constructed thereon, in accordance with Title 23, United States Code, the Regulations for the Administration of the Department of Transportation and, also in accordance with and in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation (hereinafter referred to as the Regulations) pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. 2000d to 2000d-4) does hereby remise, release, quitclaim and convey unto the State of Michigan all the right, title and interest of the Department of Transportation in and to said lands described Exhibit "A" attached hereto and made a part hereof.

### (HABENDUM CLAUSE)\*

TO HAVE AND TO HOLD said lands and interests therein unto the State of Michigan, and its successors forever, subject, however, the covenant, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and shall be binding on the State of Michigan, its successors and assigns.

The State of Michigan, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person shall on the grounds of race, color, national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part, on, over, or under such lands hereby conveyed (,) (and)\*(2) that the State of Michigan shall use the lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended (,) and (3) that in the event of breach of any of the above-mentioned nondiscrimination conditions, the Department shall have a right to re-enter said lands and facilities on said land, and

the above described land and facilities shall thereon revert to and vest in and become the absolute property of the Department of Transportation and its assigns as such interest existed prior to this deed.

\*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purpose of Title VI of the Civil Rights Act of 1964.

The following clauses shall be included in all deeds, licenses, leases, permits, or similar instruments entered into by the State of Michigan pursuant to the provisions of the Civil Rights Act of 1964.

The (grantee, licensee, lessee, permittee, etc., as appropriated) for himself, his heirs, personal representatives, successors in interests, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add “as a covenant running with the land”) that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

(Include in licenses, lease, permits, etc.)

That in the event of breach of any of the above nondiscrimination covenants, the State of Michigan, shall have the right to re-enter said lands and facilities thereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of the State of Michigan and its assigns.

\*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purposes of Title VI of the Civil Rights Act of 1964.

## **APPENDIX C PERMITS, LEASES AND LICENSES**

The following clauses shall be included in all deeds, licenses, leases, permits, or similar instruments entered into by the Michigan Department of Transportation, pursuant to the provisions of Assurance 7(a).

The grantee, licensee, lessee, permittee, etc., (as appropriate) for himself, his heirs, personal representative, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases, add, “as a covenant running with the land”) that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this (deed, license, lease, permit, etc.) for a purpose for which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) shall remain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation – Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

(Include in licenses, leases, permits, etc.)\*

That in the event of breach of any of the above nondiscrimination covenants, the Michigan Department of Transportation shall have the right to terminate the license, lease, permit, etc., and to re-enter and repossess said land and the facilities thereon, and hold the same as if said license, lease, permit, etc., had never been made or issued.

(Include in deeds)\*

That in the event of breach of any of the above nondiscrimination covenants, the Michigan Department of Transportation shall have the right to re-enter lands and facilities hereon, and the above described lands and facilities shall thereupon revert to and vest in and become the absolute property of the State of Michigan Department of Transportation and its assigns.

\*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to effectuate the purpose of the Title VI of the Civil Rights Act of 1964 and the Civil Rights Act of 1987.

**APPENDIX D TITLE VI COMPLAINT FORM**

**CITY OF MASON  
TITLE VI COMPLAINT FORM**

This form may be used to file a complaint with the City of Mason based on violations of Title VI of the Civil Rights Act of 1964. You are not required to use this form; a letter that provides the same information may be submitted to file your complaint.

Complaints should be filed within 180 days of the alleged discrimination. If you could not reasonably be expected to know the act was discriminatory within 180 day period, you have 60 days after you became aware to file your complaint. *If you need assistance completing this form due to a physical impairment, please contact Martin Colburn at 517-676-9155 by fax at 517-676-1330 or by e-mail at martyc@mason.mi.us.*

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

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ (home) \_\_\_\_\_ (work)

Individual(s) discriminated against, if different than above (use additional pages, if needed).

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

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone: \_\_\_\_\_ (home) \_\_\_\_\_ (work)

Please explain your relationship with the individual(s) indicated above: \_\_\_\_\_

\_\_\_\_\_

Name of agency and department or program that discriminated:

Agency or department name: \_\_\_\_\_

Name of individual (if known): \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date(s) of alleged discrimination:

Date discrimination began \_\_\_\_\_ Last or most recent date \_\_\_\_\_

**ALLEGED DISCRIMINATION:**

If your complaint is in regard to discrimination in the delivery of services or discrimination that involved the treatment of you by others by the agency or department indicated above, please indicate below the basis on which you believe these discriminatory actions were taken.

\_\_\_\_ Race

\_\_\_\_ Religion

\_\_\_\_ Color

\_\_\_\_ National Origin

\_\_\_\_ Age

\_\_\_\_ Sex

\_\_\_\_ Disability

\_\_\_\_ Income

Explain: Please explain as clearly as possible what happened. Provide the name(s) of witness(es) and others involved in the alleged discrimination. (Attach additional sheets, if necessary, and provide a copy of written material pertaining to your case).

