CITY OF MASON

201 West Ash St.
Mason, MI 48854-0370

City Hall 517-676-9155
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CITY COUNCIL MEETING - COUNCIL CHAMBER

Monday, July 21, 2014

7:30 p.m.

AGENDA

1. Call to Order
2. Roll Call
3. Pledge of Allegiance and Invocation
4. Announcements
5. People from the Floor
6. Presentation—DPW Superintendent Ken Baker
   A. 2013 Water Quality Report
7. Consent Agenda
   A. Approval of Minutes
      - Regular Council Meeting: July 7, 2014
   B. Approval of Bills
8. Regular Business
   A. Resolution 2014-37—Support for Proposal 1
   B. Resolution 2014-38—Resolution Declaring Ingham County Fair Non-Profit Organization
   C. Resolution 2014-39—A Resolution Approving "Making Mason Memories" as Theme Song for the Sesquicentennial Celebration
   D. Motion—Street Closure Request for Maple Street – The Andy Minshall/Heather Allen Leukemia Fund
9. Unfinished Business
10. New Business
11. Correspondence
    - Letter from Auditors Abraham & Gaffney, PC dated July 8, 2014
    - Monthly Revenue Expenditure Report
    - Quarterly Investment Report for Quarter Ending 6/30/14
12. Liaison Reports
13. Councilmember Reports
14. Administrator's Report
    - Mutual Aid to Factory Fire in Leslie, MI
15. Executive Session—Attorney Client Privileged Communication
16. Resolution 2014-35—Resolution for Changing MERS Benefits
17. Adjournment

CITY OF MASON
WATER QUALITY REPORT FOR CALENDAR YEAR 2013

The City of Mason is very pleased to provide the 2013 Annual Water Quality Report. City water is obtained from five wells located within the City of Mason. The City's wells are relatively deep with the water drawn from the Saginaw Sandstone Formation. The depth of the rock wells range from 215 feet to 400 feet. Each well has considerable impermeable material above the water bearing formation which protects the quality of the water from surface contaminants.

The City has implemented a Wellhead Protection Program and a Source Water Assessment Plan to manage the wellhead protection areas around the City of Mason water production wells. These programs help protect the City's water supply.

The Michigan Department of Environmental Quality rated city water moderately high for "Susceptibility" in 2007. That year, Well No. 2, the only well within a high risk area, was abandoned and plugged. Well No. 1 was a drift well and quite shallow; this well was abandoned in 2011 and plugged in 2012. Both wells were plugged in accordance to state guidelines. Well #3 is in standby position as there is no raw water main that attaches this well to our water treatment system. After taking these actions it is expected that a lower rating will be given on the next review.

In 2011, the City of Mason underwent a "System Wide Evaluation" by the Michigan Department of Environmental Quality. The City's water system was given a "Satisfactory" rating. This is the highest rating available. Our Source Water Assessment Plan and System Wide Evaluation are on file at the Mason Water Treatment Plant Office located at 1413 Avery Lane.

The City of Mason routinely monitors for constituents in the drinking water, according to Federal and State laws. These tables show the monitoring results for the period of January 1, 2013 to December 31, 2013.

DEFINITION OF TERMS USED

The following water treatment terms and definitions are listed to assist with interpreting the Water Quality Report for those who are unfamiliar with water treatment terminology.

Non-Detects (ND) - laboratory analysis indicates that the constituent is not present.

Parts per million (ppm) or Milligrams per liter (mg/l) - one part per million corresponds to one minute in two years or a single penny in $10,000.

Parts per billion (ppb) or Micrograms per liter (mc/l) - one part per billion corresponds to one minute in 2,000 years, or a single penny in $10,000,000.

Picocuries per liter (pCi/L) - Pico curies per liter is a measure of the radioactivity in water.

Action Level - The concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a water system must follow.

Treatment Technique (TT) - A treatment technique is a required process intended to reduce the level of a contaminant in drinking water.

Maximum Contaminant Level (MCL) the "Maximum Allowed" (MCL) is the highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

Maximum Contaminant Level Goal (MCLG) - The "Goal" (MCLG) is the level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

Maximum Residual Disinfectant Level (MRDL) – The highest level of a disinfectant allowed in drinking water. There is convincing evidence that addition of a disinfectant is necessary for control of microbial contaminants.

Maximum Residual Disinfectant Level Goal (MRDLG) – The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

Running Annual Average (RAA) - Four quarter running annual average for chlorine residual in the distribution system

MCL's are set at very stringent levels. The MCL's are set such that out of every 10,000 or 1,000,000 people (depends upon how the MCL was developed) drinking 2 liters of water every day for a lifetime, only 1 of those people may experience the described health effect.

CONTAMINANT INFORMATION

The Federal Safe Drinking Water Act by definition says that everything in drinking water other than H_2O is a contaminant. While this makes it easier for the U.S. Environmental Protection Agency (EPA) to write regulations, it means we all see and hear about contaminants in our drinking water. These contaminants include hardness, iron, and manganese which may cause aesthetic problems for consumers when present. These aesthetic constituents which are present in the City of Mason's drinking water are not related to health considerations.

As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. Information about contaminants and potential health effects can be obtained by calling the EPA's Safe Drinking Water Hotline *(800) 426-4791.*

The State allows the City to monitor for certain contaminants less than once per year because the concentrations of these contaminants are not expected to vary significantly from year to year. All of the data is representative of the water quality, but some are more than one year old.

INORGANIC CHEMICAL CONTAMINANTS

Table No. 1	Water Quality Report for 2013	City of Mason – CCR

*Selenium is an essential nutrient. However, some people who drink water containing selenium in

Containment	MCL	MCLG	Highest Measured Concentration	Range	Major Source in Drinking Water
Fluoride* Before Treatment ppm	4	4	0.39 2013	0. - 0.39	Erosion of Natural Deposits
Nitrate as N ppm	10	10	ND 2013	ND	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits
Nitrite as N ppm	1	1	ND 2013	ND	Runoff from fertilizer use; leaching from septic tanks, sewage; erosion of natural deposits
*Selenium ppb	50	50	1 (2008)	1	Discharge from petroleum and metal refineries; Erosion of natural deposits; Discharge from mines

excess of the MCL over many years could experience hair or fingernail losses, numbness in fingers or toes, or problems with their circulation.

Table No. 2 Water Quality Report for 2013 City of Mason -CCR

Regulated Contaminant	MCL	MCLG	Highest Level Detected	Range	Sample Date	Violation Yes / No	Typical Source of Contaminant
Arsenic ppb	10	0	ND	0	9/24/12	No	Erosion of natural deposits; Runoff from orchards; Runoff from glass and electronics production wastes
Barium ppm	2	2	.16	0.0-.16	9/09/08	No	Discharge of drilling wastes; Discharge of metal refineries; Erosion of natural deposits
Chromium ppb	100	100	ND	ND	9/09/08	No	Discharge from steel and pulp mills; Erosion of natural deposits
Fluoride ppm	4	4	.90	.53-.90	2013	No	Erosion of natural deposits. Discharge from fertilizer and aluminum factories.
TTHM - Total Trihalomethanes	.080 ppm	N/A	.011	.006-.011	9/24/12	No	Byproduct of drinking water disinfection
HAA-5 Halo acetic Acids	.060 ppm	N/A	.007	.002-.007	9/24/12	No	Byproduct of drinking water disinfection
Chlorine ppm	MRDL 4	MRDLG 4	1.17	.90 -1.17	2013	No	Water additive used to control microbes
Bromodichloromethane ppm	.080	0	.0015	.0015-.0033	2012	No	Byproduct of drinking water disinfection
Chloroform ppm	.080	.080	.0062	.0018-.0062	2012	No	Byproduct of drinking water disinfection
Chlorodibromomethane ppm	.080	N/A	.0016	.0009-.0016	2012	No	Byproduct of drinking water disinfection
Bromochloroacitic Acid ppm	N/A	N/A	.002	N/D-.002	2012	No	Byproduct of drinking water disinfection
Dibromoacitic Acid ppm	N/A	N/A	.001	N/D-.001	2012	No	Byproduct of drinking water disinfection
Dichloroacitic Acid ppm	N/A	N/A	.003	.001-.003	2012	No	Byproduct of drinking water disinfection
Trichloroacitic Acid ppm	N/A	N/A	.003	.001-.003	2012	No	Byproduct of drinking water disinfection

Table No. 3 Water Quality Report for 2013 City of Mason CCR

Radioactive Contaminant	MCL	MCLG	Highest Level Detected	Range	Sample Date	Violation Yes / No	Typical Source of Contaminant
Alpha emitters (pCi/L)	15	15	1.6	1.6	8/12/2012	No	Erosion of natural deposits
Combined Radium (pCi/L)	5	5	1.2	1.2	6/11/2013	No	Erosion of natural deposits

Special Monitoring and Unregulated Contaminant **	Average Level Detected	Range	Sample Date	Typical Source of Contaminant
**Sodium (ppm)	12	12	2013	Erosion of natural deposits
**Hardness (ppm)	382	360-420	2013	Erosion of natural deposits
**Iron (ppm)	<.01	<.01 - .12	2013	Erosion of natural deposits
**Chloride (ppm)	18	18	2013	Erosion of natural deposits
**Sulfate (ppm)	45	45	2013	Erosion of natural deposits

Contaminant Subject to AL	MCL	MCLG	90% of Samples ≤ This Level	Range	Sample Date	Violation Yes / No	Number of Samples Above AL	Typical Source of Contaminant
Lead (ppb)	15	15	1.0	0-4	6/1/2013-9/30/2013	NO	0	Corrosion of household plumbing systems; Erosion of natural deposits
Copper (ppm)	1.3	1.3	.96	0-1.22	6/1/2013-9/30/2013	NO	0	Corrosion of household plumbing systems; Erosion of natural deposits; Leaching from wood preservatives

In 2013 the finished water was tested for iron, chloride, hardness, sodium, and sulfate, which are chemical constituents often found in groundwater. These are of aesthetic concern rather than health concern.

** Unregulated contaminants are those for which EPA has not established drinking water standards. Monitoring helps EPA to determine where certain contaminants occur and whether it needs to regulate those contaminants.

