

CITY OF MASON

201 West Ash St.
Mason MI 48854-0370

City Hall 517-676-9155
Fax 517-676-1330

CITY COUNCIL MEETING - COUNCIL CHAMBER

Monday, April 6, 2015

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. Presentations
 - A. 2014 Annual Report – Zoning and Development Department – David Haywood
7. Consent Agenda
 - A. Approval of Minutes
 - Regular Council Meeting: March 16, 2015
 - B. Approval of Bills
 - C. Motion – 2014 Annual Report – Zoning and Development Department – David Haywood
8. Regular Business
9. Unfinished Business
10. New Business
11. Correspondence
 - Revenue and Expenditure Report – 2/28/2015
 - March 17, 2015 letter to T. Dolehanty and T. Morgan re: Rayner Park Lease/Option to Purchase Agreement
12. Liaison Reports
13. Councilmember Reports
14. Administrator's Report
15. Adjournment

**CITY OF MASON
REGULAR CITY COUNCIL MEETING
MINUTES OF MARCH 16, 2015**

Mayor Waltz called the meeting to order at 7:32 p.m. in the Council Chambers at 201 W. Ash Street, Mason, Michigan, 48854. Mayor Pro Tem Brown led the Pledge of Allegiance and offered the invocation.

Present: Councilmembers: Brown, Clark, Droscha, Ferris, Mulvany, Waltz
Absent: Councilmember: Bruno (excused)
Also present: Martin A. Colburn, City Administrator
Deborah J. Cwierniewicz, City Clerk
Eric Smith, Finance Director/Treasurer
Kerry Minshall, Fire Chief
John Stressman, Chief of Police

ANNOUNCEMENTS

None.

PEOPLE FROM THE FLOOR

None.

PRESENTATIONS

Rob Balmes from (MDOT) – Brief Overview of Proposal 1

Rob Balmes, MDOT Bureau of Transportation Representative, gave a brief overview of the statewide ballot proposal that will appear on the May 5, 2015 Special Election ballot.

Christopher Mumby from St. James – Camino of Saint James 8K/5K and Fun Runs

Christopher Mumby, Committee Member of the Camino of Saint James 8K/5K and Fun Runs, representing the St. James Catholic Church, gave a brief overview of the annual event to be held on August 9, 2015.

2014 Annual Report – Fire Department – Chief Kerry Minshall

Minshall elaborated on the 2014 Fire Department Annual Report to Council.

2014 Annual Report – Police Department – Chief John Stressman

Stressman elaborated on the 2014 Police Department Annual Report to Council.

PUBLIC HEARING

Apportionment for Special Assessment Project 2015-1

Colburn informed Council regarding the special assessment roll for sidewalk improvements.

Waltz opened the public hearing at 8:38 p.m. Being there were no comments, Waltz closed the public hearing at 8:39 p.m.

Special Assessment Resolution 5, Project 2015-1

MOTION by Ferris, second by Brown,
to consider Resolution No.5, Project 2015-1 read.

MOTION APPROVED

Resolution No. 5, Project 2015-1 was introduced by Brown and seconded by Droscha.

**CITY OF MASON
2015 SIDEWALK IMPROVEMENTS
SPECIAL ASSESSMENT RESOLUTION NO. 5
PROJECT 2015-1
March 16, 2015**

WHEREAS, pursuant to due notice to all interested parties, this City Council did meet on Monday, March 16, 2015, in the City Hall, 201 West Ash Street, Mason, Michigan, for the purpose of reviewing the special assessment roll and hearing any objections thereto for the 2015 Sidewalk Improvements Special Assessment District - 2015-1; and

WHEREAS, at the time and place designated for said meeting, the meeting was duly called to order and the opening of the hearing for objections to the special assessment roll, prepared by the City Assessor and on file with the City Clerk, was announced, said roll assessing the cost of certain sidewalk improvements against the benefiting properties; and

WHEREAS, objections were heard or filed in writing with the City Clerk and the following adjustment or corrections, if any, were made; and

WHEREAS, the City Council now desires to confirm the special assessment roll attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby designates the special assessment district as the "Sidewalk Special Assessment District - 2015-1."
2. The special assessment roll as prepared and reported to the City Council by the City Assessor shall be designated as the "Special Assessment Roll, Sidewalk Special Assessment District 2015-1" in the final amount of **\$16,963.73**, and is hereby adopted and confirmed, and the City Clerk is hereby directed to endorse thereon this date of confirmation.
3. The special assessment roll shall be divided into three (3) equal annual installments. The first installment shall be due on July 1, 2015, and the two (2) subsequent installments shall be due on July 1 of the succeeding years thereafter. Special assessments may be paid in full on or before August 31, 2015, without interest. Thereafter, installments of the special assessment roll shall bear interest at the rate of four and three quarter percent (4.75%) per annum, commencing on September 1, 2015, payable annually on the due date of each installment after the first installment. If any installment is not paid when due then the same shall be deemed to be delinquent and there shall be collected thereon in addition to the interest above provided, a penalty at the rate of one percent (1%) for each month or fraction thereof that the same remains unpaid before being reported for reassessment upon the City tax roll. In the event the City Council determines that it is in the best interest of the district and the City at large to issue bonds pledging the receipts of said special assessment roll and the full faith and credit of the City; then and in that event, the interest on the unpaid installments shall be adjusted to not more than one percent (1%) greater than the average interest rate at which the bonds were sold. Said interest shall be payable annually on each installment due date.
4. Any of the unpaid balance due on the special assessment roll may be paid in full on any installment date, together with interest due to said payment date.
5. The assessments made in said special assessment roll are hereby ordered and directed to be collected. The City Clerk shall deliver the special assessment roll to the City Finance Director/Treasurer with the proper warrant attached, commanding the City Finance Director/Treasurer to collect the assessments therein in accordance with the directions of the City Council with respect thereto, and the City Finance Director/Treasurer is authorized and directed to collect the amounts assessed as they become due pursuant to the terms of this resolution and the provisions of the applicable statutes of the State of Michigan.
6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be, and the same are, hereby rescinded.

RESOLUTION APPROVED

CONSENT AGENDA

Clark asked that Mr. Mumby consider redesigning the route for the next Camino of Saint James 8K/5K and Fun Runs.

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

- A. Motion – Approval of Minutes – Regular Council Meeting: March 2, 2015
- B. Motion – Approval of Bills - \$89,645.07
- C. Motion – 2014 Annual Report – Mason Fire Department – Chief Kerry Minshall
 - Accept the 2014 Annual Report for the Mason Fire Department and place it on file.
- D. Motion – 2014 Annual Report – Mason Police Department – Chief John Stressman
 - Accept the 2014 Annual Report for the Mason Police Department and place it on file
- E. Motion – Street Closures Request – Annual Camino of Saint James 8K/5K and Fun Runs
 - Approve the street closures as outlined in the special events application

MOTION APPROVED

REGULAR BUSINESS

Resolution 2015-13 – Support of Proposal 1 for May 5, 2015 Special Election

Colburn informed Council that the Michigan Municipal League (MML) has requested that local government consider supporting Proposal 1 by formal action.

MOTION by Brown, second by Droscha,
to consider Resolution No. 2015-13 read.

MOTION APPROVED

Discussion ensued regarding support versus opposition of Proposal 1 by City Council.

Resolution No. 2015-13 was introduced by Brown and seconded by Mulvany.

VOTE:

Yes (2) Brown, Ferris

No (4) Clark, Droscha, Mulvany, Waltz

Absent (1) Bruno

RESOLUTION FAILED

Resolution 2015-14 – Authorizing the Issuance and Delegating the Sale of City of Mason 2015 Refunding Bonds

Fredric Heidemann, J.D., of Thrun Law Firm, P.C., City Financial Planner, spoke regarding the financial benefit of refinancing the bonds purchased in 2010 to fund the construction of City Hall.

MOTION by Droscha, second by Ferris,
to consider Resolution No. 2015-14 read.

MOTION APPROVED

Resolution No. 2015-14 was introduced by Brown and seconded by Droscha.

**CITY OF MASON
CITY COUNCIL RESOLUTION NO. 2015-14
AUTHORIZING THE ISSUANCE AND DELEGATING THE SALE
OF CITY OF MASON 2015 REFUNDING BONDS
MARCH 16, 2015**

WHEREAS, Part VI of Act 34, Public Acts of Michigan, 2001, as amended, the Revised Municipal Finance Act (the "Act"), permits the Issuer to issue refunding securities to refund all or part of its bonded indebtedness and/or outstanding securities; and

WHEREAS, the Issuer has received a proposal from Fifth Third Securities, Inc., Southfield, Michigan (the "Underwriter"), to refund all or part of that portion of the Issuer's outstanding Full Faith and Credit General Obligation-Limited Tax Contract of Lease, dated March 1, 2010, which is considered an "outstanding security" under the Act (the "Outstanding Security"); and

WHEREAS, the City Council determines that it is in the best interest of the Issuer to consider refunding the Outstanding Security; and

WHEREAS, prior to the issuance of bonds, the Issuer achieved qualified status from the Michigan Department of Treasury (the "Department") pursuant to the Act.

BE IT HEREBY RESOLVED, that Bonds of the Issuer designated 2015 Refunding Bonds (General Obligation - Limited Tax) (the "Bonds") be issued in the aggregate principal amount of not to exceed \$4,200,000, as finally determined upon sale thereof, for the purpose of refunding all or a portion of the Outstanding Security. The Bonds shall be dated the date of delivery, or such other date as established by the City Administrator or his designee at the time of sale; shall be numbered in the direct order of their maturities from 1 upwards; shall be fully registered Bonds as to principal and interest; shall bear interest at a rate or rates to be hereafter determined by the City Administrator or his designee upon sale, payable on October 1, 2015, or such other date as may be established by the City Administrator or his designee at the time of sale, and semiannually thereafter on April 1 and October 1 in each year; and shall mature on April 1 in each year to be subsequently determined by the City Administrator or his designee, in the final principal amounts determined upon sale and may be subject to redemption in the amounts, times, in the manner and at the prices determined by the City Administrator or his designee upon sale of the Bonds.

1. The Bonds may consist of serial or term Bonds or any combination thereof which may be issued in one or more series, all of which shall be determined by the City Administrator or his designee upon sale of the Bonds.

2. The Bonds shall be in denominations of \$5,000 or any whole multiple thereof.

3. The principal of the Bonds and the interest thereon shall be payable in lawful money of the United States of America at or by a bank or trust company to be designated by the City Administrator or his designee at the time of sale (herein called the "Paying Agent"), which shall act as the paying agent and bond registrar or such successor paying agent-bond registrar as may be approved by the Issuer, on each semiannual interest payment date and the date of each principal maturity.

4. Book Entry. At the request of the Underwriter, the ownership of one fully registered bond for each maturity, in the aggregate principal amount of such maturity, shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). So long as the Bonds are in the book entry form only, the Paying Agent shall comply with the terms of the Blanket Issuer Letter of Representations to be entered into between the Issuer and DTC, which provisions shall govern registration, notices and payment, among other things, and which provisions are incorporated herein with the same effect as if fully set forth herein. The City Administrator is hereby authorized and directed to enter into the Blanket Issuer Letter of Representations with DTC in such form as determined by the City Administrator, in consultation with bond counsel, to be necessary and appropriate. In the event the Issuer determines that the continuation of the system of book entry only transfer through DTC (or a successor securities depository) is not in the best interest of the DTC participants, beneficial owners of the Bonds, or the Issuer, the Issuer will notify the Paying Agent, whereupon the Paying Agent will notify DTC of the availability through DTC of the bond certificates. In such event, the Issuer shall issue and the Paying Agent shall transfer and exchange Bonds as requested by DTC of like principal amount, series and maturity, in authorized denominations to the identifiable beneficial owners in replacement of the beneficial interest of such beneficial owners in the Bonds, as provided herein.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Paying Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemptions, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

5. In the event the Bonds are no longer in book entry form only, the following provisions would apply to the Bonds:

The Paying Agent shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times during normal business hours be open to inspection by the Issuer; and, upon presentation and surrender for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, transfer or cause to be transferred on said books, Bonds as herein provided.

Any Bond may be transferred upon the books required to be kept pursuant to this section by the person in whose name it is registered, in person or by a duly authorized agent, upon surrender of the Bond for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. Whenever any Bond or Bonds shall be surrendered for transfer, the Issuer shall furnish or cause to be furnished a sufficient number of manual or facsimile executed Bonds and the Paying Agent shall authenticate and deliver a new Bond or Bonds for like aggregate principal amount. The Paying Agent shall require the payment of any tax or other governmental charge required to be paid with respect to the transfer to be made by the bondholder requesting the transfer.

6. If any Bond shall become mutilated, the Issuer, at the expense of the holder of the Bonds, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver, a new Bond of like tenor in exchange and substitution of the mutilated Bond, upon surrender to the Paying Agent of the mutilated Bond. If any Bond issued under this resolution shall be lost, destroyed or stolen, evidence of the loss, destruction or theft and indemnity may be submitted to the Paying Agent, and if satisfactory to the Paying Agent and the Issuer, the Issuer at the expense of the owner, shall furnish or cause to be furnished, and the Paying Agent shall authenticate and deliver a new Bond of like tenor and bearing the statement required by Act 354, Public Acts of Michigan, 1972, as amended, being sections 129.131 to 129.134, inclusive, of the Michigan Compiled Laws, or any applicable law hereafter enacted, in lieu of and in substitution of the Bond so lost, destroyed or stolen. If any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Paying Agent may pay the same without surrender thereof.

7. The Mayor and City Clerk are hereby authorized to provide the Bonds in conformity with the specifications of this resolution by causing their manual or facsimile signatures to be affixed thereto, and upon the manual execution by the authorized signatory of the Paying Agent, the Treasurer or City Administrator is hereby authorized and directed to cause said Bonds to be delivered to the Underwriter upon receipt of the purchase price and accrued interest, if any.

Blank bonds with the manual or facsimile signatures of the Mayor and City Clerk affixed thereto, shall, upon issuance and delivery and from time to time thereafter as necessary, be delivered to the Paying Agent for safekeeping to be used for registration and transfer of ownership.

8. There is hereby created a separate depository account to be kept with a bank located in the State of Michigan and insured by the Federal Deposit Insurance Corporation, previously approved as an authorized depository of funds of the Issuer, to be designated 2015 REFUNDING BOND DEBT RETIREMENT FUND (hereinafter referred to as the "DEBT RETIREMENT FUND"), all proceeds from taxes levied for the fund to be used for the purpose of paying the principal and interest on the Bonds authorized herein as they mature or are redeemed. DEBT RETIREMENT FUND moneys may be invested as authorized by law.

The Issuer hereby irrevocably pledges to make the annual principal and interest payments on the Bonds beginning with the fiscal year 2015-2016 and during each fiscal year for which a budget is adopted, the first budget obligation within its authorized millage and other available funds until such time as the principal and interest on the Bonds have been paid in full.

There shall be levied upon the tax rolls of the Issuer in each year, commencing with the tax year 2015, for the purpose of the DEBT RETIREMENT FUND a sum not less than the amount estimated to be sufficient to pay the principal and interest on the Bonds as such principal and interest fall due, the probable delinquency in collections being taken into consideration in arriving at the estimate. The Issuer hereby pledges its limited tax full faith and credit for the payment of the principal

and interest on the Bonds, payable from ad valorem taxes which will be levied within the authorized constitutional, statutory and charter tax limitations of the Issuer for such purposes and an irrevocable appropriation of a sufficient amount of taxes will be made each year from said millage rate for the payment of principal and interest on the Bonds as due, subordinate only to any first liens on said funds pledged for the payment of tax anticipation notes heretofore or hereafter issued.

The Issuer not having the power to levy taxes for the payment of the Bonds in excess of its constitutional, statutory or charter tax rate limitation, the Bonds will be limited tax general obligations of the Issuer, and, if tax collections are insufficient to pay the principal of or interest on the Bonds when due, the Issuer pledges to use any and all other resources available for the payment of the Bonds.

9. The proceeds of the Bonds shall be used to pay the costs of issuance of the Bonds and to secure payment of the Outstanding Security as set forth in the Bond Purchase Agreement. Upon receipt of the proceeds of sale of the Bonds, the accrued interest, if any, shall be deposited in the DEBT RETIREMENT FUND for the Bonds. From the proceeds of the Bonds there shall next be set aside a sum sufficient to pay the costs of issuance of the Bonds in a fund designated 2015 BOND ISSUANCE FUND. Moneys in the 2015 BOND ISSUANCE FUND shall be used solely to pay expenses of issuance of the Bonds. Any amounts remaining in the 2015 BOND ISSUANCE FUND after payment of issuance expenses shall be transferred to the DEBT RETIREMENT FUND for the Bonds.

10. The balance of the proceeds of the Bonds, together with any moneys transferred at the time of closing of the Bonds from the debt retirement fund for the Outstanding Security, may be invested in direct obligations of the United States of America, or obligations, the principal and interest of which are unconditionally guaranteed by the United States of America; or other obligations the principal and interest of which are fully secured by the foregoing (the "Escrow Funds"), and used to pay principal and interest due on the Outstanding Security. The Escrow Funds shall be held by an escrow agent (the "Escrow Agent") in trust pursuant to an escrow agreement (the "Escrow Agreement") which shall irrevocably direct the Agent to take all necessary steps to call the bonds issued by the City of Mason Building Authority related to the Outstanding Security (the "Prior Bonds") as specified by the City Administrator upon sale of the Bonds for redemption, including publication and mailing of redemption notices, on the earliest date specified by the City Administrator that the respective series of Prior Bonds may be called for redemption. The investment held in the Escrow Funds shall be such that the principal and interest payments received thereon will be sufficient, without reinvestment, to pay the principal and interest on the Prior Bonds as they become due pursuant to maturity or the call for redemption required by this paragraph. Following establishment of the Escrow Funds, any amounts remaining in the debt retirement fund for the Prior Bonds shall be transferred to the DEBT RETIREMENT FUND for the Bonds.

11. The City Administrator is authorized to select an Escrow Agent to serve under the Escrow Agreement.

12. The Bonds shall be in substantially the form attached hereto and incorporated herein as Exhibit A.

13. Fifth Third Securities, Inc., Southfield, Michigan, is hereby named as senior managing underwriter and further, that the City Administrator or a designee thereof is authorized to negotiate and execute a Bond Purchase Agreement with the Underwriter, subject to the requirements of paragraph 17 below. Based upon information provided by the Issuer's financial consulting firm and the Underwriter, a negotiated sale allows flexibility in the timing, sale and structure of the Bonds in response to changing market conditions and flexibility in sizing the defeasance escrow necessary to accomplish the refunding of the Outstanding Security/Prior Bonds.

14. The City Administrator is authorized to approve circulation of a Preliminary Official Statement describing the Bonds.

15. The City Administrator, or designee if permitted by law, is hereby authorized to:

- a. File with the Department of Treasury (the "Department") an application for approval to issue the Bonds, if required, and to pay any applicable fee therefor and, further, within fifteen (15) business days after issuance of the Bonds, file any and all documentation required subsequent to the issuance of the Bonds, together with any statutorily required fee.

- b. If deemed advisable by the Issuer's financial consultant, request a waiver of the maturity limitations as set forth in the Application for Waiver.
- c. Execute and deliver the Continuing Disclosure Agreement (the "Agreement") in substantially the same form as set forth in Exhibit B attached hereto, or with such changes therein as the individual executing the Agreement on behalf of the Issuer shall approve, his/her execution thereof to constitute conclusive evidence of his/her approval of such changes. When the Agreement is executed and delivered on behalf of the Issuer as herein provided, the Agreement will be binding on the Issuer and the officers, employees and agents of the Issuer, and the officers, employees and agents of the Issuer are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Agreement as executed, and the Agreement shall constitute, and hereby is made, a part of this resolution, and copies of the Agreement shall be placed in the official records of the Issuer, and shall be available for public inspection at the office of the Issuer. Notwithstanding any other provision of this resolution, the sole remedies for failure to comply with the Agreement shall be the ability of any Bondholder or beneficial owner to take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under the Agreement.

16. The City Administrator's or designee's authorization to accept and execute a Bond Purchase Agreement with the Underwriter is subject to the following parameters:

- a. the present value savings from the refunding shall not be less than 1% of the par of the Outstanding Security/Prior Bonds; and
- b. the receipt of express written recommendation of the Issuer's financial consulting firm identified below to accept the terms of the Bond Purchase Agreement.

17. The City Administrator is further authorized and directed to (i) execute any and all other necessary documents required to complete the approval and sale of the Bonds to the Underwriter in accordance with the terms of the Bond Purchase Agreement; (ii) appoint a paying agent for the Bonds; (iii) select a bond insurer, accept a commitment therefore and authorize payment of a bond insurance premium to insure any or all of the Bonds if recommended in writing by the Financial Advisor; (iv) deem the Preliminary Official Statement for the Bonds final for purposes of SEC Rule 15c2-12(b)(1); and (v) execute and deliver the final Official Statement on behalf of the Issuer.

18. The Mayor, City Clerk, City Treasurer, City Administrator, Finance Director, and/or all other officers, agents and representatives of the Issuer and each of them shall execute, issue and deliver any certificates, statements, warranties, representations, or documents necessary to effect the purposes of this resolution, the Bonds or the Bond Purchase Agreement.

19. The officers, agents and employees of the Issuer are authorized to take all other actions necessary and convenient to facilitate the sale and delivery of the Bonds.

20. Thrun Law Firm, P.C., is hereby appointed as bond counsel for the Issuer with reference to the issuance of the Bonds authorized by this resolution. Further, Thrun Law Firm, P.C., has informed this City that it represents no other party in the issuance of the Bonds.

21. The financial consulting firm of H.J. Umbaugh & Associates, Certified Public Accountants, LLP, is hereby appointed as financial consultants to the Issuer with reference to the issuance of the Bonds herein authorized.

22. The City Administrator may designate the Bonds of this issue as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions under the provisions of the Internal Revenue Code of 1986, as amended, if, in making said designation, the City Administrator determines that the reasonably anticipated amount of tax-exempt obligations which will be issued by the Issuer or entities which issue obligations on behalf of the Issuer during

calendar year 2015 will not exceed \$10,000,000, excluding only those tax-exempt obligations as permitted by Section 265(b)(3)(C)(ii) of the Code.

23. The City Council covenants to comply with existing provisions of the Internal Revenue Code of 1986, as amended, necessary to maintain the exclusion of interest on the Bonds from gross income.

24. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are hereby rescinded.

Yes (6) Brown, Clark, Droscha, Ferris, Mulvany, Waltz

No (0)

Absent (1) Bruno

RESOLUTION APPROVED

Resolution 2015-15 – Authorizing a Request be Forwarded to the Ingham County Board of Commissioners to Initiate the Process of the Purchase of Rayner Park by the City of Mason

A brief discussion was held to begin the process for the City to purchase Rayner Park from the Ingham County Board of Commissioners.

MOTION by Droscha, second by Ferris,
to consider Resolution No. 2015-15 read.

MOTION APPROVED

Resolution No. 2015-15 was introduced by Brown and seconded by Droscha.

**CITY OF MASON
CITY COUNCIL RESOLUTION No. 2015-15
A RESOLUTION AUTHORIZING A REQUEST BE FORWARDED TO THE INGHAM
COUNTY BOARD OF COMMISSIONERS TO INITIATE THE PROCESS OF THE
PURCHASE OF RAYNER PARK BY THE CITY OF MASON
MARCH 16, 2015**

WHEREAS, Ingham County entered into a Lease/Option agreement with the City of Mason for Rayner Park June 9, 2010; and

WHEREAS, within the agreement the City may exercise the option to purchase Rayner Park incorporating 59.9 acres; and

WHEREAS, the City has met the obligations of proper operation and maintenance of Rayner Park solely at the City's expense, inclusive of utility costs maintaining Rayner Park in a clean, safe, sanitary and visually presentable condition; and

WHEREAS, the community has voluntarily assisted the City with enhancements to Rayner Park during the time that the City of Mason has leased this property such as the replacement of three pedestrian bridges, basketball court, repairs to the playground, painting the bathrooms and pavilion, replacing aerators and pumps for the ponds, building the Rotary stage, maintaining the fields and ponds, and adding an electrical transformer within the park; and

WHEREAS, under Section 10. Option to Purchase (G) of the Agreement, in preparation "The County shall obtain a professional survey of the premises and updated legal description, and prepare the necessary Quit Claim Deed conveyance documents consistent with the survey and updated legal description to transfer its title to the City and forward them to the City for the City's review"; and

WHEREAS, after meeting the terms and conditions of the Lease/Option to Purchase Agreement over the past five years, the City is still interested in pursuing ownership of Rayner Park.

BE IT HEREBY RESOLVED that the Mason City Council hereby authorizes the City Administrator to forward a letter of intent for the City of Mason to pursue exercising the Option to Purchase Rayner Park in accordance with the agreement set out in 2010; and

BE IT FURTHER RESOLVED that this letter of intent initiates the process of Ingham County to obtain a professional survey of the premises of Rayner Park and updated legal description, and prepare the necessary Quit Claim Deed conveyance documents to transfer its title to the City of Mason.

RESOLUTION APPROVED

Motion – Assign 1% of Unassigned Fund Balance for Grant Matching

City Council recommended the City assign 1% of fund balance to be used for grant matching during the 2014/15 budget workshops. The audit for fiscal year ending 6/30/14 resulted in an Unassigned fund balance of \$2,197,080. The 1% grant matching assignment for FY 2014/15 would equate to \$21,971.

MOTION by Brown, second by Droscha,
Move to assign 1% or \$21,971 of the audited Unassigned fund balance for fiscal year ended June 30, 2014 to be used for grant matching.
MOTION APPROVED

Motion – Accept Fire Services Contract Between City of Mason and Township of Aurelius

Colburn stated that the City of Mason and Aurelius Township have agreed to extend the Fire Services Contract for another three years.