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

Return completed form to: City of Mason, Attn: Martin Colburn, City Administrator,  
201 W Ash St., Mason, MI 48854; Phone : 517-676-9155  
Fax: 517-676-1330; Email: martyc@mason.mi.us

*Note: The City of Mason prohibits retaliation or intimidation against anyone because that individual has either taken action or participated in action to secure rights protected by policies of the City. Please inform the City Administrator if you feel you were intimidated or experience perceived retaliation in relation to filing this complaint.*

## Appendix E Determine/Distinguish Significant/Non-significant Effects

“Significant” requires considerations of both context and intensity:

- (a) *Context.* This means that the significance of an action must be analyzed in several contexts such as society as a whole (human, nation), the affected region, the affected interests, and the locality. Significance varies with the setting of the proposed action. For instance, in the case of a site-specific action, significance would usually depend upon the effects in the local area rather than in the world as a whole. Both short-and long-term effects are relevant.
- (b) *Intensity.* This refers to the severity of impact. Responsible officials must bear in mind that more than one agency may make decisions about partial aspects of a major action. The following should be considered in evaluating intensity:
  - (1) Impacts that may be both beneficial and adverse. A significant effect may exist even if, on balance, the effect would be beneficial.

“Non-significant effect” means no substantial change to an environmental component and this no material bearing on the decision-making process.

Scientific, technical, institutional, the public’s value, and the local economic conditions influence the meaning of significant effect.

If an alternative would provide a beneficial effect, then the alternative would cause no significant adverse effect. If an alternative would provide an adverse effect, the effect might be significant or the effect might be non-significant.

Determinations of “significant” and “non-significant” effects will be made by the City Administrator.

## APPENDIX F Program Compliance/Program review Goals for Current Plan Year

1. The City Title VI Plan will be communicated to each City Department Head who will review the Plan with appropriate departmental employees.
2. The City Title VI Plan will be published on the City of Mason's Website.
3. Appendix A will be included in all City contracts as outlined in the Title VI Plan.
4. The language in Number 2 of the City of Mason Title VI Assurance will be included in all solicitations for bids for work or material subject to the Regulations and in all proposals for negotiated agreements.
5. A procedure for responding to individuals with Limited English Proficiency will be implemented.
6. All City employees will be trained or made aware of the LEP procedure and the Title VI complaint procedure.
7. A review of City facilities will be conducted in reference to compliance with the American Disabilities Act.
8. The following data will be collected and reviewed by the City Administrator and included, where appropriate, in the annual report submitted to MDOT.
  - a. **Boards and Commissions:** The number of vacancies; how vacancies are advertised and filled; the number of applicants; the representation of minorities will be evaluated.
  - b. **Public Meetings:** The number of open meetings. How meeting dates and times communicated to the general public and to individuals directly affected by the meeting.
  - c. **Construction Projects:** The number of construction projects, number of minority contractors bidding and the number selected; Verification that Title VI language was included in bids and contracts for each project.
  - d. **LEP Needs:** How many requests for language assistance were requested or required and the outcome of these requests.
  - e. **Complaints:** The number of Title VI complaints received; nature of the complaints; resolution of the complaints.
  - f. **Timeliness of Services:** Number of requests for services; Amount of time from request to when service was delivered; Number of requests denied.
  - g. **Right of Way/Imminent Domain:** Numbers of such actions and diversity of individual affected.
  - h. **Program Participants:** Racial Data of program participants where possible.

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<sup>i</sup> The executive order verbatim can be found online at <http://www.usdoj.gov/crt/cor/Pubs/eolep.htm>.

<sup>ii</sup> Policy Guidance Concerning Recipients' Responsibilities to Limited English Proficient (LEP) Persons. Federal Register: December 14, 2005 (Volume 70, Number 239)

<sup>iii</sup> The DOT has also posted an abbreviated version of this guidance on their website at <http://www.dotcr.ost.dot.gov/asp/lep.asp>.

<sup>iv</sup> <http://www.dotcr.ost.dot.gov/asp/lep/asp>

<sup>v</sup> Department of Justice Final LEP Guidelines, Federal Register June 18, 2002-Vol. 67-Number 117.

Introduced: Waltz  
Seconded: Droscha

**City of Mason  
City Council Resolution No. 2012-23**

**A Resolution Approving the Title VI Plan for the City of Mason**

**August 20, 2012**

**WHEREAS**, Title VI of the Civil Rights Act of 1964, is the overarching civil rights law that prohibits discrimination for any program that receives federal assistance; and

**WHEREAS**, Title VI of the Civil Rights Act of 1964 and related statutes and regulations provide that,

no person shall on the ground of race, color, national origin, gender, or disabilities be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal funds; and

**WHEREAS**, The Michigan Department of Transportation (MDOT) was organized under Sections 16.450 – 16.458 of the *Michigan Compiled Laws*, and established to provide the people of Michigan with a safe, efficient, environmentally sound, comprehensive, and cost-effective transportation system; and

**WHEREAS**, As the state's primary recipient of federal transportation funds, MDOT must comply with federal and state laws, including Title VI; and

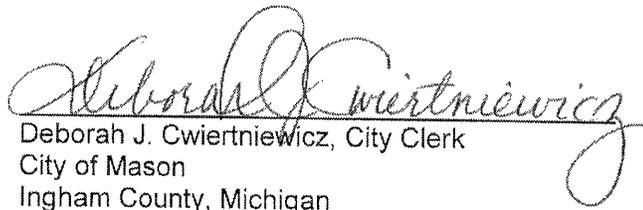
**WHEREAS**, As the sub-recipient of federal transportation funds, the City of Mason must also comply with federal and state laws and have a Title VI Plan formally approved by City Council; now

**THEREFORE BE IT RESOLVED**, that the Mason City Council hereby approves the City of Mason Title VI Plan.

YES (7) Clark, Droscha, Ferris, Mulvany, Naeyaert, Tornholm, Waltz

NO (0)

**CLERK'S CERTIFICATION:** I hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Council at its regular meeting held Monday, August 20, 2012, the original of which is part of the City Council minutes.