MICROBIOLOGICAL CONTAMINANTS

The routine test to evaluate the bacteriological quality of drinking water is to analyze water samples for the presence of Total Coliform Bacteria, which is an indicator organism that is used as a health standard. The City of Mason's monitoring schedule for bacteria requires the collection of nine water samples from the distribution system each month to be analyzed for Total Coliform Bacteria in a properly certified laboratory. This means the City collected 108 required samples from the water distribution system this year. All 108 samples came back negative for the presence of Total Coliform Bacteria. The City of Mason also voluntarily collects samples (for additional safety) from all operating and standby wells, water treatment plant raw water, and finish water taps each month. All test results reported negative for the presence of Total Coliform Bacteria.

Microbial Contaminants	MCL	Number Detected	Violation Yes / No	Typical Source of Contaminant
Total Coliform Bacteria	1 positive monthly sample (5% of monthly samples positive)	0	No	Naturally present in the environment
Fecal Coliform and *E. coli*	Routine and repeat sample total coliform positive, and one is also fecal or *E. coli* positive	0	No	Human and animal fecal waste

The test results reported in the tables within this report reflect that the City's drinking water distribution system remains violation free and meets or exceeds all Federal and State requirements. We have learned through our monitoring and testing that some constituents have been detected. The EPA has determined that your water IS SAFE at these levels.

Combined Radium 226/228:
Some people who drink water containing radium 226 or 228 in excess of the MCL over many years may have an increased risk of getting cancer.

Raw Water:
Raw water is water that comes from all the wells to the water plant in one pipe before treatment. The raw water coming into the plant was tested for Herbicides, Pesticides, and Carbamates in 2009 all results were "Non Detects." There was one positive test result for nitrate in 2008. However, the one positive result was before the treatment plant was on-line at only 1.1 ppm which is well below the MCL of 10 ppm. Nitrate and Nitrite were tested for in the finish water in 2013 and both samples came back Non Detect.

Finished Water:
Finished Water is water that has been treated and is going out to the costumer. Water quality testing, and Partial Chemistry, were completed in 2013, and all results were well below the "MCLs" or "Non Detect."

Distribution System Water:
Tests for Total Trihalomethanes and Total Haloacitic Acids were performed on water from the distribution system. These tests are for monitoring disinfection by-products in the distribution system in 2012.

Sodium:
For people concerned about their sodium intake, the results of sodium testing were 12 ppm.

Sulfate:
The EPA has considered developing a maximum contaminant level (MCL) for sulfate since high concentrations may cause diarrhea. The EPA requires that customers be notified of the sulfate concentrations in the City's water even though the sulfate concentration in the water from the finished water is far below the Secondary MCL of 250 ppm

LEAD AND COPPER:
Water systems are required to collect samples or have samples collected from customers' taps after the water has been held in the internal home piping system for at least six hours. There is no measurable lead or copper in the water as it leaves the water plant. Historical monitoring indicates no lead or copper in the water within the distribution system either. Therefore, this is actually a check on the corrosivity of the water in the home piping system. This monitoring is normally completed by asking selected customers to collect the samples from their home taps at the first flush of the water in the morning. The selection of customers to collect these samples is based on the type of piping in the house and the location within the distribution system.

The federal action level requires that 90% of the samples collected be less than 15 ppb for lead and 1.3 ppm for copper.

This monitoring program assesses an absolutely worst case situation. EPA requires samples be collected after the water has been in the pipe/faucet for at least six hours. Then, a first flush sample is drawn. The action level is based on a person potentially obtaining an entire day's drinking water from the first flush coming from the tap.

The City continues to work to improve its corrosion control treatment since the action level for copper has been slightly exceeded in some previous monitoring cycles. The analyses for lead was far below the action level. The samples for lead and copper analysis are collected by homeowners, and their cooperation in this activity is critical. A follow-up investigation of the sample points analytical results that were above the 1.3 ppm action level for copper indicated some of the samples were of softened water. Water treated in home zeolite softeners tends to be more corrosive. The water department staff will maintain increased efforts to assure that future samples are not of water treated in a home softener or samples collected from basement taps which have not routinely been in use for extended periods of time. In the most recent round of 20 sample points, the 90th percentile for lead was 1 ppb which is below the action level of 15 ppb. The 90th percentile for copper was.96 ppm which is below the action level of 1.3 ppm. The treatment techniques utilized at the water treatment plant are proving successful, when

comparing test results from previous monitoring cycles. The latest test results show continued improvement of lowering these levels of lead and copper in samples taken from selected homes in the city's distribution system.

COPPER:
Copper is an essential nutrient, but some people who drink water containing copper in excess of the action level over a relatively short amount of time could experience gastrointestinal distress. Some people who drink water containing copper in excess of the action level over many years could suffer liver or kidney damage. People with Wilson's disease should consult their personal doctor.

LEAD:
Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The City of Mason is responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. Infants and young children are typically more vulnerable to lead in drinking water than the general population. Infants and children who drink water containing lead in excess of the action level could experience delays in their physical or mental development. Children could show slight deficits in attention span and learning abilities. Adults who drink this water over many years could develop kidney problems or high blood pressure.

It is possible that lead levels at your home may be higher than at other homes in the community as a result of materials used in your home's plumbing. If you are concerned about elevated lead levels in your home's water, you may wish to have your water tested and flush your tap for 30 seconds to 2 minutes before using tap water. Additional information is available from the Safe Drinking Water Hotline *(800-426-4791)*.

If you are concerned with the copper content of your home's drinking water, it is suggested you allow the water run 30 seconds to 2 minutes before drawing water for drinking or cooking.

ORGANIC CHEMICAL CONTAMINANTS:
In accordance with a prescribed monitoring schedule from the Michigan Department of Environmental Quality, 68 tests were collected at the water treatment plant finish water tap and distribution taps and tested for, Arsenic, Iron, and Nitrate as N, Nitrite as N, Carbamates, Herbicides, and Pesticides all results came back as Non Detect.

Disinfection bi-product and Volatile Organic Compound tests including Total Trihalomethanes and Haloacetic Acids (5) were performed on samples taken from two distribution sample taps in 2012. The results from these test samples were 69 Non-Detects and 13 very slight detections.

RADIOACTIVE CONTAMINANTS:
The City of Mason's drinking water was tested in 2013 for Radium 226 + Radium 228 in accordance with State and Federal regulations. The results from annual testing at the water treatment plant show Radium 226 =1.2 (+-.3)pCi/L and Radium 228=0.0 (+-.6)pCi/L for a combined level of 1.2 pCi/L which is well under the MCL of 5pCi/L This shows that the water treatment plant process is working very good. This MCL has been established at, or near, the lower limit of detection for the laboratories. Radium is a natural contaminant in groundwater.

What does this mean?
This is not an immediate risk. If it had been, you would have been notified immediately. However, some people who drink water containing radium 226 or 228 in excess of the MCL over many years may have an increased risk of getting cancer.

EPA REQUIRED HEALTH INFORMATION

Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the EPA's Safe drinking Water Hotline (800-426-4791).

All sources of drinking water are subject to potential contamination by substances that are naturally occurring or manmade. These substances can be microbes, inorganic or organic chemicals and radioactive substances. All drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of contaminants does not necessarily indicate that the water poses a health risk. More information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency's Safe Drinking Water Hotline at 1-800-426-4791.

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally-occurring minerals and, in some cases, radioactive material, and can pick up substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water

- Microbial contaminants, such as viruses and bacteria, which may come from sewage treatment plants, septic systems, agricultural livestock operations, and wildlife.

- Inorganic contaminants, such as salts and metals, which can be naturally-occurring or result from urban storm water runoff, industrial, or domestic wastewater discharges, oil and gas production, mining, or farming.

- Pesticides and herbicides, which may come from a variety of sources such as agriculture, urban storm water runoff, and residential uses.

- Organic chemical contaminants, including synthetic and volatile organic chemicals, which are by-products of industrial processes and petroleum production, and can also come from gas stations, urban storm water runoff, and septic systems.

- Radioactive contaminants, which can be naturally-occurring or be the result of oil and gas production and mining activities. In order to ensure that tap water is safe to drink, EPA prescribes regulations which limit the amount of certain contaminants in water provided by public water systems. FDA regulations establish limits for contaminants in bottled water which must provide the same protection for public health.

Some people may be more vulnerable to contaminants in drinking water than the general population. Immune-compromised persons, such as persons with cancer undergoing

chemotherapy, persons who have undergone organ transplants, people with HIV/AIDS or other immune system disorders, some elderly, and infants can be particularly at risk from infections. These people should seek advice about drinking water from their health care providers. EPA/CDC guidelines on appropriate means to lessen the risk of infection by Cryptosporidium and other microbial contaminants are available from the Safe Drinking Water Hotline (800-426-4791).

PROBLEMS OVERCOME DURING 2013

Well numbers 8 and 9 have had shale cave-ins in 2012-2013. The City of Mason has hired a hydro geologist to help find a way to best deal with this problem. The City is moving forward with well number 9's raw water main from the well to the drinking water plant and finishing up the final stages of putting well No. 9 on line for 2014.

OTHER IMPORTANT ACTIVITIES OF YOUR WATER DEPARTMENT PROFESSIONALS

The City of Mason's Water Department Staff continues to maintain a Well Head Protection Program along with the Storm Water Management Program in 2013-2014.

The City's Water Department Staff routinely performs a flushing program to maximize the aesthetic quality of drinking water in the water system. The water treatment plant is continuing to produce high quality water that is being sent out to the distribution system which is resulting in better quality water throughout the City. Some isolated aesthetic problems may occur even with the current treatment and flushing program.

During 2013, the 1st quarter was over and the 2nd and 3rd quarter Radium tests revealed that Well No. 3 is back under the MCL of 5pCi/L. Well No. 3 will remain off-line. The City's water department staff will continue to perform Department of Environmental Quality mandated testing. Only in the event of extreme emergency will Well No. 3 be brought on-line to pump water to the distribution system. If this were to occur, notification of the City of Mason's population and Department of Environmental Quality would take place.

SUMMARY

The water supply for the City of Mason meets or exceeds State and Federal drinking water quality standards. Regulations at the Federal level, in particular, are continuing to become more detailed and stringent.

Thank you for allowing us to continue providing your family with clean, quality water this year. In order to maintain a safe and dependable water supply we sometimes need to make improvements that will benefit all of our customers. These improvements are sometimes reflected as rate structure adjustments. Thank you for understanding.