MOTION by Brown, second by Droscha,
to accept Fire Services Contract between City of Mason and Township of Aurelius for a period of three (3) years commencing July 1, 2015, and terminating June 30, 2018 with changes to signatories as necessary.
MOTION APPROVED

Motion – Accept Fire Services Contract Between City of Mason and Township of Vevay

Colburn stated that the City of Mason and Vevay Township have agreed to extend the Fire Services Contract for another three years.

MOTION by Droscha, second by Brown,
Move to accept Fire Services Contract between City of Mason and Township of Vevay for a period of three (3) years commencing July 1, 2015, and terminating June 30, 2018 with changes to signatories as necessary.
MOTION APPROVED

Report – Liquor License Notification

The Michigan Liquor Control Commission (MLCC) provides notification when a liquor license application has been received for Request ID Nos. 772479 and 772480 were submitted by Rock's Mason Party Store, Inc., and ID No. 775803 was submitted by City Limits Sports Grill and Bowling Center.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Discussion was held regarding attending the MML Capital Conference in Lansing.

CORRESPONDENCE

All correspondence was distributed.

LIAISON REPORTS

- Brown informed Council regarding Planning Commission business
- Ferris stated that nominations for an Arbor Day Honoree are currently being accepted
- Waltz informed Council regarding Downtown Development Authority business

COUNCILMEMBER REPORTS

- Brown reported on the National League of Cities Congressional Cities Conference he attended on March 8 in Washington D.C.
- Brown reported about the Sesquicentennial Celebration held March 9, 2015, commemorating the incorporation of the City of Mason, as well as future plans and events
- Waltz reported that on March 19 he, along with, Mason Historical Museum Society Chairperson Barb Tornholm and Historic District Commission Chairperson Becky Clinton, shared City of Mason Sesquicentennial events on the Tim Barron Morning Show radio program

ADMINISTRATOR'S REPORT

Colburn informed Council regarding city business.

ADJOURNMENT

The meeting adjourned at 10:03 p.m.

Deborah J. Cwierniewicz, City Clerk

Mike Waltz, Mayor

04/02/2015 11:32 AM
User: TF
DB: Mason City

INVOICE APPROVAL BY INVOICE REPORT FOR CITY OF MASON
EXP CHECK RUN DATES 03/16/2015 - 04/08/2015
BOTH JOURNALIZED AND UNJOURNALIZED
BOTH OPEN AND PAID
COUNCIL REPORT
MONDAY, APRIL 6TH 2015

Vendor Code Invoice GL Number	Vendor Name Invoice Description GL Description	Invoice Date	Amount
07800	BLUE CROSS BLUE SHIELD OF MICHIGAN		
G#7029499710DIV#0000 750-000.00-231.015	HEALTH INS ~ CITY EXPENSE HEALTH INS ~ CITY EXPENSE	03/16/2015	14,517.46
G#70294999DIV#0001 101-855.00-874.001	RETIREEES ~ CITY EXPENSE RETIREEES ~ CITY EXPENSE	03/16/2015	5,368.54
VENDOR TOTAL:			19,886.00
06474	CONSUMERS ENERGY		
APRIL 2015 101-265.00-920.000 592-555.00-920.000 592-559.00-920.000	GAS & ELECTRIC 2/19 - 3/23 GAS & ELECTRIC 2/19 - 3/20 ELECTRICITY 2/21 - 3/23 ELECTRICITY 2/19 - 3/19	04/06/2015	5,295.80 8,223.56 7,345.55
VENDOR TOTAL:			20,864.91
05016	GRANGER		
MARCH 2015 101-528.00-818.000	MARCH REFUSE 2302 CUSTOMERS MARCH REFUSE 2302 CUSTOMERS	04/06/2015	27,785.14
VENDOR TOTAL:			27,785.14
TOTAL - ALL VENDORS:			68,536.05

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: April 6, 2015

Agenda Item: 7C

AGENDA ITEM

Motion – 2014 Annual Report – Zoning and Development Department

EXHIBITS

- Zoning and Development Annual Report 2014

STAFF REVIEW

Zoning and Development Department

SUMMARY STATEMENT

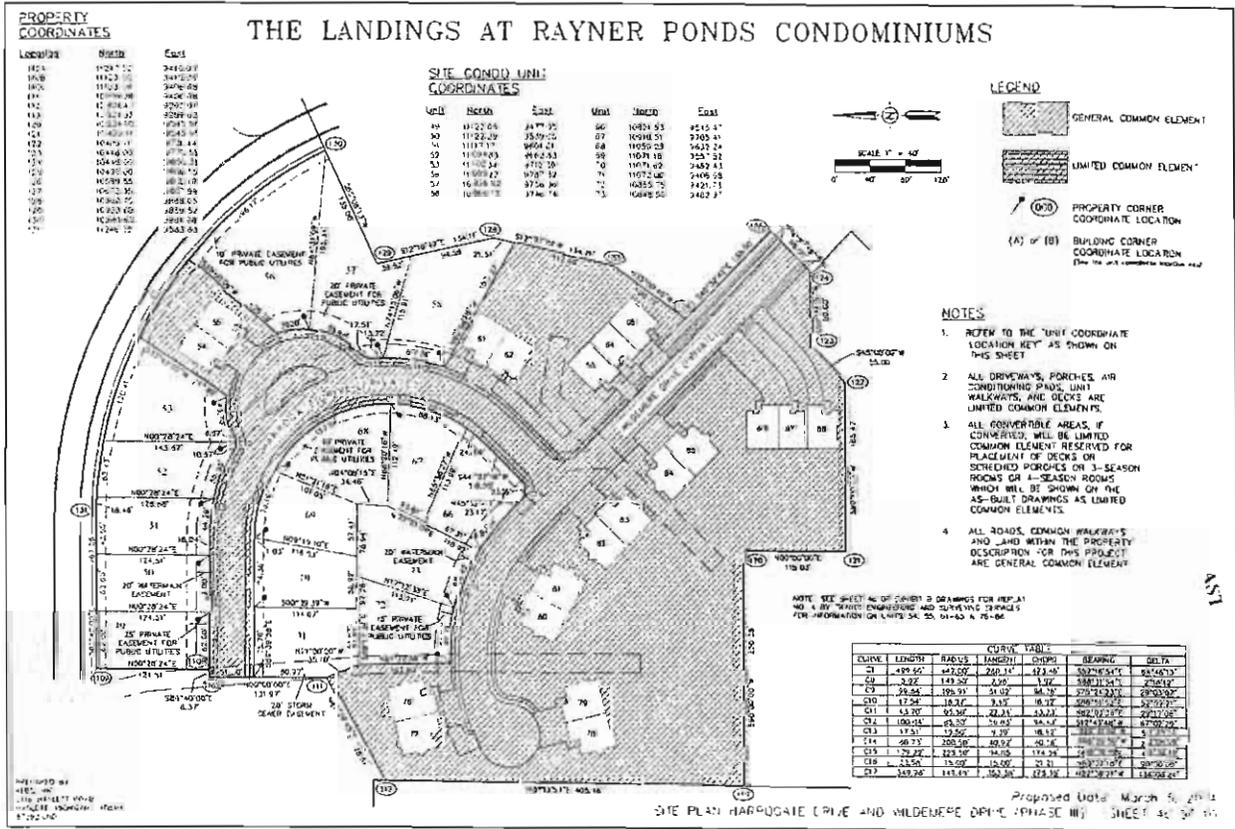
Staff is proud to present the Department's accomplishments in the 2014 Zoning and Development Annual Report.

RECOMMENDED ACTION

Move to accept the 2014 Annual Report for the Zoning and Development Department and place it on file.

CITY OF MASON

ZONING AND DEVELOPMENT DEPARTMENT 2014 ANNUAL REPORT



CITY OF MASON, MICHIGAN

Mission Statement

Mason is a community founded upon a respect for our historic past, while encouraging an atmosphere that values family, business, the environment and arts, creating a sense of place for present and future generations.



INTRODUCTION

During the past year the Department of Zoning and Development continued to provide services to the community relating to planning, zoning, building inspections and code enforcement.

Department Responsibilities

The Zoning and Development Department provides staffing to various Boards, Commissions and Committees, including the following:

- City Council
- Planning Commission
- Zoning Board of Appeals
- Building Code Board of Appeals
- Sign Board of Appeals
- Historic District Commission

The Zoning and Development Department is responsible or participates in the coordination of plan review and enforcement for the following Chapters of the Mason City Code:

- Chapter 30 (Floods)
- Chapter 31 (Historic Preservation)
- Chapter 50 (Planning)
- Chapter 58 (Signs)
- Chapter 74 (Subdivisions and Other Divisions of Land)
- Chapter 94 (Zoning)

In addition to the code responsibilities described above, the Department is responsible for the day-to-day maintenance needs for City Hall, the Police Department, the Mason Library, and other City property, including 972 Mason Street and 1020 E. Ash St.

The Zoning and Development Department is comprised of the following personnel:

- David Haywood, Zoning & Development Director
- Shannon Orłowski, Mary Grace – Reception staff (permit support staff –processing applications, inspection scheduling, data entry, etc.)

STAFF ACTIVITY

The Zoning Division was involved in a variety of activities during 2014, including, but not limited to, the following:

- A. Prepared staff reviews for special use permits, site plans, zoning amendments, site plan reviews for building permits, code enforcement, assignment of addresses for new commercial and residential structures, and land division requests.
- B. Conducted Soil Erosion and Sedimentation Control permit application reviews, site inspections and enforcement.
- C. Worked with the City Administrator, Planning Commission and Department Heads to complete the Capital Improvement Plan for the fiscal years 2014-2019 (Planning Commission).
- D. Attended Mason Chamber of Commerce Economic Development Committee meetings informing members of City business and development activities.
- E. Through Tri-County Regional Planning Commission, served as a member to the Urban and Rural Service Boundary Committee.
- F. Continued to report on current department activities through use of the Mason Newsletter, City website, and Facebook.
- G. Completed fifth successful season of the community garden program, including community input meetings and volunteer leadership training – donation of over 340 pounds of produce to the Capital Area Community Services food pantry and Jefferson Square Apartments.
- H. Assisted the Planning Commission in initiating implementation of the Master Plan. (Planning Commission & City Council)
- I. Met as-needed with the code enforcement officer to provide experience and assistance in letter writing, code knowledge, procedures and due process requirements, including dangerous building hearings.
- J. Coordinated inspections/plan reviews with Fire Chief regarding proposed and damaged structures.
- K. Supervised building inspections, building plan reviews and building code enforcement.
- L. Provided orientation support for reception staff and incoming Board and Commission members.
- M. Solved complicated building maintenance issues for City Hall, roof leaks, fan motors, wall cracks, door locks, plumbing, lighting, temperature, etc.
- N. Successfully repaired building maintenance issues at Library, such as leaking faucets, roof leak, lighting, HVAC equipment, door mechanisms, electrical repairs, etc.
- O. Supervised janitorial cleaning services and day-to-day cleaning needs of staff at City Hall.

- P. Prepared year-end budget projections for fiscal year 2014.
- Q. Prepared budget request for fiscal year 2015.
- R. Prepared the Capital Improvement Plan for 2014-2019.
- S. Staff liaison to the Mason-Delhi Township connector trail feasibility study.
- T. Completed the environmental remediation and demolition of City owned property at 927 North Mason Street.
- U. Attended MDOT non-motorized plan public input meeting in December and informed of City planned sidewalk and trail improvements for incorporation into MDOT planning.
- V. Participated in the public transportation study, *Getting There: Mason Public Transit Survey Analysis*.

TRAINING

Staff attended/conducted the following training courses:

1. Michigan Association of Planning annual conference – various tracks
2. Transportation Bonanza – American Planning Assn., MI Chapter
3. Sustainability Consortium Meeting – Tri-County Regional Planning (HUD)
4. MSU Planning Alumni Development Group – MSU Alumni
5. Guest lecturer – MSU Planning Student Enrichment Workshop



FACILITIES

City Hall Facilities

Staff continues its commitment to high quality facilities care.

Mason Library

Staff continues to support the great services provided by the Capital Area District Library (CADL) by responding to the facility maintenance needs as they arise.

1020 E. Ash St.

This structure was acquired along with the property on Temple Street largely consisting of agricultural lands. Staff has secured contract for asbestos remediation scheduled for the spring of 2015 and eventual disposal of this building either by demolition after July 1, 2015.

972 N. Mason St.

Staff has completed the asbestos remediation, demolition and well abandonment of this property.

PLANNING, ZONING & COMMUNITY DEVELOPMENT

The Zoning and Development Department has been active in the past year with development permits and variances. The following table illustrates the comparative levels of zoning permits from 2011 through 2014.

Zoning Permit Type	2011	2012	2013	2014
Rezoning	0	1	2	0
Text Amendments	-	-	1	1
Special Use Permits	3	1	4	1
Public Hearings	-	2	7	1
Preliminary Site Plan Reviews*	2	2	8	2
Final Site Plan Reviews	2	2	7	3
Plats (Preliminary / Final)	0	0	0	0
Planned Unit Developments	0	0	0	0
Parking Lot Plan Reviews	0	0	0	0
Land Divisions (Division/Conveyance/Combination)	2	3	1	2
Zoning Board of Appeals	6	3	1	0
Historic District Commission	8	7	5	7
Building Code Board of Appeals	0	0	0	0
Sign Code Board of Appeals	2	0	1	0
Soil Erosion & Sedimentation Control	15	20	23	21
TOTAL	35	41	60	38

* Site plan reviews not covered by special use permits.

Ordinance Amendments

Michigan Medical Marihuana Act – Staff continues to provide general background and updates on the ever-changing landscape of pending legislation, legal opinions, case law, and ordinance samples.

Used Vehicle Sales – Explored the appropriateness of allowing used vehicle sales as an accessory use to auto body and paint shops city-wide.

Soil Erosion and Sedimentation Control

The City of Mason took control as the municipal enforcing agency of soil erosion and sedimentation control, as permitted by the Michigan Department of Environmental Quality (MDEQ) in 2009. Due to limited staff resources available to effectively administer the

program in compliance with the Michigan Department of Environmental Quality and the significant costs associated with site inspections, the program was repealed and given back to the Ingham County Drain Commissioner in July of 2014.

Urban Service Management

As a member of the Urban and Rural Service District/Urban Service Boundary Committee, staff continues to participate in forwarding the mission of this Tri-County Regional Planning Commission work group:

The Regional Growth Initiative's Urban and Rural Service District Boundary Committee Mission is:

- *to keep urbanized areas viable*
- *to protect farmland, open space and rural quality of life*
- *to preserve priority conservation areas*
- *to utilize existing infrastructure*
- *to save costs through cooperation and efficiency*

Public Transportation Study

The Zoning and Development Department collaborated with the Michigan Environmental Council, the Mid-Michigan Program for Greater Sustainability and the Community Reinvestment Fund to engage interested parties in dialogue on mass transit visioning for the route(s) between Mason and Lansing. The program involves engaging the community to gauge the opinion and interest in public transportation between Mason and Lansing.

The resulting report and analysis, *Getting There: Mason Public Transit Survey Analysis*, prepared by ICONIC Strategy & Writing (May 2014), indicates that there is "support for increased frequency in public transit access between Mason and Lansing among survey respondents". The analysis recommended that "more study of the issue would be beneficial in determining a full understanding of the attitudes and preferences related to transit along this route".

Community Garden

Staff is proud to report on a fifth successful community garden growing season. The purpose of the garden is to provide space for individuals to grow produce for their personal consumption, as well as provide space for volunteers to grow produce to donate to area organizations in need, such as Jefferson Square Apartments, the Mason Capital Area Community Services food pantry, Green Acres, etc. The garden is located at 213 North Jefferson Street just south of the Hayhoe Riverwalk trailhead.

Volunteer garden coordinators, Jill Slade and Jason McMahon, worked very hard to complete a successful year, logging nearly 40 hours of volunteer time. Together, they were responsible for regular communication with gardeners, being responsive to gardener concerns.

Staff and the volunteer coordinators were able to successfully recruit volunteers and gardeners to obtain compost, fencing, tilling, hose, rakes, shovels and other miscellaneous materials necessary for the garden.

Staff is proud to report that volunteer gardeners continue their service to the community! Staff is also proud to report that with the guidance of volunteer coordinator Gail Love, the program was directly responsible for growing and delivering over 340 pounds of produce to residents in need. **According to the FDA, that's enough to feed a family of four for nearly two months! Thank you Gail, and thank you Mason gardeners!**



The Mason Community Garden is a proud affiliate of the Lansing Garden Project.

Recreation – Hayhoe Riverwalk Trail Pedestrian Bridge Update

Thanks to the Zoning & Development Department, donations continue to roll in. To date the City has received approximately \$72,000 in grants and donations toward the bridge.

The funding will pay for a new eight foot wide pedestrian bridge and associated parking and trail signage. The bridge is the first step in providing trail linkage to the east side of the City and future linkage to the Dansville area.

Staff participated in a regional effort to study the feasibility of connecting the Hayhoe Riverwalk Trail with the Delhi Township non-motorized trail system. By request of the Michigan Fitness Foundation and the Michigan Trails and Greenways Alliance, a feasibility study was prepared to determine the best route for a recreation/non-motorized trail connecting the Delhi Township trail system to the Hayhoe Riverwalk Trail. The feasibility study was conducted by the Mannik Smith Group and made possible by funding from the Department of Housing and Urban Development administered through the Tri-County Regional Planning Commission, Mid-Michigan Program for Greater Sustainability.

The purpose of the study was to analyze how best to cross US-127. It analyzed five different route alternatives and ultimately recommended alternative #1, utilizing Howell Road and Cedar Street. The estimated cost for this route alternative is \$3.8M. The likely sources of funding include, but are not limited to, State of Michigan Trust Fund, Ingham County, City of Mason, private donations, etc. The proposed project is supported by the City's Master Plan, Recreation Plan, and Capital Improvement Plan. The projected timeframe for implementation of this project has not been determined at this time, but is likely 2016 or later.

On December 8, 2014, Vevay Township adopted a resolution endorsing the proposed trail location.

Trail connections to a larger regional network of trails, including Vevay Township and Dansville area, are part of the City's recreation and master plan documents.

Planning Commission

Master Plan Implementation – The Commission formulated a subcommittee to explore and gather public input in updating the planning descriptions for the County Fairgrounds East Buffer Area, Airport, and Cedar Street Interchange planning areas.

Medical Marihuana – The Commission in cooperation with the City Council stayed abreast of legal interpretations, court cases, and state legislative activity related to the Michigan Medical Marihuana Act.

Master Plan Update 2014 – The Commission in coordination with the City Council completed the preparation and adopted a revised Master Plan.

Used Vehicle Sales as Accessory to Auto Body Shops – Commission studied the ramifications of allowances of similar uses in other zoning districts.

New members:

Tim Scott – Mr. Scott's experience as an infrastructural engineer and firefighter will bring a unique perspective to the Commission related to facilities management, including building, fire, technology and utility systems.

Lori Hagle – Ms. Hagle's experience in the legal and health professions, as well as her participation in the community schools and girl scouts brings a well-rounded community perspective to the Commission. Ms. Hagle is already volunteering for subcommittee works and shows an eagerness to participate.



Marlon Brown – this former Mason Planning Commissioner left the Commission to serve on the City Council. Serving as the newly elected Mayor Pro Tem, Mr. Brown represents the City Council in the capacity as the Planning Commission Liaison. Mr. Brown brings a wealth of experience in government financing as he is a budget and policy analyst for the State of Michigan. Welcome back Marlon!

BUILDING & CONSTRUCTION

The Department strives to provide contractors, applicants, property owners, tenants and residents with expert consultation in a way that anyone can understand. Our goal is to provide citizens with an interest in improving their property with the resources they need to get the job done right, on-time and as cost effectively as possible.

The overall level of building permits issued in 2014 decreased as compared to permits issued in 2013. Residential permits are significantly up from a year ago, with nearly all new residential permits in the single-family category. The following table illustrates the comparative building activity in the City for the past three years:

Building Permit Type	2011	2012	2013	2014
New Single Family Homes	8	17	15	26
Value	\$817,000	\$1,882,000	\$1,661,222	\$4,177,729
Multiple family (incl. two fam.)	3	0	0	10*
Value	\$238,000	\$0	\$0	\$0
Commercial permits	13	10	16	9
Value	\$15,787,006	\$174,500	\$5,072,783	\$690,916
Sign permits	6	8	14	9
Demolition permits	11	11	5	4
Other permits	134	193	152	119
Total permits	175	239	202	167
Total value of construction	\$18,040,462	\$3,632,948	\$7,925,270	\$9,435,213
Total permit fees	\$123,521	\$34,726	\$63,863	\$57,048

*Covered under one single permit for the mixed-use development at 124/140 E. Ash Street.

The major commercial, office, industrial, and institutional buildings receiving building permits in 2014 are as follows (permits with a construction value over \$10,000):

1. Dr. Suess Medical (office rehabilitation), 200 Temple Street
2. Zielinski Dental (office addition), 640 West Ash Street
3. Ingham County Fairgrounds (new arena), 700 East Ash Street
4. Hungry Howie's (new roof), 222 North Cedar Street
5. Cherry Grove Apartments (Siding & misc.), 703 South Rogers Street

Building Inspections

Meridian Township inspectors are providing building inspection service on contractual basis. Meridian Township inspectors and support staff are providing an exceptional service to the City and community. Permits are typically issued within 48 hours of receipt and in many cases issued the same day.

Inspections are performed within 24 hours of request. Inspectors are timely, courteous and professional. Inspection results are communicated effectively to reception staff and in return to property owners/applicants.

Year End Highlights

The year brought much needed demolition to a total of four (4) damaged or functionally obsolete structures (3 residential) including the following:

- 222 W. Ash St. (commercial)
- 2721 Howell Rd. (residential)
- 972 N. Mason St. (residential)
- 245 W. Maple St. (residential)



Staff has worked diligently with property owners to facilitate and assist their needs with regard to demolition projects, such as providing contacts with area demolition contractors, assisting with permit process and utility disconnection.

368 S. Jefferson St. (Vault Deli building) – rehabilitation

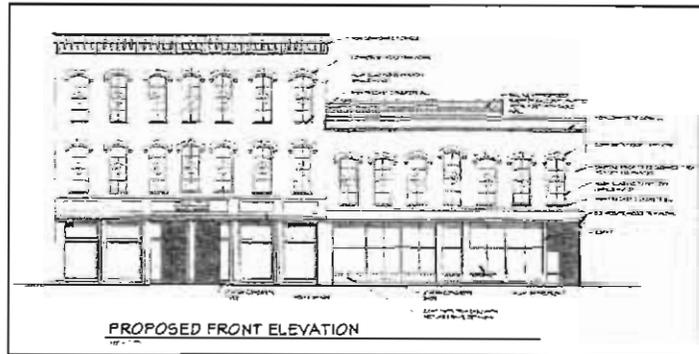
Zoning and Development Department, in addition to other City staff, provided support to the owners of the Vault Deli building in their vision to create new apartments on the second and third floors of this building. Staff provided opportunities for the owner and their architect time to meet discuss building code requirements. The Building Official and the architect were able to discuss applicable code requirements to facilitate construction plan development.

154 W. Maple St. (former Mason Shoe Store) – blight certification

Zoning and Development Department, in addition to other City staff, provided support in pursuing State funding (Michigan Economic Development Corporation) by certifying blight status at the former Mason Shoe Store building. Utilizing the Building Official's knowledge and experience identifying deteriorated, outdated and unsafe building conditions, a blight certification qualifies a structure for certain State funding sources. The owners of the property are continuing to pursue funding sources to rehab this important landmark, including new residential loft units on the second floor and a complete façade reconstruction. By providing blight certification, the project is a step closer to becoming a reality and ultimately becoming a productive part of the commercial vibrancy of downtown Mason.

124/140 E. ASH ST.

The former Shopping Guide building at 124/140 East Ash Street redevelopment project is now underway and making significant progress. Staff has stayed in close contact with the project superintendant and witnessed a transformation not seen in many communities. With ten new



residential units, fully occupied first floor local company (Oracle Financial Solutions) and a full façade restoration, this project is sure to turn heads in 2015.

CODE ENFORCEMENT

Staff has been working very closely with the Code Enforcement Officer, Jim Duthie, to provide assistance in procedural issues, case history, experience, etc. Staff meets with the code officer on a weekly basis to discuss relevant issues. It is the goal of the Zoning Department to continue to provide assistance to code enforcement officer in order to make him (the position) self sustainable.