  
Deborah J. Cwierniewicz, City Clerk  
City of Mason  
Ingham County, Michigan



67TH DISTRICT  
STATE CAPITOL  
P.O. BOX 30014  
LANSING, MI 48909-7514  
PHONE: (517) 373-0587  
FAX: (517) 373-9430  
E-MAIL: tomcochran@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

**TOM COCHRAN**  
STATE REPRESENTATIVE

September 30, 2013

Michigan State Housing Development Authority  
735 E. Michigan Ave  
Lansing, Michigan 48909

To Whom It May Concern,

I am writing to you in support of The City of Mason to receive a Community Development Block Grant in the amount of \$350,000 to rehabilitate two downtown historic buildings located at 124 and 140 E. Ash St. Mason.

I support the renovation project receiving the credit because it will ensure the preservation of two historic landmarks and also serve as a means to remove blight and restore these properties to productive use. A vibrant downtown is an effective way to attract patrons and businesses which is to the benefit of area residents. The City of Mason is already a leader in many areas in its partnerships with local community organizations and businesses. Receiving this grant will ensure that the City of Mason will continue to grow to meet the needs of its citizens as an exceptional place to work and live.

I know that the success of this project will have benefits that extend beyond Mason to the rest of Ingham County. If you would like to discuss this matter further, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Tom Cochran". The signature is written in a cursive style with a long, sweeping underline.

Tom Cochran  
State Representative  
District 67



67TH DISTRICT  
STATE CAPITOL  
P.O. BOX 30014  
LANSING, MI 48909-7514  
PHONE: (517) 373-0587  
FAX: (517) 373-9430  
E-MAIL: tomcochran@house.mi.gov

MICHIGAN HOUSE OF REPRESENTATIVES

**TOM COCHRAN**  
STATE REPRESENTATIVE

September 30, 2013

Michael A. Finney  
President and CEO  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, Michigan 48913

Dear President Finney,

I am writing to you in support of The City of Mason to receive a Community Development Block Grant in the amount of \$496,000 to rehabilitate two downtown historic buildings located at 124 and 140 E. Ash St. Mason.

I support the renovation project receiving the credit because it will ensure the preservation of two historic landmarks and also serve as a means to remove blight and restore these properties to productive use. A vibrant downtown is an effective way to attract patrons and businesses which is to the benefit of area residents. The City of Mason is already a leader in many areas in its partnerships with local community organizations and businesses. Receiving this grant will ensure that the City of Mason will continue to grow to meets the needs of its citizens as an exceptional place to work and live.

I know that the success of this project will have benefits that extend beyond Mason to the rest of Ingham County. If you would like to discuss this matter further, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Tom Cochran".

Tom Cochran  
State Representative  
District 67



THE SENATE  
STATE OF MICHIGAN

**JOE HUNE**

22ND DISTRICT

P.O. BOX 30036

LANSING, MI 48909-7536

PHONE: (517) 373-2420

TOLL-FREE: (855) JOE-HUNE

FAX: (517) 373-2764

senjhune@senate.michigan.gov

**COMMITTEES:**

CHAIR, AGRICULTURE

CHAIR, INSURANCE

CHAIR, REDISTRICTING

MEMBER, HEALTH POLICY

MEMBER, REGULATORY REFORM

October 9, 2013

MSHDA  
735 East Michigan Ave  
PO Box 30044  
Lansing, MI 48910

Re: City of Mason application for a Rental Rehabilitation Grant for 124 and 140 East Ash Street in Mason Michigan

To Whom It May Concern:

I would like to express my support of the grant application submitted by the City of Mason to be considered for a much needed Blight Reduction Grant for the properties located at 124 and 140 Ash Street in Mason. The plan is to redevelop blighted properties that are within the Mason Historic District of special interest due to their direct proximity to the historic county courthouse.

The concept for this grant request is to develop the second and third stories of the two properties into ten single bedroom loft apartments, with the first floor designated as commercial space, totaling 2300 square feet. The grant request is for \$ 350,000 to eliminate these blighted properties and rehabilitate the properties to code.

Thank you in advance for your thoughtful consideration of this grant that has a potential economic impact on the beautiful Mason Historic District. Please feel free to contact my office if you have any questions concerning the City of Mason's application. You can do so by emailing [senjhune@senate.michigan.gov](mailto:senjhune@senate.michigan.gov) or call toll free 855-JOE-HUNE.

Sincerely,

Joe Hune  
State Senator  
22<sup>nd</sup> District



THE SENATE  
STATE OF MICHIGAN

JOE HUNE

22ND DISTRICT

P.O. BOX 30036

LANSING, MI 48909-7536

PHONE: (517) 373-2420

TOLL-FREE: (855) JOE-HUNE

FAX: (517) 373-2764

senjhune@senate.michigan.gov

COMMITTEES:

CHAIR, AGRICULTURE

CHAIR, INSURANCE

CHAIR, REDISTRICTING

MEMBER, HEALTH POLICY

MEMBER, REGULATORY REFORM

October 9, 2013

MEDC

300 North Washington Square

Lansing, MI 48913

Re: City of Mason application for a Blight Reduction Grant for 124 and 140 East Ash Street in Mason Michigan

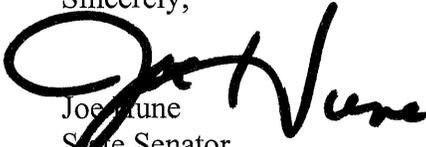
To Whom It May Concern:

I would like to express my support of the grant application submitted by the City of Mason to be considered for a much needed Blight Reduction Grant for the properties located at 124 and 140 East Ash Street in Mason. The plan is to redevelop blighted properties that are within the Mason Historic District of special interest due to their direct proximity to the historic county courthouse.