Where Do I Get This Report

This report will be posted on the City of Mason web site at http://www.mason.mi.us/publicworksmain.htm This report is also available at Mason City Hall, 201 West Ash Street Mason, MI 48854. This report will not be mailed. A reference to this report will also be posted on the City of Mason's TV Channel 21, and on the bottom of your water bills.

TELEPHONE CONTACT FOR THE SYSTEM

Mr. Ken Baker, Superintendent of Public Works, is responsible for the operation of the water system and can be reached at (517) 676-1319

CITY OF MASON
REGULAR CITY COUNCIL MEETING
MINUTES OF JULY 7, 2014

Mayor Clark called the meeting to order at 7:30 p.m. in the Council Chambers at 201 W. Ash Street, Mason, Michigan. Naeyaert 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
Kathy Revels, Human Resource Coordinator
Michael Kluck, City Labor Attorney

ANNOUNCEMENTS

- Farmers Market opens July 5, 2014
- Bruno thanked Councilmembers who attended the Carved Wooden Soldier Statue Dedication Ceremony on July 4.
- Brown read a portion of a note from his long time friend, elected official, Guillaume Lavoie, City Councillor in Montreal, Quebec, thanking the City of Mason community for the various souvenirs Councilmember Brown collected and sent to him.

PEOPLE FROM THE FLOOR

No comments were offered from the public at this time.

Presentation—Don Vickers, Ingham County Commissioner

Don Vickers, Ingham County Commissioner, spoke regarding the upcoming Parks and Trails Millage question that is being considered to be on the November 4, 2014, ballot. The proposal has not been filed as yet. The filing deadline is August 12, 2014.

Resolution 2014-36—A Resolution of Non Support of a Dedicated Parks Millage of an Ingham County-wide Half Mill in the November 4, 2014 Election

MOTION by Naeyaert, second by Droscha,
to consider Resolution No. 2014-36 read.
MOTION APPROVED UNANIMOUSLY

Resolution No. 2014-36 was introduced by Naeyaert and seconded by Droscha.

CITY OF MASON
CITY COUNCIL RESOLUTION 2014-36

A RESOLUTION OF NON SUPPORT OF A DEDICATED PARKS MILLAGE OF AN INGHAM COUNTY-WIDE HALF MILL IN THE NOVEMBER 4, 2014 ELECTION

July 7, 2014

WHEREAS, the Ingham County Parks Commission created a Parks and Trails Task Force to research the needs of parks within the County system; and

WHEREAS, the Parks and Trails Task Force is comprised of Ingham County Parks Commissioners and members of the Ingham County Board of Commissioners; and

WHEREAS, their review has initiated a proposal of a half mill increase ballot question to be placed on the November 4, 2014 ballot; and

WHEREAS, this millage is being dedicated as a funding source for parks operated by the County of Ingham or other municipal parks located in Ingham County and existing river trials and pathways owned by other government agencies within Ingham County and the construction of new trailways within government agencies within Ingham County; and

WHEREAS, Ingham County chose to discontinue maintenances and services of Rayner Park in the year 2010, and the City of Mason stepped up to ensure that this asset was maintained for the good of the people within Ingham County; and

WHEREAS, the City of Mason has demonstrated in good faith that we maintained our own parks system as well as providing services during challenging economic times by allocating local resources as well as organizing significant volunteer efforts to maintain our park system.

WHEREAS, the current ballot language is interpreted as providing other cities and entities with financial assets to take care of their park system without the consideration of focusing solely on Ingham County parks as should be the interest of County government.

THEREFORE BE IT RESOLVED that the City Council of the City of Mason implores the Ingham County Commissioners to not support this millage ballot question as written.

BE IT FURTHER RESOLVED that the Mason City Council encourages Mason Citizens and Ingham County Citizens to not support the special parks millage question as written.

RESOLUTION APPROVED UNANIMOUSLY

CONSENT AGENDA

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

A. Approval of Minutes - Regular Council Meeting: June 16, 2014
B. Approval of Bills - $533,520.96

MOTION APPROVED UNANIMOUSLY

REGULAR BUSINESS

Second Reading and Adoption – Ordinance No. 198 – An Ordinance to Amend the Code of the City of Mason by Repealing in its Entirety Chapter 60 – Soil Erosion and Sedimentation Control

MOTION by Naeyaert, second by Droscha,
to consider Ordinance No.198 read for the second time and adopted.
MOTION APPROVED UNANIMOUSLY

MOTION by Naeyaert, second by Droscha,
to reconsider the motion considering Ordinance No.198 read for the second time and adopted.
MOTION APPROVED UNANIMOUSLY

MOTION by Naeyaert, second by Droscha,
to amend Ordinance No.198 by striking "20 days after adoption and upon publication" and inserting " immediately upon its adoption and publication by the City Clerk posting a copy hereof in conspicuous locations in ten public places in the city" in its place.
MOTION APPROVED UNANIMOUSLY

MOTION by Naeyaert, second by Droscha,
to consider Ordinance No. 198 read for the second time and adopted, as amended.
MOTION APPROVED UNANIMOUSLY

Resolution 2014-35—Resolution for Changing MERS Benefits

Colburn informed Council regarding the increase in MERS benefits. Revels gave current and new MERS employee contribution percentages. A lengthy discussion ensued regarding the effect of not supporting the MERS resolution. Smith stated that non-support would cause the contract that is in effect to be reopened. Kluck stated that Resolution 2014-35 is the MERS contract. The City would be in violation of the existing contract if Council voted down the resolution.

> MOTION by Naeyaert, second by Bruno,
> to postpone consideration of Resolution No. 2014-35 to the July 21, 2014, regular meeting to allow an executive session regarding the MERS Agreement to be placed on that agenda.
> MOTION APPROVED UNANIMOUSLY

UNFINISHED BUSINESS

Council inquired about the following matters:

- Cwiertniewicz informed Council that the defective City Council DVD of May 19, 2014, has not been fully recovered; however, efforts continue in hopes that full recovery of the DVD recording will be achieved.
- The City Administrator was asked to inform Council when the discussion of the Arts Policy will be an agenda item to allow time to notify Arts Initiative, Mason (AIM)
- Colburn informed Council that the Cemetery Board met recently and approved the plotting for the west half of Section U; the Cemetery Board approved having the work completed this summer by Wolverine Engineers & Surveyors.
- Stressman informed Council regarding State funds provided to County Sheriff departments for secondary road patrol.

NEW BUSINESS

Council inquired about the following matters:

- Street lights that have been out for over a year in the block between Kipp Road and South Street. It was discussed that more than a year ago the City changed to high-pressured sodium; several mercury vapor lights have not been replaced. A street light was knocked over last winter on Cedar Street and is laying in the median. Colburn informed Council that a replacement for the street light on Cedar Street has been ordered. Council asked to have the fixture removed from the median.
- Colburn stated that employment ads were published for a part-time receptionist and the Cemetery/Parks/Forestry division.

CORRESPONDENCE

All correspondence was distributed.

LIAISON REPORTS

- Mulvany informed Council regarding Historic District Commission business
- Clark informed Council regarding Downtown Development Authority business

COUNCILMEMBER REPORTS

No report at this time.

ADMINISTRATOR'S REPORT

No report was given at this time.

EXECUTIVE SESSION

Fraternal Order of Police (FOP) Supervisory Contract

MOTION by Naeyaert,
To adjourn to executive session to discuss a matter involving the Fraternal Order of Police (FOP) Supervisory Contract.
ROLL CALL VOTE:
Yes (7) Brown, Bruno, Clark, Droscha, Ferris, Mulvany, Naeyaert
No (0)
MOTION APPROVED UNANIMOUSLY

The meeting adjourned to executive session at 8:41 p.m. and reconvened at 9:08 p.m.

MOTION by Naeyaert, second by Droscha,
to amend the agenda to insert Agenda Item (15) Ratification of the Agreement between the City of Mason and the Mason Police Department Supervisory Division, adjusting the agenda accordingly.
MOTION APPROVED UNANIMOUSLY

MOTION by Naeyaert, second by Droscha,
to ratify the Agreement between the City of Mason and the Mason Police Department Supervisory Division.
MOTION APPROVED UNANIMOUSLY

ADJOURNMENT

The meeting adjourned at 9:10 p.m.

Deborah J. Cwiertniewicz, City Clerk

Leon R. Clark, Mayor

07/18/2014 11:49 AM
User: TF
DB: Mason City

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF MASON
EXP CHECK RUN DATES 07/15/2014 - 07/23/2014
BOTH JOURNALIZED AND UNJOURNALIZED
BOTH OPEN AND PAID
COUNCIL REPORT

MONDAY, JULY 21, 2014

Vendor Code / Invoice / GL Number	Vendor Name / Invoice Description / GL Description	Invoice Date	Amount	
07800	BLUE CROSS BLUE SHIELD OF MICHIGAN			
G#7029499710DIV00&02	AUGUST HEALTH INS CITY EXPENSE	07/18/2014		
750-000.00-231.015	AUGUST HEALTH INS CITY EXPENSE		12,037.34	
G#7029499DIV0001	AUGUST RETIREE HEALTH INSURANCE	07/18/2014		
101-855.00-874.001	AUGUST RETIREE HEALTH INSURANCE		7,378.57	
		VENDOR TOTAL:		19,415.91
06215	BRADY LAWN EQUIPMENT			
3913	SCAG-STT61V-25KA TURF TIGER MOWER	07/18/2014		
661-901.00-970.135	SCAG-STT61V-25KA TURF TIGER MOWER		10,085.15	
		VENDOR TOTAL:		10,085.15
06474	CONSUMERS ENERGY			
JULY 2014	ELECTRICITY 6/1 - 6/30	07/15/2014		
101-448.00-926.000	ELECTRICITY 6/1 - 6/30		7,185.33	
		VENDOR TOTAL:		7,185.33
05221	MCGINTY, HITCH, HOUSEFIELD, PERSON,			
JULY 2014	JUNE LEGAL FEES	07/18/2014		
101-266.00-826.000	JUNE LEGAL FEES		7,246.52	
		VENDOR TOTAL:		7,246.52
05363	WOLVERINE ENGINEERS INC			
20140345	W COLUMBIA ST PROJ#11-0028	07/18/2014		
202-000.00-202.001	W COLUMBIA ST PROJ#11-0028		20,294.70	
20140348	2013 LOCAL STREETS PROJ #13-0002	07/18/2014		
203-000.00-202.001	2013 LOCAL STREETS PROJ #13-0002		28,025.00	
		VENDOR TOTAL:		48,319.70
		TOTAL - ALL VENDORS:		92,252.61

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: July 21, 2014 **Agenda Item:** 8 (A)

AGENDA ITEM
Resolution No. 2014-37—Support for Proposal 1

EXHIBITS
None

STAFF REVIEW
Police Department
Administration

SUMMARY STATEMENT
The City of Mason has suffered from a significant decrease in revenues over the past decade, resulting in diminished resources and the consequent struggle to maintain a consistently high quality of service to the community. Of note is the decreasing revenues returned to the City by the State of Michigan through Revenue Sharing. This is a consequence of the State's budget struggles, which exacerbates the woes of local communities also struggling with rapidly shrinking resources. Proposal 1, if passed, will ease the current dilemma by the City of Mason, and communities like it, as well as help make Michigan and its local communities more attractive to potential business partners as a thriving and attractive environment in which to locate.