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BGD USED
		AMENDED BUDGET	NORMAL (ABNORMAL) 02/28/2015	MONTH 02/28/2015 INCREASE (DECREASE)	BALANCE NORMAL (ABNORMAL)	
Fund 101 - GENERAL FUND						
Revenues						
000.00		86,110.00	0.00	0.00	86,110.00	0.00
215.00	CLERK	50.00	364.57	0.00	(314.57)	729.14
254.00	TREASURER/FINANCE	5,010,980.00	4,144,077.26	13,597.48	866,902.74	82.70
271.00	FORESTRY	29,770.00	35,188.96	30,370.00	(5,418.96)	118.20
276.00	CEMETERY	37,200.00	20,983.00	1,653.00	16,217.00	56.41
301.00	POLICE DEPARTMENT	68,425.00	50,739.19	3,394.90	17,685.81	74.15
336.00	FIRE DEPARTMENT	167,535.00	126,362.31	37,264.85	41,172.69	75.42
528.00	REFUSE COLLECTION	347,405.00	349,603.31	0.00	(2,198.31)	100.63
747.00	COMMUNITY GARDEN	375.00	0.00	0.00	375.00	0.00
751.00	RECREATION	4,250.00	2,300.00	50.00	1,950.00	54.12
850.00	WORKERS COMPENSATION	47,860.00	39,337.00	0.00	8,523.00	82.19
TOTAL Revenues		5,799,960.00	4,768,955.60	86,330.23	1,031,004.40	82.22
Expenditures						
101.00	COUNCIL	41,555.00	24,305.66	152.31	17,249.34	58.49
172.00	ADMINISTRATOR	293,425.00	195,079.16	16,563.05	98,345.84	66.48
209.00	ASSESSING	48,705.00	32,498.19	4,021.70	16,206.81	66.72
215.00	CLERK	138,165.00	96,088.24	9,374.00	42,076.76	69.55
247.00	BOARD OF REVIEW	650.00	60.00	0.00	590.00	9.23
254.00	TREASURER/FINANCE	592,735.00	374,576.40	29,450.88	218,158.60	63.19
260.00	TECHNOLOGY	70,445.00	27,690.60	2,643.56	42,754.40	39.31
262.00	ELECTIONS	0.00	0.00	(372.62)	0.00	0.00
265.00	BUILDING OFFICIAL/CITY HALL	162,685.00	97,615.96	13,793.48	65,069.04	60.00
266.00	LEGAL/ATTORNEY	90,000.00	60,777.32	5,529.57	29,222.68	67.53
268.00	PARK STREET PROPERTY	41,985.00	0.00	0.00	41,985.00	0.00
269.00	PROPERTY	479,420.00	302,496.74	0.00	176,923.26	63.10
271.00	FORESTRY	72,135.00	48,950.06	2,310.55	23,184.94	67.86
272.00	ADMINISTRATIVE SERVICES	276,435.00	199,104.22	9,536.78	77,330.78	72.03
276.00	CEMETERY	185,040.00	113,336.69	7,883.02	71,703.31	61.25
305.00	POLICE ADMINISTRATION	313,190.00	215,547.78	17,855.05	97,642.22	68.82
315.00	CROSSING GUARDS	24,080.00	16,290.34	2,045.36	7,789.66	67.65
316.00	POLICE PATROLLING	997,765.00	734,578.03	59,713.24	263,186.97	73.62
336.00	FIRE DEPARTMENT	505,095.00	424,352.48	18,175.86	80,742.52	84.01
380.00	PLANNING/ZONING OFFICIAL	126,435.00	84,059.34	8,507.53	42,375.66	66.48
426.00	CIVIL DEFENSE	5,455.00	1,865.67	0.00	3,589.33	34.20
428.00	DISASTER ACCOUNT	100.00	0.00	0.00	100.00	0.00
441.00	PUBLIC SERVICES	5,655.00	4,299.99	239.26	1,355.01	76.04
447.00	ENGINEERING	295.00	295.00	0.00	0.00	100.00
448.00	STREET LIGHTING	115,465.00	63,930.02	7,700.05	51,534.98	55.37
458.00	SIDEWALK CONSTRUCTION-REPAIR	5,050.00	2,050.00	0.00	3,000.00	40.59
528.00	REFUSE COLLECTION	346,750.00	237,139.91	27,785.14	109,610.09	68.39
747.00	COMMUNITY GARDEN	550.00	55.06	0.00	494.94	10.01
756.00	PARKS AND BALL DIAMONDS	157,520.00	106,418.47	6,051.40	51,101.53	67.56
775.00	SENIOR CITIZENS	8,060.00	5,260.00	425.00	2,800.00	65.26
790.00	LIBRARY	27,120.00	17,235.21	1,422.28	9,884.79	63.55
806.00	CHRISTMAS DECORATIONS	5,355.00	3,303.38	0.00	2,051.62	61.69
807.00	CABLE COMMISSION	4,560.00	1,210.00	0.00	3,350.00	26.54
808.00	PLANNING COMMISSION	720.00	485.23	260.00	234.77	67.39
850.00	WORKERS COMPENSATION	47,860.00	39,337.00	0.00	8,523.00	82.19
855.00	RETIREE BENEFITS	99,210.00	81,757.25	9,654.90	17,452.75	82.41
890.00	CONTINGENCIES	61,980.00	515.00	0.00	61,465.00	0.83
999.00	SURPLUS	488,310.00	47,443.96	25,908.94	440,866.04	9.72

REVENUE AND EXPENDITURE REPORT FOR CITY OF MASON

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		AMENDED BUDGET	02/28/2015 NORMAL (ABNORMAL)	MONTH 02/28/2015 INCREASE (DECREASE)	BALANCE NORMAL (ABNORMAL)	
Fund 101 - GENERAL FUND						
Expenditures						
TOTAL Expenditures		5,839,960.00	3,660,008.36	286,630.29	2,179,951.64	62.67
<hr/>						
Fund 101 - GENERAL FUND:						
TOTAL REVENUES		5,799,960.00	4,768,955.60	86,330.23	1,031,004.40	82.22
TOTAL EXPENDITURES		5,839,960.00	3,660,008.36	286,630.29	2,179,951.64	62.67
NET OF REVENUES & EXPENDITURES		(40,000.00)	1,108,947.24	(200,300.06)	(1,148,947.24)	2,772.37

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		AMENDED BUDGET	02/28/2015 (ABNORMAL)	MONTH 02/28/2015 (DECREASE)	BALANCE (ABNORMAL)	
Fund 202 - MAJOR STREETS FUND						
Revenues						
000.00		957,780.00	228,850.74	43,010.66	728,929.26	23.89
TOTAL Revenues		957,780.00	228,850.74	43,010.66	728,929.26	23.89
Expenditures						
000.00		101,330.00	0.00	0.00	101,330.00	0.00
451.00	STREET/ROAD CONSTRUCTION	585,780.00	17,360.00	0.00	568,420.00	2.96
463.00	STREET MAINTENANCE	135,335.00	85,795.40	15,904.18	49,539.60	63.39
474.00	TRAFFIC SERVICES	23,725.00	25,022.00	3,423.64	(1,297.00)	105.47
478.00	WINTER MAINTENANCE	39,205.00	19,093.30	8,079.30	20,111.70	48.70
482.00	STREET ADMIN/GEN EXP	72,405.00	66,040.00	0.00	6,365.00	91.21
TOTAL Expenditures		957,780.00	213,310.70	27,407.12	744,469.30	22.27
Fund 202 - MAJOR STREETS FUND:						
TOTAL REVENUES		957,780.00	228,850.74	43,010.66	728,929.26	23.89
TOTAL EXPENDITURES		957,780.00	213,310.70	27,407.12	744,469.30	22.27
NET OF REVENUES & EXPENDITURES		0.00	15,540.04	15,603.54	(15,540.04)	100.00

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 02/28/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 02/28/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 203 - LOCAL STREETS FUND						
Revenues						
000.00		520,360.00	104,633.05	35,125.17	415,726.95	20.11
TOTAL Revenues		520,360.00	104,633.05	35,125.17	415,726.95	20.11
Expenditures						
451.00	STREET/ROAD CONSTRUCTION	269,530.00	16,433.29	9,244.27	253,096.71	6.10
463.00	STREET MAINTENANCE	145,520.00	97,556.78	20,797.79	47,963.22	67.04
474.00	TRAFFIC SERVICES	7,870.00	6,663.44	33.35	1,206.56	84.67
478.00	WINTER MAINTENANCE	32,880.00	11,850.71	3,353.51	21,029.29	36.04
482.00	STREET ADMIN/GEN EXP	64,560.00	64,560.00	0.00	0.00	100.00
TOTAL Expenditures		520,360.00	197,064.22	33,428.92	323,295.78	37.87
Fund 203 - LOCAL STREETS FUND:						
TOTAL REVENUES		520,360.00	104,633.05	35,125.17	415,726.95	20.11
TOTAL EXPENDITURES		520,360.00	197,064.22	33,428.92	323,295.78	37.87
NET OF REVENUES & EXPENDITURES		0.00	(92,431.17)	1,696.25	92,431.17	100.00

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 02/28/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 02/28/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY						
Revenues						
000.00		134,000.00	61,022.07	35.42	72,977.93	45.54
TOTAL Revenues		<u>134,000.00</u>	<u>61,022.07</u>	<u>35.42</u>	<u>72,977.93</u>	<u>45.54</u>
Expenditures						
000.00		134,000.00	92,631.80	26,023.99	41,368.20	69.13
TOTAL Expenditures		<u>134,000.00</u>	<u>92,631.80</u>	<u>26,023.99</u>	<u>41,368.20</u>	<u>69.13</u>
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY:						
TOTAL REVENUES		134,000.00	61,022.07	35.42	72,977.93	45.54
TOTAL EXPENDITURES		134,000.00	92,631.80	26,023.99	41,368.20	69.13
NET OF REVENUES & EXPENDITURES		0.00	(31,609.73)	(25,988.57)	31,609.73	100.00

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 02/28/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 02/28/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 250 - LOCAL DEV. FINANCE AUTHORITY						
Revenues						
000.00		387,815.00	1,635,235.12	858.03	(1,247,420.12)	421.65
TOTAL Revenues		387,815.00	1,635,235.12	858.03	(1,247,420.12)	421.65
Expenditures						
691.00	L.D.F.A.	387,815.00	26,844.70	0.00	360,970.30	6.92
TOTAL Expenditures		387,815.00	26,844.70	0.00	360,970.30	6.92
Fund 250 - LOCAL DEV. FINANCE AUTHORITY:						
TOTAL REVENUES		387,815.00	1,635,235.12	858.03	(1,247,420.12)	421.65
TOTAL EXPENDITURES		387,815.00	26,844.70	0.00	360,970.30	6.92
NET OF REVENUES & EXPENDITURES		0.00	1,608,390.42	858.03	(1,608,390.42)	100.00

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		AMENDED BUDGET	02/28/2015 NORMAL (ABNORMAL)	MONTH 02/28/2015 INCREASE (DECREASE)	BALANCE NORMAL (ABNORMAL)	
Fund 297 - ECONOMIC DEVELOPMENT COMM.						
Revenues						
000.00		70.00	27.49	3.30	42.51	39.27
TOTAL Revenues		70.00	27.49	3.30	42.51	39.27
Expenditures						
000.00		70.00	0.00	0.00	70.00	0.00
TOTAL Expenditures		70.00	0.00	0.00	70.00	0.00
Fund 297 - ECONOMIC DEVELOPMENT COMM.:						
TOTAL REVENUES		70.00	27.49	3.30	42.51	39.27
TOTAL EXPENDITURES		70.00	0.00	0.00	70.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	27.49	3.30	(27.49)	100.00

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		AMENDED BUDGET	02/28/2015 NORMAL (ABNORMAL)	MONTH 02/28/2015 INCREASE (DECREASE)	BALANCE NORMAL (ABNORMAL)	
Fund 401 - CAPITAL IMPROVEMENT FUND						
Revenues						
000.00		60,000.00	24,257.50	0.00	35,742.50	40.43
TOTAL Revenues		60,000.00	24,257.50	0.00	35,742.50	40.43
Expenditures						
000.00		60,000.00	6,022.50	(130.00)	53,977.50	10.04
TOTAL Expenditures		60,000.00	6,022.50	(130.00)	53,977.50	10.04
Fund 401 - CAPITAL IMPROVEMENT FUND:						
TOTAL REVENUES		60,000.00	24,257.50	0.00	35,742.50	40.43
TOTAL EXPENDITURES		60,000.00	6,022.50	(130.00)	53,977.50	10.04
NET OF REVENUES & EXPENDITURES		0.00	18,235.00	130.00	(18,235.00)	100.00

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 02/28/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 02/28/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 592 - WATER/SEWER FUND						
Revenues						
000.00		5,398,350.00	1,886,142.09	220,807.78	3,512,207.91	34.94
TOTAL Revenues		5,398,350.00	1,886,142.09	220,807.78	3,512,207.91	34.94
Expenditures						
545.00	WATER & SEWER ADMINISTRATION	77,600.00	36,687.01	9,444.13	40,912.99	47.28
546.00	SEWER IMPROVEMENT	42,660.00	0.00	0.00	42,660.00	0.00
548.00	SEWER MAINTENANCE	213,090.00	124,369.58	2,058.12	88,720.42	58.36
555.00	WASTEWATER TREATMENT PLANT	2,475,305.00	602,585.43	47,614.66	1,872,719.57	24.34
556.00	WATER MAINTENANCE	428,380.00	289,629.39	22,476.75	138,750.61	67.61
557.00	STORM SEWER PROGRAM	9,425.00	15,712.63	2,000.00	(6,287.63)	166.71
558.00	WATER IMPROVEMENT	689,060.00	183,368.95	1,532.45	505,691.05	26.61
559.00	WATER TREATMENT PLANT	840,710.00	283,916.73	17,976.59	556,793.27	33.77
566.00	ALLOWANCE FOR DEPRECIATION	665,000.00	0.00	0.00	665,000.00	0.00
TOTAL Expenditures		5,441,230.00	1,536,269.72	103,102.70	3,904,960.28	28.23
Fund 592 - WATER/SEWER FUND:						
TOTAL REVENUES		5,398,350.00	1,886,142.09	220,807.78	3,512,207.91	34.94
TOTAL EXPENDITURES		5,441,230.00	1,536,269.72	103,102.70	3,904,960.28	28.23
NET OF REVENUES & EXPENDITURES		(42,880.00)	349,872.37	117,705.08	(392,752.37)	815.93

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		AMENDED BUDGET	02/28/2015 NORMAL (ABNORMAL)	MONTH 02/28/2015 INCREASE (DECREASE)	BALANCE NORMAL (ABNORMAL)	
Fund 612 - MASON BUILDING AUTHORITY						
Revenues						
000.00		286,685.00	112,759.84	0.02	173,925.16	39.33
TOTAL Revenues		<u>286,685.00</u>	<u>112,759.84</u>	<u>0.02</u>	<u>173,925.16</u>	<u>39.33</u>
Expenditures						
000.00		286,685.00	112,756.15	0.00	173,928.85	39.33
TOTAL Expenditures		<u>286,685.00</u>	<u>112,756.15</u>	<u>0.00</u>	<u>173,928.85</u>	<u>39.33</u>
Fund 612 - MASON BUILDING AUTHORITY:						
TOTAL REVENUES		286,685.00	112,759.84	0.02	173,925.16	39.33
TOTAL EXPENDITURES		286,685.00	112,756.15	0.00	173,928.85	39.33
NET OF REVENUES & EXPENDITURES		0.00	3.69	0.02	(3.69)	100.00

User: MW

DB: Mason City

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		AMENDED BUDGET	02/28/2015 NORMAL (ABNORMAL)	MONTH 02/28/2015 INCREASE (DECREASE)	BALANCE NORMAL (ABNORMAL)	
Fund 661 - MOTOR VEHICLE POOL						
Revenues						
000.00		399,870.00	173,346.85	14,861.85	226,523.15	43.35
TOTAL Revenues		<u>399,870.00</u>	<u>173,346.85</u>	<u>14,861.85</u>	<u>226,523.15</u>	<u>43.35</u>
Expenditures						
567.00	SHOP & BLDG. MAINTENANCE	47,840.00	38,462.94	1,331.35	9,377.06	80.40
568.00	EQUIPMENT MAINTENANCE	187,415.00	125,628.78	7,855.07	61,786.22	67.03
901.00	EQUIPMENT-CAPITAL OUTLAY	207,745.00	110,193.01	0.00	97,551.99	53.04
TOTAL Expenditures		<u>443,000.00</u>	<u>274,284.73</u>	<u>9,186.42</u>	<u>168,715.27</u>	<u>61.92</u>
Fund 661 - MOTOR VEHICLE POOL:						
TOTAL REVENUES		399,870.00	173,346.85	14,861.85	226,523.15	43.35
TOTAL EXPENDITURES		<u>443,000.00</u>	<u>274,284.73</u>	<u>9,186.42</u>	<u>168,715.27</u>	<u>61.92</u>
NET OF REVENUES & EXPENDITURES		(43,130.00)	(100,937.88)	5,675.43	57,807.88	234.03

User: MW

DB: Mason City

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 02/28/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 02/28/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 702 - RAYNER BOND FUND						
Revenues						
000.00		151,000.00	46,012.77	3,718.01	104,987.23	30.47
TOTAL Revenues		151,000.00	46,012.77	3,718.01	104,987.23	30.47
Expenditures						
000.00		151,000.00	12,011.54	0.00	138,988.46	7.95
TOTAL Expenditures		151,000.00	12,011.54	0.00	138,988.46	7.95
Fund 702 - RAYNER BOND FUND:						
TOTAL REVENUES		151,000.00	46,012.77	3,718.01	104,987.23	30.47
TOTAL EXPENDITURES		151,000.00	12,011.54	0.00	138,988.46	7.95
NET OF REVENUES & EXPENDITURES		0.00	34,001.23	3,718.01	(34,001.23)	100.00

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15 AMENDED BUDGET	YTD BALANCE 02/28/2015 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 02/28/2015 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 711 - CEMETERY TRUST FUND						
Revenues						
000.00		4,200.00	2,090.88	43.72	2,109.12	49.78
TOTAL Revenues		4,200.00	2,090.88	43.72	2,109.12	49.78
Expenditures						
000.00		4,200.00	0.00	0.00	4,200.00	0.00
TOTAL Expenditures		4,200.00	0.00	0.00	4,200.00	0.00
Fund 711 - CEMETERY TRUST FUND:						
TOTAL REVENUES		4,200.00	2,090.88	43.72	2,109.12	49.78
TOTAL EXPENDITURES		4,200.00	0.00	0.00	4,200.00	0.00
NET OF REVENUES & EXPENDITURES		0.00	2,090.88	43.72	(2,090.88)	100.00

PERIOD ENDING 02/28/2015

GL NUMBER	DESCRIPTION	2014-15	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		AMENDED BUDGET	02/28/2015 (ABNORMAL)	MONTH 02/28/2015 INCREASE (DECREASE)	BALANCE NORMAL (ABNORMAL)	
Fund 812 - SPECIAL ASSESSMENT FUND						
Revenues						
000.00		176,800.00	40,705.15	94.51	136,094.85	23.02
TOTAL Revenues		<u>176,800.00</u>	<u>40,705.15</u>	<u>94.51</u>	<u>136,094.85</u>	<u>23.02</u>
Expenditures						
000.00		176,800.00	73,525.00	0.00	103,275.00	41.59
TOTAL Expenditures		<u>176,800.00</u>	<u>73,525.00</u>	<u>0.00</u>	<u>103,275.00</u>	<u>41.59</u>
Fund 812 - SPECIAL ASSESSMENT FUND:						
TOTAL REVENUES		176,800.00	40,705.15	94.51	136,094.85	23.02
TOTAL EXPENDITURES		<u>176,800.00</u>	<u>73,525.00</u>	<u>0.00</u>	<u>103,275.00</u>	<u>41.59</u>
NET OF REVENUES & EXPENDITURES		0.00	(32,819.85)	94.51	32,819.85	100.00
TOTAL REVENUES - ALL FUNDS		14,276,890.00	9,084,039.15	404,888.70	5,192,850.85	63.63
TOTAL EXPENDITURES - ALL FUNDS		<u>14,402,900.00</u>	<u>6,204,729.42</u>	<u>485,649.44</u>	<u>8,198,170.58</u>	<u>43.08</u>
NET OF REVENUES & EXPENDITURES		(126,010.00)	2,879,309.73	(80,760.74)	(3,005,319.73)	2,284.99

City of Mason

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



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

March 17, 2015

Mr. Tim Dolehanty
Controller/Administrator
Ingham County Courthouse
PO Box 319
Mason MI 48854

Mr. Timothy Morgan
Director
Ingham County Parks Department
121 E Maple Street
PO Box 178
Mason Mi 48854

Dear Mr. Dolehanty and Mr. Morgan,

In 2009, Ingham County determined that due to cost reductions and a change in county philosophy of regional parks, Rayner Park inside the City of Mason was being closed. Through a negotiation process the County of Ingham and the City of Mason entered into a lease/option to purchase agreement on June 9, 2010.

This lease/option to purchase was a 6-year agreement with an annual payment of \$1.00 and the responsibility of the City to operate and maintain the park. This agreement is in effect through December 31, 2016. During this time period the city has properly maintained Rayner Park as well as made improvements to the buildings and structures. Most recently, the Rotary Stage was added as a new capital improvement.

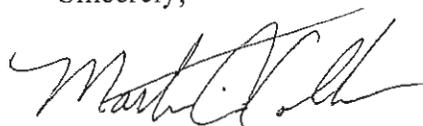
Under Section 10, Option to Purchase within the agreement, the City has an exclusive option to purchase Rayner Park. This option remains in effect from January 2, 2016, through the balance of the duration of the agreement. Purchase price for the option is \$1.00. To initiate the option to purchase, one of the requirements upon the County is to obtain a professional survey of the premises and updated legal description, and to prepare the necessary Quit Claim Deed

conveyance documents consistent with the survey and updated legal description. This component is the County's responsibility and it has been conveyed that the County requires notice of intent by the City to ultimately take ownership of Rayner Park prior to the County assuming the expense of the survey.

The Mason City Council passed resolution 2015-15 at the Council Meeting of March 16, 2015, ratifying consent of the City Administrator to proceed with communicating the City's intent to exercise the option to purchase Rayner Park in accordance with the agreement set out in 2010. This letter of intent initiates the process for Ingham County to obtain the professional survey of the premises of Rayner Park to update the legal description for the future preparation of the Quit Claim Deed. These documents will ultimately convey a transfer of the property to the City of Mason.

The City has taken seriously our obligation to properly maintain Rayner Park in accordance with the agreement. I will be inviting Mr. Morris, as we have in previous years with Mr. Bennett, to inspect the park annually. City staff is available to meet with County representatives at the appropriate time to share or convey any further information required to pursue the completion of the survey and ultimately the transfer of the property of Rayner Park to the City of Mason. I look forward to working with you on completing this process.

Sincerely,



Martin Colburn
City Administrator
City of Mason

Attachment: Lease/Option to Purchase Agreement between County of Ingham and City of
Mason for Rayner Park
Mason City Council Resolution 2015-15

Cc: Mason City Council
Ms. Robin Naeyaert, County Commissioner, District 14
Mr. Tom Hitch, Mason City Attorney
Mr. Ken Baker, DPW Director
Mr. David Haywood, Zoning and Development Director

**LEASE/OPTION TO PURCHASE AGREEMENT
BETWEEN
COUNTY OF INGHAM
AND
CITY OF MASON
FOR
RAYNER PARK**

THIS AGREEMENT, made and entered into this 9th day of JUNE, 2010, by and between the **COUNTY OF INGHAM**, a political subdivision of the State of Michigan (hereinafter referred to as the "County"), and the **CITY OF MASON**, a municipal corporation, organized and existing under the laws of the State of Michigan (hereinafter referred to as the "City").

WHEREAS, the County has determined that it will be financially unable to continue operation of Rayner Park; and

WHEREAS, the City, in which Rayner Park is located, desires to continue Rayner Park's operation, and is interested in eventually acquiring the Rayner Park property to use for City public park purposes; and

WHEREAS, the parties are agreeable to entering an agreement that will continue to allow Rayner Park to be available for public park uses for the citizens of the City and the County.

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained, **IT IS HEREBY MUTUALLY AGREED**, as follows:

1. **Lease.** The County agrees to lease to the City real property located in the City of Mason, Ingham County, Michigan, commonly known as Rayner Park, legally described as set forth in the legal description, attached and incorporated by reference as Schedule A, together with all improvements, buildings, fixtures and facilities (hereafter, the "Premises"), subject to any easements, utilities, or restrictions or conditions of record. At the commencement of the Lease Term, the County shall transfer possession of the Premises in good order and condition, normal wear and tear excepted.

2. **Transfer of Personal Property.** On June 9, 2010, the County shall transfer ownership and possession to the City without cost all personal property used for Rayner Park operations and maintenance, located on the Premises. The personal property shall be "as is," without any warranty or guarantee by the County. However, any manufacturer's warranty or seller's guarantee will be assigned by the County to the City to the extent otherwise permitted. The City shall maintain all personal property in good condition and repair, subject to any pre-existing conditions, and shall replace without cost to the County

with items of good quality any of the personal property that becomes inoperable, obsolete, or unusable if such item is necessary for the operation of Rayner Park in the City's reasonable discretion. The City may also install additional new personal property as it deems appropriate within the Park to enhance the Park and its operations. Unless the City exercises its option to purchase under this Agreement, whatever personal property remains at the time this Agreement expires or otherwise terminates; and any replacement personal property, but excluding any additional new personal property, shall be transferred back to County ownership and possession. In the event the City does exercise its option to purchase under Section 10 of this Agreement, ownership and possession of such personal property shall remain with the City.

3. Term and Termination. The Lease Term shall commence at 12:01 a.m. on June 9, 2010, after this Agreement is fully signed by the authorized representatives of both the County and City, and shall remain in effect through December 31, 2016, unless terminated earlier due to any of the following: (1) the City ceases using the Premises for public park purposes, or (2) the County terminates the lease and option to purchase prior to the expiration date, upon 90-days written notice, to accommodate use of the Premises in conjunction with the adjacent Ingham County Fair grounds to facilitate the operation of a State Fair.

4. Compensation and Payment. The City shall pay the County annual rent for the Premises in the nominal amount of One Dollar (\$1.00). As additional consideration, the City shall otherwise expend all funds necessary for the operation and maintenance of Rayner Park, and the County shall, at no cost, reserve and retain the right to use the Premises for vehicle parking purposes in conjunction with the annual Ingham County Fair. Such reserved parking use by the County shall include all appropriate areas for parking, including but not limited to gravel areas and grass fields, allowing for the parking of approximately 584 vehicles, together with ingress and egress.