The concept for this grant request is to develop the second and third stories of the two properties into ten single bedroom loft apartments, with the first floor designated as commercial space, totaling 2300 square feet. The grant request is for \$ 496,000 to eliminate these blighted properties and rehabilitate the properties to code.

Thank you in advance for your thoughtful consideration of this grant that has a potential economic impact on the beautiful Mason Historic District. Please feel free to contact my office if you have any questions concerning the City of Mason's application. You can do so by emailing [senjhune@senate.michigan.gov](mailto:senjhune@senate.michigan.gov) or call toll free 855-JOE-HUNE.

Sincerely,

  
Joe Hune  
State Senator  
22<sup>nd</sup> District

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE 09/30/2013 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 09/30/2013 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDDT USED
		AMENDED BUDGET	BUDGET				
<b>Fund 101 - GENERAL FUND</b>							
<b>Revenues</b>							
215.00	CLERK	100.00	13.94		0.00	86.06	13.94
254.00	TREASURER/FINANCE	4,969,430.00	2,690,989.66		28,204.99	2,278,440.34	54.15
271.00	FORESTRY	29,770.00	3,000.00		3,000.00	26,770.00	10.08
276.00	CEMETERY	31,250.00	18,659.50		5,583.50	12,590.50	59.71
301.00	POLICE DEPARTMENT	71,610.00	40,417.05		18,738.07	31,192.95	56.44
336.00	FIRE DEPARTMENT	161,560.00	39,861.80		35,745.30	121,698.20	24.67
458.00	SIDEWALK CONSTRUCTION-REPAIR	33,000.00	0.00		0.00	33,000.00	0.00
528.00	REFUSE COLLECTION	340,100.00	333,340.80		(149.76)	6,759.20	98.01
747.00	COMMUNITY GARDEN	250.00	35.00		0.00	215.00	14.00
751.00	RECREATION	5,750.00	11,630.00		5,000.00	(5,880.00)	202.26
758.00	PUBLIC ART	10,000.00	0.00		0.00	10,000.00	0.00
850.00	WORKERS COMPENSATION	43,520.00	11,963.00		0.00	31,557.00	27.49
<b>TOTAL Revenues</b>		<b>5,696,340.00</b>	<b>3,149,910.75</b>		<b>96,122.10</b>	<b>2,546,429.25</b>	<b>55.30</b>
<b>Expenditures</b>							
101.00	COUNCIL	40,585.00	6,057.72		2,259.89	34,527.28	14.93
172.00	ADMINISTRATOR	240,980.00	45,757.29		13,195.03	195,222.71	18.99
209.00	ASSESSING	47,205.00	11,445.93		3,803.39	35,759.07	24.25
247.00	BOARD OF REVIEW	650.00	90.00		0.00	560.00	13.85
254.00	TREASURER/FINANCE	472,590.00	94,078.81		26,347.74	378,511.19	19.91
260.00	TECHNOLOGY	80,945.00	8,227.21		2,945.05	72,717.79	10.16
262.00	ELECTIONS	117,370.00	27,091.99		7,960.35	90,278.01	23.08
265.00	BUILDING OFFICIAL/CITY HALL	154,580.00	27,487.46		9,063.05	127,092.54	17.78
266.00	LEGAL/ATTORNEY	87,125.00	22,449.07		7,566.52	64,675.93	25.77
268.00	PARK STREET PROPERTY	41,985.00	0.00		0.00	41,985.00	0.00
269.00	PROPERTY	471,720.00	227,440.45		80,036.24	244,279.55	48.22
271.00	FORESTRY	63,465.00	3,757.14		1,131.80	59,707.86	5.92
272.00	ADMINISTRATIVE SERVICES	239,420.00	64,413.67		58,905.95	175,006.33	26.90
276.00	CEMETERY	220,160.00	30,508.62		9,632.86	189,651.38	13.86
305.00	POLICE ADMINISTRATION	326,065.00	78,510.07		21,473.98	247,554.93	24.08
315.00	CROSSING GUARDS	23,975.00	1,781.99		1,679.34	22,193.01	7.43
316.00	POLICE PATROLLING	1,004,145.00	190,177.04		57,758.87	813,967.96	18.94
336.00	FIRE DEPARTMENT	483,425.00	77,415.96		44,492.04	406,009.04	16.01
380.00	PLANNING/ZONING OFFICIAL	116,355.00	28,621.92		8,495.81	87,733.08	24.60
426.00	CIVIL DEFENSE	615.00	0.00		0.00	615.00	0.00
428.00	DISASTER ACCOUNT	100.00	0.00		0.00	100.00	0.00
441.00	PUBLIC SERVICES	5,620.00	1,064.63		364.77	4,555.37	18.94
447.00	ENGINEERING	290.00	0.00		0.00	290.00	0.00
448.00	STREET LIGHTING	125,700.00	24,749.91		9,297.10	100,950.09	19.69
458.00	SIDEWALK CONSTRUCTION-REPAIR	33,000.00	0.00		0.00	33,000.00	0.00
528.00	REFUSE COLLECTION	339,570.00	80,801.24		27,097.31	258,768.76	23.80
747.00	COMMUNITY GARDEN	530.00	404.93		208.61	125.07	76.40
756.00	PARKS AND BALL DIAMONDS	127,895.00	40,136.25		11,506.52	87,758.75	31.38
758.00	PUBLIC ART	15,000.00	3,300.00		0.00	11,700.00	22.00
775.00	SENIOR CITIZENS	8,040.00	1,675.00		1,125.00	6,365.00	20.83
790.00	LIBRARY	8,020.00	1,491.90		0.00	6,528.10	18.60
806.00	CHRISTMAS DECORATIONS	6,945.00	0.00		0.00	6,945.00	0.00
807.00	CABLE COMMISSION	4,560.00	1,200.00		300.00	3,360.00	26.32
808.00	PLANNING COMMISSION	755.00	63.95		2.77	691.05	8.47
850.00	WORKERS COMPENSATION	43,520.00	11,963.00		0.00	31,557.00	27.49
855.00	RETIREE BENEFITS	94,770.00	29,484.53		7,029.47	65,285.47	31.11
890.00	CONTINGENCIES	61,900.00	0.00		0.00	61,900.00	0.00
999.00	SURPLUS	586,765.00	198,817.35		198,817.35	387,947.65	33.88

