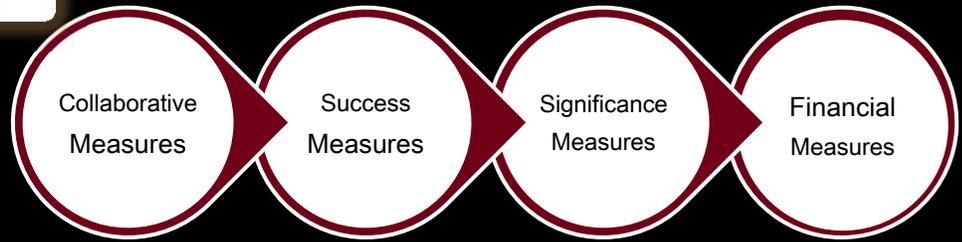




Ohio
Local Government
 Innovation Fund



Round 5: Application Form

Step One: Fill out this Application Form in its entirety.

Step Two: Fill out the online submission form and submit your application materials. All supplemental application materials should be combined into one file for submission.

LGIF: Applicant Profile

Lead Agency	
Project Name	
Type of Request	
Request Amount	
JobsOhio Region	
Number of Collaborative Partners (including lead agency)	
Project Approach	
Project Type	



**Development
 Services Agency**

Website: http://development.ohio.gov/cs/cs_localgovfund.htm

E-mail: LGIF@development.ohio.gov

Phone: 614 | 995 2292

Lead Applicant		Round 5	
Project Name		Type of Request	

Instructions	
<ul style="list-style-type: none"> • Make sure to answer each question appropriately in the space provided, not exceeding the space allowed by the answer box. • Examples of completed applications are available on the LGIF website, found here: http://development.ohio.gov/cs/cs_localgovfund.htm 	

Lead Agency			
Mailing Address:	Name:		
	Street Address:		
	City:		
	Zip:		
In what county is the lead agency located?			
<table border="1"> <tr> <td>Ohio House District:</td> <td>Ohio Senate District:</td> </tr> </table>		Ohio House District:	Ohio Senate District:
Ohio House District:	Ohio Senate District:		

Section 1
Contacts

Project Contact		
Please provide information about the individual who should be contacted regarding this application.		
Mailing Address:	Name:	Title:
	Street Address:	
	City:	
	Zip:	
Email Address:	Phone Number:	

Fiscal Agency:		
Please provide information for the entity and individual serving as the fiscal agent for the project.		
Mailing Address:	Fiscal Agency:	
	Fiscal Officer:	Title:
	Street Address:	
	City:	
	Zip:	

Population		
Does the applicant (or collaborative partner) represent a city, township, or village with a population of less than 20,000 residents?	Yes	No
	List Entity	
Does the applicant (or collaborative partner) represent a county with a population of less than 235,000 residents?	Yes	No
	List Entity	

Single Applicant		
Is your organization applying as a single entity?	Yes	No

Lead Applicant		Round 5	
Project Name		Type of Request	

Collaborative Partners

Does the proposal include collaborative partners?	Yes	No
---	-----	----

Applicants applying with collaborative partners are required to show proof of the partnership with a signed partnership agreement and a resolution of support from each of the partner's governing entities. If the collaborative partner does not have a governing entity, a letter of support from the partnering organization is sufficient. These documents must be received by the end of the cure period in order for each entity to count as a collaborative partner for the purposes of this application.

Nature of the Partnership

As agreed upon in the signed partnership agreement, please identify the nature of the partnership with an explanation of how the lead agency and collaborative partners will work together on the proposed project.

Section 2
Collaborative Partners

Lead Applicant		Round 5	
Project Name		Type of Request	

List of Partners

Please use the following space to list each collaborative partner who is participating in the project and is providing BOTH a resolution of support for the Local Government Innovation Fund application and has signed the partnership agreement.

Collaborative Partner # 1	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 2	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 3	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 4	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 5	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 6	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Section 2 Collaborative Partners

Lead Applicant		Round 5	
Project Name		Type of Request	

Collaborative Partner # 7	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 8	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 9	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 10	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 11	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 12	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Collaborative Partner # 13	
Mailing Address:	Name:
	Street Address:
	City:
	Zip:

Section 2 Collaborative Partners

Lead Applicant		Round 5	
Project Name		Type of Request	

Project Information

Provide a general description of the project, including a description of the final work product derived from the grant study or loan implementation project. This information may be used for council briefings, program and marketing materials.

Section 3

Project Information

Lead Applicant		Round 5	
Project Name		Type of Request	

Project Information		
Has this project been submitted for consideration in previous LGIF Rounds?	Yes	No
If yes, in which Round(s)?		
What was the project name?		
What entity was the lead applicant?		

Past Success		
Provide a summary of past efforts to implement a project to improve efficiency, implement shared services, coproduction, or a merger (5 points).		
Applicant demonstrates Past Success	Yes	No

Section 3

Project Information

Scalable		
Provide a summary of how the applicant's proposal can be scaled for the inclusion of other entities (5 points).		
Applicant demonstrates a Scalable project	Yes	No

Lead Applicant		Round 5	
Project Name		Type of Request	

Replicable		
Provide a summary of how the applicant's proposal can be replicated by other entities. A replicable project should include a component that another entity could use as a tool to implement a similar project (5 points).		
Applicant demonstrates a Replicable project	Yes	No

Section 3
Project Information

Probability of Success		
Provide a summary of the likelihood of the grant study recommendations being implemented. Applicants requesting an implementation loan should provide a summary of the probability of savings from the loan request (5 points).		
Applicant demonstrates Probability of Success	Yes	No

Lead Applicant		Round 5	
Project Name		Type of Request	

Performance Audit/Cost Benchmarking		
<p>If the project is the result of recommendations from a prior performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code, or is informed by a previous cost benchmarking study, please attach a copy with the supporting documents. In the section below, provide a summary of the performance audit findings or cost benchmarking study results (5 points).</p>		
Prior Performance Audit or Cost Benchmarking	Yes	No

Section 3
Project Information

Economic Impact		
<p>Provide a summary of how the proposal will promote a business environment through a private sector partner (5 points) and/or provide for community attraction (3 points).</p>		
Applicant demonstrates Economic Impact	Yes	No

Lead Applicant		Round 5	
Project Name		Type of Request	

Response to Economic Demand		
<p>Provide a summary of how the project responds to substantial changes in economic demand for local or regional government services. The narrative should include a description of the current and future expected service level needs (5 points).</p>		
Applicant demonstrates Response to Economic Demand	Yes	No

Section 3
Project Information

Budget Information

General Instructions

- Both the Project Budget and Program Budgets are required to be filled out in this form.
- Consolidate budget information to fit in the form. Additional budget detail may be provided in the budget narrative or in an attachment

Project Budget:

- The Project Budget should detail expenses related to the grant or loan project.
- The Project Budget justification must be explained in the Project Budget Narrative section of the application. This section is also used to explain the reasoning behind any items on the budget that are not self explanatory, and provide additional detail about project expenses.
- The Project Budget should be for the period that covers the entire project. The look-back period for in-kind contributions is two years. These contributions are considered a part of the total project costs.
- For the Project Budget, indicate which entity and revenue source will be used to fund each expense. This information will be used to help determine eligible project expenses.
- Total Sources must equal Total Uses. Include staff time and other in-kind matches in the Total Uses section of the budget.