5. Operation and Maintenance of the Park. The County shall transfer responsibility for the operation and maintenance of Rayner Park to the City, to be occupied, operated and maintained during the Lease Term solely for the operation of a public park, and related and incidental purposes and programs. The City shall have the authority to determine, in its sole discretion, the days and hours of Rayner Park operation, rental rates, park policies, and all other similar operational matters, provided, however, that anything that changes the fundamental nature or purpose of Rayner Park requires County approval. The City agrees to pay, when due, the costs of any electricity, water, garbage collection, sewer, gas, telephone, snow removal and any other utilities related to the Premises. The City shall maintain Rayner Park in a clean, safe, sanitary, and sightly condition.

6. Solicitation of Public and Private Funding. The City may actively solicit governmental or non-governmental grants, donations, or other funds for the support of the operation, maintenance, and purposes of Rayner Park. The City shall have the authority to

apply for grant funding in its name during the term of this lease. The City shall be responsible for any required grant matches required for Rayner Park grants received by the City during the term of this lease.

7. **Debt Financing.** The City shall not issue any debt for Rayner Park purposes, including Capital Improvements, without prior written approval of the County, if such debt is secured in any way by the Premises.

8. **Capital Improvements.** The City may make such capital improvements as it determines necessary for the operation and maintenance of Rayner Park. Any capital improvements must be in conformity with federal, state, and local laws, rules, and regulations, and the City must obtain all required permits at its expense. Title to all capital improvements, fixtures, equipment, additions, and other property shall be and remain the property of the City during the term of this lease. Notwithstanding the foregoing, it is further agreed that if the ponds near the Park entrance require repairs and those repairs are not included as part of the applicable Drainage District assessment by the Drain Commissioner, then the City and the County shall negotiate an agreement for sharing the cost of such pond repairs.

9. **Access to Premises and Documents.** The County reserves the right to inspect, either itself or by a duly authorized agent, the Premises, or any portion, at any time upon reasonable notice to the City. The County shall have the right to inspect documents related to Rayner Park at any time upon reasonable notice to the City.

10. **Option to Purchase.**

A. **Option.** The County grants the City an exclusive Option to Purchase the Premises described in the attached Schedule A, with all easements, rights, structures and appurtenances. The Option to Purchase shall remain in effect from January 1, 2016 through the balance of the duration of this Lease/Option to Purchase Agreement. The purchase price for the premises under this option is ONE AND NO/100 DOLLARS (\$1.00).

B. **Exercise of the Option.** The City may exercise its Option to Purchase under this Agreement by giving written notice signed by the City to the County at the address designated by the County in Section 16 of this Agreement.

C. **Failure to Exercise the Option.** If the City fails to properly exercise this Option to Purchase before this Agreement expires, this Option to Purchase shall terminate and the County shall have no further obligation to the City.

D. **Inspection of Premises.** The City has the right to inspect the premises prior to exercising this Option to Purchase right, including but not limited to testing for hazardous substances, make surveys and otherwise investigate the Premises to determine its

composition and suitability for its purposes. At closing, THE CITY WILL CONFIRM IN WRITING THAT IT HAS INSPECTED THE PREMISES AND AGREES TO TAKE THE PREMISES "AS IS" AND IN ITS PRESENT CONDITION AND THAT THERE ARE NO OTHER OR ADDITIONAL WRITTEN OR ORAL UNDERSTANDINGS CONCERNING THE STATUS OF TITLE OF THE PREMISES. THE COUNTY EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES ON THE PREMISES.

E. Deed Restriction/Easement. The deed that is provided pursuant to this Section 10 shall contain a restriction which limits the use of the Premises for public park purposes for a term of twenty (20) years. In the event that the City ceases to use the Premises for public park purposes during such term, the Premises shall automatically revert to the County, except that the City may transfer title, possession, or use of the premises to a recreational authority established between the City and participating municipalities pursuant to the Recreational Authorities Act, 2000 PA 321, MCL 123.1131, or similar public entity that will continue to use the Premises for public park purposes, without causing the premises to revert to the County. The deed shall also reserve for the County's benefit a permanent easement for use of the Premises for vehicle parking purposes in conjunction with the annual Ingham County Fair. Such reserved parking use by the County shall include all appropriate areas for parking, including but not limited to gravel areas and grass fields, allowing for the parking of approximately 584 vehicle, together with ingress and egress. The parties agree that the City shall have the authority to make all remaining divisions under Section 108 of the Land Division Act, Act No. 288 of the Public Acts of 1967, as amended, after the closing and transfer of title.

F. Closing. This sale shall be closed within ten (10) days after all the closing documents are prepared but no later than ninety (90) days after the County receives the notice that the City is exercising the option.

G. The Closing and Preparations for the Closing. If the City exercises the Option to Purchase, the following obligations shall be performed by the closing date:

1. The County shall obtain a professional survey of the Premises and updated legal description, and prepare the necessary Quit Claim Deed conveyance documents consistent with the survey and updated legal description to transfer its title to the City and forward them to the City for the City's review at least ten (10) days before the scheduled date of closing.
2. The closing shall be held at the Ingham County offices in Mason, Michigan, unless the parties mutually agree on some other location.

3. The County shall pay all costs necessary for preparation of the quit claim deed, and any attorney's fees incurred by the County. The City shall pay attorney's fees incurred on behalf of the City, any inspection costs initiated by City, and all recording fees and costs.

11. Insurance. The City shall cause to be obtained and maintained adequate insurance coverage on Rayner Park and the personal property located at Rayner Park during the lease term. The City shall only be required to obtain and maintain the same casualty and general liability insurance coverage for Rayner Park as it does for its other City properties. The City shall, on all Rayner Park insurance policies, list the County as an additional named insured, and provide the County with copies of the Certificates of Insurance upon request. The City shall be responsible for any deductible or self-insured retention relating to such insurance.

12. Compliance with the Law. In performing the services and activities required under this Agreement and in fulfilling the terms, conditions, obligations, covenants, agreements, and stipulations of this Agreement, the County and the City shall comply with all applicable Federal, State and local laws.

The City shall not permit the illegal use or occupancy of the Premises. The City shall obtain and maintain all required Federal, State, or local licenses or permits for operation and maintenance of Rayner Park.

13. Termination of Agreement. If this Agreement is terminated for any reason, title to all personal property used for operation or maintenance of Rayner Park shall remain in or revert to the County as provided in Section 2 of this Agreement. The City shall peaceably surrender and quit the Premises together with all capital improvements, in good order and condition, normal wear and tear excepted. All Rayner Park personal property shall revert to the County upon termination and become the property of the County. The Premises and personal property shall be surrendered free and clear of all liens and encumbrances. Upon termination for any reason, the City and County shall cooperate to the fullest reasonable extent in effecting the orderly and efficient transfer of the operation and maintenance of Rayner Park to the County.

14. Civil Rights. The City and the County mutually agree to adhere to all applicable Federal, State and local laws and regulations prohibiting discrimination. The City and County further agree that they shall not discriminate against an employee or applicant for employment with respect to hire, tenure, terms and conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, sexual orientation, gender identity, political affiliation or beliefs, disability which is unrelated to the individual's ability to perform the duties of a

particular Job or position, height, weight or marital status. A breach of this covenant shall be regarded as a material breach of this Agreement.

15. Liability.

- A. Any claims, liabilities, loss or damage, lawsuits, or judgments arising out of activities by the City and/or Rayner Park during the Lease Term shall be the sole and exclusive responsibility of the City.
- B. All liability to third parties, loss or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the City in the performance of this Agreement shall be the responsibility of the City, and not the responsibility of the County, if the liability, loss, or damage is caused by, or arises out of, the actions or failure to act on the part of the City, any subcontractor, or anyone directly or indirectly employed by the City, provided that nothing herein shall be construed as a waiver of any governmental immunity that has been provided to the City or its employees by statutes or court decisions.
- C. All liability to third parties, loss, or damage as a result of claims, demands, costs, or judgments arising out of activities to be carried out by the County in the performance of this Agreement shall be the responsibility of the County and not the responsibility of the City if the liability, loss, or damage is caused by, or arises out of, the action or failure to act on the part of the County, any subcontractor, or anyone directly or indirectly employed by the County, provided that nothing herein shall be construed as a waiver of any governmental immunity by the County or its employees as provided by statute or court decisions.
- D. In the event that liability to third parties, loss, or damage arises as a result of activities conducted jointly by the County and the City in fulfillment of their responsibilities under this Agreement, such liability, loss, or damage shall be borne by the County and the City in relation to each party's responsibilities under these joint activities provided that nothing herein shall be construed as a waiver of any governmental immunity by the County, the City or their employees, respectively, as provided by statute or court decisions.

16. Notices. All notices given hereunder shall be in writing and delivered personally or by certified mail to the address given below, unless a new address is provided in writing.

If to County:

Director
Ingham County Parks Department
121 East Maple Street
P.O. Box 178
Mason, MI 48854

and

County Controller
Courthouse
Mason, MI 48854

If to City:

City Administrator
City of Mason
201 West Ash Street
P.O. Box 370
Mason, MI 48854

17. **Waivers.** No failure or delay on the part of either of the parties to this Agreement in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall a single or partial exercise of any right, power or privilege preclude any other or further exercise of any other right, power or privilege.

18. **Agreement Modifications.** This Agreement contains all the agreements of the parties relating to Rayner Park and all modifications to this Agreement must be mutually agreed upon by the City and the County, and incorporated into written amendments to this Agreement after approval by the City Council and the County Board of Commissioners, and signed by their duly authorized representatives.

19. **Disregarding Titles.** The titles of the sections set forth in this Agreement are inserted for the convenience of reference only and shall be disregarded when construing or interpreting any of the provisions of this Agreement.

20. **Complete Agreement.** This Agreement, including the attached Schedule, contains all of the terms and conditions agreed upon by the parties hereto and no other agreements, oral or otherwise, regarding the subject matter of this Agreement or any part thereof shall have any validity or bind any of the parties hereto.

21. **Severability.** If any part of this Agreement is found by a Court or Tribunal of competent jurisdiction to be invalid, unconstitutional or beyond the authority of either party to enter into or carry out, such part shall be deemed deleted and shall not affect the validity of

the remainder of this Agreement which shall continue in full force and effect. If the removal of such provision would result in the illegality and/or unenforceability of this Agreement, this Agreement shall terminate as of the date in which the provision was found invalid, unconstitutional or beyond the authority of the parties.

22. **Certification of Authority to Sign Agreement.** The persons signing this Agreement on behalf of the parties hereto certify by their signatures that they are duly authorized to sign on behalf of said parties and that this Agreement has been authorized by said parties.

23. **Assignment or Subcontracting.** Neither of the parties to this Agreement shall assign, subcontract or otherwise transfer its duties and/or obligations under this Agreement, without the prior written consent of the other party.

24. **Effective Date.** This Agreement shall become effective as of the date upon which the last of the parties listed below has signed this Agreement.

IN WITNESS WHEREOF, the authorized representatives of the parties hereto have fully executed this instrument on the day and year first above written.

WITNESSED BY:

Dennis Sigmond

Date: June 15, 2010

Dustin Bennett

Date: 6-15-10

Matthew Colburn

Date: 6-19-2010

COUNTY OF INGHAM

Debbie De Leon

Debbie De Leon, Chairperson
County Board of Commissioners

Mike Bryanton

Mike Bryanton, County Clerk

CITY OF MASON

Leon Clark

Leon Clark, Mayor

APPROVED AS TO FORM ONLY FOR INGHAM COUNTY
COHL, STOKER & TOSKEY, P.C.

By: *Timothy M. Perrone*
Timothy M. Perrone

APPROVED AS TO FORM ONLY FOR THE CITY OF MASON:

By: *Debra E. M. Ginty*
MASON City Attorney

SCHEDULE A

LEGAL DESCRIPTION

A part of the West ½ of Section 9, Town 2 North, Range 1 West, City of Mason, Ingham County, Michigan described as: the West 625 feet of that part of the Northeast ¼ of said Section 9 lying South of Ash St., aka Highway M-36, except beginning at Southeast corner of said West 625 feet, thence North 225 feet, thence Southwesterly to point on East-West ¼ line of said Section 9, 85 feet West of the point of beginning, thence East 85 feet to the point of beginning. Also the West 540 feet of the Southeast ¼ of said Section 9. Also the East 300 feet of the South 1350 feet of the West 840 feet of Southeast ¼ of said Section 9. Also the East 75 feet of the South 885 feet of the West 915 feet of Southeast ¼ of said Section 9.

59.9 acres more or less

N:\Client\Ingham\Controller\Agreements\Rayner Park\Co. Rayner Park Agr 6-14-10 final.wpd

Introduced: Brown
Second: Droscha

CITY OF MASON
CITY COUNCIL RESOLUTION No. 2015-15

A RESOLUTION AUTHORIZING A REQUEST BE FORWARDED TO THE INGHAM COUNTY BOARD OF COMMISSIONERS TO INITIATE THE PROCESS OF THE PURCHASE OF RAYNER PARK BY THE CITY OF MASON

MARCH 16, 2015

WHEREAS, Ingham County entered into a Lease/Option agreement with the City of Mason for Rayner Park June 9, 2010; and

WHEREAS, within the agreement the City may exercise the option to purchase Rayner Park incorporating 59.9 acres; and

WHEREAS, the City has met the obligations of proper operation and maintenance of Rayner Park solely at the City's expense, inclusive of utility costs maintaining Rayner Park in a clean, safe, sanitary and visually presentable condition; and

WHEREAS, the community has voluntarily assisted the City with enhancements to Rayner Park during the time that the City of Mason has leased this property such as the replacement of three pedestrian bridges, basketball court, repairs to the playground, painting the bathrooms and pavilion, replacing aerators and pumps for the ponds, building the Rotary stage, maintaining the fields and ponds, and adding an electrical transformer within the park; and

WHEREAS, under Section 10. Option to Purchase (G) of the Agreement, in preparation "The County shall obtain a professional survey of the premises and updated legal description, and prepare the necessary Quit Claim Deed conveyance documents consistent with the survey and updated legal description to transfer its title to the City and forward them to the City for the City's review"; and

WHEREAS, after meeting the terms and conditions of the Lease/Option to Purchase Agreement over the past five years, the City is still interested in pursuing ownership of Rayner Park.

BE IT HEREBY RESOLVED that the Mason City Council hereby authorizes the City Administrator to forward a letter of intent for the City of Mason to pursue exercising the Option to Purchase Rayner Park in accordance with the agreement set out in 2010; and

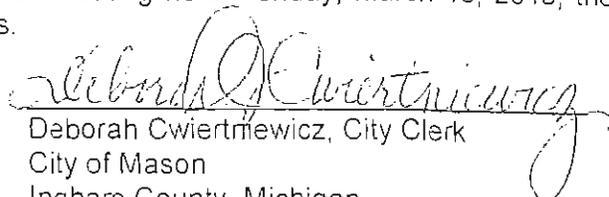
BE IT FURTHER RESOLVED that this letter of intent initiates the process of Ingham County to obtain a professional survey of the premises of Rayner Park and updated legal description, and prepare the necessary Quit Claim Deed conveyance documents to transfer its title to the City of Mason.

Yes (6) Brown, Clark, Droscha, Ferris, Mulvany, Waltz

No (0)

Absent (1) Bruno

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, March 16, 2015, the original of which is part of the City Council minutes.


Deborah Cwiermewicz, City Clerk
City of Mason
Ingham County, Michigan

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

City of Mason



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

MEMORANDUM

TO: Honorable Mayor and Council Members

FROM: Martin Colburn, City Administrator

DATE: April 6, 2015

RE: City Administrator's Report

Michigan Emergency Management Act

The Ingham County Emergency management Operations Center invited public officials for a seminar for training and guidance on emergency management. A review of how the Operation Center, Incident Command System as well as proceeding with declaring a disaster was discussed. It was a good opportunity to meet key members of the Disaster Planning Team from both the Michigan State Police and Ingham County Sheriff's Office. Attached is a copy of the Public Act 390 of 1976 which defines responsibilities and actions of public agencies and officials during a disaster as well as mitigation and obtaining state and federal assistance. Cities such as Mason with a population of less than 10,000 specifically serve at the direction of the County Emergency Management Coordinator.

Michigan Business Strategy

The Business Leaders for Michigan, a private, non-profit executive leadership organization, has partnered with many organizations such as Chambers of Commerce, State government and clusters of business and industry to focus efforts on specific goals to assist the business climate in Michigan and the region. They have identified six areas of competitive strength to mobilize efforts. These areas include: engineering talent; geographic location; higher education system; natural resources; automotive industry; and health and medical expertise. The meeting focused on these areas, the trending and the potential to exploit efforts to grow Michigan's economic growth. They are tracking efforts and metrics in these areas, measuring successes and areas to address for improvement. The data in the attached document demonstrates the output and standings, providing leaders an understanding so they can ascertain how their organization and efforts factor.

Michigan Transportation Alternatives Program (TAP)

A last-minute call for projects through Tri-County was forwarded to member communities regarding the availability of funds for shovel-ready projects. MDOT has funding available, through the TAP program, for projects in areas such as facilities for pedestrians and bicyclists; turnout, overlooks, and viewing areas; historic preservation and rehabilitation of transportation facilities; and environmental mitigation activities. Working with Don Heck and Bruce Johnston, I have submitted an application for the southern Hayhoe Trailhead project located at 848 South Jefferson where the *Silver Respite* public art piece is stationed. The application submitted to the State is \$32,540, a City match of \$10,000 making the total request for \$42,540. The application will be forwarded to the CARTS committee on Tuesday, April 7, and the process at Tri-County should be completed by April 29th. This would be a project for 2015.

MICHIGAN EMERGENCY MANAGEMENT ACT



**CONTAINS COMPLETE TEXT OF THE EMERGENCY MANAGEMENT ACT;
ADMINISTRATIVE RULES NOT INCLUDED.**

This document was prepared under a grant from FEMA's Grant Programs Directorate, U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of FEMA's Grant Programs Directorate or the U.S. Department of Homeland Security.

EMERGENCY MANAGEMENT ACT
Act 390 of 1976

AN ACT to provide for planning, mitigation, response, and recovery from natural and human-made disaster within and outside this state; to create the Michigan emergency management advisory council and prescribe its powers and duties; to prescribe the powers and duties of certain state and local agencies and officials; to prescribe immunities and liabilities; to provide for the acceptance of gifts; and to repeal acts and parts of acts.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990; -- Am. 2006, Act 267, Imd. Eff. July 7, 2006

The People of the State of Michigan enact:

Document	Type	Description
Section 30.401	Section	Short title.
Section 30.402	Section	Definitions.
Section 30.403	Section	Responsibility of governor; executive orders, proclamations, and directives; declaration, duration, and termination of state of disaster or state of emergency; contents and dissemination of executive order or proclamation.
Section 30.404	Section	Effect of executive order or proclamation of state of disaster or state of emergency; federal assistance; reciprocal aid agreement or compact; appropriation.
Section 30.405	Section	Additional powers of governor; prohibition; disobeying or interfering with rule, order, or directive as misdemeanor.
Section 30.406	Section	Obligation of person within state; compensation for services or property; record; claims; exceptions.
Section 30.407	Section	Powers and duties of director.
Section 30.407a	Section	Emergency management division; establishment; purpose; employees; emergency management plan; grants; powers of division; definition.
Section 30.408	Section	Emergency management coordinator; employment or appointment; duties; annexes to emergency management plan; cooperation of state agencies.
Section 30.409	Section	Emergency management coordinator; appointment; duties; eligibility.
Section 30.410	Section	Powers of county and municipality; mutual aid or reciprocal aid agreements or compacts; assistance of emergency management coordinator.
Section 30.411	Section	Powers and duties of personnel of disaster relief forces; liability for personal injury or property damage; right to benefits or compensation; disaster relief workers; immunity; liability and legal obligation of persons owning or controlling real estate or other premises used for shelter; "gross negligence" defined.

The People of the State of Michigan enact (cont.):

Document	Type	Description
Section 30.411a	Section	Disaster or emergency relief assistance provided by state employee; unpaid leave of absence; leave of absence with pay; conditions; limitation.
Section 30.412	Section	Disaster or emergency occurring in county or municipality; procedure; ordinances or rules.
Section 30.413	Section	Repealed. 1990, Act 50, Imd. Eff. Apr. 6, 1990.
Section 30.414	Section	Assessment of disaster or emergency; findings and recommendations; notice; temporary assistance; action by governor.
Section 30.415	Section	Repealed. 2002, Act 132, Eff. May 1, 2002.
Section 30.416	Section	Declaration of emergency or major disaster by president; federal grants; agreement pledging state's share.
Section 30.417	Section	Construction of act.
Section 30.418	Section	Disaster and emergency contingency fund; creation; administration; accounting; appropriation; carrying forward unexpended and unencumbered funds; expenditures; reimbursement; declaration; investment.
Section 30.419	Section	Disaster and emergency contingency fund; expenditures when federal assistance unavailable; application for grant; resolution; rules.
Section 30.420	Section	Repeal of MCL 30.221 to 30.233.
Section 30.421	Section	Heightened state of alert; cause; powers of governor; violation as misdemeanor; penalty; civil action; definitions.

EMERGENCY MANAGEMENT ACT Act 390 of 1976

AN ACT to provide for planning, mitigation, response, and recovery from natural and human-made disaster within and outside this state; to create the Michigan emergency management advisory council and prescribe its powers and duties; to prescribe the powers and duties of certain state and local agencies and officials; to prescribe immunities and liabilities; to provide for the acceptance of gifts; and to repeal acts and parts of acts.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990; -- Am. 2006, Act 267, Imd. Eff. July 7, 2006

The People of the State of Michigan enact:

30.401 Short title.

Sec. 1. This act shall be known and may be cited as the "emergency management act".

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibilities of the Michigan Emergency Management Advisory Council from the Department of State Police to the Director of State Police, as head of the Department of State Police, and the abolishment of the Michigan Emergency Management Advisory Council, see E.R.O. No. 1993-15, compiled at MCL 28.702 of the Michigan Compiled Laws.

30.402 Definitions.

Sec. 2. As used in this act:

(a) "Chief executive official" means:

- (i) In the case of a county with an elected county executive, the county executive.
- (ii) In the case of a county without an elected county executive, the chairperson of the county board of commissioners, or the appointed administrator designated by appropriate enabling legislation.
- (iii) In the case of a city, the mayor or the individual specifically identified in the municipal charter.
- (iv) In the case of a township, the township supervisor.
- (v) In the case of a village, the village president or the individual specifically identified in the village charter.

(b) "Council" means the Michigan emergency management advisory council.

(c) "Department" means the department of state police.

(d) "Director" or "state director of emergency management" means the director of the department of state police or his or her designee.

(e) "Disaster" means an occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from a natural or human-made cause, including, but not limited to, fire, flood, snowstorm, ice storm, tornado, windstorm, wave action, oil spill, water contamination, utility failure, hazardous peacetime radiological incident, major transportation accident, hazardous materials incident, epidemic, air contamination, blight, drought, infestation, explosion, or hostile military action or paramilitary action, or similar occurrences resulting from terrorist activities, riots, or civil disorders.

(f) "Disaster relief forces" means all agencies of state, county, and municipal government, private and volunteer personnel, public officers and employees, and all other persons or groups of persons having duties or responsibilities under this act or pursuant to a lawful order or directive authorized by this act.

(g) "District coordinator" means the state police emergency management division district coordinator.

(h) "Emergency" means any occasion or instance in which the governor determines state assistance is needed to supplement local efforts and capabilities to save lives, protect property and the public health and safety, or to lessen or avert the threat of a catastrophe in any part of the state.

(i) "Emergency management coordinator" means a person appointed pursuant to section 9 to coordinate emergency management within the county or municipality. Emergency management

coordinator includes a civil defense director, civil defense coordinator, emergency services coordinator, emergency program manager, or other person with a similar title and duties.

(j) "Local state of emergency" means a proclamation or declaration that activates the response and recovery aspects of any and all applicable local or interjurisdictional emergency operations plans and authorizes the furnishing of aid, assistance, and directives under those plans.

(k) "Michigan emergency management plan" means the plan prepared and maintained by the emergency management division of the department and signed by the governor.

(l) "Municipality" means a city, village, or township.

(m) "Person" means an individual, partnership, corporation, association, governmental entity, or any other entity.

(n) "Political subdivision" means a county, municipality, school district, or any other governmental unit, agency, body, board, or commission which is not a state department, board, commission, or agency of state government.

(o) "Rule" means a rule promulgated pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

(p) "State of disaster" means an executive order or proclamation that activates the disaster response and recovery aspects of the state, local, and interjurisdictional emergency operations plans applicable to the counties or municipalities affected.

(q) "State of emergency" means an executive order or proclamation that activates the emergency response and recovery aspects of the state, local, and interjurisdictional emergency operations plans applicable to the counties or municipalities affected.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990

30.403 Responsibility of governor; executive orders, proclamations, and directives; declaration, duration, and termination of state of disaster or state of emergency; contents and dissemination of executive order or proclamation.

Sec. 3. (1) The governor is responsible for coping with dangers to this state or the people of this state presented by a disaster or emergency.

(2) The governor may issue executive orders, proclamations, and directives having the force and effect of law to implement this act. Except as provided in section 7(2), an executive order, proclamation, or directive may be amended or rescinded by the governor.