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE 09/30/2013	ACTIVITY FOR MONTH 09/30/2013	AVAILABLE BALANCE	% BDT USED
		AMENDED BUDGET	NORMAL (ABNORMAL)				
Fund 101 - GENERAL FUND							
Expenditures							
TOTAL Expenditures		5,696,340.00		1,340,465.03	612,496.81	4,355,874.97	23.53
Fund 101:							
TOTAL REVENUES		5,696,340.00		3,149,910.75	96,122.10	2,546,429.25	55.30
TOTAL EXPENDITURES		5,696,340.00		1,340,465.03	612,496.81	4,355,874.97	23.53
NET OF REVENUES & EXPENDITURES		0.00		1,809,445.72	(516,374.71)	(1,809,445.72)	100.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE 09/30/2013	ACTIVITY FOR MONTH 09/30/2013	AVAILABLE BALANCE	% BDDT USED
		BUDGET	NORMAL (ABNORMAL)				
<b>Fund 202 - MAJOR STREETS FUND</b>							
Revenues							
000.00		1,353,035.00		237,963.77	236,267.27	1,115,071.23	17.59
<b>TOTAL Revenues</b>		<b>1,353,035.00</b>		<b>237,963.77</b>	<b>236,267.27</b>	<b>1,115,071.23</b>	<b>17.59</b>
Expenditures							
000.00		56,130.00		0.00	0.00	56,130.00	0.00
451.00	STREET/ROAD CONSTRUCTION	996,135.00		198,817.35	198,817.35	797,317.65	19.96
463.00	STREET MAINTENANCE	129,240.00		31,405.57	10,710.93	97,834.43	24.30
474.00	TRAFFIC SERVICES	24,640.00		2,814.26	722.13	21,825.74	11.42
478.00	WINTER MAINTENANCE	36,850.00		0.00	0.00	36,850.00	0.00
482.00	STREET ADMIN/GEN EXP	110,040.00		0.00	0.00	110,040.00	0.00
<b>TOTAL Expenditures</b>		<b>1,353,035.00</b>		<b>233,037.18</b>	<b>210,250.41</b>	<b>1,119,997.82</b>	<b>17.22</b>
<b>Fund 202:</b>							
<b>TOTAL REVENUES</b>		<b>1,353,035.00</b>		<b>237,963.77</b>	<b>236,267.27</b>	<b>1,115,071.23</b>	<b>17.59</b>
<b>TOTAL EXPENDITURES</b>		<b>1,353,035.00</b>		<b>233,037.18</b>	<b>210,250.41</b>	<b>1,119,997.82</b>	<b>17.22</b>
<b>NET OF REVENUES &amp; EXPENDITURES</b>		<b>0.00</b>		<b>4,926.59</b>	<b>26,016.86</b>	<b>(4,926.59)</b>	<b>100.00</b>