Program Budget

- Use the Program Budget to outline the costs associated with the implementation of the program in your community.
- Six (6) years of Program Budgets should be provided. The standard submission should include three years previous budgets (actual), and three years of projections including implementation of the proposed project. A second set of three years of projections (one set including implementation of this program, and one set where no shared services occurred) may be provided in lieu of three years previous if this does not apply to the proposed project.
- Please use the Program Budget Narrative section to explain changes in expenses and revenues, and to defend the budget projections. If the budget requires the combining of costs on the budget template, please explain this in the narrative.

Return on Investment:

- A Return on Investment calculation is required, and should reference cost savings, cost avoidance and/or increased revenues indicated in Program Budget sections of the application. Use the space designated for narrative to justify this calculation, using references when appropriate.

For Loan Applications only:

- Using the space provided, outline a loan repayment structure.
- Attach three years prior financial documents related to the financial health of the lead applicant (balance sheet, income statement and a statement of cash flows).

Lead Applicant		Round 5	
Project Name		Type of Request	

Project Budget

Use this space to outline all sources of funds and the uses of those funds. Both sections should include all funds related to the project, including in-kind match contributions. Use the project budget narrative on the next page to justify the project budget, and indicate the line items for which the grant will be used.

Sources of Funds

LGIF Request:

Cash Match (List Sources Below):

Source:	<input type="text"/>

In-Kind Match (List Sources Below):

Source:	<input type="text"/>
Source:	<input type="text"/>
Source:	<input type="text"/>

Total Match:

Total Sources:

Uses of Funds

	Amount	Revenue Source
Consultant Fees:	<input type="text"/>	<input type="text"/>
Legal Fees:	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>
Other: _____	<input type="text"/>	<input type="text"/>

Total Uses:

Local Match Percentage:

* Please note that this match percentage will be included in your grant/loan agreement and cannot be changed after awards are made.

Local Match Percentage = (Match Amount/Project Cost) * 100 (10% match required)
 10-39.99% (1 point) 40-69.99% (3 points) 70% or greater (5 points)

Section 4
Financial Information

Lead Applicant		Round 5	
Project Name		Type of Request	

Project Budget Narrative: Use this space to justify any expenses that are not self-explanatory.

Section 4
Financial Information

Lead Applicant		Round 5	
Project Name		Type of Request	

Program Budget

Actual ___ Projected ___	FY _____	FY _____	FY _____
Expenses	Total Program Expenses	Total Program Expenses	Total Program Expenses
Salary and Benefits			
Contract Services			
Occupancy (rent, utilities, maintenance)			
Training & Professional Development			
Insurance			
Travel			
Capital & Equipment Expenses			
Supplies, Printing, Copying & Postage			
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration			
*Other - _____			
*Other - _____			
*Other - _____			
TOTAL EXPENSES			
Revenues	Revenues	Revenues	Revenues
Contributions, Gifts, Grants, & Earned Revenue			
Local Government: _____			
Local Government: _____			
Local Government: _____			
State Government			
Federal Government			
*Other - _____			
*Other - _____			
*Other - _____			
Membership Income			
Program Service Fees			
Investment Income			
TOTAL REVENUES			

Lead Applicant		Round 5	
Project Name		Type of Request	

Program Budget

Actual ___ Projected ___	FY _____	FY _____	FY _____
Expenses	Total Program Expenses	Total Program Expenses	Total Program Expenses
Salary and Benefits			
Contract Services			
Occupancy (rent, utilities, maintenance)			
Training & Professional Development			
Insurance			
Travel			
Capital & Equipment Expenses			
Supplies, Printing, Copying & Postage			
Evaluation			
Marketing			
Conferences, meetings, etc.			
Administration			
*Other - _____			
*Other - _____			
*Other - _____			
TOTAL EXPENSES			
Revenues	Revenues	Revenues	Revenues
Contributions, Gifts, Grants, & Earned Revenue			
<i>Local Government:</i> _____			
<i>Local Government:</i> _____			
<i>Local Government:</i> _____			
<i>State Government</i>			
<i>Federal Government</i>			
*Other - _____			
*Other - _____			
*Other - _____			
<i>Membership Income</i>			
<i>Program Service Fees</i>			
<i>Investment Income</i>			
TOTAL REVENUES			

Lead Applicant		Round 5
Project Name		Type of Request

Program Budget

Use this space to justify your program budget and/or explain any assumptions used for the budget projections. These projections should be based on research, case studies, or industry standards and include a thoughtful justification.

Section 4: Financial Information Scoring

(5 points) Applicant provided complete and accurate budget information and narrative justification for a total of six fiscal years.

(3 points) Applicant provided complete and accurate budget information and for at least three fiscal years.

(1 point) Applicant provided complete and accurate budget information for less than three fiscal years.

Lead Applicant		Round 5	
Project Name		Type of Request	

Return On Investment

Return on Investment is a performance measure used to evaluate the efficiency of an investment. To derive the expected return on investment, divide the net gains of the project by the net costs. For these calculations, please use the implementation gains and costs, NOT the project costs (the cost of the feasibility, planning, or management study)--unless the results of this study will lead to direct savings without additional implementation costs. The gains from this project should be derived from the prior and future program budgets provided, and should be justified in the return on investment narrative.

Return on Investment Formulas:

Consider the following questions when determining the appropriate ROI formula for your project. Check the box of the formula that you are using to determine your ROI. These numbers should refer to savings/revenues illustrated in projected budgets.

Do you expect cost savings from efficiency from your project?

Use this formula:
$$\frac{\text{Total \$ Saved}}{\text{Total Program Costs}} * 100 = \text{ROI}$$

Do you expect cost avoidance from the implementation of your project/program?

Use this formula:
$$\frac{\text{Total Cost Avoided}}{\text{Total Program Costs}} * 100 = \text{ROI}$$

Do you expect increased revenues as a result of your project/program?

Use this formula:
$$\frac{\text{Total New Revenue}}{\text{Total Program Costs}} * 100 = \text{ROI}$$

Do you expect some combination of savings, cost avoidance, or increased revenue as a result of your project/program? (Total Gains combines \$ Saved, Costs Avoided, and New Revenue)

Use this formula:
$$\frac{\text{Total Gains}}{\text{Total Program Costs}} * 100 = \text{ROI}$$

Expected Return on Investment = _____ * 100 =

Expected Return on Investment is:

Less than 25% (10 points)
 25%-75% (20 points)
 Greater than 25% (30 points)

Questions about how to calculate ROI? Please contact the Office of Redevelopment at 614-995-2292 or

lgif@development.ohio.gov

Section 4
Financial Information

Lead Applicant		Round 5	
Project Name		Type of Request	

Return on Investment Justification Narrative: In the space below, describe the nature of the expected return on investment, providing justification for the numbers presented in the ROI calculation. This calculation should be based on the savings, cost avoidance, or increased revenues shown in the program budgets on the preceding pages. Use references when appropriate to justify assumptions used for cost projections.