(3) The governor shall, by executive order or proclamation, declare a state of disaster if he or she finds a disaster has occurred or the threat of a disaster exists. The state of disaster shall continue until the governor finds that the threat or danger has passed, the disaster has been dealt with to the extent that disaster conditions no longer exist, or until the declared state of disaster has been in effect for 28 days. After 28 days, the governor shall issue an executive order or proclamation declaring the state of disaster terminated, unless a request by the governor for an extension of the state of disaster for a specific number of days is approved by resolution of both houses of the legislature. An executive order or proclamation issued pursuant to this subsection shall indicate the nature of the disaster, the area or areas threatened, the conditions causing the disaster, and the conditions permitting the termination of the state of disaster. An executive order or proclamation shall be disseminated promptly by means calculated to bring its contents to the attention of the general public and shall be promptly filed with the emergency management division of the department and the secretary of state, unless circumstances attendant upon the disaster prevent or impede its prompt filing.

(4) The governor shall, by executive order or proclamation, declare a state of emergency if he or she finds that an emergency has occurred or that the threat of an emergency exists. The state of emergency shall continue until the governor finds that the threat or danger has passed, the emergency has been dealt with to the extent that emergency conditions no longer exist, or until the declared state of emergency has been in effect for 28 days. After 28 days, the governor shall issue an executive order or proclamation declaring the state of emergency terminated, unless a request by the governor for an

extension of the state of emergency for a specific number of days is approved by resolution of both houses of the legislature. An executive order or proclamation issued pursuant to this subsection shall indicate the nature of the emergency, the area or areas threatened, the conditions causing the emergency, and the conditions permitting the termination of the state of emergency. An executive order or proclamation shall be disseminated promptly by means calculated to bring its contents to the attention of the general public and shall be promptly filed with the emergency management division of the department and the secretary of state, unless circumstances attendant upon the emergency prevent or impede its prompt filing.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990; -- Am. 2002, Act 132, Eff. May 1, 2002

30.404 Effect of executive order or proclamation of state of disaster or state of emergency; federal assistance; reciprocal aid agreement or compact; appropriation.

Sec. 4. (1) An executive order or proclamation of a state of disaster or a state of emergency shall serve to authorize the deployment and use of any forces to which the plan or plans apply and the use or distribution of supplies, equipment, materials, or facilities assembled or stockpiled pursuant to this act.

(2) Upon declaring a state of disaster or a state of emergency, the governor may seek and accept assistance, either financial or otherwise, from the federal government, pursuant to federal law or regulation.

(3) The governor may, with the approval of the state administrative board, enter into a reciprocal aid agreement or compact with another state, the federal government, or a neighboring state or province of a foreign country. A reciprocal aid agreement shall be limited to the furnishing or exchange of food, clothing, medicine, and other supplies; engineering services; emergency housing; police services; the services of the national guard when not mobilized for federal service or state defense force as authorized by the Michigan military act, Act No. 150 of the Public Acts of 1967, as amended, being sections 32.501 to 32.851 of the Michigan Compiled Laws, and subject to federal limitations on the crossing of national boundaries by organized military forces; health, medical, and related services; fire fighting, rescue, transportation, and construction services and equipment; personnel necessary to provide or conduct these services; and other necessary equipment, facilities, and services. A reciprocal aid agreement shall specify terms for the reimbursement of costs and expenses and conditions necessary for activating the agreement. The legislature shall appropriate funds to implement a reciprocal aid agreement.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990

30.405 Additional powers of governor; prohibition; disobeying or interfering with rule, order, or directive as misdemeanor.

Sec. 5. (1) In addition to the general authority granted to the governor by this act, the governor may, upon the declaration of a state of disaster or a state of emergency do 1 or more of the following:

(a) Suspend a regulatory statute, order, or rule prescribing the procedures for conduct of state business, when strict compliance with the statute, order, or rule would prevent, hinder, or delay necessary action in coping with the disaster or emergency. This power does not extend to the suspension of criminal process and procedures.

(b) Utilize the available resources of the state and its political subdivisions, and those of the federal government made available to the state, as are reasonably necessary to cope with the disaster or emergency.

(c) Transfer the direction, personnel, or functions of state departments, agencies, or units thereof for the purpose of performing or facilitating emergency management.

(d) Subject to appropriate compensation, as authorized by the legislature, commandeer or utilize private property necessary to cope with the disaster or emergency.

(e) Direct and compel the evacuation of all or part of the population from a stricken or threatened area within the state if necessary for the preservation of life or other mitigation, response, or recovery activities.

(f) Prescribe routes, modes, and destination of transportation in connection with an evacuation.

(g) Control ingress and egress to and from a stricken or threatened area, removal of persons within the area, and the occupancy of premises within the area.

(h) Suspend or limit the sale, dispensing, or transportation of alcoholic beverages, explosives, and combustibles.

(i) Provide for the availability and use of temporary emergency housing.

(j) Direct all other actions which are necessary and appropriate under the circumstances.

(2) Subsection (1) does not authorize the seizure, taking, or confiscation of lawfully possessed firearms or ammunition.

(3) A person who willfully disobeys or interferes with the implementation of a rule, order, or directive issued by the governor pursuant to this section is guilty of a misdemeanor.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990; -- Am. 2006, Act 545, Imd. Eff. Dec. 29, 2006

30.406 Obligation of person within state; compensation for services or property; record; claims; exceptions.

Sec. 6. (1) All persons within this state shall conduct themselves and manage their affairs and property in ways that will reasonably assist and will not unreasonably detract from the ability of the state and the public to cope with the effects of a disaster or an emergency. This obligation includes appropriate personal service and the use or restriction of the use of property in time of a disaster or an emergency. This act neither increases nor decreases these obligations but recognizes their existence under the state constitution of 1963, the statutes, and the common law. Compensation for services or for the taking or use of property shall be paid only if obligations recognized herein are exceeded in a particular case and only if the claimant has not volunteered his or her services or property without compensation.

(2) Personal services may not be compensated by the state, or a subdivision or agency of the state, except pursuant to statute, local law, or ordinance.

(3) Compensation for property shall be paid only if the property is taken or otherwise used in coping with a disaster or emergency and its use or destruction is ordered by the governor or the director. A record of all property taken or otherwise used under this act shall be made and promptly transmitted to the office of the governor.

(4) A person claiming compensation for the use, damage, loss, or destruction of property under this act shall file a claim with the emergency management division of the department in the form and manner prescribed by the division.

(5) If a claimant refuses to accept the amount of compensation offered by the state, a claim may be filed in the state court of claims which court shall have exclusive jurisdiction to determine the amount of compensation due the owner.

(6) This section does not apply to or authorize compensation for either of the following:

(a) The destruction or damaging of standing timber or other property to provide a firebreak.

(b) The release of waters or the breach of impoundments to reduce pressure or other danger from actual or threatened flood.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990

30.407 Powers and duties of director.

Sec. 7. (1) The director shall implement the orders and directives of the governor in the event of a disaster or an emergency and shall coordinate all federal, state, county, and municipal disaster prevention, mitigation, relief, and recovery operations within this state. At the specific direction of the governor, the director shall assume complete command of all disaster relief, mitigation, and recovery

forces, except the national guard or state defense force, if it appears that this action is absolutely necessary for an effective effort.

(2) If the governor has issued a proclamation, executive order, or directive under section 3 regarding state of disaster or state of emergency declarations, section 5 regarding actions directed by the governor, or section 21 regarding heightened state of alert, the director may, with the concurrence of the governor, amend the proclamation or directive by adding additional counties or municipalities or terminating the orders and restrictions as considered necessary.

(3) The director shall comply with the applicable provisions of the Michigan emergency management plan in the performance of the director's duties under this act.

(4) The director's powers and duties shall include the administration of state and federal disaster relief funds and money; the mobilization and direction of state disaster relief forces; the assignment of general missions to the national guard or state defense force activated for active state duty to assist the disaster relief operations; the receipt, screening, and investigation of requests for assistance from county and municipal governmental entities; making recommendations to the governor; and other appropriate actions within the general authority of the director.

(5) In carrying out the director's responsibilities under this act, the director may plan for and utilize the assistance of any volunteer group or person having a pertinent service to render.

(6) The director may issue a directive relieving the donor or supplier of voluntary or private assistance from liability for other than gross negligence in the performance of the assistance.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990; -- Am. 2002, Act 132, Eff. May 1, 2002

30.407a Emergency management division; establishment; purpose; employees; emergency management plan; grants; powers of division; definition.

Sec. 7a. (1) The department shall establish an emergency management division for the purpose of coordinating within this state the emergency management activities of county, municipal, state, and federal governments. The department shall provide the division with professional and support employees as necessary for the performance of its functions.

(2) The division shall prepare and maintain a Michigan emergency management plan that is a comprehensive plan that encompasses mitigation, preparedness, response, and recovery for this state.

(3) The division shall receive available state and federal emergency management and disaster related grants-in-aid and shall administer and apportion the grants according to appropriately established guidelines to the agencies of this state and local political subdivisions.

(4) The division may do 1 or more of the following:

(a) Promulgate rules that establish standards and requirements for the appointment, training, and professional development of emergency management coordinators.

(b) Promulgate rules that establish standards and requirements for local and interjurisdictional emergency management programs.

(c) Periodically review local and interjurisdictional emergency operations plans.

(d) Promulgate rules that establish standards and requirements for emergency training and exercising programs and public information programs.

(e) Make surveys of industries, resources, and facilities within this state, both public and private, necessary to carry out the purposes of this act.

(f) Prepare, for issuance by the governor, executive orders, proclamations, and regulations as necessary or appropriate in coping with disasters and emergencies.

(g) Provide for 1 or more state emergency operations centers to provide for the coordination of emergency response and disaster recovery in this state.

(h) Provide for the coordination and cooperation of state agencies and departments with federal and local government agencies and departments in emergency management activities.

(i) Cooperate with the federal government and any public or private agency or entity in achieving any purpose of this act and in implementing programs for disaster mitigation, preparation, response, and recovery.

(j) Propose and administer statewide mutual aid compacts and agreements.

(k) Do other activities necessary, incidental, or appropriate for the implementation of this act.

(5) For purposes of this section, the judicial branch of this state is considered a department of state government.

(6) As used in this section, "division" means the emergency management division of the department.

History: Add. 1990, Act 50, Imd. Eff. Apr. 6, 1990; -- Am. 2002, Act 132, Eff. May 1, 2002

30.408 Emergency management coordinator; employment or appointment; duties; annexes to emergency management plan; cooperation of state agencies.

Sec. 8. (1) The director of each department of state government, and those agencies of state government required by the Michigan emergency management plan to provide an annex to that plan, shall serve as emergency management coordinator for their respective departments or agencies. Each director may appoint or employ a designated representative as emergency management coordinator, provided that the representative shall act for and at the direction of that director while functioning in the capacity of emergency management coordinator upon the activation of the state emergency operations center, or the declaration of a state of disaster or emergency. Each department or agency emergency management coordinator shall act as liaison between his or her department or agency and the emergency management division of the department in all matters of emergency management, including the activation of the Michigan emergency management plan. Each department or agency of state government specified in the Michigan emergency management plan shall prepare and continuously update an annex to the plan providing for the delivery of emergency management activities by that agency or the department. The annexes shall be in a form prescribed by the director. The emergency management coordinator shall represent the agency or department head in the drafting and updating of the respective agency's or the department's emergency management annex and in coordinating the agency's or department's emergency management efforts with those of the other state agencies as well as with county and municipal governments.

(2) Upon the declaration of a state of disaster or a state of emergency by the governor, each state agency shall cooperate to the fullest possible extent with the director in the performance of the services that it is suited to perform, and as described in the Michigan emergency management plan, in the prevention, mitigation, response to, or recovery from the disaster or emergency. For purposes of this section, the judicial branch of this state is considered a department of state government and the chief justice of the Michigan supreme court is considered the director of that department.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990; -- Am. 2002, Act 132, Eff. May 1, 2002

30.409 Emergency management coordinator; appointment; duties; eligibility.

Sec. 9. (1) The county board of commissioners of each county shall appoint an emergency management coordinator. In the absence of an appointed person, the emergency management coordinator shall be the chairperson of the county board of commissioners. The emergency management coordinator shall act for, and at the direction of, the chairperson of the county board of commissioners in the coordination of all matters pertaining to emergency management in the county, including mitigation, preparedness, response, and recovery. In counties with an elected county executive, the county emergency management coordinator may act for and at the direction of the county executive. Pursuant to a resolution adopted by a county, the county boards of commissioners of not more than 3 adjoining counties may agree upon and appoint a coordinator to act for the multicounty area.

(2) A municipality with a population of 25,000 or more shall either appoint a municipal emergency management coordinator or appoint the coordinator of the county as the municipal emergency

management coordinator pursuant to subsection (7). In the absence of an appointed person, the emergency management coordinator shall be the chief executive official of that municipality. The coordinator of a municipality shall be appointed by the chief executive official in a manner provided in the municipal charter. The coordinator of a municipality with a population of 25,000 or more shall act for and at the direction of the chief executive official of the municipality or the official designated in the municipal charter in the coordination of all matters pertaining to emergency management, disaster preparedness, and recovery assistance within the municipality.

(3) A municipality with a population of 10,000 or more may appoint an emergency management coordinator for the municipality. The coordinator of a municipality shall be appointed by the chief executive official in a manner provided in the municipal charter. The coordinator of a municipality with a population of 10,000 or more shall act for and at the direction of the chief executive official or the official designated by the municipal charter in the coordination of all matters pertaining to emergency management, disaster preparedness, and recovery assistance within the municipality.

(4) A municipality having a population of less than 10,000 may appoint an emergency management coordinator who shall serve at the direction of the county emergency management coordinator.

(5) A public college or university with a combined average population of faculty, students, and staff of 25,000 or more, including its satellite campuses within this state, shall appoint an emergency management coordinator for the public college or university. Public colleges or universities with a combined average population of faculty, students, and staff of 10,000 or more, including its satellite campuses within this state, may appoint an emergency management coordinator for the public college or university.

(6) A person is not ineligible for appointment as an emergency management coordinator, or as a member of a county or municipal emergency services or emergency management agency or organization, because that person holds another public office or trust, and that person shall not forfeit the right to a public office or trust by reason of his or her appointment as an emergency management coordinator.

(7) A county coordinator may be appointed a municipal coordinator for any municipality within the county and a municipal coordinator may be appointed a county coordinator.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990; -- Am. 2002, Act 132, Eff. May 1, 2002

30.410 Powers of county and municipality; mutual aid or reciprocal aid agreements or compacts; assistance of emergency management coordinator.

Sec. 10. (1) Each county and municipality that has appointed an emergency management coordinator under section 9 may do 1 or more of the following:

(a) Direct and coordinate the development of emergency operations plans and programs in accordance with the policies and plans established by the appropriate federal and state agencies. Each department or agency of a county or municipality specified in the emergency operations plan to provide an annex to the plan shall prepare and continuously update the annex providing for emergency management activities, including mitigation, preparedness, response, and recovery, by the department or agency and those other emergency activities the department or agency is specified to coordinate. Emergency operations plans and programs developed under this subsection shall include provisions for the dissemination of public information and local broadcasters shall be consulted in developing such provisions. Emergency operations plans and programs developed under this subdivision shall include local courts.

(b) Declare a local state of emergency if circumstances within the county or municipality indicate that the occurrence or threat of widespread or severe damage, injury, or loss of life or property from a natural or human-made cause exists and, under a declaration of a local state of emergency, issue directives as to travel restrictions on county or local roads. This power shall be vested in the chief executive official of the county or municipality or the official designated by charter and shall not be continued or renewed for a period in excess of 7 days except with the consent of the governing body of

the county or municipality. The declaration of a local state of emergency shall be promptly filed with the emergency management division of the department, unless circumstances attendant upon the disaster prevent or impede its prompt filing.

(c) Appropriate and expend funds, make contracts, and obtain and distribute equipment, materials, and supplies for disaster purposes.

(d) Provide for the health and safety of persons and property, including emergency assistance to the victims of a disaster.

(e) Direct and coordinate local multi-agency response to emergencies within the county or municipality.

(f) Appoint, employ, remove, or provide, with or without compensation, rescue teams, auxiliary fire and police personnel, and other disaster workers.

(g) Appoint a local emergency management advisory council.

(h) If a state of disaster or emergency is declared by the governor, assign and make available for duty the employees, property, or equipment of the county or municipality relating to fire fighting; engineering; rescue; health, medical, and related services; police; transportation; construction; and similar items or service for disaster relief purposes within or without the physical limits of the county or municipality as ordered by the governor or the director.

(i) In the event of a foreign attack upon this state, waive procedures and formalities otherwise required by law pertaining to the performance of public work, entering into contracts, the incurring of obligations, the employment of permanent and temporary workers, the utilization of volunteer workers, the rental of equipment, the purchase and distribution with or without compensation of supplies, materials, and facilities, and the appropriation and expenditure of public funds.

(2) For the purpose of providing assistance during a disaster or emergency, municipalities and counties may enter into mutual aid or reciprocal aid agreements or compacts with other counties, municipalities, public agencies, federally recognized tribal nations, or private sector agencies, or all of these entities. A compact entered into pursuant to this subsection is limited to the exchange of personnel, equipment, and other resources in times of emergency, disaster, or other serious threats to public health and safety. The arrangements shall be consistent with the Michigan emergency management plan.

(3) The emergency management coordinator may assist in the development or negotiation, or both, of a mutual aid or reciprocal aid agreement or compact made pursuant to section 4(3) and shall carry out the agreement or compact.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976; -- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990; -- Am. 2002, Act 132, Eff. May 1, 2002

30.411 Powers and duties of personnel of disaster relief forces; liability for personal injury or property damage; right to benefits or compensation; disaster relief workers; immunity; liability and legal obligation of persons owning or controlling real estate or other premises used for shelter; "gross negligence" defined.

Sec. 11. (1) Personnel of disaster relief forces while on duty are subject to all of the following provisions:

(a) If they are employees of this state, they have the powers, duties, rights, privileges, and immunities of and receive the compensation incidental to their employment.

(b) If they are employees of a political subdivision of this state, regardless of where serving, they have the powers, duties, rights, privileges, and immunities and receive the compensation incidental to their employment.

(c) If they are not employees of this state or a political subdivision of this state, they are entitled to the same rights and immunities as provided by law for the employees of this state. All personnel of disaster relief forces shall, while on duty, be subject to the operational control of the authority in charge of disaster relief activities in the area in which they are serving, and shall be reimbursed for all actual and necessary travel and subsistence expenses.

(2) This state, any political subdivision of this state, or the employees, agents, or representatives of this state or any political subdivision of this state are not liable for personal injury or property damage

sustained by any person appointed or acting as a member of disaster relief forces. This act does not affect the right of a person to receive benefits or compensation to which he or she may otherwise be entitled to under the worker's disability compensation act of 1969, 1969 PA 317, MCL 418.101 to 418.941, any pension law, or any act of congress.

(3) This state or a political subdivision of this state engaged in disaster relief activity is not liable for the death of or injury to a person or persons, or for damage to property, as a result of that activity. The employees, agents, or representatives of this state or a political subdivision of this state and nongovernmental disaster relief force workers or private or volunteer personnel engaged in disaster relief activity are immune from tort liability to the extent provided under section 7 of 1964 PA 170, MCL 691.1407. As used in this section, "disaster relief activity" includes training for or responding to an actual, impending, mock, or practice disaster or emergency.

(4) A person licensed to practice medicine or osteopathic medicine and surgery or a licensed hospital, whether licensed in this or another state or by the federal government or a branch of the armed forces of the United States, or an individual listed in subsection (6), who renders services during a state of disaster declared by the governor and at the express or implied request of a state official or agency or county or local coordinator or executive body, is considered an authorized disaster relief worker or facility and is not liable for an injury sustained by a person by reason of those services, regardless of how or under what circumstances or by what cause those injuries are sustained. The immunity granted by this subsection does not apply in the event of an act or omission that is willful or gross negligence. If a civil action for malpractice is filed alleging an act or omission that is willful or gross negligence resulting in injuries, the services rendered that resulted in those injuries shall be judged according to the standards required of persons licensed in this state to perform those services.

(5) An individual listed in subsection (6), during a state of disaster declared by the governor, may practice, in addition to the authority granted by other statutes of this state, the administration of anesthetics; minor surgery; intravenous, subcutaneous, or intramuscular procedure; or oral and topical medication; or a combination of these under the supervision of a member of the medical staff of a licensed hospital of this state, and may assist the staff member in other medical and surgical proceedings.

(6) Subsections (4) and (5) apply to all of the following individuals:

(a) Any of the following, if licensed in this or another state or by the federal government or a branch of the armed forces of the United States:

- (i) A registered nurse.
- (ii) A practical nurse.
- (iii) A nursing student acting under the supervision of a licensed nurse.
- (iv) A dentist.
- (v) A veterinarian.
- (vi) A pharmacist.
- (vii) A pharmacist intern acting under the supervision of a licensed pharmacist.
- (viii) A paramedic.

(b) A medical resident undergoing training in a licensed hospital in this or another state.

(7) A person owning or controlling real estate or other premises who voluntarily and without compensation grants to this state or a political subdivision of this state a license or privilege, or otherwise permits this state or a political subdivision of this state to inspect, designate, and use the whole or any part or parts of the real estate or other premises for the purpose of sheltering persons during an actual, impending, mock, or practice disaster, together with his or her successors in interest, if any, is not civilly liable for negligently causing the death of or injury to any person on or about the real estate or premises under the license, privilege, or permission or for loss or damage to the property of the person.

(8) A person owning or controlling real estate or other premises who has gratuitously granted the use of the real estate or other premises for the purposes stated in this section is legally obligated to make known to the licensee any hidden dangers or safety hazards that are known to the owner or occupant

of the real estate or premises that might possibly result in the death or injury or loss of property to a person using the real estate or premises.

(9) As used in this section, "gross negligence" means conduct so reckless as to demonstrate a substantial lack of concern for whether an injury results.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976;— Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990;— Am. 2002, Act 132, Eff. May 1, 2002 ;— Am. 2005, Act 321, Imd. Eff. Dec. 27, 2005
Admin Rule: R 30.1 et seq. of the Michigan Administrative Code.

30.411a Disaster or emergency relief assistance provided by state employee; unpaid leave of absence; leave of absence with pay; conditions; limitation.

Sec. 11a. (1) A state employee who is not in the state classified civil service and who is skilled in emergency relief assistance and certified as a disaster services volunteer by the American Red Cross may be granted an unpaid leave of absence from his or her state employment to provide disaster or emergency relief assistance in this state.

(2) A state employee in the state classified civil service who is skilled in emergency relief assistance and certified as a disaster services volunteer by the American Red Cross may be granted a leave of absence from his or her classified employment to provide disaster or emergency relief assistance in this state as authorized by the civil service commission.

(3) In addition to unpaid leave under subsection (1) or (2), an employee of an agency in any branch of state government who is skilled in emergency relief assistance and certified as a disaster services volunteer by the American Red Cross may be granted leave from work with pay for not more than 10 days in any 12-month period to participate in specialized disaster relief services within or outside of this state if all of the following circumstances are present:

(a) The governor or the president of the United States has declared the disaster.

(b) The American Red Cross has requested the services of the employee.

(c) The employee's department head has approved the leave.

(d) If the services are rendered outside the state by an employee in the executive branch, the governor has approved the leave.

(e) If the employee is in the state classified civil service, the civil service commission has approved the leave.

(4) Not more than 50 state employees shall be granted paid leave under subsection (3) during the fiscal year. The governor may increase the limit on the number of state employees who may be granted paid disaster leave during the fiscal year by executive order.

(5) This state shall not penalize or otherwise take adverse employment action against a state employee because the employee takes a leave of absence authorized under this section to provide disaster or emergency relief assistance. However, the state shall recover payment for paid disaster leave from an employee who is granted paid leave under subsection (3) if the employee does not use the leave time for the approved purpose.

History: Add. 2006, Act 267, Imd. Eff. July 7, 2006

30.412 Disaster or emergency occurring in county or municipality; procedure; ordinances or rules.

Sec. 12. (1) If a disaster or an emergency occurs in a county or municipality and is beyond the control of local public or private agencies, the chief executive official of the county or municipality may request the governor to declare that a state of disaster or state of emergency exists in the county or municipality, utilizing the procedure set forth in section 14. The director may order the disaster relief forces of a county or municipality to aid the community. The chief executive official of the municipality or the governing body of the county shall comply with the order of the director and cooperate with the director in matters of emergency management.

(2) A county, municipality, or other agency designated or appointed by the governor may make, amend, and rescind ordinances or rules necessary for emergency management purposes and supplementary to a rule, order, or directive issued by the governor or a state agency exercising a power delegated to it by the governor. The ordinance or rule shall be temporary and, upon the governor's declaration that a state of disaster or state of emergency is terminated, shall no longer be in effect.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976;— Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990

30.413 Repealed. 1990, Act 50, Imd. Eff. Apr. 6, 1990.

Compiler's Notes: The repealed section pertained to foreign attack on state.

30.414 Assessment of disaster or emergency; findings and recommendations; notice; temporary assistance; action by governor.

Sec. 14. (1) In the event a disaster or emergency occurs that has not yet been declared to be a state of disaster or a state of emergency by the governor, and the disaster or emergency is considered by the chief executive official of the municipality or the governing body or the county in which it occurs to be beyond the control of the county or municipality, the emergency management coordinator shall immediately contact the district coordinator. The chief executive official of a county shall not request state assistance or a declaration of a state of disaster or a state of emergency for an emergency which has occurred or is occurring solely within the confines of a township, city, or village within the county unless requested to do so by the chief executive official of the affected township, city, or village. The district coordinator, in conjunction with the county or municipal coordinator, shall assess the nature and scope of the disaster or emergency, and they shall recommend the personnel, services, and equipment that will be required for its prevention, mitigation, or relief.

(2) Upon completing the assessment, the district coordinator shall forthwith notify the director of the findings and recommendations. The director shall immediately notify the governor. If the director determines that immediate action is essential to the preservation of life and property, the director may initiate temporary assistance to the affected area as necessary and compatible with the policies and procedures of the Michigan emergency management plan.