It is important to note that:

- Proposal 1 is *not* a tax increase for any individual
- Proposal 1 eliminates the current Personal Property Tax liability for businesses that own equipment, machines and furnishings
- Proposal 1 replaces revenue to municipalities with expiring State Tax Credits, a small tax on certain manufacturing concerns and part of the Use Tax paid by out-of-state suppliers
- There is no organized opposition to Proposal 1
- To date, all of the media outlets/sources have endorsed its passage

RECOMMENDED ACTION
Move to approve Resolution No. 2014-37.

Introduced:
Seconded:

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2014-37

SUPPORT FOR PROPOSAL 1

July 21, 2014

WHEREAS, the City of Mason, as have other local governments in Michigan, has struggled with unstable funding necessary to provide needed service; and

WHEREAS, Michigan businesses have struggled with an uncompetitive tax on business; and

WHEREAS, small businesses and manufacturers power our economy and are the largest contributor of job growth in Michigan; and

WHEREAS, no other state in our region taxes businesses the way Michigan does, most of which don't tax at all, making Michigan significantly less competitive in job creation and business investment; and

WHEREAS, Michigan communities have struggled with diminishing revenues for years to pay for essential services like police, fire, emergency medical, jails, schools; and

WHEREAS, Michigan communities have relied on the shrinking resource of Personal Property Tax revenue to provide other community services as well, including roads, transportation, libraries and parks; and

WHEREAS, a bi-partisan Michigan Legislature has voted to reform the antiquated Personal Property Tax to increase Michigan's competitiveness with other states by eliminating an onerous tax, thereby allowing more business investment and more jobs created by providing a stable revenue source for local communities; and

WHEREAS, Proposal 1 is not a Constitutional Amendment, but the Constitution of the State of Michigan requires voters approve certain changes in local taxes; and

WHEREAS, local governments, with unstable funding needed to provide service, as well as businesses, have struggled with an uncompetitive tax for years; and

WHEREAS, Proposal 1 on the August 5, 2014 ballot, will make Michigan more competitive, helping Michigan communities attract more business and talent and create local jobs; and

WHEREAS, Proposal 1 is supported by the Michigan Municipal League, the Michigan Townships Association, the Michigan Association of Chiefs of Police, the Michigan Association of Police, the Michigan Community College Association, Michigan Farm Bureau, the Small Business Association of Michigan, the Michigan Sheriffs' Association, the Michigan Chamber of Commerce, the National Association of Independent Businesses and the Michigan Manufactures Association, among others; now

THEREFORE BE IT RESOLVED, that the City Council of the City of Mason, Michigan hereby expresses its strong support for Proposal 1 to eliminate the unfair double tax, strengthen our communities, and urge the residents of Mason to vote YES on Proposal 1 on the August 5, 2014 ballot.

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, July 21, 2014, the original of which is part of the City Council minutes.

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

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: July 21, 2014 **Agenda Item:** 8 (B)

AGENDA ITEM

Resolution No. 2014-38 – A Resolution Recognizing the "Ingham County Fair Foundation" a Non-Profit Organization in the City of Mason

EXHIBITS

None.

STAFF REVIEW

City Clerk

SUMMARY STATEMENT

The "Ingham County Fair Foundation." is seeking a Charitable Gaming License from the State of Michigan Bureau of State Lottery. Approval by City Council states that the "Ingham County Fair Foundation" is recognized as a nonprofit organization in the community. An IRS letter of determination granting "Ingham County Fair Foundation" 501 (c) (3) tax exemption status and a copy of the Ingham County Fair Foundation Bylaws are on file with the City Clerk.

RECOMMENDED ACTION

Move to approve Resolution No. 2014-38.

ORGANIZATION ID: 137660

MICHIGAN LOTTERY
Charitable Gaming Division
Box 30023, Lansing, MI 48909
OVERNIGHT DELIVERY:
101 E. Hillsdale, Lansing MI 48933
(517) 335-5780
www.michigan.gov/cg

CITY OF MASON
CITY COUNCIL RESOLUTION 2014-38

A RESOLUTION RECOGNIZING THE "INGHAM COUNTY FAIR FOUNDATION."
A NON-PROFIT ORGANIZATION IN THE CITY OF MASON

July 21, 2014

LOCAL GOVERNING BODY RESOLUTION FOR CHARITABLE GAMING LICENSES

(Required by MCL.432.103(K)(ii))

At a Regular (REGULAR OR SPECIAL) meeting of the City Of Mason (TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD)

called to order by _____ on July 21, 2014 (DATE)

at 7:30 pm (TIME) a.m./p.m. the following resolution was offered:

Moved by _____ and supported by _____

that the request from Ingham County Fair Foundation (NAME OF ORGANIZATION) of Mason (CITY),

county of Ingham County (COUNTY NAME), asking that they be recognized as a

nonprofit organization operating in the community for the purpose of obtaining charitable

gaming licenses, be considered for _____ (APPROVAL/DISAPPROVAL).

APPROVAL		DISAPPROVAL	
Yeas:	_____	Yeas:	_____
Nays:	_____	Nays:	_____
Absent:	_____	Absent:	_____

I hereby certify that the foregoing is a true and complete copy of a resolution offered and adopted by the _____ (TOWNSHIP, CITY, OR VILLAGE COUNCIL/BOARD) at a _____ (REGULAR OR SPECIAL) meeting held on _____ (DATE).

SIGNED: _____
TOWNSHIP, CITY, OR VILLAGE CLERK

_____
PRINTED NAME AND TITLE

_____
ADDRESS

COMPLETION: Required.
PENALTY: Possible denial of application.

BSL-CG-1153(R6/09)

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: July 21, 2014 **Agenda Item:** 8 (C)

AGENDA ITEM

Resolution 2014-39—A Resolution Approving "Making Mason Memories" as Theme Song for the Sesquicentennial Celebration

EXHIBITS

Lyrics to "Making Mason Memories" song by Dewey Longuski

STAFF REVIEW

Administration

SUMMARY STATEMENT

The City of Mason Sesquicentennial Steering Committee, under the leadership of Council member Marlon Brown, was established to coordinate, plan and facilitate a sesquicentennial celebration. The Committee has organized official events and opportunities for celebration within the community, sharing the official logo with all organizations to help define and celebrate this time.

As part of the branding effort, the Steering Committee worked in cooperation with songwriter Dewey Longuski to create the theme song for the Mason Sesquicentennial: "Making Mason Memories." This song was unanimously chosen by the Mason Sesquicentennial Steering Committee to be Mason's theme song for the yearlong celebration.

RECOMMENDED ACTION

Move to approve Resolution 2014-39.

Introduced:
Seconded:

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2014-39

RESOLUTION APPROVING "MAKING MASON MEMORIES" AS THEME SONG FOR SESQUICENTENNIAL CELEBRATION

July 21, 2014

WHEREAS, the City of Mason Sesquicentennial Steering Committee was established to coordinate, plan and facilitate a yearlong sesquicentennial celebration to commemorate the City's past, present and future; and

WHEREAS, the intent is to increase civic pride, honor our history, stimulate the local economy and help focus on the future as we salute our past; and

WHEREAS, the Steering Committee has organized official events and opportunities to celebrate within the community, sharing the official logo with all organizations to help define and celebrate this time; and

WHEREAS, the Steering Committee, worked with the cooperation of songwriter Dewey Longuski to create the theme song for the Mason Sesquicentennial, "Making Mason Memories;" and

WHEREAS, the Steering Committee did vote and unanimously choose Longuski's song, "Making Mason Memories" as the theme song for the sesquicentennial celebration.

NOW THEREFORE BE IT RESOLVED, that the Mason City Council does hereby recognize Dewey Longuski's song, "Making Mason Memories" as the official theme song for the Mason Sesquicentennial celebration.

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, July 21, 2014, the original of which is part of the City Council minutes.

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

Making Mason Memories

Dewey Longuski
Owner/Dewey's Ditties, LLC
Web Page: www.deweysditties.weebly.com
dewey.longuski@gmail.com

First Verse
Just south of Lansing in eighteen-thirty six a spot was carved out of the woods
When Charles Noble had a capital idea as Michigan prepared for statehood.
Well the people arrived and in eighteen-sixty five the village of Mason was born.
Did they know the seeds they sowed back then would grow forever more?

In the cool north air, in the warm summer breeze
They were making Mason memories.

Chorus
Making Mason memories
With friends and family
In the parks, at the county fair
All year long 'round the Courthouse Square
Full of life and filled with peace
Making Mason memories

Second Verse
Now business is booming from the factories to the fields but the small town charm remains.
A smile and "Hello" greets you everywhere you go and folks still call you by name.
Neighbors helping neighbors in times of need; children walking hand in hand.
Honoring the brave every Veterans Day; keeping Sunday for the Great I Am.

In the cool north air, in the warm summer breeze
We're still making Mason memories.

Chorus
Making Mason memories
With friends and family
In the parks, at the county fair
All year long 'round the Courthouse Square
Full of life and filled with peace
Making Mason memories

Bridge
The highways may take us far away but no matter where we roam
We'll always be proud to say Mason, Michigan's our home.