Section 4
Financial Information

Lead Applicant		Round 5	
Project Name		Type of Request	

Loan Repayment Structure

Please outline your preferred loan repayment structure. At a minimum, please include the following: the entities responsible for repayment of the loan, all parties responsible for providing match amounts and an alternative funding source (in lieu of collateral). Applicants will have two years to complete their project upon execution of the loan agreement, and the repayment period will begin upon the final disbursement of the loan funds. A description of expected savings over the term of the loan may be used as a repayment source.

Section 4
Financial Information

Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e. emergency, rainy day, or contingency fund, etc).

Applicant clearly demonstrates a secondary repayment source (5 points)	Applicant does not have a secondary repayment source (0 points)
--	---

Lead Applicant		Round 5	
Project Name		Type of Request	

Scoring Overview

Section 1: Collaborative Measures

Collaborative Measures	Description	Max Points		Applicant Self Score
Population	Applicant's population (or the population of the area(s) served) falls within one of the listed categories as determined by the U.S. Census Bureau. Population scoring will be determined by the smallest population listed in the application. Applications from (or collaborating with) small communities are preferred.	5		
Participating Entities	Applicant has executed partnership agreements outlining all collaborative partners and participation agreements and has resolutions of support. (Note: Sole applicants only need to provide a resolution of support from its governing entity.	5		

Section 2: Success Measures

Past Success	Applicant has successfully implemented, or is following project guidance from a shared services model, for an efficiency, shared service, coproduction or merger project in the past.	5		
Scalable	Applicant's proposal can be scaled for the inclusion of other entities.	5		
Replicable	Applicant's proposal can be replicated by other local governments.	5		
Probability of Success	Applicant provides a documented need for the project and clearly outlines the likelihood of the need being met.	5		

Section 3: Significance Measures

Performance Audit Implementation/Cost Benchmarking	The project implements a single recommendation from a performance audit provided by the Auditor of State under Chapter 117 of the Ohio Revised Code or is informed by cost benchmarking.	5		
Economic Impact	Applicant demonstrates the project will promote a business environment (i.e., demonstrates a business relationship resulting from the project) and will provide for community attraction (i.e., cost avoidance with respect to taxes).	5		
Response to Economic Demand	The project responds to current substantial changes in economic demand for local or regional government services.	5		

Section 4: Financial Measures

Financial Information	Applicant includes financial information (i.e., service related operating budgets) for the most recent three years and the three year period following the project. The financial information must be directly related to the scope of the project and will be used as the cost basis for determining any savings resulting from the project.	5		
Local Match	Percentage of local matching funds being contributed to the project. This may include in-kind contributions.	5		
Expected Return	Applicant demonstrates as a percentage of savings (i.e., actual savings, increased revenue, or cost avoidance) an expected return. The return must be derived from the applicant's cost basis.	30		
Repayment Structure (Loan Only)	Applicant demonstrates a viable repayment source to support loan award. Secondary source can be in the form of a debt reserve, bank participation, a guarantee from a local entity, or other collateral (i.e., emergency fund, rainy day fund, contingency fund, etc.).	5		

Total Points				
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BY: Mrs. Fenderbosch

TEMP NO: 10111

ORDINANCE NO. 13-2013

AN ORDINANCE AUTHORIZING THE MAYOR TO SIGN A LOAN APPLICATION WITH THE LOCAL GOVERNMENT FUND OF THE OHIO DEPARTMENT OF DEVELOPMENT FOR A PROPANE GAS CONVERSION PROGRAM, AND AUTHORIZING THE MAYOR TO ACCEPT THE LOAN, IF APPROVED, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Avon Lake wishes to enter into a Memorandum of Understanding with the City of Sheffield Lake for a shared propane gas fueling station to be located within the borders of the City of Avon Lake for city owned vehicles converted to a bi-fuel of gas and propane, and

WHEREAS, the Ohio Department of Development has created the Local Government Innovation Fund to offer communities financial assistance in the form of loans to create more efficient and effective service delivery within their areas, and

WHEREAS, projects are designed to facilitate improved business environments and promote community attraction with their plans for efficiency, collaboration, and shared services, and

WHEREAS, it is anticipated that partnering with communities will save money and provide for efficient services to their constituents with assistance from this program, and

WHEREAS, the City of Avon Lake wishes to apply for a loan from the Local Government Innovation Fund through the Ohio Department of Development, and

WHEREAS, if the loan is approved by the Ohio Department of Development, the City of Avon Lake wishes to move ahead with the propane gas conversion program as outlined in the Memorandum of Understanding with the City of Sheffield Lake, now therefore;

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVON LAKE,
STATE OF OHIO:

propane ordinance

Section No. 1: That the Mayor of the City of Avon Lake is hereby authorized to sign a loan application with the Local Government Innovation Fund through the Ohio Department of Development.

Section No. 2: That if the loan from the Ohio Department of Development, Local Government Innovation Fund, to the City of Avon Lake and the City of Sheffield Lake is approved, the Mayor is authorized to accept the loan on behalf of the City of Avon Lake and to execute and deliver such documents as he may deem necessary or appropriate in order to obtain such loan funds for the City of Avon Lake and move forward with the propane gas conversion program.

Section No. 3: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees which resulted in such formal actions, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section No: 4: That this ordinance is hereby declared to be an emergency measure, the emergency being the necessity of having the loan application in place to meet the March 1, 2013 application deadline in order to move ahead with the project to convert City owned vehicles to alternative clean fuel to improve the environment and to save fuel costs, thus for the health, safety, and welfare of the residents of Avon Lake. Therefore, this ordinance shall be in full force and effect from and immediately after its passage and approval by the Mayor.