(3) The director shall advise the governor of the magnitude of the disaster or emergency. The governor may take the necessary action he or she considers appropriate to mitigate the disaster or emergency. This act shall not be construed to restrain the governor from exercising on his own initiative any of the powers set forth in this act.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976;— Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990

30.415 Repealed. 2002, Act 132, Eff. May 1, 2002.

Compiler's Notes: The repealed section pertained to Michigan emergency management advisory council.

30.416 Declaration of emergency or major disaster by president; federal grants; agreement pledging state's share.

Sec. 16. After the president of the United States declares an emergency or a major disaster, as defined in the disaster relief act of 1974, Public Law 93-288, 88 Stat. 143, to exist in this state, the governor may apply for, accept, and disburse grants from the federal government pursuant to the disaster relief act of 1974. To implement and administer the grant program and to make financial grants, the governor may enter into an agreement with the federal government or any officer, or agency of the federal government, pledging the state's share for the financial grants.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976;— Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990

30.417 Construction of act.

Sec. 17. This act shall not be construed to do any of the following:

- (a) Interfere with the course or conduct of a labor dispute. However, actions otherwise authorized by this act or other laws may be taken when necessary to forestall or mitigate imminent or existing danger to public health or safety.
- (b) Interfere with the dissemination of news or comment on public affairs. However, any communications facility or organization, including radio and television stations, wire services, and newspapers, may be requested to transmit or print public service messages furnishing information or instructions in connection with a disaster or emergency.
- (c) Affect the jurisdiction or responsibilities of law enforcement agencies, fire fighting forces, and units or personnel of the armed forces of the United States when on active duty. However, state, local, and interjurisdictional emergency operations plans shall place reliance upon the forces available for performance of functions related to disasters or emergencies.
- (d) Limit, modify, or abridge the authority of the governor to proclaim a state of emergency pursuant to Act No. 302 of the Public Acts of 1945, being sections 10.31 to 10.33 of the Michigan Compiled Laws, or exercise any other powers vested in him or her under the state constitution of 1963, statutes, or common law of this state independent of, or in conjunction with, this act.
- (e) Relieve any state or local official, department head, or agency of its normal responsibilities.
- (f) Limit or abridge the power, duty, or responsibility of the chief executive official of a county or municipality to act in the event of a disaster or emergency except as expressly set forth in this act.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976;-- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990

30.418 Disaster and emergency contingency fund; creation; administration; accounting; appropriation; carrying forward unexpended and unencumbered funds; expenditures; reimbursement; declaration; investment.

Sec. 18. (1) A disaster and emergency contingency fund is created and shall be administered by the director. An annual accounting of expenditures under this act shall be made to the legislature and the legislature shall annually appropriate sufficient funds to maintain the fund at a level not to exceed \$4,500,000.00 and not less than \$1,000,000.00. Unexpended and unencumbered funds remaining in the disaster and emergency contingency fund at the end of the fiscal year shall not lapse to the general fund and shall be carried forward and be available for expenditure in subsequent fiscal years.

(2) The director may expend money from the disaster and emergency contingency fund upon appropriation for the purpose of paying necessary and reasonable overtime, travel, and subsistence expenses incurred by an employee of an agency of the state acting at the direction of the director in a disaster or emergency related operation, and, with the concurrence of the governor or the governor's designated representative, for other needs required for the mitigation of the effects of, or in response to, a disaster or emergency.

(3) The director may place directly in the disaster and emergency contingency fund a reimbursement for expenditures out of the fund received from the federal government, or another source.

(4) If a state of major disaster or emergency is declared by the president of the United States, and when authorized by the governor, an expenditure from the fund may be made by the director upon appropriation to pay the state's matching share of grants as provided by the disaster relief act of 1974, Public Law 93-288, 88 Stat. 143.

(5) The state treasurer shall direct the investment of the disaster and emergency contingency fund. The state treasurer shall credit to the disaster and emergency contingency fund interest and earnings from fund investments.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976;-- Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990;-- Am. 2013, Act 109, Imd. Eff. Sept. 24, 2013

30.419 Disaster and emergency contingency fund; expenditures when federal assistance unavailable; application for grant; resolution; rules.

Sec. 19. (1) Under extraordinary circumstances, upon the declaration of a state of disaster or a state of emergency by the governor and subject to the requirements of this subsection, the governor may authorize an expenditure from the disaster and emergency contingency fund to provide state assistance to counties and municipalities when federal assistance is not available. If the governor proclaims a state of disaster or a state of emergency, the first recourse for disaster related expenses shall be to funds of the county or municipality. If the demands placed upon the funds of a county or municipality in coping with a particular disaster or emergency are unreasonably great, the governing body of the county or municipality may apply, by resolution of the local governing body, for a grant from the disaster and emergency contingency fund. The resolution shall certify that the affected county or municipality emergency operations plan was implemented in a timely manner. The resolution shall set forth the purpose for which the assistance is sought, the extent of damages sustained, and certify an exhaustion of local efforts. Assistance grants under this section shall not exceed \$100,000.00 or 10% of the total annual operating budget for the preceding fiscal year of the county or municipality, whichever is less. The assistance under this subsection is to provide grants, excluding reimbursement for capital outlay expenditures, in mitigation of the extraordinary burden of a county or municipality in relation to its available resources.

(2) The director shall promulgate rules governing the application and eligibility for the use of the state disaster and emergency contingency fund. Rules that have been promulgated prior to December 31, 1988 to implement this section shall remain in effect until revised or replaced. The rules shall include, but not be limited to, all of the following:

(a) Demonstration of exhaustion of local effort.

(b) Evidence that the applicant is a county that actively maintains an emergency management program, reviewed by and determined to be current and adequate by the emergency management division of the department, before the disaster or emergency for which assistance is being requested occurs. If the applicant is a municipality with a population of 10,000 or more, evidence that the municipality either maintains a separate emergency management program, reviewed by and determined to be current and adequate by the emergency management division of the department, before the disaster or emergency for which assistance is being requested or occurs, or the municipality is incorporated in the county emergency management program.

(c) Evidence that the applicable county or municipal emergency operations plan was implemented in a timely manner at the beginning of the disaster or emergency.

(d) Reimbursement for expenditures shall be limited to public damage and direct loss as a result of the disaster or emergency, or expenses incurred by the applicant for reimbursing employees for disaster or emergency related activities which were not performed as a part of their normal duties, or for other needs required specifically for the mitigation of the effects, or in response to the disaster or emergency.

(e) A disaster assessment team established by the emergency management division of the department has substantiated the damages claimed by the applicant. Damage estimates submitted by the applicant shall be based upon a disaster assessment carried out by the applicant according to standard procedures recommended by the emergency management division.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976;— Am. 1990, Act 50, Imd. Eff. Apr. 6, 1990;— Am. 2013, Act 110, Imd. Eff. Sept. 24, 2013
Admin Rule: R 30.1 et seq. of the Michigan Administrative Code.

30.420 Repeal of MCL 30.221 to 30.233.

Sec. 20. Act No. 154 of the Public Acts of 1953, as amended, being sections 30.221 to 30.233 of the Compiled Laws of 1970, and Act No. 14 of the Public Acts of 1973, are repealed.

History: 1976, Act 390, Imd. Eff. Dec. 30, 1976

30.421 Heightened state of alert; cause; powers of governor; violation as misdemeanor; penalty; civil action; definitions.

Sec. 21. (1) If good cause exists to believe that terrorists or members of a terrorist organization are within this state or that acts of terrorism may be committed in this state or against a vital resource, the governor may by executive order or proclamation declare a heightened state of alert and subsequently exercise the authority provided in section 3(2) and section 5(1)(b), (c), (e), (f), (g), (h), (i), and (j) in an effort to safeguard the interests of this state or a vital resource, to prevent or respond to acts of terrorism, or to facilitate the apprehension of terrorists or members of a terrorist organization and those acting in concert with them. However, in exercising the authority under section 5(1)(h), the governor shall not suspend or limit the sale, dispensing, or transportation of alcoholic beverages under this section. Within 7 days after declaring a heightened state of alert, the governor shall notify the majority leader and minority leader of the senate and the speaker and minority leader of the house of representatives of the declaration. The governor may utilize the services, facilities, and resources available under this act under a declared state of disaster or emergency. The exercise of those powers shall be consistent with the provisions of the state constitution of 1963 and the federal constitution and may continue until the heightened state of alert is no longer in effect. The heightened state of alert shall continue until the governor finds that the threat or danger has passed, the heightened state of alert has been dealt with to the extent that the heightened state of alert conditions no longer exist, or until the heightened state of alert has been in effect for 60 days. After 60 days, the governor shall terminate the heightened state of alert, unless a request by the governor for an extension of the heightened state of alert for a specific number of days is approved by resolution of both houses of the legislature.

(2) A person shall not willfully disobey or interfere with the implementation of a rule, order, or directive issued by the governor under this section. A person who violates this section is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$100.00, or both. Notwithstanding any provision in this section, a prosecuting agency shall not prosecute any person or seize any property for conduct presumptively protected by the first amendment to the constitution of the United States in a manner that violates any constitutional provision.

(3) The attorney general or a prosecuting attorney may bring a civil action for damages or equitable relief to enforce the provisions of this act and the orders, rules, or regulations made in conformity with this act.

(4) As used in this section:

(a) "Act of terrorism" and "terrorist" mean those terms as defined in section 543b of the Michigan penal code, 1931 PA 328, MCL 750.543b.

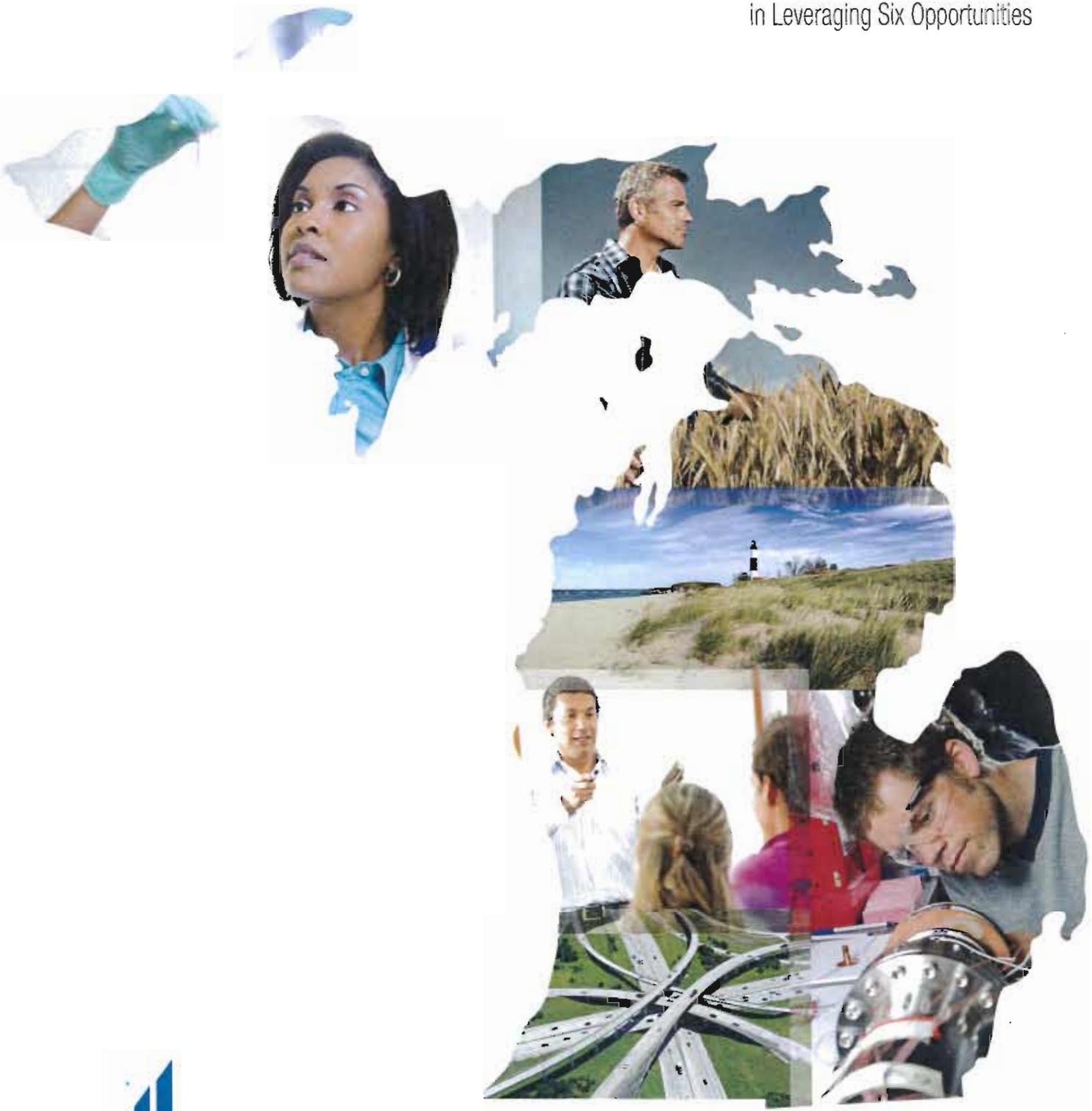
(b) "Terrorist organization" means that term as defined in section 543c of the Michigan penal code, 1931 PA 328, MCL 750.543c.

(c) "Vital resource" means a public or private building, facility, property, function, or location, the protection of which is considered necessary to the public health, safety, and welfare and which the governor has designated, in writing, as a vital resource of this state.

History: Add. 2002, Act 132, Eff. May 1, 2002

newmichigan

The 2015 Report on Michigan's Progress
in Leveraging Six Opportunities



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GROWING A NEW MICHIGAN

Leveraging Michigan's existing strengths to grow a New Michigan economy.

In 2009, Business Leaders for Michigan (BLM) released the Michigan Turnaround Plan, a blueprint to make Michigan a Top Ten state for jobs, personal income and a healthy economy.

In 2012, we added a New Michigan strategy to the plan, identifying six areas of competitive strength to be leveraged for rapid, transformative economic growth. These assets include the state's mobility sector, natural resources, and health and medical expertise, among others. They are areas with the greatest potential for growing good paying and sustainable jobs.

The 2015 New Michigan Report is the third in an annual series in which we track Michigan's progress in leveraging these assets. We chart Michigan's performance on various metrics over time and compare Michigan with high-performing states.

michiganturnarOundplan



newmichigan

A 10-year plan to leverage distinctive Michigan assets to grow a New Michigan economy

	ENGINEERING TALENT	GEOGRAPHIC LOCATION	HIGHER EDUCATION SYSTEM	NATURAL RESOURCES	AUTOMOTIVE INDUSTRY	HEALTH & MEDICAL EXPERTISE
Opportunities	Global Engineering Village	Gateway to the Midwest	Higher Education Marketplace	Natural Resources Economy	Global Center of Mobility	Life Sciences Hub

For Michigan to compete, we need to be the best at what we do best. This is something top performing states understand. For example, Massachusetts and Connecticut are among the Top Ten states for average earnings, per capita GDP and employment in Higher Education and Life Sciences. Wyoming, North Dakota and Alaska are Top Ten in all three categories for Natural Resources and Logistics. Michigan has inherent strengths in these areas, as well as Mobility and Engineering. We must make sure we are doing all we can to leverage these assets.

EXAMPLES OF TOP TEN STATES AND KEY ASSETS LEVERAGED



MA

Massachusetts

Higher Education, Life Sciences,
Global Center for Mobility



CT

Connecticut

Higher Education, Life Sciences



WY

Wyoming

Natural Resources, Logistics



ND

North Dakota

Natural Resources, Logistics



AL

Alaska

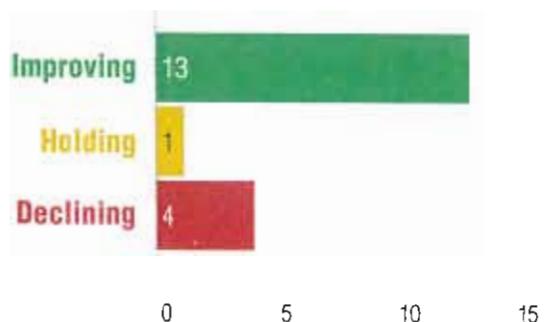
Natural Resources, Logistics

As shown in these charts, Michigan has made progress on key job and economic indicators across all six New Michigan opportunities. At \$63,219 in average earnings, jobs in industries that make up the six opportunities pay considerably more — 32 percent — than the average job in Michigan. Also, GDP in the industries representing the six opportunities was 20 percent of total GDP for the state in 2013. Finally, more than one in five jobs in Michigan is in an industry that is represented in the six opportunities.

One in five jobs in our state fall within the New Michigan sectors. What's more, these jobs pay nearly one-third more than the average job in our state.

	Trend	Top 10
Engineering		
Average Earnings	▼	
GDP Per Capita	▲	✓
Emp / % Workforce	▲	✓
Gateway		
Average Earnings	▲	
GDP Per Capita	▲	
Emp / % Workforce	▲	
Higher Education		
Average Earnings	▲	✓
GDP Per Capita	▲	
Emp / % Workforce	◀▶	
Natural Resources		
Average Earnings	▼	
GDP Per Capita	▼	
Emp / % Workforce	▲	
Mobility		
Average Earnings	▼	
GDP Per Capita	▲	✓
Emp / % Workforce	▲	✓
Life Sciences		
Average Earnings	▲	
GDP Per Capita	▲	
Emp / % Workforce	▲	

OUTPUT METRICS ACROSS SIX OPPORTUNITIES





UNDERSTANDING THIS REPORT

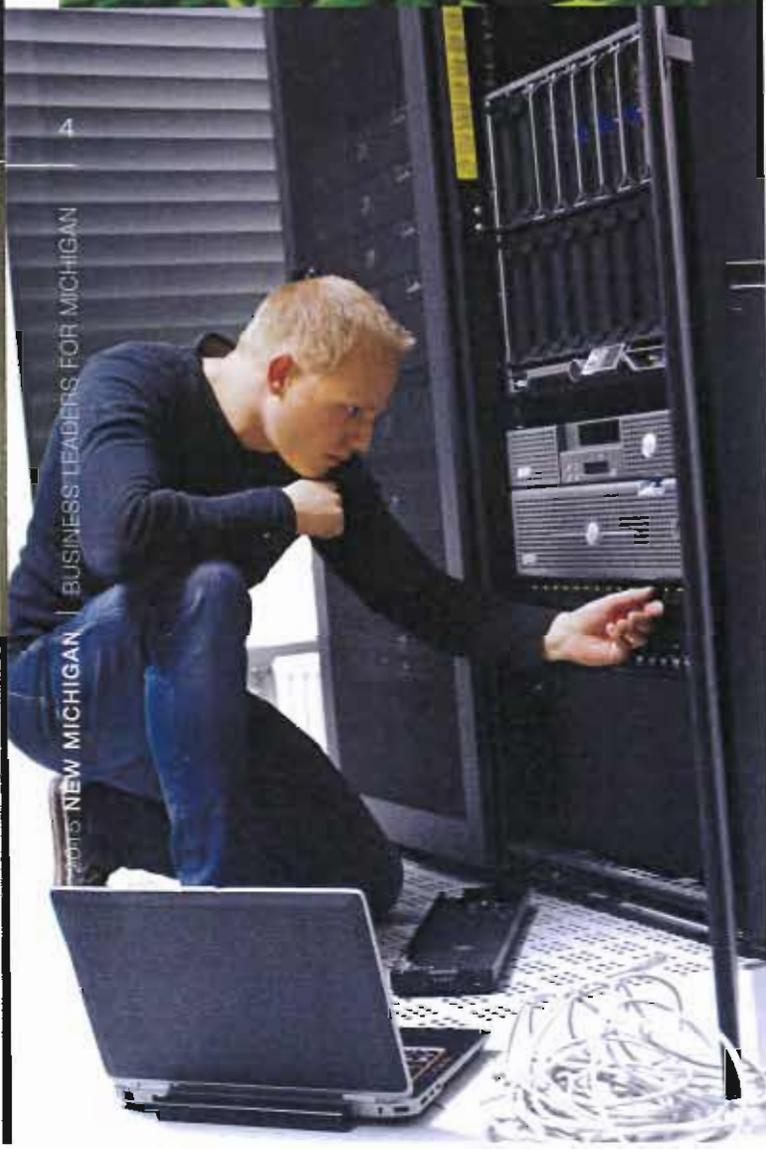
Inputs: A strong showing on input metrics for an opportunity area signals that a state has a strong foundation in the industries that define the opportunity. Input metrics reflect high demand, a talented workforce, and a vibrant supply chain, as well as other positives. Each opportunity has its own specific input metrics, which we report and compare to those of the *tenth-ranked* states.

Outputs: Output metrics are a measure of each state's current economic performance. For each set of industries that we define as an economic opportunity, we have measured the levels of per capita real GDP, employment, and earnings. We report these values for Michigan, as well as for the *tenth-ranked* comparison states, and show Michigan's ranking among all fifty states for each metric.

When reading the charts in this report, **Top Ten State** refers to the tenth-ranked comparison state.

Potential Growth Scenarios: Using historical data from 2003–2013 for employment and earnings, and 2002–2012 for real GDP, we project what Michigan's performance on these metrics would be in 2023 (2022 for GDP) under two different scenarios:

1. If Michigan remains on the same trajectory for growth as it had between 2003 and 2013.
2. If Michigan follows the rate of growth between 2003 and 2013 for the *tenth-fastest growing state* in each metric.



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Six Assets and Opportunities to Accelerate Michigan's Job, Personal Income and Economic Growth

Assets:	ENGINEERING TALENT	GEOGRAPHIC LOCATION	HIGHER EDUCATION SYSTEM	HEALTH & MEDICAL EXPERTISE	AUTOMOTIVE INDUSTRY	NATURAL RESOURCES
Opportunities:	Global Engineering Village	Gateway to the Midwest	Higher Education Marketplace	Life Sciences Hub	Global Center of Mobility	Natural Resources Economy
Potential ways to leverage the assets:	<ul style="list-style-type: none"> Brand the engineering sector Grow engineering education capacity Grow engineering firms 	<ul style="list-style-type: none"> Consolidate logistics base into Michigan Scale Aerotropolis Invest in strategic trade-related infrastructure 	<ul style="list-style-type: none"> Strengthen quality, affordability, productivity & economic impact Grow university enrollment Grow industry & university funded R&D Grow commercialization of R&D 	<ul style="list-style-type: none"> Create a Hub for bio-pharmaceutical R&D Become the center for research, testing & medical labs Grow medical tourism 	<ul style="list-style-type: none"> Lead in sustainable mobility & multi-modal systems Lead in vehicle/infrastructure technology Ensure MI remains a top three region for global R&D spending and employment Catalyze growth in advanced and interactive, smart, connected transportation 	<ul style="list-style-type: none"> Invest in infrastructure that promotes natural resources industries Expand & promote MI's tourism and outdoor recreation amenities & services Focus public and private R&D activities on sustainable natural resources products and processes
Related Industries	<ul style="list-style-type: none"> Machinery manufacturing Electrical equipment, appliance, and component manufacturing Nonmetallic mineral product manufacturing Primary metal manufacturing Motor vehicle, body, trailer, and parts manufacturing Space research and technology Research and development in engineering Engineering services 	<ul style="list-style-type: none"> Air transportation Rail transportation Water transportation Truck transportation Other transportation and support activities Warehousing and storage Highway, street, and bridge construction Other heavy and civil engineering construction Process, physical distribution, and logistics consulting 	<ul style="list-style-type: none"> Colleges, universities, and professional schools Technical and trade schools Education rehabilitation services Scientific research and development services 	<ul style="list-style-type: none"> Pharmaceutical and medicine manufacturing Medical equipment and supplies manufacturing Medical and diagnostic laboratories Research and development in biotechnology 	<ul style="list-style-type: none"> Highway, street, and bridge construction Primary metal manufacturing Motor vehicle, body, trailer, and parts manufacturing Other transportation equipment manufacturing Rail transportation Other transportation and support activities Urban transit systems Industrial design and engineering services Computer and electronic product manufacturing 	<ul style="list-style-type: none"> Crop and animal production Forestry, fishing, and related activities Oil and gas extraction Mining, and support activities for mining Water transportation Pipeline transportation Other transportation and support activities Waste management and remediation services Amusement and recreation Accommodations 

AGGREGATE PERFORMANCE ON SIX OPPORTUNITIES

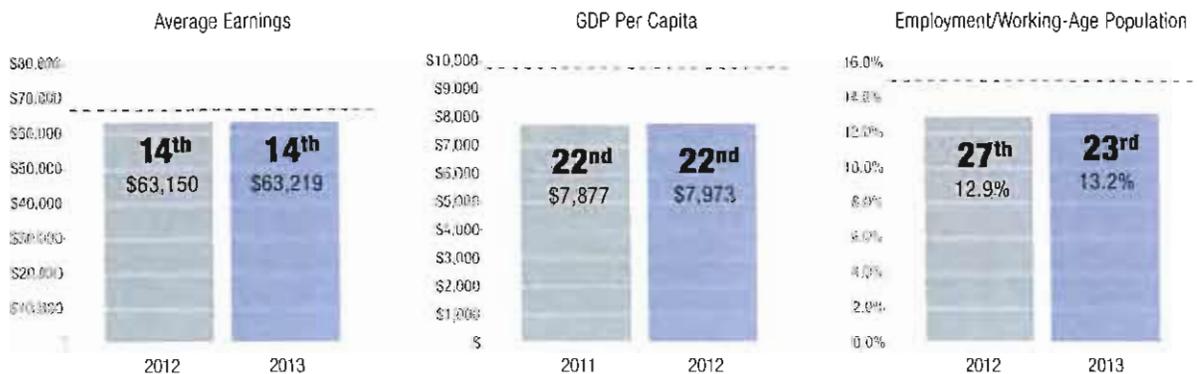
Our state is improving its performance relative to each of the New Michigan opportunities, thanks to public and private sector leadership. While each unique opportunity area requires its own exploration, it is also important to measure the strength of the New Michigan strategy in the aggregate.