Chorus
Making Mason memories
With friends and family
In the parks, at the county fair
All year long 'round the Courthouse Square
Full of life and filled with peace
Making Mason memories

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: July 21, 2014 **Agenda Item:** 8 (D)

AGENDA ITEM

Motion – Street Closure Request for Maple Street – The Andy Minshall/Heather Allen Leukemia Fund

EXHIBITS

- Letter of Request
- Maple Street Business Owner's Letter of Agreement
- Police Department Memorandum

STAFF REVIEW

City Clerk

SUMMARY STATEMENT

Ms. Christine Ramon has submitted a request to close Maple Street from QD's driveway to Jefferson Street on July 27, 2014, from 11:00 a.m. – 2:00 p.m. to hold a fundraiser for the Andy Minshall/Heather Allen Leukemia Fund. Ms. Ramon notified each business owner and acquired signatures of agreement.

RECOMMENDED ACTION

Move to approve the street closure request.

City of Mason

To Whom It May Concern:

I am writing on behalf of The Andy Minshall/Heather Allen Leukemia Fund. We are a organization that raises money for people in Mason and Dansville who have cancer.

This letter will serve as a request to block off Maple Street between Park and Jefferson on Sunday, July 27th from 11a to 2p. We would like to have a .1k race that goes from one end of the road to the other.

Please let me know if you need further information.

Thanks!!

Christine Ramon
Christie Ramon
Director – The Leuko Freaks

517-862-3790

JULY 18, 2014

DEAR MASON BUSINESSES:

ON SUNDAY JULY 27, 2014, THE "LEUKO-FREAKS" AND THE ANDY MINSHALL/HEATHER ALLEN MEMORIAL LEUKEMIA FUND WILL BE HOLDING A CANCER FUNDRAISER EVENT IN THE 100 BLOCK OF MAPLE STREET. THE EVENT IS A .1K RACE, AND WILL BE HELD IN THE STREET, WITH A PLANNED STREET CLOSURE FROM 11 AM UNTIL 2 pm. PARKING TO YOUR BUSINESS WILL STILL BE AVAILABLE VIA ADJOINING ALLEYS AND STREETS, WHILE ACCESS WILL NOT BE AFFECTED.

WE, THE UNDERSIGNED DO NOT OPPOSE THIS 3-HOUR STREET CLOSURE:

IMPERIAL GARDENS RESTURANT 147 W. MAPLE ST.

Bin Yang

QUALITY DAIRY STORE 173 W. MAPLE ST.

MAPLE STREET MALL ANTIQUES 108 W. MAPLE ST.

NOUD & NOUD ATTORNEYS 185 W. MAPLE ST.

THE "LEUKO-FREAKS"
THE ANDY MINSHALL/HEATHER ALLEN
MEMORIAL LEUKEMIA FUND
111 E. ELM ST.
MASON, MI 48854
(517) 285-1255
LEUKOFREAKS@YAHOO.COM

Mason Police Department

201 W. Ash St.
P.O. Box 370
Mason, MI 48854-0370

JOHN STRESSMAN
Chief of Police

Office: (517) 676-2458
Fax: (517) 244-9024
MASON_PD@ingham.org

MEMORANDUM

To: Deborah Cwiertniewicz
City Clerk

From: Sgt Ed Hude EH

Date: July 17, 2014

Ref: Road Closure Request July 27, 2014

I am in receipt of a request for the closure of the 100 Block of East Maple as submitted to your office by Christine Ramon.

After checking with Chief Stressman, the Police Department has no objection to the street closure request, provided that the applicant has contacted businesses that would be affected during the time period specified and that there are no objections.

It will be necessary for the applicant to contact the Department of Public Works to make arrangements for the traffic control devices and instruction for proper placement.

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

ABRAHAM & GAFFNEY, P.C.
Certified Public Accountants

3511 Coolidge Road
Suite 100
East Lansing, MI 48823
(517) 351-6836
FAX: (517) 351-6837

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

We are engaged to audit 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, 2014. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated February 22, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we will consider the internal control of the City of Mason. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to management's discussion and analysis and budgetary comparison information, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the other supplementary information, which accompanies the financial statements but is not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our year-end audit fieldwork in August 2014, and issue our report before December 31, 2014.

This information is intended solely for the use 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

July 8, 2014

REVENUE AND EXPENDITURE REPORT FOR CITY OF MASON

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 101 - GENERAL FUND						
Revenues						
000.00		360,980.00	0.00	0.00	360,980.00	0.00
215.00	CLERK	250.00	286.99	60.00	(36.99)	114.80
254.00	TREASURER/FINANCE	4,435,745.00	4,390,174.48	(89,053.93)	45,570.52	98.97
271.00	FORESTRY	34,720.00	34,720.00	300.00	0.00	100.00
276.00	CEMETERY	43,055.00	43,958.79	3,174.29	(903.79)	102.10
301.00	POLICE DEPARTMENT	93,470.00	94,549.01	13,248.76	(1,079.01)	101.15
336.00	FIRE DEPARTMENT	183,000.00	186,710.45	8,780.23	(3,710.45)	102.03
528.00	REFUSE COLLECTION	342,085.00	342,089.28	74.88	(4.28)	100.00
747.00	COMMUNITY GARDEN	720.00	730.00	7.50	(10.00)	101.39
751.00	RECREATION	21,920.00	22,285.00	945.00	(365.00)	101.67
758.00	PUBLIC ART	10,000.00	5,000.00	0.00	5,000.00	50.00
850.00	WORKERS COMPENSATION	46,265.00	45,048.98	(3,709.02)	1,216.02	97.37
TOTAL Revenues		5,572,210.00	5,165,552.98	(66,172.29)	406,657.02	92.70
Expenditures						
101.00	COUNCIL	38,500.00	34,233.38	6,840.95	4,266.62	88.92
172.00	ADMINISTRATOR	192,920.00	185,903.48	(40,054.79)	7,016.52	96.36
209.00	ASSESSING	49,190.00	49,069.91	3,842.51	120.09	99.76
247.00	BOARD OF REVIEW	720.00	720.00	0.00	0.00	100.00
254.00	TREASURER/FINANCE	378,380.00	369,681.38	(72,901.42)	8,698.62	97.70
260.00	TECHNOLOGY	68,445.00	45,827.34	4,910.10	22,617.66	66.95
262.00	ELECTIONS	116,560.00	110,229.74	5,099.01	6,330.26	94.57
265.00	BUILDING OFFICIAL/CITY HALL	181,185.00	164,004.47	30,931.80	17,180.53	90.52
266.00	LEGAL/ATTORNEY	105,285.00	98,768.23	8,484.57	6,516.77	93.81
268.00	PARK STREET PROPERTY	41,985.00	41,982.09	31,116.00	2.91	99.99
269.00	PROPERTY	466,595.00	460,864.01	(3,075.00)	5,730.99	98.77
271.00	FORESTRY	59,000.00	54,531.04	(4,503.72)	4,468.96	92.43
272.00	ADMINISTRATIVE SERVICES	197,205.00	192,636.58	(35,246.44)	4,568.42	97.68
276.00	CEMETERY	152,765.00	144,588.95	(33,310.29)	8,176.05	94.65
305.00	POLICE ADMINISTRATION	281,680.00	259,313.53	(25,117.74)	22,366.47	92.06
315.00	CROSSING GUARDS	20,260.00	19,540.50	(1,714.70)	719.50	96.45
316.00	POLICE PATROLLING	802,180.00	790,148.39	(91,107.58)	12,031.61	98.50
336.00	FIRE DEPARTMENT	460,670.00	411,730.70	(7,821.78)	48,939.30	89.38
380.00	PLANNING/ZONING OFFICIAL	111,975.00	109,423.32	847.01	2,551.68	97.72
426.00	CIVIL DEFENSE	1,010.00	1,006.17	(55.00)	3.83	99.62
428.00	DISASTER ACCOUNT	100.00	0.00	0.00	100.00	0.00
441.00	PUBLIC SERVICES	3,360.00	2,967.78	(1,772.78)	392.22	88.33
447.00	ENGINEERING	0.00	0.00	(290.00)	0.00	0.00
448.00	STREET LIGHTING	106,560.00	91,458.67	16,169.43	15,101.33	85.83
528.00	REFUSE COLLECTION	325,500.00	325,319.09	11,711.88	180.91	99.94
747.00	COMMUNITY GARDEN	775.00	665.97	0.56	109.03	85.93
756.00	PARKS AND BALL DIAMONDS	112,435.00	104,813.86	(16,069.98)	7,621.14	93.22
758.00	PUBLIC ART	15,000.00	10,218.90	0.00	4,781.10	68.13
775.00	SENIOR CITIZENS	6,700.00	6,550.00	(465.00)	150.00	97.76
790.00	LIBRARY	8,660.00	7,364.19	(1,455.00)	1,295.81	85.04
806.00	CHRISTMAS DECORATIONS	5,465.00	5,221.07	(910.00)	243.93	95.54
807.00	CABLE COMMISSION	4,250.00	3,600.00	(310.00)	650.00	84.71
808.00	PLANNING COMMISSION	990.00	468.82	(162.88)	521.18	47.36
850.00	WORKERS COMPENSATION	45,050.00	45,049.00	0.00	1.00	100.00
855.00	RETIREE BENEFITS	95,770.00	93,993.48	1,020.00	1,776.52	98.15
890.00	CONTINGENCIES	62,390.00	62,170.00	61,660.00	220.00	99.65
999.00	SURPLUS	1,052,695.00	1,009,706.18	362,751.94	42,988.82	95.92