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE		ACTIVITY FOR		AVAILABLE		
		AMENDED	BUDGET	09/30/2013	NORMAL (ABNORMAL)	MONTH 09/30/2013	INCREASE (DECREASE)	NORMAL (ABNORMAL)	BALANCE	% BDCGT USED
Fund 203 - LOCAL STREETS FUND										
000.00	Revenues	198,005.00		13,008.49		12,926.84		184,996.51		6.57
	TOTAL Revenues	198,005.00		13,008.49		12,926.84		184,996.51		6.57
Expenditures										
463.00	STREET MAINTENANCE	146,890.00		24,998.16		9,762.25		121,891.84		17.02
474.00	TRAFFIC SERVICES	8,725.00		1,012.42		284.15		7,712.58		11.60
478.00	WINTER MAINTENANCE	30,390.00		0.00		0.00		30,390.00		0.00
482.00	STREET ADMIN/GEN EXP	12,000.00		0.00		0.00		12,000.00		0.00
	TOTAL Expenditures	198,005.00		26,010.58		10,046.40		171,994.42		13.14
Fund 203:										
	TOTAL REVENUES	198,005.00		13,008.49		12,926.84		184,996.51		6.57
	TOTAL EXPENDITURES	198,005.00		26,010.58		10,046.40		171,994.42		13.14
	NET OF REVENUES & EXPENDITURES	0.00		(13,002.09)		2,880.44		13,002.09		100.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE 09/30/2013	ACTIVITY FOR MONTH 09/30/2013	AVAILABLE BALANCE	% BDT
		AMENDED BUDGET	NORMAL (ABNORMAL)				
	Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY						
	Revenues						
000.00		125,500.00		41,793.99	37.25	83,706.01	33.30
	TOTAL Revenues	125,500.00		41,793.99	37.25	83,706.01	33.30
	Expenditures						
000.00		125,500.00		14,128.36	5,762.44	111,371.64	11.26
	TOTAL Expenditures	125,500.00		14,128.36	5,762.44	111,371.64	11.26
	Fund 248:						
	TOTAL REVENUES	125,500.00		41,793.99	37.25	83,706.01	33.30
	TOTAL EXPENDITURES	125,500.00		14,128.36	5,762.44	111,371.64	11.26
	NET OF REVENUES & EXPENDITURES	0.00		27,665.63	(5,725.19)	(27,665.63)	100.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 09/30/2013 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 09/30/2013 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 250 - LOCAL DEV. FINANCE AUTHORITY						
Revenues						
000.00		422,820.00	1,648,716.29	386.37	(1,225,896.29)	389.93
TOTAL Revenues		422,820.00	1,648,716.29	386.37	(1,225,896.29)	389.93
Expenditures						
691.00	L.D.F.A.	422,820.00	36,155.00	36,155.00	386,665.00	8.55
TOTAL Expenditures		422,820.00	36,155.00	36,155.00	386,665.00	8.55
Fund 250:						
TOTAL REVENUES		422,820.00	1,648,716.29	386.37	(1,225,896.29)	389.93
TOTAL EXPENDITURES		422,820.00	36,155.00	36,155.00	386,665.00	8.55
NET OF REVENUES & EXPENDITURES		0.00	1,612,561.29	(35,768.63)	(1,612,561.29)	100.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 09/30/2013 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 09/30/2013 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BGD USED
Fund 297 - ECONOMIC DEVELOPMENT COMM.						
Revenues						
000.00		70.00	15.63	4.96	54.37	22.33
TOTAL Revenues		70.00	15.63	4.96	54.37	22.33
Expenditures						
000.00		70.00	0.00	0.00	70.00	0.00
TOTAL Expenditures		70.00	0.00	0.00	70.00	0.00
Fund 297:						
TOTAL REVENUES		70.00	15.63	4.96	54.37	22.33
TOTAL EXPENDITURES		70.00	0.00	0.00	70.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	15.63	4.96	(15.63)	100.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE		ACTIVITY FOR		AVAILABLE		
		AMENDED BUDGET	NORMAL (ABNORMAL)	09/30/2013	09/30/2013	MONTH 09/30/2013	INCREASE (DECREASE)	NORMAL	(ABNORMAL)	% BDDT USED
Fund 353 - 1992 LDFA BOND										
Revenues										
000.00		0.00		36,155.00		36,155.00			(36,155.00)	100.00
<b>TOTAL Revenues</b>		<b>0.00</b>		<b>36,155.00</b>		<b>36,155.00</b>			<b>(36,155.00)</b>	<b>100.00</b>
Expenditures										
000.00		0.00		36,155.00		36,155.00			(36,155.00)	100.00
<b>TOTAL Expenditures</b>		<b>0.00</b>		<b>36,155.00</b>		<b>36,155.00</b>			<b>(36,155.00)</b>	<b>100.00</b>
Fund 353:										
TOTAL REVENUES		0.00		36,155.00		36,155.00			(36,155.00)	100.00
TOTAL EXPENDITURES		0.00		36,155.00		36,155.00			(36,155.00)	100.00
NET OF REVENUES & EXPENDITURES		0.00		0.00		0.00			0.00	0.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDTG USED
		AMENDED BUDGET	NORMAL (ABNORMAL)	09/30/2013 NORMAL (ABNORMAL)	09/30/2013 INCREASE (DECREASE)	MONTH 09/30/2013 INCREASE (DECREASE)	NORMAL (ABNORMAL)	BALANCE		
Fund 592 - WATER/SEWER FUND										
Revenues										
000.00		3,566,290.00		751,192.45		262,125.64		2,815,097.55		21.06
TOTAL Revenues		3,566,290.00		751,192.45		262,125.64		2,815,097.55		21.06
Expenditures										
545.00	WATER & SEWER ADMINISTRATION	41,110.00		10,438.35		3,124.07		30,671.65		25.39
546.00	SEWER IMPROVEMENT	44,310.00		0.00		0.00		44,310.00		0.00
548.00	SEWER MAINTENANCE	288,865.00		27,401.63		7,520.80		261,463.37		9.49
555.00	WASTEWATER TREATMENT PLANT	871,315.00		150,338.60		48,787.53		720,976.40		17.25
556.00	WATER MAINTENANCE	385,280.00		87,033.54		31,156.73		298,246.46		22.59
557.00	STORM SEWER PROGRAM	26,575.00		0.00		0.00		26,575.00		0.00
558.00	WATER IMPROVEMENT	405,175.00		39,905.50		31,414.90		365,269.50		9.85
559.00	WATER TREATMENT PLANT	838,660.00		141,339.56		84,875.43		697,320.44		16.85
566.00	ALLOWANCE FOR DEPRECIATION	665,000.00		0.00		0.00		665,000.00		0.00
TOTAL Expenditures		3,566,290.00		456,457.18		206,879.46		3,109,832.82		12.80
Fund 592:										
TOTAL REVENUES		3,566,290.00		751,192.45		262,125.64		2,815,097.55		21.06
TOTAL EXPENDITURES		3,566,290.00		456,457.18		206,879.46		3,109,832.82		12.80
NET OF REVENUES & EXPENDITURES		0.00		294,735.27		55,246.18		(294,735.27)		100.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDTG USED
		BUDGET	AMENDED	09/30/2013 NORMAL (ABNORMAL)	09/30/2013 INCREASE (DECREASE)	MONTH 09/30/2013 INCREASE (DECREASE)	NORMAL (ABNORMAL)	BALANCE		
Fund 612 - MASON BUILDING AUTHORITY										
Revenues										
000.00		277,745.00		115,073.47		115,073.42		162,671.53		41.43
TOTAL Revenues		277,745.00		115,073.47		115,073.42		162,671.53		41.43
Expenditures										
000.00		277,745.00		115,069.99		115,069.99		162,675.01		41.43
TOTAL Expenditures		277,745.00		115,069.99		115,069.99		162,675.01		41.43
Fund 612:										
TOTAL REVENUES		277,745.00		115,073.47		115,073.42		162,671.53		41.43
TOTAL EXPENDITURES		277,745.00		115,069.99		115,069.99		162,675.01		41.43
NET OF REVENUES & EXPENDITURES		0.00		3.48		3.43		(3.48)		100.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE 09/30/2013	ACTIVITY FOR		AVAILABLE BALANCE	% BGDGT USED
		BUDGET AMENDED	BUDGET NORMAL		MONTH 09/30/2013 INCREASE (DECREASE)	NORMAL (ABNORMAL)		
Fund 661 - MOTOR VEHICLE POOL								
Revenues								
000.00		344,725.00		46,873.87		25,374.00	297,851.13	13.60
	TOTAL Revenues	344,725.00		46,873.87		25,374.00	297,851.13	13.60
Expenditures								
567.00	SHOP & BLDG. MAINTENANCE	44,010.00		745.56		558.67	43,264.44	1.69
568.00	EQUIPMENT MAINTENANCE	170,615.00		45,553.79		12,878.70	125,061.21	26.70
901.00	EQUIPMENT-CAPITAL OUTLAY	130,100.00		1,944.84		0.00	128,155.16	1.49
	TOTAL Expenditures	344,725.00		48,244.19		13,437.37	296,480.81	13.99
Fund 661:								
	TOTAL REVENUES	344,725.00		46,873.87		25,374.00	297,851.13	13.60
	TOTAL EXPENDITURES	344,725.00		48,244.19		13,437.37	296,480.81	13.99
	NET OF REVENUES & EXPENDITURES	0.00		(1,370.32)		11,936.63	1,370.32	100.00