PASSED: 2/11/13

Martin E O'Donnell
President of Council

POSTED: 2/15/13

2/12/13
Approved

ATTEST: Barbara Dopp
Clerk of Council

Morgan J. Zilber
Mayor

Propane Fueling Economics
Ohio Loan Basis

End of Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of Vehicles converted	5	3	2	2	2	2	2	2	2	2	2	2
Total No. operating on propane	5	8	10	10	10	10	10	10	10	10	10	10
No. converted vehicles retired				2	2	2	2	2	2	2	2	2
Inflation	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Cost PERS												
Gasoline, \$/gal	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Propane, \$/gal	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96
Propane tax credit, \$/gal	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Propane, \$/gal	1.84	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96	1.96
New fuel system installed cost	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Cost to remove/re-install used fuel sys.				1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Total conversion cost	32,500	19,500	13,000	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Advertising	1,000											
Spec writing	1,500											
Installation of filling facility												
Total investment req'd	36,500	19,500	13,000	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
State Loan	29,250	17,550										
EOY balance owed to state	29,250	46,800	20,902	4,202	0	0	0	0	0	0	0	0
TOTAL City Investment	7,250	1,950	13,000	3,600								
Annual miles driven per vehicle	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Avg. MPG for gasoline fuel	12.72	12.72	12.72	12.72	12.72	12.72	12.72	12.72	12.72	12.72	12.72	12.72
Avg. MPG for propane fuel	11.10	11.10	11.10	11.10	11.10	11.10	11.10	11.10	11.10	11.10	11.10	11.10
Fuel Consumption/vehicle:												
Total gasoline req'd, gal	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965	1,965
Total propane req'd, gal	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252
Operating costs												
Gasoline purchased	31,933	51,093	63,867	63,867	63,867	63,867	63,867	63,867	63,867	63,867	63,867	63,867
Oil changes for gasoline fuel	895	1,432	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790	1,790
Annual Gasoline Operating Cost	32,828	52,525	65,657	65,657	65,657	65,657	65,657	65,657	65,657	65,657	65,657	65,657
Propane purchased	20,698	35,369	44,212	44,212	44,212	44,212	44,212	44,212	44,212	44,212	44,212	44,212
Oil changes for propane fuel	448	716	895	895	895	895	895	895	895	895	895	895
Propane fuel filters	125	200	250	250	250	250	250	250	250	250	250	250
Annual Propane Operating Cost	21,271	36,285	45,357	45,357	45,357	45,357	45,357	45,357	45,357	45,357	45,357	45,357
Net Savings, \$/yr	11,558	16,240	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300	20,300
Loan repayment			25,898	16,700	4,202	0	0	0	0	0	0	0
Annual Cash Income	11,558	16,240	-5,598	3,600	16,098	20,300	20,300	20,300	20,300	20,300	20,300	20,300
Annual Cash Flow	4,308	14,290	-18,598	0	12,498	16,700	16,700	16,700	16,700	16,700	16,700	16,700
Discount Factors @ 5.0% Rate	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Discounted Annual Cash Flow	4,308	14,290	-18,598	0	12,498	16,700	16,700	16,700	16,700	16,700	16,700	16,700
Net Present Value	4,308	18,598	0	0	12,498	29,198	45,898	62,598	79,298	95,998	112,698	129,398
Project NPV	129,398											
Project ROI			70%	94%	116%	137%	155%	172%	188%	202%	215%	228%

CITY OF AVON LAKE, OHIO
LORAIN COUNTY

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2009

	General	Income Tax Transfer Fund	Pool Reconstruction Fund	Debt Service Fund
Assets				
Cash and cash equivalents	\$ 3,300,955	\$ 3,978,443	\$ 2,222,484	\$ 330,254
Cash and investments with fiscal and escrow agents	-	-	-	-
Taxes receivable	3,497,705	2,452,154	-	296,207
Accounts receivable	81,387	-	-	-
Accrued interest receivable	-	-	-	-
Special assessments receivable	-	-	-	2,857,406
Due from other governments	983,208	-	-	16,345
Interfund receivable	11,626	-	-	252,252
Materials and supplies inventories	59,717	-	-	-
Prepaid expenses	534,720	-	-	-
Total assets	\$ 8,469,318	\$ 6,430,597	\$ 2,222,484	\$ 3,752,464
Liabilities and fund balances				
Liabilities				
Accounts and contracts payable	\$ 92,595	\$ -	\$ 307,466	\$ -
Retainage payable	-	-	118,797	-
Accrued salaries, wages and benefits	177,564	-	-	-
Due to other governments	195,120	-	-	-
Interfund payable	-	-	-	-
Unearned revenue	4,541,822	1,422,030	-	3,169,958
Compensated absences	20,091	-	-	-
Total liabilities	5,027,192	1,422,030	426,263	3,169,958
Fund balances				
Reserved for inventories	59,717	-	-	-
Reserved for prepaid expenses	534,720	-	-	-
Reserved for encumbrances	260,041	-	1,540,517	-
Unreserved, reported in				
General fund	2,587,648	-	-	-
Special revenue funds	-	5,008,567	-	-
Debt service funds	-	-	-	582,506
Capital projects funds	-	-	255,704	-
Total fund balances	3,442,126	5,008,567	1,796,221	582,506
Total liabilities and fund balances	\$ 8,469,318	\$ 6,430,597	\$ 2,222,484	\$ 3,752,464

See the accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 4,647,592	\$ 14,479,728
55,335	55,335
1,369,957	7,616,023
750	82,137
100,940	100,940
497,914	3,355,320
876,076	1,875,629
35,500	299,378
103,997	163,714
-	534,720
<u>\$ 7,688,061</u>	<u>\$ 28,562,924</u>

\$ 336,545	\$ 736,606
61,063	179,860
62,933	240,497
307,427	502,547
299,378	299,378
2,768,588	11,902,398
-	20,091
<u>3,835,934</u>	<u>13,881,377</u>

103,997	163,714
-	534,720
407,637	2,208,195
-	2,587,648
1,951,781	6,960,348
-	582,506
<u>1,388,712</u>	<u>1,644,416</u>
<u>3,852,127</u>	<u>14,681,547</u>
<u>\$ 7,688,061</u>	<u>\$ 28,562,924</u>

CITY OF AVON LAKE, OHIO
LORAIN COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2009

	General	Income Tax Transfer Fund	Pool Reconstruction Fund	Debt Service Fund
Revenues				
Property and other local taxes	\$ 4,083,673	\$ -	\$ -	\$ 310,931
Municipal income taxes	-	7,766,597	-	-
Intergovernmental revenue	1,971,985	-	-	41,575
Special assessments	-	-	-	334,612
Charges for services	347,563	-	-	-
Licenses and permits	203,033	-	-	-
Fines and forfeits	266,215	-	-	-
Interest	-	-	-	23,410
Miscellaneous	63,038	-	-	11,466
Total revenues	6,935,507	7,766,597	-	721,994
Expenditures				
Current				
Security of persons and property	5,299,314	-	-	-
Public health and welfare	73,700	-	-	-
Leisure time activities	580,394	-	426,263	-
Community environment	298,491	-	-	-
Basic utilities	(2,252)	-	-	-
Transportation	3,182,927	-	-	-
General government	2,415,893	207,548	-	18,117
Capital outlay	-	-	2,277,516	-
Debt service				
Bond principal	-	-	-	755,004
Loan principal	-	-	-	56,680
Capital lease principal	28,031	-	-	-
Interest and fiscal charges	-	-	-	472,851
Total expenditures	11,876,498	207,548	2,703,779	1,302,652
Excess (deficiency) of revenues over expenditures	(4,940,991)	7,559,049	(2,703,779)	(580,658)
Other financing sources (uses)				
Transfers-in	6,000,000	-	-	599,047
Bond proceeds	-	-	4,500,000	15,000
Loan proceeds	-	-	-	-
Capital lease proceeds	59,291	-	-	-
Transfers-out	(706,203)	(8,000,000)	-	(10,848)
Total other financing sources (uses)	5,353,088	(8,000,000)	4,500,000	603,199
Excess (deficiency) of revenues over expenditures and other sources (uses)	412,097	(440,951)	1,796,221	22,541
Fund balances, beginning of year	3,030,029	5,449,518	-	559,965
Fund balances, end of year	\$ 3,442,126	\$ 5,008,567	\$ 1,796,221	\$ 582,506

See the accompanying notes to the basic financial statements.