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 101 - GENERAL FUND						
Expenditures						
TOTAL Expenditures		5,572,210.00	5,313,770.22	209,041.66	258,439.78	95.36
Fund 101 - GENERAL FUND:						
TOTAL REVENUES		5,572,210.00	5,165,552.98	(66,172.29)	406,657.02	92.70
TOTAL EXPENDITURES		5,572,210.00	5,313,770.22	209,041.66	258,439.78	95.36
NET OF REVENUES & EXPENDITURES		0.00	(148,217.24)	(275,213.95)	148,217.24	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 202 - MAJOR STREETS FUND						
Revenues						
000.00		1,184,050.00	1,119,899.50	163,876.01	64,150.50	94.58
TOTAL Revenues		1,184,050.00	1,119,899.50	163,876.01	64,150.50	94.58
Expenditures						
000.00		87,120.00	30,000.00	0.00	57,120.00	34.44
451.00	STREET/ROAD CONSTRUCTION	784,325.00	776,244.67	132,971.58	8,080.33	98.97
463.00	STREET MAINTENANCE	131,705.00	120,267.66	5,236.39	11,437.34	91.32
474.00	TRAFFIC SERVICES	23,610.00	15,774.95	1,043.48	7,835.05	66.81
478.00	WINTER MAINTENANCE	53,640.00	50,969.15	3,824.11	2,670.85	95.02
482.00	STREET ADMIN/GEN EXP	103,650.00	65,000.00	0.00	38,650.00	62.71
TOTAL Expenditures		1,184,050.00	1,058,256.43	143,075.56	125,793.57	89.38
Fund 202 - MAJOR STREETS FUND:						
TOTAL REVENUES		1,184,050.00	1,119,899.50	163,876.01	64,150.50	94.58
TOTAL EXPENDITURES		1,184,050.00	1,058,256.43	143,075.56	125,793.57	89.38
NET OF REVENUES & EXPENDITURES		0.00	61,643.07	20,800.45	(61,643.07)	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 203 - LOCAL STREETS FUND						
Revenues						
000.00		518,950.00	407,605.98	266,066.95	111,344.02	78.54
TOTAL Revenues		518,950.00	407,605.98	266,066.95	111,344.02	78.54
Expenditures						
451.00	STREET/ROAD CONSTRUCTION	268,370.00	236,407.71	232,726.56	31,962.29	88.09
463.00	STREET MAINTENANCE	139,945.00	129,090.46	4,376.02	10,854.54	92.24
474.00	TRAFFIC SERVICES	7,735.00	2,176.24	(64.00)	5,558.76	28.13
478.00	WINTER MAINTENANCE	38,340.00	37,348.25	1,922.74	991.75	97.41
482.00	STREET ADMIN/GEN EXP	64,560.00	12,000.00	0.00	52,560.00	18.59
TOTAL Expenditures		518,950.00	417,022.66	238,961.32	101,927.34	80.36
Fund 203 - LOCAL STREETS FUND:						
TOTAL REVENUES		518,950.00	407,605.98	266,066.95	111,344.02	78.54
TOTAL EXPENDITURES		518,950.00	417,022.66	238,961.32	101,927.34	80.36
NET OF REVENUES & EXPENDITURES		0.00	(9,416.68)	27,105.63	9,416.68	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY						
Revenues						
000.00		125,500.00	49,178.57	40.10	76,321.43	39.19
TOTAL Revenues		125,500.00	49,178.57	40.10	76,321.43	39.19
Expenditures						
000.00		125,500.00	63,619.44	32,958.69	61,880.56	50.69
TOTAL Expenditures		125,500.00	63,619.44	32,958.69	61,880.56	50.69
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY:						
TOTAL REVENUES		125,500.00	49,178.57	40.10	76,321.43	39.19
TOTAL EXPENDITURES		125,500.00	63,619.44	32,958.69	61,880.56	50.69
NET OF REVENUES & EXPENDITURES		0.00	(14,440.87)	(32,918.59)	14,440.87	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 250 - LOCAL DEV. FINANCE AUTHORITY						
Revenues						
000.00		417,095.00	417,299.26	(1,468,273.32)	(204.26)	100.05
TOTAL Revenues		417,095.00	417,299.26	(1,468,273.32)	(204.26)	100.05
Expenditures						
691.00	L.D.F.A.	417,095.00	239,299.45	53,554.18	177,795.55	57.37
TOTAL Expenditures		417,095.00	239,299.45	53,554.18	177,795.55	57.37
Fund 250 - LOCAL DEV. FINANCE AUTHORITY:						
TOTAL REVENUES		417,095.00	417,299.26	(1,468,273.32)	(204.26)	100.05
TOTAL EXPENDITURES		417,095.00	239,299.45	53,554.18	177,795.55	57.37
NET OF REVENUES & EXPENDITURES		0.00	177,999.81	(1,521,827.50)	(177,999.81)	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 297 - ECONOMIC DEVELOPMENT COMM.						
Revenues						
000.00		55.00	56.81	3.32	(1.81)	103.29
TOTAL Revenues		55.00	56.81	3.32	(1.81)	103.29
Expenditures						
000.00		55.00	0.00	0.00	55.00	0.00
TOTAL Expenditures		55.00	0.00	0.00	55.00	0.00
Fund 297 - ECONOMIC DEVELOPMENT COMM.:						
TOTAL REVENUES		55.00	56.81	3.32	(1.81)	103.29
TOTAL EXPENDITURES		55.00	0.00	0.00	55.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	56.81	3.32	(56.81)	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 351 - PARK STREET PROPERTY						
Revenues						
000.00		0.00	41,982.09	31,116.00	(41,982.09)	100.00
TOTAL Revenues		0.00	41,982.09	31,116.00	(41,982.09)	100.00
Expenditures						
000.00		0.00	41,982.09	31,116.00	(41,982.09)	100.00
TOTAL Expenditures		0.00	41,982.09	31,116.00	(41,982.09)	100.00
Fund 351 - PARK STREET PROPERTY:						
TOTAL REVENUES		0.00	41,982.09	31,116.00	(41,982.09)	100.00
TOTAL EXPENDITURES		0.00	41,982.09	31,116.00	(41,982.09)	100.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	0.00	0.00	0.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 353 - 1992 LDFA BOND						
Revenues						
000.00		0.00	36,505.00	0.00	(36,505.00)	100.00
TOTAL Revenues		0.00	36,505.00	0.00	(36,505.00)	100.00
Expenditures						
000.00		0.00	36,505.00	0.00	(36,505.00)	100.00
TOTAL Expenditures		0.00	36,505.00	0.00	(36,505.00)	100.00
Fund 353 - 1992 LDFA BOND:						
TOTAL REVENUES		0.00	36,505.00	0.00	(36,505.00)	100.00
TOTAL EXPENDITURES		0.00	36,505.00	0.00	(36,505.00)	100.00
NET OF REVENUES & EXPENDITURES		0.00	0.00	0.00	0.00	0.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 401 - CAPITAL IMPROVEMENT FUND						
Revenues						
000.00		1,000.00	1,000.00	0.00	0.00	100.00
TOTAL Revenues		1,000.00	1,000.00	0.00	0.00	100.00
Expenditures						
000.00		1,000.00	0.00	0.00	1,000.00	0.00
TOTAL Expenditures		1,000.00	0.00	0.00	1,000.00	0.00
Fund 401 - CAPITAL IMPROVEMENT FUND:						
TOTAL REVENUES		1,000.00	1,000.00	0.00	0.00	100.00
TOTAL EXPENDITURES		1,000.00	0.00	0.00	1,000.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	1,000.00	0.00	(1,000.00)	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 592 - WATER/SEWER FUND						
Revenues						
000.00		3,772,160.00	2,743,057.43	282,738.91	1,029,102.57	72.72
TOTAL Revenues		3,772,160.00	2,743,057.43	282,738.91	1,029,102.57	72.72
Expenditures						
545.00	WATER & SEWER ADMINISTRATION	42,295.00	41,526.94	4,182.67	768.06	98.18
546.00	SEWER IMPROVEMENT	44,310.00	44,309.25	0.00	0.75	100.00
548.00	SEWER MAINTENANCE	163,985.00	106,729.93	6,130.16	57,255.07	65.09
555.00	WASTEWATER TREATMENT PLANT	838,625.00	815,438.48	51,770.23	23,186.52	97.24
556.00	WATER MAINTENANCE	465,015.00	456,210.63	40,327.29	8,804.37	98.11
557.00	STORM SEWER PROGRAM	17,295.00	15,974.77	0.00	1,320.23	92.37
558.00	WATER IMPROVEMENT	702,290.00	644,631.50	52,921.49	57,658.50	91.79
559.00	WATER TREATMENT PLANT	833,345.00	815,603.93	36,433.41	17,741.07	97.87
566.00	ALLOWANCE FOR DEPRECIATION	665,000.00	0.00	0.00	665,000.00	0.00
TOTAL Expenditures		3,772,160.00	2,940,425.43	191,765.25	831,734.57	77.95
Fund 592 - WATER/SEWER FUND:						
TOTAL REVENUES		3,772,160.00	2,743,057.43	282,738.91	1,029,102.57	72.72
TOTAL EXPENDITURES		3,772,160.00	2,940,425.43	191,765.25	831,734.57	77.95
NET OF REVENUES & EXPENDITURES		0.00	(197,368.00)	90,973.66	197,368.00	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 612 - MASON BUILDING AUTHORITY						
Revenues						
000.00		284,290.00	284,294.56	0.02	(4.56)	100.00
TOTAL Revenues		284,290.00	284,294.56	0.02	(4.56)	100.00
Expenditures						
000.00		284,290.00	284,287.46	0.00	2.54	100.00
TOTAL Expenditures		284,290.00	284,287.46	0.00	2.54	100.00
Fund 612 - MASON BUILDING AUTHORITY:						
TOTAL REVENUES		284,290.00	284,294.56	0.02	(4.56)	100.00
TOTAL EXPENDITURES		284,290.00	284,287.46	0.00	2.54	100.00
NET OF REVENUES & EXPENDITURES		0.00	7.10	0.02	(7.10)	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 661 - MOTOR VEHICLE POOL						
Revenues						
000.00		367,140.00	223,000.91	1,020.13	144,139.09	60.74
TOTAL Revenues		367,140.00	223,000.91	1,020.13	144,139.09	60.74
Expenditures						
567.00	SHOP & BLDG. MAINTENANCE	45,300.00	43,052.10	265.66	2,247.90	95.04
568.00	EQUIPMENT MAINTENANCE	190,290.00	186,314.28	15,719.56	3,975.72	97.91
901.00	EQUIPMENT-CAPITAL OUTLAY	131,550.00	76,107.64	279.99	55,442.36	57.85
TOTAL Expenditures		367,140.00	305,474.02	16,265.21	61,665.98	83.20
Fund 661 - MOTOR VEHICLE POOL:						
TOTAL REVENUES		367,140.00	223,000.91	1,020.13	144,139.09	60.74
TOTAL EXPENDITURES		367,140.00	305,474.02	16,265.21	61,665.98	83.20
NET OF REVENUES & EXPENDITURES		0.00	(82,473.11)	(15,245.08)	82,473.11	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 702 - RAYNER BOND FUND						
Revenues						
000.00		117,980.00	103,161.13	10,231.36	14,818.87	87.44
TOTAL Revenues		117,980.00	103,161.13	10,231.36	14,818.87	87.44
Expenditures						
000.00		117,980.00	7,937.28	0.00	110,042.72	6.73
TOTAL Expenditures		117,980.00	7,937.28	0.00	110,042.72	6.73
Fund 702 - RAYNER BOND FUND:						
TOTAL REVENUES		117,980.00	103,161.13	10,231.36	14,818.87	87.44
TOTAL EXPENDITURES		117,980.00	7,937.28	0.00	110,042.72	6.73
NET OF REVENUES & EXPENDITURES		0.00	95,223.85	10,231.36	(95,223.85)	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 711 - CEMETERY TRUST FUND						
Revenues						
000.00		4,200.00	4,451.29	399.32	(251.29)	105.98
TOTAL Revenues		4,200.00	4,451.29	399.32	(251.29)	105.98
Expenditures						
000.00		4,200.00	676.29	676.29	3,523.71	16.10
TOTAL Expenditures		4,200.00	676.29	676.29	3,523.71	16.10
Fund 711 - CEMETERY TRUST FUND:						
TOTAL REVENUES		4,200.00	4,451.29	399.32	(251.29)	105.98
TOTAL EXPENDITURES		4,200.00	676.29	676.29	3,523.71	16.10
NET OF REVENUES & EXPENDITURES		0.00	3,775.00	(276.97)	(3,775.00)	100.00