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE 09/30/2013	ACTIVITY FOR MONTH 09/30/2013	AVAILABLE BALANCE	% BDT
		BUDGET	AMENDED				
Fund 702 - RAYNER BOND FUND							
Revenues							
000.00		33,000.00		9,167.65	4,535.78	23,832.35	27.78
TOTAL Revenues		33,000.00		9,167.65	4,535.78	23,832.35	27.78
Expenditures							
000.00		33,000.00		0.00	0.00	33,000.00	0.00
TOTAL Expenditures		33,000.00		0.00	0.00	33,000.00	0.00
Fund 702:							
TOTAL REVENUES		33,000.00		9,167.65	4,535.78	23,832.35	27.78
TOTAL EXPENDITURES		33,000.00		0.00	0.00	33,000.00	0.00
NET OF REVENUES & EXPENDITURES		0.00		9,167.65	4,535.78	(9,167.65)	100.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE		ACTIVITY FOR		AVAILABLE		
		AMENDED BUDGET	NORMAL (ABNORMAL)	09/30/2013	NORMAL (ABNORMAL)	MONTH 09/30/2013	INCREASE (DECREASE)	NORMAL	(ABNORMAL)	% BDDT USED
Fund 711 - CEMETERY TRUST FUND										
Revenues										
000.00		4,300.00		1,180.66		346.87		3,119.34		27.46
TOTAL Revenues		4,300.00		1,180.66		346.87		3,119.34		27.46
Expenditures										
000.00		4,300.00		0.00		0.00		4,300.00		0.00
TOTAL Expenditures		4,300.00		0.00		0.00		4,300.00		0.00
Fund 711:										
TOTAL REVENUES		4,300.00		1,180.66		346.87		3,119.34		27.46
TOTAL EXPENDITURES		4,300.00		0.00		0.00		4,300.00		0.00
NET OF REVENUES & EXPENDITURES		0.00		1,180.66		346.87		(1,180.66)		100.00

PERIOD ENDING 09/30/2013

GL NUMBER	DESCRIPTION	2013-14		YTD BALANCE		ACTIVITY FOR		AVAILABLE		
		AMENDED BUDGET	NORMAL (ABNORMAL)	09/30/2013	(ABNORMAL)	MONTH 09/30/2013	INCREASE (DECREASE)	BALANCE	(ABNORMAL)	% BDT USED
Fund 812 - SPECIAL ASSESSMENT FUND										
Revenues										
000.00		201,640.00		46,579.84		107.15		155,060.16		23.10
TOTAL Revenues		201,640.00		46,579.84		107.15		155,060.16		23.10
Expenditures										
000.00		201,640.00		5,122.50		5,122.50		196,517.50		2.54
TOTAL Expenditures		201,640.00		5,122.50		5,122.50		196,517.50		2.54
Fund 812:										
TOTAL REVENUES		201,640.00		46,579.84		107.15		155,060.16		23.10
TOTAL EXPENDITURES		201,640.00		5,122.50		5,122.50		196,517.50		2.54
NET OF REVENUES & EXPENDITURES		0.00		41,457.34		(5,015.35)		(41,457.34)		100.00
TOTAL REVENUES - ALL FUNDS		12,223,470.00		6,097,631.86		789,462.65		6,125,838.14		49.88
TOTAL EXPENDITURES - ALL FUNDS		12,223,470.00		2,310,845.01		1,251,375.38		9,912,624.99		18.90
NET OF REVENUES & EXPENDITURES		0.00		3,786,786.85		(461,912.73)		(3,786,786.85)		100.00