Other Governmental Funds	Total Governmental Funds
\$ 1,256,199	\$ 5,650,803
-	7,766,597
2,038,689	4,052,249
82,594	417,206
7,510	355,073
40,663	243,696
48,155	314,370
254,801	278,211
115,534	190,038
<u>3,844,145</u>	<u>19,268,243</u>
2,527,561	7,826,875
38,028	111,728
538,639	1,545,296
1,922	300,413
27,416	25,164
2,135,888	5,318,815
190,116	2,831,674
1,445,796	3,723,312
-	755,004
-	56,680
-	28,031
32,659	505,510
<u>6,938,025</u>	<u>23,028,502</u>
<u>(3,093,880)</u>	<u>(3,760,259)</u>
3,265,951	9,864,998
1,415,000	5,930,000
100,000	100,000
-	59,291
<u>(1,556,878)</u>	<u>(10,273,929)</u>
<u>3,224,073</u>	<u>5,680,360</u>
130,193	1,920,101
<u>3,721,934</u>	<u>12,761,446</u>
<u>\$ 3,852,127</u>	<u>\$ 14,681,547</u>

CITY OF AVON LAKE, OHIO
LORAIN COUNTY

STATEMENT OF FUND NET ASSETS -
PROPRIETARY FUNDS

DECEMBER 31, 2009

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Assets			
Cash and cash equivalents	\$ 6,493,149	\$ 2,084,803	\$ 8,577,952
Receivables			
Accounts	653,978	500,454	1,154,432
Special assessments	-	248,045	248,045
Due from other governments	1,368,364	1,128,465	2,496,829
Materials and supplies inventories	39,230	23,254	62,484
Restricted cash and cash equivalents	1,305,570	-	1,305,570
Unamortized bond issue costs and discounts	447,946	10,317	458,263
Investment in joint venture	2,326,262	-	2,326,262
Nondepreciable capital assets	671,708	6,171,598	6,843,306
Depreciable capital assets, net	35,971,618	16,659,736	52,631,354
Total assets	49,277,825	26,826,672	76,104,497
Liabilities			
Current			
Accounts and contracts payable	23,424	751,146	774,570
Accrued salaries, wages and benefits	34,392	45,682	80,074
Due to other governments	154,250	111,021	265,271
Accrued interest payable	123,083	16,391	139,474
Capital lease payable	-	50,094	50,094
General obligation bonds payable	241,996	196,306	438,302
OWDA loans payable	679,345	204,286	883,631
Revenue bonds payable	855,000	-	855,000
Compensated absences	61,301	62,662	123,963
Total current liabilities	2,172,791	1,437,588	3,610,379
Long-term liabilities			
Capital lease payable	-	52,477	52,477
General obligation bonds payable	2,566,719	4,289,410	6,856,129
OWDA loans payable	7,744,002	6,513,992	14,257,994
Revenue bonds payable	9,340,000	-	9,340,000
Compensated absences	197,220	146,972	344,192
Total long-term liabilities	19,847,941	11,002,851	30,850,792
Total liabilities	22,020,732	12,440,439	34,461,171
Net assets			
Investment in capital assets, net of related debt	15,216,264	11,524,769	26,741,033
Restricted for debt services	1,305,570	-	1,305,570
Unrestricted	10,735,259	2,861,464	13,596,723
Total net assets	\$ 27,257,093	\$ 14,386,233	\$ 41,643,326

See the accompanying notes to the basic financial statements.

CITY OF AVON LAKE, OHIO
LORAIN COUNTY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Operating revenues			
Charges for services	\$ 8,671,237	\$ 2,995,027	\$ 11,666,264
Other	149,199	-	149,199
Total operating revenues	<u>8,820,436</u>	<u>2,995,027</u>	<u>11,815,463</u>
Operating expenses			
Personal services	1,673,481	1,665,986	3,339,467
Contractual services	206,931	2,588	209,519
Supplies and materials	3,091,564	386,189	3,477,753
Depreciation	1,099,636	695,335	1,794,971
Total operating expenses	<u>6,071,612</u>	<u>2,750,098</u>	<u>8,821,710</u>
Operating income (loss)	<u>2,748,824</u>	<u>244,929</u>	<u>2,993,753</u>
Nonoperating revenues (expenses)			
Interest income	97,008	22,882	119,890
Intergovernmental revenue	139,497	1,128,465	1,267,962
Loss on disposal of capital assets	(21,239)	-	(21,239)
Interest and fiscal charges	<u>(1,201,968)</u>	<u>(390,660)</u>	<u>(1,592,628)</u>
Net nonoperating revenues (expenses)	<u>(986,702)</u>	<u>760,687</u>	<u>(226,015)</u>
Income before contributions and transfers	<u>1,762,122</u>	<u>1,005,616</u>	<u>2,767,738</u>
Transfers-in	11,500	1,010,038	1,021,538
Transfers-out	<u>(587,690)</u>	<u>(24,917)</u>	<u>(612,607)</u>
	<u>(576,190)</u>	<u>985,121</u>	<u>408,931</u>
Change in net assets	1,185,932	1,990,737	3,176,669
Net assets, beginning of year	<u>26,071,161</u>	<u>12,395,496</u>	<u>38,466,657</u>
Net assets, end of year	<u>\$ 27,257,093</u>	<u>\$ 14,386,233</u>	<u>\$ 41,643,326</u>

See the accompanying notes to the basic financial statements.