In this section, we show how well Michigan performed in aggregate across all of the industries relevant to the six opportunities.

WHERE WE STAND

Outputs Industry outputs from each of the New Michigan opportunities are aggregated below. Michigan tends to pay well in these industries, ranking 14th in average wages, though earnings have remained flat over the last two years, in real terms. Employment and productivity, in aggregate, are slightly above average, with Michigan ranking 22nd in per capita GDP and 23rd in employment as a share of working-age population. Michigan's employment across six opportunities, in particular, has increased considerably, up from 32nd two years ago.¹

¹ There is extensive overlap between industries included in each opportunity, so adding up each of the opportunities will not equal the values calculated for the aggregate performance on all six opportunities.



Sources: BEA, BLS, U.S. Census Bureau; Analysis: Anderson Economic Group, LLC

Top Ten State

Six Opportunities in Comparison to Overall Economy

Jobs in industries that make up the six opportunities pay 32 percent more than the average job in Michigan—averaging \$63,219 in annual earnings. Moreover, GDP in the New Michigan industries totaled 20 percent of the state’s GDP in 2012. Finally, over one in five jobs in Michigan are in an industry that is represented in the six opportunities.

The following figures compare Michigan’s overall economic performance with the state’s performance in the New Michigan opportunity areas.



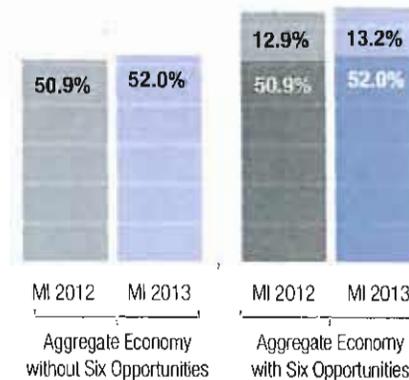
Average Earnings



Real Per Capita GDP



Employment/Working-Age Population



Projected Growth Scenarios Each New Michigan opportunity has the potential to be a game-changer. If our state can increase its growth to match that of the tenth-fastest growing states in each New Michigan output metric, we'll surpass our current growth trends considerably over the next ten years. Taken as a whole, the New Michigan opportunities have the power to produce \$36 billion more in annual GDP, 230,000 more jobs, and \$14,000 more in annual wages per job in the industries that make up these opportunities.¹

We can't anticipate how well Michigan will seize each opportunity or how global economic conditions might change during the next decade, but these projections identify the economic potential of these transformative opportunities.

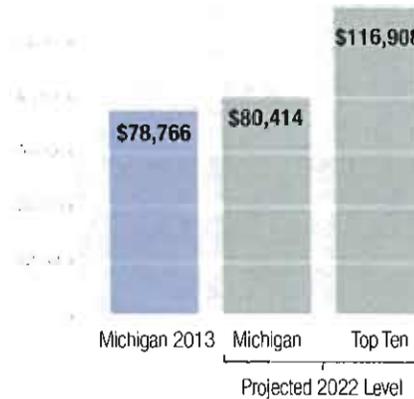
¹ Projected growth scenarios for the aggregate numbers are based on state performances across all opportunities, taking overlap out of the equation.



Average Earnings (in 2014 \$)



Real GDP (millions)



Employment



Sources: PEGA, U.S. Census Bureau, Quarterly Census on Employment and Wages, Bureau of Economic Analysis.

BASE OF ENTREPRENEURSHIP, INNOVATION, AND MANUFACTURING

Entrepreneurism, innovation, and manufacturing strength form the underpinnings of the New Michigan growth strategy. The Michigan economy, as a whole, will thrive if the state improves its position in these areas. These fundamental assets will allow Michigan to seize and capitalize on each of the New Michigan opportunity areas in a way that is distinctive and in keeping with our state's rich heritage. These actions will, in turn, lead to more companies, better products, higher exports, better jobs, and, consequently, faster economic growth.

WHERE WE STAND

Inputs Michigan performs well and continues to improve on input metrics for entrepreneurship, innovation, and manufacturing. It ranks in the top 20 states for each metric, and places in the Top Ten for number of existing firms, R&D spending at universities, and GDP from goods-producing industries. Also, with over 10,000 new firms taking root in Michigan for the second consecutive year, the state ranked 11th among all 50 states in new business establishments. Michigan fell considerably in venture capital investment, though this tends to be a volatile indicator and the state remains considerably above 2011 levels.

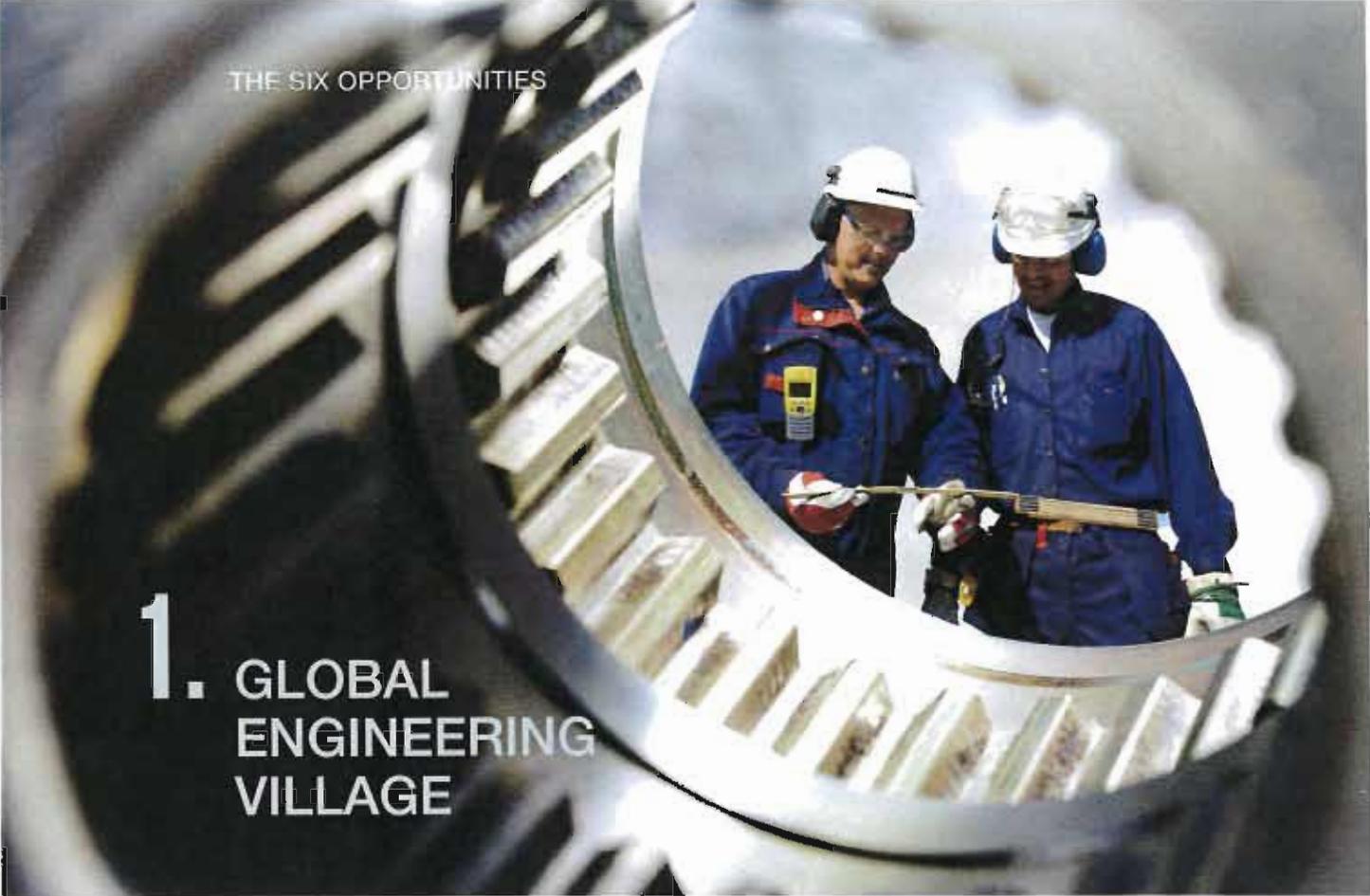
	2012		2013		
	MI	MI Rank	Top Ten	MI	MI Rank
GDP of Goods-Producing Industries**	\$93,747	9th	\$76,266	\$95,528	9th
New Firms*	10,142	13th	10,337	10,116	11th
Existing Firms*	139,510	9th	147,307	150,976	9th
R&D Expenditures at Universities (millions)*	\$2,160	10th	\$2,184	\$2,236	9th
Venture Capital Investment (millions)	\$243.2	16th	\$467.8	\$128.8	20th

*For 2011 and 2012

** Goods-producing industries consisting of Natural Resources and Mining, Construction, and Manufacturing

Sources: IPEDS, U.S. Census Bureau, Bureau of Economic Analysis, PricewaterhouseCoopers' MoneyTree Report
Analysis: Anderson Economic Group, LLC

1. GLOBAL ENGINEERING VILLAGE



In the years to come, engineering services are predicted to grow at a rate that far outpaces that of the economy as a whole. The market is especially promising for advanced industries like automotive, aerospace, medical devices and precision instruments. Fortunately, Michigan's manufacturing legacy has left us with an abundance of engineers across a range of disciplines. Those engineers will continue to be needed to improve Michigan-based manufacturing, and the state can realize new growth opportunities by broadening its engineering base into a service industry.

WHERE WE STAND

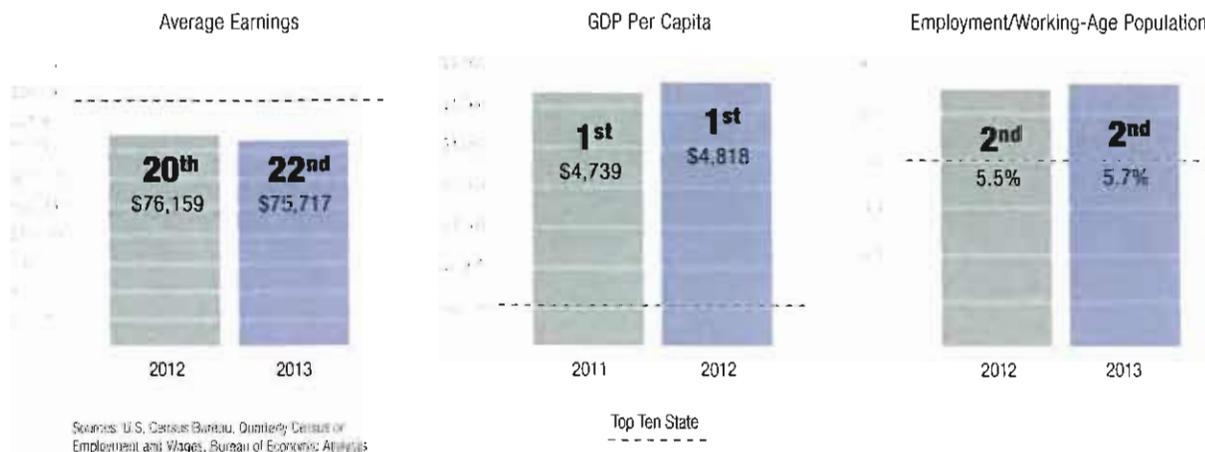
Inputs Michigan ranks well above average in each of the input metrics for this opportunity. The state ranks among the top five states for number of engineering graduates per capita, number of establishments in global engineering industries, engineering patents awarded, and engineers per capita. Michigan is also in the Top Ten for research and development spending in engineering fields. With the exception of engineering graduates per capita, which fell somewhat from 2012 to 2013, Michigan also has improved considerably across all of these metrics over the past few years.

	2012			2013	
	MI	MI Rank	Top Ten	MI	MI Rank
Graduates per 100k	105	3rd	87	101	5th
Engineering R&D (millions)	\$336.3	9th	\$307.1	\$347.5	9th
Number of Establishments	8,674	6th	5,985	8,908	5th
Engineers per 100k	1,269	3rd	1,033	1,301	3rd
Patents Awarded	1,901	4th	1,069	2,054	4th

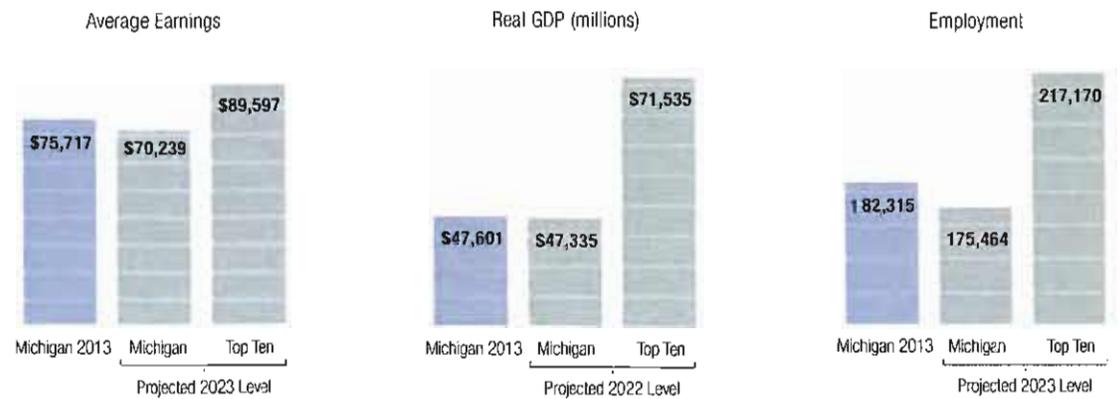
Sources: IPEDS, 11/15; Knowledge Rankin; FICP; BLS; IHSIP 01

Outputs Overall, Michigan ranks highly on output metrics for industries in the Global Engineering Village opportunity. Michigan ranks first in per capita GDP and second in employment in Global Engineering Village industries, while it ranks 22nd for average earnings. One in every 17 residents of working age (18–64) in the state works in a Global Engineering Village industry.

Furthermore, per capita real GDP in these industries grew by 1.6 percent from the year 2011 to 2012 in Michigan. Despite these gains, average earnings for workers in these industries have dropped, in inflation-adjusted terms, each year from 2011 to 2013, which is consistent with national trends.



Potential Growth Scenarios If Michigan can achieve Top Ten growth in these industries, the state will realize an increase of \$24 billion in GDP, 35,000 jobs, and \$14,000 in average annual earnings for those working in these industries.



Behind the Trends Considerable employment gains from 2012 to 2013 occurred across all major industries in Michigan within the Global Engineering Village opportunity, explaining the strong increase in employment for this opportunity as a whole. Decreasing or stagnant wages are present across almost all industries from 2012 to 2013. The only major industry within this opportunity that saw an increase in average annual earnings was motor vehicle manufacturing.

How to Leverage Our Engineering Talent

Michigan can continue to position itself as a Global Engineering Village by branding Michigan as a hotbed for engineers, expanding its engineering capacity, growing its engineering firms, increasing the number of Michigan students that enter engineering programs and expanding efforts to attract engineers from out-of state and retain those already in Michigan. Engineering stakeholder groups, working together, can help implement a rebranding strategy to show the breadth of engineering work occurring and available in Michigan, what is needed to add jobs and promote investment in Michigan. Our focus should be on highlighting the high-tech nature of the work and opportunities in the automotive, aerospace, medical device and precision instrument arenas.

“THE STATE RANKS AMONG THE TOP FIVE STATES FOR NUMBER OF ENGINEERING GRADUATES, ENGINEERING FIRMS AND ENGINEERING PATENTS AWARDED.”

TOP 5 INDUSTRIES (by 2013 employment)

	Employment		Average Earnings (2014 \$)	
	2012	2013	2012	2013
Motor Vehicle Parts Manufacturing	103,918	109,787	\$71,630	\$70,074
Motor Vehicle Manufacturing	39,789	44,163	\$98,982	\$99,670
Engineering Services	41,010	43,093	\$77,222	\$76,358
Metalworking Machinery Manufacturing	35,202	35,902	\$66,334	\$65,387
Research and Development in the Physical, Engineering, and Life Sciences	19,519	20,704	\$112,795	\$108,823

Source: BEA, BLS, U.S. Census Bureau
 Analysis: Anderson Economic Group, LLC

2.

GATEWAY TO THE MIDWEST

The emergence of the global marketplace has spurred exponential growth in the movement of goods and people. Michigan's geographic location enables it to be accessible by road, rail, sea, or air. Michigan can build on this advantage by advancing as an integrated, multi-modal hub for trade. Specifically, Michigan has the capacity to encourage the development of aviation-dependent businesses and a logistics infrastructure crucial for facilitating trade in the Midwest.

WHERE WE STAND

Inputs Michigan ranks well above average in its performance for all input metrics for the Gateway to the Midwest opportunity. Michigan ranks in the top three states for transborder trade with Mexico and retains first place for transborder trade with Canada for the third consecutive year. For amount of cargo moved by freight and rail in and out of the state, Michigan remains among the top 20 states. One area of significant improvement is the number of graduates in relevant fields for this opportunity, in which Michigan increased from 28th to 20th in the past year.

	2012		2013		
	MI	MI Rank	Top Ten	MI	MI Rank
Graduates per 100k	16.2	28th	30.8	18.5	20th
Number of Establishments	5,783	11th	7,323	6,798	11th
Transportation Expenses by State & Local Gov (millions)*	\$4,025	14th	\$5,096	\$3,820	16th
Carloads of Freight by Rail, Origination (millions)	566,100	14th	830,000	572,400	14th
Carloads of Freight by Rail, Termination (millions)	566,800	16th	920,400	545,700	17th
Lbs. of Freight Departing Airports (millions)	273	18th	690	278	18th
Lbs. of Freight Landing at Airports (millions)	345	18th	805	360	16th
Imports from Canada (billions)	\$49.6	1st	\$9.1	\$48.7	1st
Exports to Canada (billions)	\$25.3	1st	\$8.7	\$26.2	1st
Imports from Mexico (billions)	\$38.1	2nd	\$4.9	\$40.3	2nd
Exports to Mexico (billions)	\$10.5	3rd	\$3.4	\$12.2	3rd

*For 2011 and 2012
Sources: PEDS, QCEW U.S. Census Bureau; State and Local Government Financial Survey; BTS/FETA

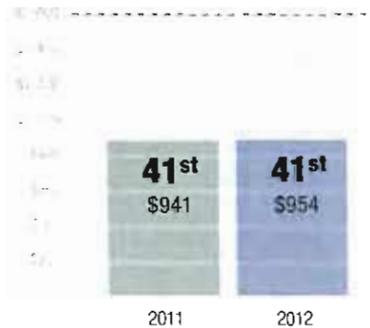
Outputs Earnings in the Gateway to the Midwest opportunity are above average, with Michigan ranking 19th and seeing a slight increase in wages over the past year, in real terms. However, Michigan ranks well below average on GDP and employment output metrics for industries in the Gateway to the Midwest opportunity.

The largest companies that provide transportation and logistics services are based outside of Michigan. However, the state's role as a manufacturing hub and its convenient location for global trade offer opportunities to bring more transportation and logistics industries to the state.

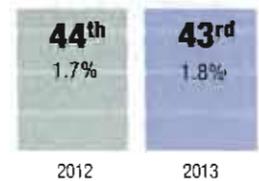
Average Earnings



GDP Per Capita



Employment/Working-Age Population



Source: U.S. Census Bureau, Quarterly Census on Employment and Wages, Bureau of Economic Analysis

Top Ten State

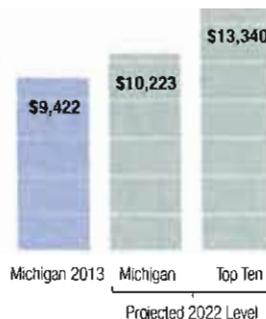
Potential Growth Scenarios If Michigan can realize Top Ten growth in the Gateway to the Midwest opportunity, it would mean an additional \$3.9 billion in state GDP, an additional 13,000 jobs, and an additional

\$4,100 in annual earnings for each of the 108,000 employees in these industries by the year 2023, as compared to current levels.

Average Earnings (in 2014 \$)



Real GDP (millions)



Employment



Source: U.S. Census Bureau, Quarterly Census on Employment and Wages, Bureau of Economic Analysis

Behind the Trends The greatest employment gains in the Gateway to the Midwest opportunity in 2013 occurred in general freight trucking, which increased by nearly 2,000 jobs. Other major industries saw employment increases as well, but these were largely offset by a loss of 1,000 jobs in air transportation. The jobs that remain in air transportation, however, are high-paying, with average earnings in that industry increasing to over \$80,000. Average wages decreased in all other major industries except for specialized freight trucking, where it increased slightly.

How to Leverage Our Geographic Location

Leveraging this asset can be done by consolidating a logistics base into Michigan, scaling and aggressively marketing VantagePort, and investing in strategic trade-related infrastructure such as roads, bridges, tunnels, and rails. Building a strong logistics infrastructure requires a broad, unified commitment from state and local administrations and permitting authorities, as well as the private sector.

“MICHIGAN RANKS IN THE TOP THREE STATES FOR TRANSBORDER TRADE WITH MEXICO AND RETAINS 1ST PLACE FOR TRANSBORDER TRADE WITH CANADA.”

TOP 5 INDUSTRIES (by 2013 employment)

	Employment		Average Earnings (2014 \$)	
	2012	2013	2012	2013
General Freight Trucking	28,897	30,818	\$47,371	\$47,217
Warehousing and Storage	14,123	14,808	\$53,007	\$50,862
Support Activities for Transportation	12,428	12,740	\$46,682	\$46,628
Scheduled Air Transportation	11,799	10,726	\$70,617	\$81,411
Specialized Freight Trucking	9,573	9,919	\$49,359	\$49,535

Sources: BEA, BLS, U.S. Census Bureau
 Analysis: Anderson Economic Group, LLC

3. HIGHER EDUCATION MARKETPLACE



More and more, economic growth in developed nations stems not from growth in the labor force, but from growth in productivity. That puts the need for innovation at the forefront of any plan to maximize growth, and the primary source of increasing that pool of innovation is higher education. Michigan has some of the finest research and baccalaureate universities in the country, and graduates a higher percentage of its students than the national average in the science, technology, engineering and math (STEM) disciplines. In addition, higher education institutions are drivers of economic growth as they bring students, employers, and additional spending to local economies.

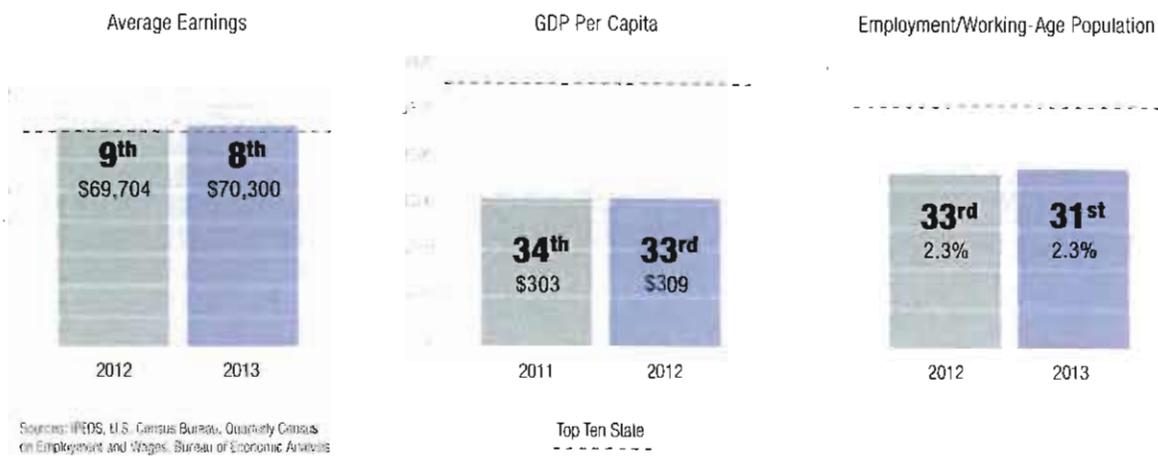
WHERE WE STAND

Inputs Michigan is ranked in the Top Ten states for total degrees awarded, STEM (Science, Technology, Engineering and Math) degrees awarded, and total enrollment. However, Michigan ranks considerably lower than the national average in terms of out-of-state enrollment and state appropriations to public universities.

2012	2012		2013		MI Rank
	MI	MI Rank	Top Ten	MI	
Total Degrees Awarded	148,585	9th	130,745	146,952	9th
STEM Degrees Awarded	12,750	7th	9,078	12,319	7th
Total FTE Enrollment	516,973	9th	445,499	485,750	9th
State Appropriations per Capita*	\$173.6	36th	\$259.7	\$156.8	35th

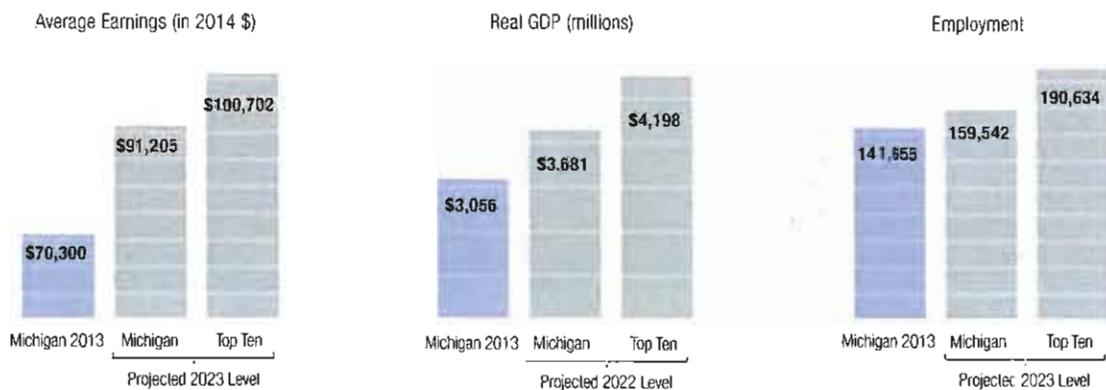
* For 2011 and 2012
 Source: IPEDS, U.S. Census Bureau

Outputs Average earnings within higher education are increasing steadily in Michigan, and Michigan currently ranks 8th in this category. However, per capita GDP in the state has remained relatively flat, and employment has increased only marginally. The state remains below average on both of those metrics in the Higher Education Opportunity.