QUARTERLY INVESTMENT REPORT FOR PERIOD ENDING 9/30/13

ACCOUNTS	CASH	GENERAL FUND INVESTMENT	DART MONEY MARKET	*CUTWATER	TOTAL PRINCIPAL INVESTED	QUARTERLY INTEREST EARNED
MSB						
Cemetery Trust	14,922.20	221,524.71		100,464.06	336,910.97	180.66
Current Tax	105,043.20				105,043.20	0.06
D.D.A.	46,282.70		146,674.70	48,769.89	241,727.29	122.60
E.D.C.	1,641.32	20,136.89			21,778.21	15.63
General Fund	3,184,466.50		720,824.20	63,325.59	3,968,616.29	2,074.22
General Fund - Checking	313,537.15				313,537.15	
L.D.F.A.	148,931.84	752,160.38	1,565,119.93		2,466,212.15	863.27
Rayner Bond	48,078.05	251,512.90		317,260.04	616,850.99	230.20
Water & Sewer	117,836.27				117,836.27	20.03
DNB						
Capital Improvement	387.20				387.20	
Local Streets	30,903.38		105,155.59	10,278.80	146,337.77	80.40
Major Streets	183,163.45		484,397.20	65,181.78	732,742.43	372.35
M.V.P	29,371.06		390,096.85	56,016.25	475,484.16	303.11
Mason Building Authority	535.59				535.59	
Special Assessments	165,042.58		432,905.24	19,351.34	617,299.16	328.94
Water & Sewer	580,180.88		3,124,739.10	151,963.54	3,856,883.52	2,376.51
TOTALS INVESTED	4,970,323.37	1,245,334.88	6,969,912.81	832,611.29	14,018,182.35	6,967.98
AVERAGE INT RATE	.12%-AVG	.30%-AVG	.30%-AVG	.04%-AVG		
TERM	LIQUID	LIQUID	LIQUID	LIQUID		
MATURITY DATE	N/A	N/A	N/A	N/A		
% INVESTED	35.46%	8.88%	49.72%	5.94%	100.00%	
% IN DART	56.78%					
% IN MSB	37.28%					
% IN CUTWATER	5.94%					
	100.00%					
*(formerly MBIA)						

# City of Mason

201 W. Ash St.  
P.O. Box 370  
Mason, MI 48854-0370  
www.mason.mi.us



City Hall 517 676-9155  
Police 517 676-2458  
Fax 517 676-1330  
TDD 1-800-649-3777

## MEMORANDUM

**TO:** Honorable Mayor and Council Members  
**FROM:** Martin Colburn, City Administrator  
**DATE:** October 21, 2013  
**RE:** City Administrator's Report

### **Mason Arts and Culture Committee**

The recently formed Mason Arts and Culture Committee, which supported the City on the LEAP grant project, is now an officially sanctioned sub-committee of the Mason Area Historical Society. The Committee plans to start with pursuing an inventory of "art" within Mason, as well as identifying a future project. The Historical Society took official action as of Tuesday, Oct. 15 at their Board Meeting. The Mason Arts and Culture Committee will keep the City Council updated on their activities and look forward to working with the City.

### **Appreciation from District Court for Mason Police Department**

The 30<sup>th</sup> District Court recently held a murder trial at the Historic Ingham County Courthouse, with Judge Collette presiding. There was a lot of emotion and disturbances with crowds gathering. Mason Police provided police support to maintain order and decorum at the Ingham County District Court, allowing Judge Collette to administer his duties. Attached is a letter demonstrating his appreciation for the Mason Police Department.

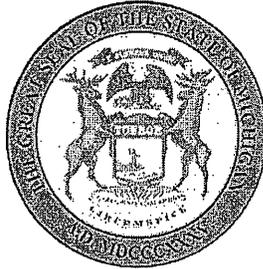
Para from state

*Ingham County Circuit Court  
30th Judicial Circuit*

P.O. BOX 40771  
LANSING, MI 48901-7971  
TELEPHONE: (517) 483-6500

JANELLE A. LAWLESS  
Chief Circuit Judge

SHAUNA DUNNINGS  
Circuit Court Administrator



SHAUNA DUNNINGS  
Acting Deputy Court  
Administrator / Friend of the Court

RHONDA K. SWAYZE  
Deputy Court Administrator /  
General Trial Division

MAUREEN WINSLOW  
Deputy Court Administrator /  
Juvenile Division

October 14, 2013

Mason Police Department  
201 W. Ash St.  
Mason, MI 48854

RE: Assistance with recent murder trial

Dear Mason Police Department,

I would like to extend my sincerest thanks to you for your assistance with security in our recent murder trial at the Mason Courthouse. Your assistance was vital to the orderly and successful administration of the trial.

Hon. William E. Collette

RECEIVED

OCT 16 2013

MASON POLICE DEPT.