CITY OF AVON LAKE, OHIO
LORAIN COUNTY

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2009

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 8,846,239	\$ 3,033,791	\$ 11,880,030
Cash paid to suppliers	(3,327,035)	(1,771)	(3,328,806)
Cash paid for employees	(1,685,573)	(1,819,870)	(3,505,443)
Net cash provided by operating activities	<u>3,833,631</u>	<u>1,212,150</u>	<u>5,045,781</u>
Cash flows from noncapital financing activities:			
Intergovernmental revenue	237,936	-	237,936
Transfers	(576,190)	985,121	408,931
Net cash provided by (used in) noncapital financing activities	<u>(338,254)</u>	<u>985,121</u>	<u>646,867</u>
Cash flows from capital and related financing activities:			
Proceeds from OWDA loans payable	-	3,691,999	3,691,999
Payment on capital lease	-	(47,818)	(47,818)
Mortgage revenue bond payments	(825,000)	-	(825,000)
OWDA loans payments	(635,321)	(250,087)	(885,408)
Bond principal payments	(511,558)	(263,438)	(774,996)
Interest payments	(1,151,475)	(381,310)	(1,532,785)
Acquisition of fixed assets	(659,145)	(5,583,606)	(6,242,751)
Net cash (used in) capital and related financing activities	<u>(3,782,499)</u>	<u>(2,834,260)</u>	<u>(6,616,759)</u>
Cash flows from investing activities:			
Interest income	97,008	22,882	119,890
Net cash provided by investing activities	<u>97,008</u>	<u>22,882</u>	<u>119,890</u>
Net (decrease) in cash and cash equivalents	(190,114)	(614,107)	(804,221)
Equity in cash and cash equivalents, beginning of year	<u>7,988,833</u>	<u>2,698,910</u>	<u>10,687,743</u>
Equity in cash and cash equivalents, end of year	<u>\$ 7,798,719</u>	<u>\$ 2,084,803</u>	<u>\$ 9,883,522</u>

See the accompanying notes to the basic financial statements.

CITY OF AVON LAKE, OHIO
LORAIN COUNTY

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2009

(Concluded)

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 2,748,824	\$ 244,929	\$ 2,993,753
Adjustments:			
Depreciation	1,099,636	695,335	1,794,971
Changes in net assets (increase) decrease and liabilities increase (decrease)			
Accounts receivable and other	25,803	(2,235)	23,568
Special assessment receivable	-	41,000	41,000
Material and supplies inventories	54,886	(7,578)	47,308
Investment in joint venture	(24,544)	-	(24,544)
Accounts and contracts payable	(50,447)	339,768	289,321
Retainage payable	(11,484)	(93,960)	(105,444)
Accrued salaries, wages and benefits	1,173	12,201	13,374
Due to other governments	(6,874)	(8,275)	(15,149)
Compensated absences	(3,342)	(9,035)	(12,377)
Net cash provided by operating activities	<u>\$ 3,833,631</u>	<u>\$ 1,212,150</u>	<u>\$ 5,045,781</u>

See the accompanying notes to the basic financial statements.

City of Avon Lake, Ohio
Balance Sheet
Governmental Funds
December 31, 2010

	General Fund	Income Tax Transfer	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 3,438,566	\$ 3,142,969	\$ 4,806,738	\$ 11,388,273
Cash and Cash Equivalents:				
With Escrow Agents	-	-	57,553	57,553
Materials and Supplies Inventory	59,093	-	130,486	189,579
Accrued Interest Receivable	-	-	62,694	62,694
Accounts Receivable	203,337	-	-	203,337
Interfund Receivable	24,126	-	278,987	303,113
Intergovernmental Receivable	776,448	-	637,225	1,413,673
Prepaid Items	34,016	-	7,766	41,782
Income Taxes Receivable	-	3,027,005	-	3,027,005
Property Taxes Receivable	3,924,269	-	1,867,991	5,792,260
Special Assessments Receivable	-	-	2,952,420	2,952,420
Total Assets	<u>\$ 8,459,855</u>	<u>\$ 6,169,974</u>	<u>\$ 10,801,860</u>	<u>\$ 25,431,689</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 133,919	\$ -	\$ 82,801	\$ 216,720
Accrued Wages and Benefits	210,486	-	57,698	268,184
Intergovernmental Payable	213,095	-	291,560	504,655
Retainage Payable	-	-	26,174	26,174
Interfund Payable	-	-	303,113	303,113
Deferred Revenue	4,708,872	2,231,961	5,280,510	12,221,343
Compensated Absences	5,867	-	-	5,867
Total Liabilities	<u>5,272,239</u>	<u>2,231,961</u>	<u>6,041,856</u>	<u>13,546,056</u>
Fund Balances:				
Reserved for:				
Encumbrances	137,555	-	179,810	317,365
Inventory	59,093	-	130,486	189,579
Prepaid Items	34,016	-	7,766	41,782
Unreserved:				
Undesignated, Reported in:				
General Fund	2,956,952	-	-	2,956,952
Special Revenue Funds	-	3,938,013	1,889,978	5,827,991
Debt Service Funds	-	-	587,008	587,008
Capital Projects Funds	-	-	1,964,956	1,964,956
Total Fund Balance	<u>3,187,616</u>	<u>3,938,013</u>	<u>4,760,004</u>	<u>11,885,633</u>
Total Liabilities and Fund Balance	<u>\$ 8,459,855</u>	<u>\$ 6,169,974</u>	<u>\$ 10,801,860</u>	<u>\$ 25,431,689</u>

The notes to the financial statements are an integral part of this statement.

City of Avon Lake, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General Fund	Income Tax Transfer	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property and Other Taxes	\$3,757,372	\$ -	\$ 1,621,569	\$ 5,378,941
Income Taxes	-	7,308,383	-	7,308,383
Intergovernmental	2,580,892	-	1,978,407	4,559,299
Interest	-	-	333,840	333,840
Licenses and Permits	297,912	-	47,051	344,963
Fines and Forfeitures	369,260	-	74,685	443,945
Charges for Services	655,003	-	7,190	662,193
Special Assessments	-	-	402,899	402,899
All Other Revenues	114,264	-	43,724	157,988
Total Revenues	<u>7,774,703</u>	<u>7,308,383</u>	<u>4,509,365</u>	<u>19,592,451</u>
EXPENDITURES				
Security of Persons and Property	6,396,305	-	2,150,016	8,546,321
Public Health and Welfare	73,700	-	54,470	128,170
Leisure Time Activities	718,471	-	425,069	1,143,540
Community Environment	383,005	-	4,033	387,038
Basic Utility Services	633,357	-	2,475	635,832
Transportation	2,754,130	-	2,428,964	5,183,094
General Government	2,341,171	-	163,635	2,504,806
Capital Outlay	-	-	1,466,267	1,466,267
Debt Service:				
Principal Retirement	2,300	-	940,666	942,966
Interest and Fiscal Charges	3,593	-	645,785	649,378
Bond Issuance Costs	-	-	92,319	92,319
Total Expenditures	<u>13,306,032</u>	<u>-</u>	<u>8,373,699</u>	<u>21,679,731</u>
Excess of Revenues (Under) Expenditures	<u>(5,531,329)</u>	<u>7,308,383</u>	<u>(3,864,334)</u>	<u>(2,087,280)</u>
OTHER FINANCING SOURCES (USES)				
Inception of Capital Lease	12,247	-	-	12,247
Promissory Notes Issued	-	-	64,500	64,500
Refunding Bonds Issued	-	-	4,980,000	4,980,000
Premium on Bonds Issued	-	-	109,961	109,961
Payment to Refunded Bonds Escrow Account	-	-	(4,993,270)	(4,993,270)
Transfer In	5,889,993	-	3,049,491	8,939,484
Transfer Out	(625,421)	(8,378,937)	(817,198)	(9,821,556)
Total Other Financing Sources (Uses)	<u>5,276,819</u>	<u>(8,378,937)</u>	<u>2,393,484</u>	<u>(708,634)</u>
Net Change in Fund Balances	<u>(254,510)</u>	<u>(1,070,554)</u>	<u>(1,470,850)</u>	<u>(2,795,914)</u>
Fund Balances - Beginning of Year	3,442,126	5,008,567	6,230,854	14,681,547
Fund Balances - End of Year	<u>\$3,187,616</u>	<u>\$3,938,013</u>	<u>\$ 4,760,004</u>	<u>\$ 11,885,633</u>

The notes to the financial statements are an integral part of this statement.