PERIOD ENDING 06/30/2014

GL NUMBER	DESCRIPTION	2013-14 AMENDED BUDGET	YTD BALANCE 06/30/2014 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 06/30/2014 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 812 - SPECIAL ASSESSMENT FUND						
Revenues						
000.00		193,720.00	167,632.77	120,182.96	26,087.23	86.53
TOTAL Revenues		193,720.00	167,632.77	120,182.96	26,087.23	86.53
Expenditures						
000.00		193,720.00	193,719.15	0.00	0.85	100.00
TOTAL Expenditures		193,720.00	193,719.15	0.00	0.85	100.00
Fund 812 - SPECIAL ASSESSMENT FUND:						
TOTAL REVENUES		193,720.00	167,632.77	120,182.96	26,087.23	86.53
TOTAL EXPENDITURES		193,720.00	193,719.15	0.00	0.85	100.00
NET OF REVENUES & EXPENDITURES		0.00	(26,086.38)	120,182.96	26,086.38	100.00
TOTAL REVENUES - ALL FUNDS		12,558,350.00	10,764,678.28	(658,770.53)	1,793,671.72	85.72
TOTAL EXPENDITURES - ALL FUNDS		12,558,350.00	10,902,974.92	917,414.16	1,655,375.08	86.82
NET OF REVENUES & EXPENDITURES		0.00	(138,296.64)	(1,576,184.69)	138,296.64	100.00

QUARTERLY INVESTMENT REPORT FOR PERIOD ENDING 6/30/14

ACCOUNTS	CASH	GENERAL FUND INVESTMENT	DART MONEY MARKET	*CUTWATER	TOTAL PRINCIPAL INVESTED	QUARTERLY INTEREST EARNED
MSB						
Cemetery Trust	17,706.64	221,966.93		100,508.03	340,181.60	136.54
Current Tax	2.64				2.64	
D.D.A.	43,233.28		147,004.15	48,791.52	239,028.95	127.46
E.D.C.	1,642.29	20,177.10			21,819.39	10.27
General Fund	1,478,550.31		722,443.21	63,353.83	2,264,347.35	1,235.17
General Fund-Checking	299,818.00				299,818.00	
L.D.F.A.	255,182.05	8.26	968,497.23		1,223,687.54	1,331.74
Rayner Bond	98,472.07	287,035.62		317,399.50	702,907.19	225.51
Water & Sewer	158,111.49				158,111.49	17.70
DNB						
Capital Improvement	1,387.20			0.00	1,387.20	
Local Streets	45,297.39		105,391.78	10,283.59	160,972.76	81.39
Major Streets	136,239.79		585,569.88	65,210.41	787,020.08	453.23
M.V.P	41,854.65		345,883.82	56,041.10	443,779.57	272.09
Mason Building Authority	539.21				539.21	0.07
Special Assessments	11,127.83		403,852.17	19,359.71	434,339.71	306.45
Water & Sewer	310,770.37		3,131,757.50	152,030.44	3,594,558.31	2,377.90
TOTALS INVESTED	2,899,935.21	529,187.91	6,410,399.74	832,978.13	10,672,500.99	6,575.52
AVERAGE INT RATE	.17%-AVG	.20%-AVG	.30%-AVG	.10%-AVG		
TERM	LIQUID	LIQUID	LIQUID	LIQUID		
MATURITY DATE	N/A	N/A	N/A	N/A		
% INVESTED	27.17%	4.96%	60.06%	7.80%	100.00%	

% IN DART	65.19%
% IN MSB	27.00%
% IN CUTWATER	7.80%
	100.00%

*(formerly MBIA)

City of Mason

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P.O. Box 370
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TDD 1-800-649-3777

MEMORANDUM

TO: **Honorable Mayor and Council Members**

FROM: **Martin Colburn, City Administrator**

DATE: **July 21, 2014**

RE: **City Administrator's Report**

Mutual Aid to Factory Fire in Leslie, MI

On the evening of July 8, 2014, a significant fire occurred within the city limits of Leslie, in which mutual aid was called. The City of Mason responded with Tower 808, Tanker Pumper 811 and a Command Vehicle. A fire broke out at a chrome plating company, ISC Plating. This was a large structure that had chemicals and metals involved, creating a significant hazardous material incident. Due to proximity to the fire, evacuations were made of nearby residents, and the Ingham County Sherriff's Office Emergency Command Post was established.

The incident started just after 8 PM and our last fire fighters returned at 4 AM. A total of 18 firefighters were sent, rotating in shifts. Due to the significant size of the event, support was also provided by the Mason Police Department with three officers, and the Department of Public Works with three staff members. Due to the size of the fire and the volume of water utilized, the tanker task force was set up in Onondaga Township at the Grand River. Due to the elevation of drafting, the City of Mason's 2000 GPM pump was mobilized with DPW staff to fill approximately two dozen tanker loads of water. The incident required assets from four counties including Ingham, Eaton, Jackson and Livingston Counties.

CITY OF MASON

STAFF AGENDA REPORT TO CITY COUNCIL

Meeting Date: July 21, 2014 **Agenda Item:** 16

AGENDA ITEM

- Resolution No. 2014-35—Resolution For Changing MERS Benefits

EXHIBITS

- Article 30. Retirement, Local #1390 AFSCME Agreement
- General Union Benefit Provision History from MERS Annual Actuarial Valuation, December 31, 2013 (most current)
- E-mail correspondence from Marne Carlson, MERS Representative

STAFF REVIEW

Administration

SUMMARY STATEMENT

Effective October 1, 1997 AFSME Local #1390 (General Union group in MERS) was approved by Resolution of the Mason City Council to move from the Defined Benefit Retirement Plan B-2 to the Defined Benefit Retirement Plan B-3. The B-2 plan has a 2.0% benefit multiplier, and the B-3 plan has a 2.25% benefit multiplier. At the time of the change, the employer contribution was 0.00%. The AFSCME employees agreed, when requesting the B-3 plan, to fund the additional benefit. The contract language and a history of plan changes are attached.

The attached email from Marne Carlson of MERS notes that the new employee contribution would be 17.76% to keep the employer contribution at 0.00%. The increase in the employee contribution for this additional benefit is consistent with the current AFSCME agreement.

RECOMMENDED ACTION

Approve Resolution No. 2014-35.

CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2014-35
JULY 21, 2014

Defined Benefit Plan Adoption Agreement

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 | www.mersofmich.com

The Employer, a participating municipality or participating court within the state of Michigan, hereby agrees to adopt and administer the MERS Defined Benefit Plan provided by the Municipal Employees' Retirement System of Michigan, as authorized by 1996 PA 220, in accordance with the MERS Plan Document, as both may be amended, subject to the terms and conditions herein.

I. Employer Name City of Mason **Municipality #:** 3304

If new to MERS, please provide your municipality's fiscal year: July (Month) through June (Month).

II. Effective Date

Check one:

A. ☐ If this is the **initial** Adoption Agreement for this group, the effective date shall be the first day of _____, 20___.

- ☐ This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible participant shall be credited as follows (choose one):
  - ☐ All prior service from date of hire
  - ☐ Prior service proportional to assets transferred; all service used for vesting
  - ☐ Prior service and vesting service proportional to assets transferred
  - ☐ No prior service but grant vesting credit
  - ☐ No prior service or vesting credit
- ☐ Link this new division to division number _____ for purposes of determining contributions (Unless otherwise specified, the standard transfer/rehire rules apply)

B. ☒ If this is an **amendment** of an existing Adoption Agreement (Defined Benefit division number 01), the effective date shall be the first day of July, 20 14. *Please note:* You only need to mark ***changes*** to your plan throughout the remainder of this Agreement.

C. ☐ If this is a **temporary benefit** that lasts 2-6 months, the effective dates of this temporary benefit are from ___/01/___ through ___/___/___ (Last day of month) for Defined Benefit division number _____. *Please note:* You only need to mark ***changes*** to your plan throughout the remainder of this Agreement.

D. ☐ If this is to **separate employees** *from an existing Defined Benefit division* (existing division number(s) _____) into a new division, the effective date shall be the first day of _____, 20____.

E. ☐ If this is to merge division(s) _____ into division(s) _____, the effective date shall be the first of _____, 20____.

III. Eligible Employees

Only those Employees eligible for MERS membership may participate in the MERS Defined Benefit Plan. A copy of ALL employee enrollment forms must be submitted to MERS. The following groups of employees are eligible to participate:

01 General Union
(Name of Defined Benefit division – e.g. All Full Time Employees, or General after 7/01/13)

☐ Only retirees will be in this division.

These employees are (check one or both):

☑ In a collective bargaining unit (attach cover page, retirement section, signature page)

☐ Subject to the same personnel policy

To receive one month of service credit (check one):

☐ An employee shall work 10 _____ hour days.

☐ An employee shall work _____ hours in a month.

All employees as classified under eligible employees, whether full or part time, who meet this criteria must be reported to MERS. If you change your current day of work definition to be more restrictive, the new definition only applies to employees hired after the effective date.

To further define eligibility, check all that apply:

☐ **Probationary Periods** are allowed in one-month increments, no longer than 12 months. During this introductory period, the Employer will not report or provide service time for this period, including retroactively. Service will begin after the probationary period has been satisfied.