Potential Growth Scenarios On its current trajectory, by 2023 Michigan will see an increase in higher education employment of 18,000. This growth would be accompanied by a potential increase in average earnings of approximately \$20,000 and an increase in real GDP of approximately \$600 million. If Michigan grows

at a Top Ten rate, however, by 2023 the state will realize \$1.2 billion more in real GDP, over 49,000 more jobs, and the 190,000 Michigan workers who are in the higher education industry will have \$300,000 more in average annual earnings.



Behind the Trends Employment within major industries in the Higher Education Marketplace opportunity was fairly level, with one exception. Employment in scientific research and development services increased by 1,200 from 2012 to 2013. Since colleges and universities make up the vast majority of employment in this opportunity, the average earnings increase for the opportunity was driven primarily by an increase in average earnings of 1.6 percent, in real terms, among employees of colleges and universities in Michigan.

How to Leverage Our Higher Education

Assets Michigan's opportunities as a Higher Education Marketplace can be facilitated by growing community college and university enrollment, growing industry-funded and university-funded research and development, and growing the commercialization of research and development. To accomplish this, Michigan should set a concrete goal of being among the Top Ten states for higher education, measured in quality, affordability, productivity and economic impact. The current performance-based funding approach for state support encourages our colleges and universities to strive to be best in class without undermining the strength of these institutions. Similarly, colleges and universities should increase in- and out-of-state enrollments and accelerate support for and spin-off of business creation opportunities.

“THE STATE RANKS IN THE TOP TEN STATES FOR TOTAL DEGREES AWARDED AND STEM DEGREES AWARDED, YET RANKS 35TH IN STATE SUPPORT PER CAPITA.”

TOP 4 INDUSTRIES (by 2013 employment)

	Employment		Average Earnings (2014 \$)	
	2012	2013	2012	2013
Colleges and Universities	106,187	106,246	\$66,849	\$67,919
Scientific Research and Development Services	20,241	21,474	\$111,333	\$107,489
Vocational Rehabilitation Services	10,647	10,609	\$24,354	\$24,466
Grantmaking and Giving Services	3,156	3,326	\$51,776	\$52,456

Sources: BEA, BLS, U.S. Census Bureau
Analysis: Anderson Economic Group, LLC

4. NATURAL RESOURCES ECONOMY

Globalization, increasing world population and rising income levels in developing nations are all increasing the demand for natural resources—chiefly food, energy sources, precious materials, and water. This creates a massive opportunity not only for those providing those commodities, but also for those in a position to develop technologies and approaches that maximize the productivity of ever-scarcer resources. Michigan has competitive advantages in agricultural innovation, and can leverage its natural beauty to increase its tourism industry. Policies and regulatory changes that grow agricultural industries and tourism can help Michigan to capitalize on the opportunity that its natural assets provide.

WHERE WE STAND

Inputs Michigan has a high performance on most input metrics related to the natural resources economy. The state ranks 11th in the total number of establishments in natural resources industries. We ranked 16th in patents awarded for natural resources-related applications, which captures the level of innovation by companies and inventors in the state. Both of these metrics were relatively unchanged from 2012 to 2013.

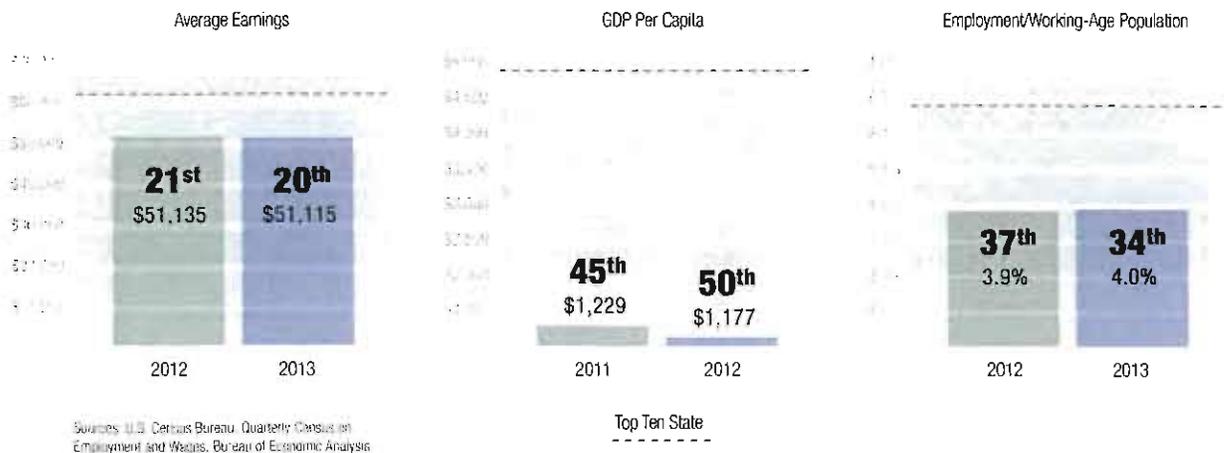
Meanwhile, spending on tourism activities in the state increased by almost four percent from 2012 to 2013, enough to keep Michigan ranked 15th in this metric. Finally, the number of graduates in fields that are related to the natural resources economy fell somewhat, and Michigan remains below average on this metric.

	2012			2013	
	MI	MI Rank	Top Ten	MI	MI Rank
Graduates per 100k	42	37th	68	38	39th
Number of Establishments	13,571	10th	13,775	13,675	11th
Patents Awarded	90	15th	124	88	16th
Travel Expenditures (millions)*	\$16,194	15th	\$20,130	\$16,782	15th

*From 2011 and 2013
 Sources: IPEDS, OMB, USTR, U.S. Travel-Respenditure

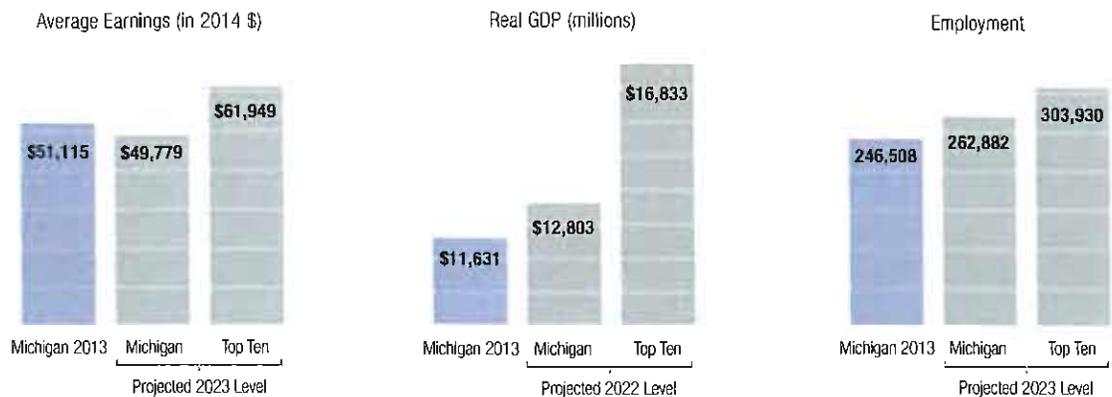
Outputs The state's performance in GDP from the natural resources economy is low and falling, partially due to the fact that the state does not take advantage of its mineral resources to augment its production in this sector. Michigan now ranks 50th out of the 50 states on per capita production in industries related to the natural

resources economy. That said, its performance in employment is improving considerably, and it is now 34th in employment as a share of the working-age population in this opportunity. Average earnings in Michigan for this opportunity are above average and remain virtually unchanged from last year.



Potential Growth Scenarios The Natural Resources Economy has steadily grown in Michigan over the past decade. Even at the Michigan growth rates of the past 10 years, Michigan will realize growth in real GDP of \$1.2 billion and an increase of about 16,000 jobs by the year 2023. Average earnings, however, would drop a bit,

to about \$50,000 per year. Employment and real GDP would increase much faster, though, if the state were to attain the same growth levels as the 10th-fastest-growing state. Real GDP would increase by \$5.2 billion and jobs would increase by 57,000 by the year 2023.



Sources: U.S. Census Bureau, Quarterly Census on Employment and Wages, Bureau of Economic Analysis

Behind the Trends Employment increased substantially in all major industries in the Natural Resources Economy opportunity. The traveler accommodation industry alone—the largest industry by employment in this opportunity—added nearly 3,000 jobs in 2013. Average earnings dropped considerably in the highest paid industries within this opportunity—research and development in the physical, engineering, and life sciences. In most other major sectors, however, average earnings rose marginally.

How to Leverage Our Natural Resources Agricultural processing and exports can be increased by supporting policies and regulations designed to grow the industry, increasing agricultural engineering solutions, expanding the export transportation infrastructure and helping expand overseas markets. To grow Michigan's tourism opportunities, we need to market our easy access to major population centers, relatively low costs, and the intrinsic and varied attractiveness of our natural amenities, and strategically develop travel and hospitality infrastructures. With our plentiful supply of fresh water, we can work now to attract water-intensive industries to the state that adopt safe, sustainable practices to prevent the diversion of water outside of Michigan. Finally, we should also pursue the prudent utilization of natural shale, wind and precious minerals resources.

“ MICHIGAN RANKS 16TH IN THE NUMBER OF PATENTS AWARDED FOR NATURAL RESOURCE-RELATED APPLICATIONS, WHICH IS AN INDICATION OF THE LEVEL OF INNOVATION IN THE STATE. ”

TOP 5 INDUSTRIES (by 2013 employment)

	Employment		Average Earnings (2014 \$)	
	2012	2013	2012	2013
Traveler Accommodation	45,940	48,700	\$25,308	\$25,444
Engineering Services	41,010	43,093	\$77,222	\$76,358
Other Amusement and Recreation Industries	33,689	34,150	\$17,314	\$17,431
Research and Development in the Physical, Engineering, and Life Sciences	19,519	20,704	\$112,795	\$108,823
Crop Production	14,863	16,285	\$25,159	\$25,681

Sources: ISBA, BLS, U.S. Census Bureau
Analysis: Anderson Economic Group LLC

5. GLOBAL CENTER OF MOBILITY

The global automotive industry is projected to expand by 31 percent by 2020 as the world's growing middle class acquires personal transportation. In addition, the industry is rapidly transforming to enable the automobile to serve as an extension of an individual's office or home while becoming more energy efficient. Michigan has been a center for automotive innovation for as long as cars have existed. The state has a unique opportunity to continue to expand with the automotive industry, by transforming the existing automotive cluster to a hub for a diverse set of industries that meet the demands of global mobility. Michigan can increase its focus on multi-modal sustainable transportation and leverage its unmatched network of suppliers, talent, and R&D capabilities to become the Global Center of Mobility.

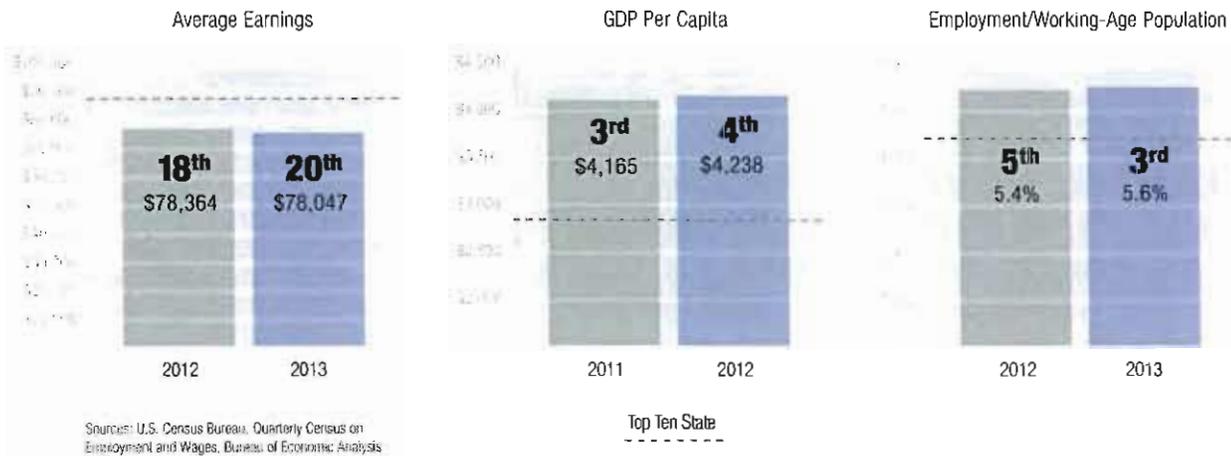
WHERE WE STAND

Inputs Michigan has performed consistently well, and is generally improving, on input metrics for the Global Center of Mobility opportunity. The state is ranked in the top five for patents awarded (2nd), and the share of national GDP (4th) earnings (3rd) and employment (3rd) in mobility industries. The state now accounts for nearly six percent of all national production in this opportunity. Michigan increased the number of establishments in this opportunity slightly, maintaining its ranking of 15th. However, the number of graduates in fields corresponding to the Global Center of Mobility opportunity (auto-ready graduates) fell and the state now ranks 22nd on that metric.

	2012			2013	
	MI	MI Rank	Top Ten	MI	MI Rank
Auto-Ready Graduates per 100k	64	16th	74	60	22nd
Number of Establishments	11,286	15th	13,303	11,347	15th
Patents Awarded	1,608	2nd	422	1,828	2nd
Share of Nat'l GDP*	4.0%	4th	2.7%	5.9%	4th
Share of Nat'l Employment	4.7%	3rd	3.4%	4.9%	3rd
Share of Nat'l Earnings	4.3%	6th	3.2%	4.5%	3rd

*For 2011 and 2012. Sources: REEDS, QCEW, USPTO, BKA

Outputs Overall, the state's performance in industries related to the Global Center of Mobility opportunity is well above average, with Michigan ranking third in employment and fourth in per capita GDP in Global Center of Mobility industries. Earnings in these industries are down less than 1% from 2012 to 2013 while GDP and employment have grown.



Potential Growth Scenarios: These industries have largely shrunk over the past ten years in Michigan, so under current growth trends, Michigan would have slightly lower real GDP in these industries and 80,000 fewer workers employed in these industries by 2023.

However, if Michigan were to achieve the growth rate of the 10th-fastest growing state for each metric, Michigan's GDP from these industries would increase by \$46 billion, average earnings would increase by \$40,000 per year, and jobs would increase by 66,000.



Behind the Trends Despite the long-term downward trend, recent growth in the Global Center of Mobility opportunity has been positive. Employment increased considerably for all major industries in this opportunity from 2012 to 2013. Motor vehicle parts manufacturing and motor vehicle manufacturing alone accounted for an increase of over 10,000 jobs from 2012 to 2013. At the same time, average earnings have increased slightly in some industries (motor vehicle manufacturing, computer systems and design) while decreasing in others (motor vehicle parts manufacturing, engineering services and R&D in engineering and sciences).

How to Leverage Our Automotive Industry

Michigan is the number one state for vehicle research and development, the number one state for vehicle production and home to 47 of the top 50 automotive suppliers. As the auto sector transitions into a mobility industry, to remain a leader Michigan must move forward strategically and aggressively. Specifically, Michigan must foster stronger public-private leadership, aggressively market its assets and the auto industry, attract more mobility conferences, develop a stronger talent pipeline, establish facilities that enable OEM-supplier collaboration and increase mobility-focused venture capital. As the industry changes, the state can leverage its automotive and mobility industry prominence to lead in sustainable mobility, multi-modal systems, vehicle and infrastructure technology to improve road safety, and auto industry growth.

“MICHIGAN RANKS IN THE TOP FIVE FOR AUTO-RELATED PATENTS AWARDED, AND IN THE SHARE OF NATIONAL GDP, EARNINGS AND EMPLOYMENT IN THE MOBILITY INDUSTRIES.”

TOP 5 INDUSTRIES (by 2013 employment)	Employment		Average Earnings (2014 \$)	
	2012	2013	2012	2013
Motor Vehicle Parts Manufacturing	103,918	109,787	\$71,630	\$70,074
Motor Vehicle Manufacturing	39,789	44,163	\$98,982	\$99,670
Computer Systems Design and Related Services	42,394	43,483	\$85,944	\$86,139
Engineering Services	41,010	43,093	\$77,222	\$76,358
Research and Development in the Physical, Engineering, and Life Sciences	19,519	20,704	\$112,795	\$108,823

6.

LIFE SCIENCES HUB

The aging of the population in developed nations, a growing middle class in the developing world and the demand for a higher quality of life among all populations is driving demand for life sciences solutions. Healthcare expenditure in the developed world is already outpacing GDP, and the gap is widening. Few industries can come close to matching the long-term growth potential of bio- science industries. Michigan is well placed to capitalize on this demand. It produces a high amount of bio-science degrees, and benefits from high-end medical research facilities paired with capacity in hospital and healthcare facilities. Bio-pharmaceutical product development, medical device innovation, and market research and testing can help to promote the development of Michigan as a Life Sciences Hub.

WHERE WE STAND

Inputs Michigan ranks among the top 20 states for each input metric that we evaluate for life sciences industries. Michigan retained its position at 10th place among all states in research and development spending in life sciences at universities with a total of \$1.1 billion in such spending. In a sign of increasing innovation in Michigan patents, active clinical trials, and total life sciences firms all increased from 2012 to 2013. While still in the top twenty, Michigan's number of graduates with concentration in the life sciences declined about 4% from 2012 to 2013.

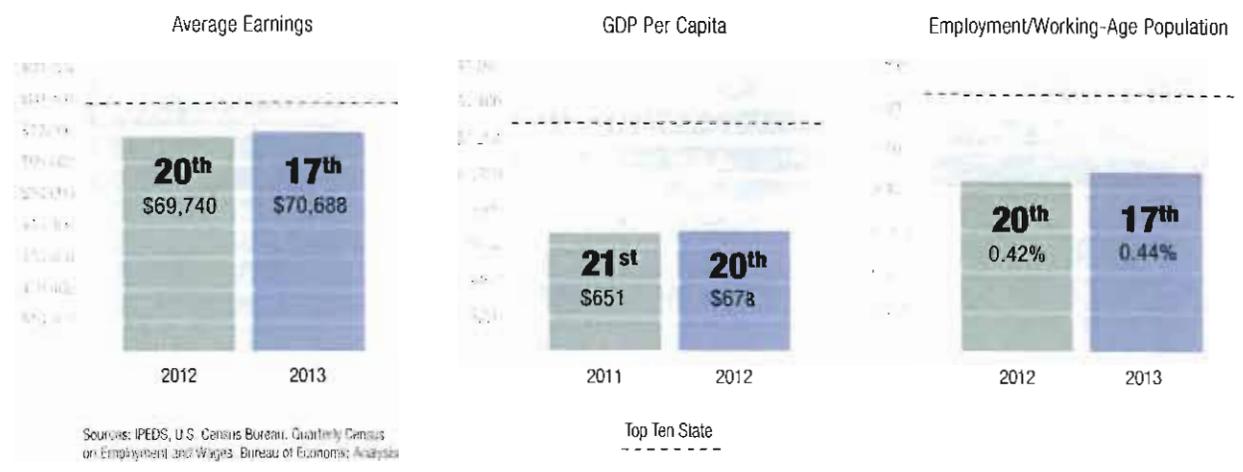
	2012		2013		MI Rank
	MI	MI Rank	Top Ten	MI	
Graduates per 100k	303	19th	347	291	19th
Number of Establishments	972	13th	1,332	1,040	13th
Life Sciences R&D Spending at Universities (millions)*	\$1,089	10th	\$1,103	\$1,103	10th
Venture Capital Investment in Life Sci. Firms (millions)	\$98	14th	\$138	\$56	17th
Active Clinical Trials	2,889	13th	4,460	3,454	12th
Patents Awarded	275	19th	622	317	19th

*For 2011 and 2012

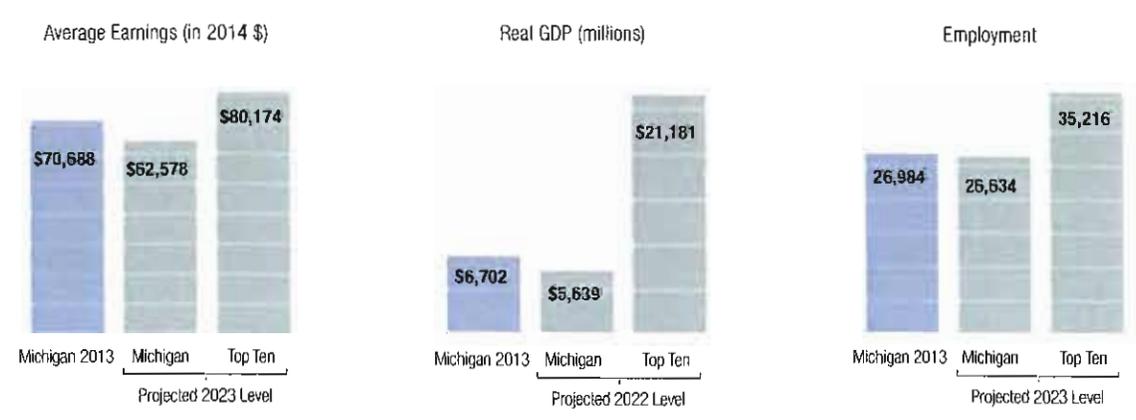
Sources: IPEDS, QCEW, PricewaterhouseCoopers Money Tree Report, US PTO, National Institutes of Health

Outputs The state has considerably improved its ranking in each of the output metrics for the past two years. In both average earnings and employment, the state has improved from 20th in 2012 to 17th in 2013 while per capita GDP improved slightly from 21st to 20th.

While this opportunity is the smallest of the six that we review, it has been growing relatively quickly over the last couple years in Michigan.



Potential Growth Scenarios If Michigan were to achieve Top Ten growth in these industries, they have significant economic potential. Michigan's real GDP in these industries would more than triple, from \$6.7 billion to \$21.2 billion. Also, employment would increase by over 8,000 and average annual earnings would increase to an impressive \$80,000.



Sources: 2013 U.S. Census Bureau, Quarterly Census on Employment and Wages, Bureau of Economic Analysis

Behind the Trends Employment increased in all major industries that are part of the Life Sciences Hub, with the exception of R&D in biotechnology, since 2012. Similarly, average earnings increased across all industries except for R&D in biotechnology, as well.

How to Leverage Our Health and Medical Expertise Michigan can leverage its health & medical expertise and establish itself as a Life Sciences Hub by creating a hub for bio-pharmaceutical R&D, becoming a center for research, testing, and medical labs, and growing medical tourism.

“ MICHIGAN RANKS 10TH IN LIFE SCIENCES R&D AND HAS A GROWING NUMBER OF PATENTS, ACTIVE CLINICAL TRIALS AND LIFE SCIENCES FIRMS. ”

TOP 5 INDUSTRIES (by 2013 employment)

	Employment		Average Earnings (2014 \$)	
	2012	2013	2012	2013
Medical Equipment and Supplies Manufacturing	11,268	111,663	\$62,786	\$64,809
Pharmaceutical and Medicine Manufacturing	7,940	8,181	\$86,952	\$87,331
Medical and Diagnostic Laboratories	4,097	4,462	\$54,028	\$55,075
Research and Development in Biotechnology	2,904	2,678	\$71,831	\$71,465

Sources: BEA, BLS, U.S. Census Bureau
Analysis: Anderson Economic Group, LLC

CONCLUSION

No one is going to hand us good paying jobs and a healthy economy. Collectively, we have to recognize that we compete in a global marketplace and must embrace leadership, policies and attitudes that promote growth. This requires us to focus our limited resources on building the infrastructure and assets that will contribute most to growth. We have to forge a sense of common purpose among government, the private sector, and the institutions and organizations that bolster our economic life. And we have to remain vigilant so we recognize changing economic conditions and seize new opportunities as they arise.

New levels of growth are eminently achievable for Michigan, but we can accelerate the pace of achievement if we take advantage of these unique opportunities.

METHODOLOGY

Research for the 2015 New Michigan report was conducted by the Anderson Economic Group, a research consulting firm with expertise in economics, public policy, finance and industry analysis.

The data presented in this report came from several sources, most of which are publicly available. The report used the most recent data available for which there was a complete set. Earnings data is presented in 2014 dollars, including future projections. Dollar amounts for all input metrics are in nominal amounts for the corresponding year. Real GDP figures are presented in chained 2009 dollars. This is the conventional way to present real GDP data, as used by the Bureau of Economic Analysis.

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For more detail on the methodology used to compile this report, refer to: 2015 New Michigan Report – Appendix A: Methodology at:

www.businessleadersformichigan.com/research-reports/

For a list of North American Industry Classification System (NAICS) Industry codes associated with each opportunity, refer to: 2015 New Michigan Report - Appendix B: List of NAICS Industries for Each Opportunity at:

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