City of Avon Lake, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 6,193,844	\$ 3,219,158	\$ 9,413,002
Materials and Supplies Inventory	76,559	9,450	86,009
Accrued Interest Receivable	23,942	6,060	30,002
Accounts Receivable	678,991	537,878	1,216,869
Interfund Receivable	800,000	-	800,000
Intergovernmental Receivable	1,712,475	-	1,712,475
Prepaid Items	15,053	3,959	19,012
Special Assessments Receivable	-	217,215	217,215
Total Current Assets	9,500,864	3,993,720	13,494,584
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,305,583	-	1,305,583
Deferred Charges	430,824	9,028	439,852
Investment in Joint Venture	2,362,875	-	2,362,875
Capital Assets:			
Land	671,708	993,677	1,665,385
Construction in Progress	-	25,987,249	25,987,249
Depreciable Capital Assets, Net of Depreciation	34,926,849	16,012,194	50,939,043
Total Noncurrent Assets	39,697,839	43,002,148	82,699,987
Total Assets	49,198,703	46,995,868	96,194,571
LIABILITIES			
Current Liabilities:			
Accounts Payable	41,838	117,101	158,939
Accrued Wages and Benefits	44,397	56,533	100,930
Compensated Absences Payable	67,694	77,251	144,945
Intergovernmental Payable	144,425	67,140	211,565
Interfund Payable	-	800,000	800,000
Accrued Interest Payable	114,578	16,094	130,672
General Obligation Bonds Payable	535,228	278,308	813,536
Revenue Bonds Payable	880,000	-	880,000
OWDA Loans Payable	726,557	342,859	1,069,416
Capital Leases Payable	1,860	54,337	56,197
Total Current Liabilities	2,556,577	1,809,623	4,366,200
Noncurrent Liabilities:			
Compensated Absences Payable	158,894	208,673	367,567
General Obligation Bonds Payable	1,777,087	3,944,598	5,721,685
Revenue Bonds Payable	8,460,000	-	8,460,000
OWDA Loans Payable	7,017,445	25,812,660	32,830,105
Capital Leases Payable	2,169	2,168	4,337
Total Noncurrent Liabilities	17,415,595	29,968,099	47,383,694
Total Liabilities	19,972,172	31,777,722	51,749,894
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	16,198,211	12,558,190	28,756,401
Restricted for:			
Debt Service	1,305,583	-	1,305,583
Unrestricted	11,722,737	2,659,956	14,382,693
Total Net Assets	\$ 29,226,531	\$ 15,218,146	\$ 44,444,677

The notes to the financial statements are an integral part of this statement.

City of Avon Lake, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2010

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 9,044,712	\$ 3,028,479	\$ 12,073,191
Miscellaneous	84,510	40,471	124,981
Total Operating Revenues	9,129,222	3,068,950	12,198,172
OPERATING EXPENSES			
Salaries	1,749,706	2,437,226	4,186,932
Purchased Services	784,411	95,970	880,381
Materials and Supplies	3,175,815	2,488,621	5,664,436
Depreciation	1,114,221	726,849	1,841,070
Total Operating Expense	6,824,153	5,748,666	12,572,819
Operating Income (Loss)	2,305,069	(2,679,716)	(374,647)
NONOPERATING REVENUES (EXPENSES)			
Interest	183,562	37,195	220,757
Interest and Fiscal Charges	(1,088,800)	(366,696)	(1,455,496)
Intergovernmental	569,607	-	569,607
Total Nonoperating Revenues (Expenses)	(335,631)	(329,501)	(665,132)
Capital Grants	-	2,959,058	2,959,058
Transfers In	-	900,209	900,209
(Transfers Out)	-	(18,137)	(18,137)
Change in Net Assets	1,969,438	831,913	2,801,351
Net Assets - Beginning of Year	27,257,093	14,386,233	41,643,326
Net Assets - End of Year	\$ 29,226,531	\$ 15,218,146	\$ 44,444,677

The notes to the financial statements are an integral part of this statement.

City of Avon Lake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2010

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 9,019,699	\$ 3,555,572	\$ 12,575,271
Other Cash Receipts	84,510	40,471	124,981
Cash Payments to Employees for Services	(1,712,602)	(2,389,304)	(4,101,906)
Cash Payments for Goods and Services	(4,063,051)	(3,777,970)	(7,841,021)
Net Cash Provided by (Used in) Operating Activities	<u>3,328,556</u>	<u>(2,571,231)</u>	<u>757,325</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental Revenue	225,496	-	225,496
Advances In	-	800,000	800,000
Advances Out	(800,000)	-	(800,000)
Transfers In	-	900,209	900,209
Transfers Out	-	(18,137)	(18,137)
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(574,504)</u>	<u>1,682,072</u>	<u>1,107,568</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Sale of G.O. Bonds	-	19,702,222	19,702,222
Principal Paid on G.O. Bonds	(250,963)	(197,854)	(448,817)
Principal Paid on Revenue Bonds	(855,000)	-	(855,000)
Principal Paid on OWDA Loans	(679,345)	(264,981)	(944,326)
Principal Paid on Capital Leases Payable	(1,092)	(51,186)	(52,278)
Interest Payments	(1,325,620)	(430,660)	(1,756,280)
Payments for Capital Acquisitions	(64,331)	(19,755,050)	(19,819,381)
Special Assessments	-	30,830	30,830
Capital Grant	-	2,959,058	2,959,058
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(3,176,351)</u>	<u>1,992,379</u>	<u>(1,183,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	123,007	31,135	154,142
Net Cash Provided by Investing Activities	<u>123,007</u>	<u>31,135</u>	<u>154,142</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(299,292)	1,134,355	835,063
Cash and Cash Equivalents - Beginning of Year	7,798,719	2,084,803	9,883,522
Cash and Cash Equivalents - End of Year	<u>\$ 7,499,427</u>	<u>\$ 3,219,158</u>	<u>\$ 10,718,585</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 2,305,069	\$ (2,679,716)	\$ (374,647)
Adjustments:			
Depreciation	1,114,221	726,849	1,841,070
(Increase) Decrease in Assets:			
Accounts Receivable	(25,013)	(37,424)	(62,437)
Materials and Supplies Inventory	(37,329)	13,804	(23,525)
Prepaid Items	(15,053)	(3,959)	(19,012)
Increase (Decrease) in Liabilities:			
Accounts Payable	18,414	(634,045)	(615,631)
Accrued Wages	10,005	10,851	20,856
Compensated Absences Payable	(31,933)	76,290	44,357
Intergovernmental Payable	(9,825)	(43,881)	(53,706)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 3,328,556</u>	<u>\$ (2,571,231)</u>	<u>\$ 757,325</u>

The notes to the financial statements are an integral part of this statement.