The probationary period will be _____ month(s).

☐ **Temporary employees** in a position normally requiring less than a total of 12 whole months of work in the position may be *excluded* from membership. These employees must be notified in writing by the participating municipality that they are excluded from membership within 10 business days of date of hire or execution of this Agreement.

The temporary exclusion period will be _____ month(s).

IV. Provisions

Valuation Date: December 31, 20 12

1. **Review the valuation results**

It is recommended that your MERS representative presents and explains the valuation results to your municipality before adopting. Please choose one:

☒ Our MERS representative presented and explained the valuation results to the Administration/Finance (Board, Finance Cmte, etc.) on 06/18/2014 (mm/dd/yyyy).

☐ As an authorized representative of this municipality, I _____ (Name) _____ (Title) waive the right for a presentation of the results.

2. This Adoption Agreement will be implemented in conjunction with a current actuarial valuation certified by a MERS actuary that sets contribution rates.

3. Annually, the MERS actuary will conduct an actuarial valuation to determine the employers' contribution rates. Employers are responsible for payment of said contributions at the rate, in the form and at the time that MERS determines.

4. Benefit Multiplier (1%-2.5%, increments of 0.05%) _____ % (max 80% for multipliers over 2.25%)

   ☐ Check here if multiplier will be effective for existing active members' future service only (Bridged Benefit as of effective date on page 1)

   If checked, select one below:

   ☐ Termination Final Average Compensation (calculated over the members entire wage history)

   ☐ Frozen Final Average Compensation (FAC is calculated twice, once for the timeframe that matches the original multiplier, and once for the new multiplier)

5. Final Average Compensation (Min 3 yr, increments of 1 yr) _____ years

6. Vesting (5 -10 yrs, increments of 1 yr) _____ years

7. Required employee contribution (Max 10%, increments of 0.1%) 17.76 _____ %

8. Compensation, for retirement purposes, is defined as base wages and all of the following. Check applicable boxes to *exclude* these types from your MERS reported wages:

   ☑ Longevity pay
   ☑ Overtime pay
   ☑ Shift differentials
   ☑ Pay for periods of absence from work by reason of vacation, holiday, and sickness
   ☐ Workers' compensation weekly benefits (if reported and are higher than regular earnings)
   ☐ A member's pre-tax contributions to a plan established under Section 125 of the IRC
   ☐ Transcript fees paid to a court reporter
   ☐ A taxable car allowance
   ☐ Short term or long term disability payments
   ☐ Payments for achievement of established annual (or similar period) performance goals
   ☑ Payment for attainment of educational degrees from accredited colleges, universities, or for acquisition of job-related certifications
   ☑ Lump sum payments attributable to the member's personal service rendered during the FAC period
   ☐ Other: _____
   ☐ Other 2: _____

9. Early Normal Retirement with unreduced benefits

- ☐ Age 50 with 25 years of service
- ☐ Age 50 with 30 years of service
- ☐ Age 55 with 15 years of service
- ☐ Age 55 with 20 years of service
- ☐ Age 55 with 25 years of service
- ☐ Age 55 with 30 years of service
- ☐ Any age with (20-30 yrs, in 1 yr increments) _____ years of service
- ☐ _____

10. Other

- ☐ Surviving Spouse will receive _____% of Straight Life benefit without a reduction to the participant's benefit
- ☐ Duty death or disability enhancement (add up to additional 10 years of service credit not to exceed 30 years of service)
- ☐ DROP + with _____%

11. Cost-of-Living Adjustment

☐ All **current** retirees as of effective date ☐ Retirees who retire **between** ____/01/____ and ____/01/____ *(one time increase only)*	☐ **Future** retirees who retire after effective date
Increase of _____% or $_____ per month	Increase of _____% or $_____ per month
Select one: ☐ Annual automatic increase ☐ One-time increase	☐ Annual automatic increase
Select one: ☐ Compounding ☐ Non-compounding	Select one: ☐ Compounding ☐ Non-compounding
Employees must be retired _____ months (6-12 months, increments of 1 month)	Employees must be retired _____ months (6-12 months, increments of 1 month)

V. Appointing MERS as the Plan Administrator

The Employer hereby agrees to the provisions of this *MERS Defined Benefit Plan Adoption Agreement* and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event any conflict between MERS Plan Document and the MERS Defined Benefit Plan, the provisions of the Plan Document control.

VI. Modification Of The Terms Of The Adoption Agreement

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of the new Agreement is not effective until approved by MERS.

VII. Enforcement

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired, and prohibits the use of the Employer's required current service funding to finance unfunded accrued liabilities.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. In accordance with the Constitution and this Agreement, if at any time the balance standing to the Employer's credit in the reserve for employer contributions and benefit payments is insufficient to pay all service benefits due and payable to the entity's retirees and beneficiaries, the Employer agrees and covenants to promptly remit to MERS the amount of such deficiency as determined by the Retirement Board within thirty (30) days notice of such deficiency.
4. The Employer acknowledges that wage and service reports are due monthly, and the employee contributions (if any) and Employer contributions are due and payable monthly, and must be submitted in accordance with the MERS Enforcement Procedure for Prompt Reporting and Payment, the terms of which are incorporated herein by reference.
5. Should the Employer fail to make its required contribution(s) when due, the retirement benefits due and payable by MERS on behalf of the entity to its retirees and beneficiaries may be suspended until the delinquent payment is received by MERS. MERS may implement any applicable interest charges and penalties pursuant to the MERS Enforcement Procedure for Prompt Reporting and Payment and Plan Document Section 45A(3), and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended.
6. The Employer acknowledges that changes to the Employer's MERS Defined Benefit Plan must be made in accordance with the MERS Plan Document and applicable law, and agrees that MERS will not administer any such changes unless the MERS Plan Document and applicable law permit same, and MERS is capable of administering same.

VIII. Execution

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

The foregoing Adoption Agreement is hereby approved by City of Mason (Name of Approving Employer) on the 7th day of July, 2014.

Authorized signature: _____

Title: Mayor

Witness signature: _____

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20____ Signature: _____ (Authorized MERS Signatory)

ARTICLE 30. RETIREMENT

The Employer shall continue the existing pension program with the Michigan Municipal Employees Retirement System. The Benefit Plan **for employees hired prior to July 1,2013** will be B-3 with F-55/15 Rider. Any and all increased costs between the old B-2 and the new B-3 with F-55/15 Rider shall be paid by employees through payroll deduction.

Effective July 1, 2002, the amount the employees are currently contributing into the existing pension program shall be reduced by one percent (1%). Effective July 1, 2003, the amount the employees are contributing into the program shall be reduced by an additional one percent (1%).

Employees hired on or after July 1, 2013 will participate in the MERS C-1 New Plan with the F 55/15 rider, ten (10) year vesting, FAC5 with a maximum of two hundred forty (240) hours of vacation leave includible in computing the FAC. Benefits will be paid on base compensation only. C-1 New covered employees will initially make a four percent (4%) contribution. In no event will the Employer's contribution exceed ten percent (10%) of base compensation.

ARTICLE 31. LONGEVITY

Each full-time employee who has completed five (5) years of continuous employment by December 1 shall be eligible for the following longevity payment with a maximum amount of $780.00:

YEARS OF COMPLETED SERVICE	LONGEVITY BONUS
5 years	$150.00
6 years	$180.00
7 years	$210.00
8 years	$240.00
9 years	$270.00
10 years	$300.00

Benefit Provision History

The following benefit provision history is provided by MERS. Any corrections to this history or discrepancies between this information and information displayed elsewhere in the valuation report should be reported to MERS. All provisions are listed by date of adoption.

01 - General Union

7/1/2013	Member Contribution Rate 17.15%
7/1/2011	Member Contribution Rate 15.27%
2/1/2011	Exclude Temporary Employees requiring less than 12 months
10/1/2010	Member Contribution Rate 12.41%
8/1/2010	A Day of Work Shall consist of 8 hours.
7/1/2003	Member Contribution Rate 9.89%
7/1/2002	Member Contribution Rate 10.89%
10/1/1997	Benefit B-3 (80% max)
10/1/1997	Member Contribution Rate 11.89%
1/1/1994	E2 2.5% COLA for future retirees (01/01/1994)
7/1/1992	Member Contribution Rate 9.08%
7/1/1992	Benefit F55 (With 15 Years of Service)
6/30/1992	Member Contribution Rate 0.00%
1/1/1992	E1 2.5% COLA for past retirees (01/01/1992)
11/1/1991	Benefit B-2
11/1/1991	Member Contribution Rate 7.80%
1/1/1988	E1 2.5% COLA for past retirees (01/01/1988)
1/1/1987	Flexible E 2% COLA Adopted (01/01/1987)
1/1/1987	E Cola Adoption Date 01-01-1987
1/1/1987	E Cola Increase Amount 2
1/1/1987	E Cola Increase Type Percent
3/21/1977	Covered by Act 88
8/1/1968	Benefit C-1 (Old)
11/1/1962	Benefit FAC-5 (5 Year Final Average Compensation)
11/1/1962	10 Year Vesting
11/1/1962	Benefit C (Old)
11/1/1962	Member Contribution Rate 3.00% Under $4,200.00 - Then 5.00%
11/1/1962	Fiscal Month - July

Kathy Revels

From: Marne Carlson [mcarlson@mersofmich.com]
Sent: Wednesday, June 25, 2014 4:58 PM
To: Kathy Revels; Eric Smith
Cc: Kelli Davis
Subject: Div 01 numbers for the City of Mason#3304 CRM:0067587
Attachments: DB adoption agreement.pdf

Kathy and Eric,

Here are the numbers you requested for your closed Division #01 from our Finance Dept.

Here are the EE rates they will need to adopt in order to have an ER rate of $0 for the next two fiscal years:

7/1/2014: EE Rate = 17.76% to have an ER Rate = $0.00
7/1/2015: EE Rate = 20.90% to have an ER Rate = $0.00

I have also attached the DB adoption agreement that we will need to have filled out and signed to make these changes in our system.
Please let me know if you have any other questions.

Regards,

Marne J Carlson

Marne J Carlson
Regional Manager
Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, MI 48917
Phone: 800.767.MERS (6377)
Fax: 517.703.9707
www.mersofmich.com

This year MERS will be hosting meetings throughout the state focusing on topics of interest to employers as well as employee-focused retirement plan seminars. Please visit this link for additional information about upcoming events.

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