City of Avon Lake, Ohio
Balance Sheet
Governmental Funds
December 31, 2011

	General Fund	Capital Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS				
Equity in Pooled Cash and Cash Equivalents	\$ 2,657,899	\$ 858,851	\$ 6,975,596	\$ 10,492,346
Cash and Cash Equivalents:				
With Escrow Agents	-	10,936	46,715	57,651
Materials and Supplies Inventory	68,782	-	85,785	154,567
Accrued Interest Receivable	-	58,469	3,563	62,032
Accounts Receivable	145,575	-	7,136	152,711
Interfund Receivable	133,126	-	234,336	367,462
Intergovernmental Receivable	722,889	-	658,827	1,381,716
Prepaid Items	33,299	-	4,388	37,687
Income Taxes Receivable	2,316,394	617,705	-	2,934,099
Property Taxes Receivable	3,702,103	-	1,710,841	5,412,944
Special Assessments Receivable	-	-	2,552,616	2,552,616
Total Assets	<u>\$ 9,780,067</u>	<u>\$ 1,545,961</u>	<u>\$ 12,279,803</u>	<u>\$ 23,605,831</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 167,631	\$ 11,898	\$ 23,516	\$ 203,045
Accrued Wages and Benefits	327,789	-	63,534	391,323
Intergovernmental Payable	431,444	-	139,686	571,130
Retainage Payable	-	5,839	-	5,839
Interfund Payable	-	44,000	323,462	367,462
Deferred Revenue	5,485,482	335,229	4,738,120	10,558,831
Compensated Absences	12,729	-	-	12,729
Total Liabilities	<u>6,425,075</u>	<u>396,966</u>	<u>5,288,318</u>	<u>12,110,359</u>
Fund Balances:				
Nonspendable	132,914	-	90,173	223,087
Restricted	-	-	2,463,198	2,463,198
Committed	390,996	1,148,995	4,594,806	6,134,797
Assigned	2,145,213	-	145,515	2,290,728
Unassigned (Deficit)	685,869	-	(302,207)	383,662
Total Fund Balance	<u>3,354,992</u>	<u>1,148,995</u>	<u>6,991,485</u>	<u>11,495,472</u>
Total Liabilities and Fund Balance	<u>\$ 9,780,067</u>	<u>\$ 1,545,961</u>	<u>\$ 12,279,803</u>	<u>\$ 23,605,831</u>

The notes to the financial statements are an integral part of this statement.

City of Avon Lake, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General Fund	Capital Improvements	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property and Other Taxes	\$ 3,867,712	\$ -	\$ 1,624,510	\$ 5,492,222
Income Taxes	6,875,408	1,830,658	698,413	9,404,479
Intergovernmental	1,883,889	-	2,020,650	3,904,539
Interest	-	240,443	19,352	259,795
Licenses and Permits	217,945	-	30,911	248,856
Fines and Forfeitures	273,248	-	75,965	349,213
Charges for Services	908,736	-	-	908,736
Special Assessments	-	-	410,275	410,275
All Other Revenues	126,338	7	13,220	139,565
Total Revenues	14,153,276	2,071,108	4,893,296	21,117,680
EXPENDITURES				
Security of Persons and Property	6,301,426	163,046	1,845,306	8,309,778
Public Health and Welfare	118,787	34,623	-	153,410
Leisure Time Activities	874,699	44,448	350	919,497
Community Environment	394,328	-	2,156	396,484
Basic Utility Services	667,103	-	-	667,103
Transportation	2,765,269	1,826,169	1,440,116	6,031,554
General Government	2,491,839	207,366	21,173	2,720,378
Capital Outlay	-	17,737	1,777,858	1,795,595
Debt Service:				
Principal Retirement	10,476	19,749	1,032,617	1,062,842
Interest and Fiscal Charges	3,916	1,052	476,982	481,950
Total Expenditures	13,627,843	2,314,190	6,596,558	22,538,591
Excess of Revenues (Under) Expenditures	525,433	(243,082)	(1,703,262)	(1,420,911)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	37,061	-	-	37,061
Bond Anticipation Notes Issued	-	146,000	925,000	1,071,000
Premium on Notes Issued	-	-	2,900	2,900
Transfers In	-	968,000	1,323,517	2,291,517
Transfers Out	(1,439,659)	(784,044)	(63,677)	(2,287,380)
Total Other Financing Sources (Uses)	(1,402,598)	329,956	2,187,740	1,115,098
Net Change in Fund Balances	(877,165)	86,874	484,478	(305,813)
Fund Balances - Beginning of Year, Restated	4,232,157	1,062,121	6,507,007	11,801,285
Fund Balances - End of Year	\$ 3,354,992	\$ 1,148,995	\$ 6,991,485	\$ 11,495,472

The notes to the financial statements are an integral part of this statement.

City of Avon Lake, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 6,546,759	\$ 2,768,051	\$ 9,314,810
Materials and Supplies Inventory	74,377	12,113	86,490
Accrued Interest Receivable	24,409	6,944	31,353
Accounts Receivable	726,804	749,357	1,476,161
Intergovernmental Receivable	1,804,754	-	1,804,754
Prepaid Items	16,776	6,877	23,653
Income Taxes Receivable	-	154,426	154,426
Special Assessments Receivable	-	180,221	180,221
Total Current Assets	9,193,879	3,877,989	13,071,868
Noncurrent Assets:			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	1,304,490	-	1,304,490
Deferred Charges	404,992	7,739	412,731
Investment in Joint Venture	2,362,875	-	2,362,875
Capital Assets:			
Land	671,708	993,677	1,665,385
Construction in Progress	926,127	25,602,991	26,529,118
Depreciable Capital Assets, Net of Depreciation	34,442,936	23,385,446	57,828,382
Total Noncurrent Assets	40,113,128	49,989,853	90,102,981
Total Assets	49,307,007	53,867,842	103,174,849
LIABILITIES			
Current Liabilities:			
Accounts Payable	163,968	62,188	226,156
Accrued Wages and Benefits	63,746	39,527	103,273
Compensated Absences Payable	73,035	68,595	141,630
Contracts Payable	177,181	-	177,181
Intergovernmental Payable	1,082,763	75,818	1,158,581
Accrued Interest Payable	106,679	12,950	119,629
General Obligation Bonds Payable	711,200	145,000	856,200
Revenue Bonds Payable	915,000	-	915,000
OWDA Loans Payable	777,195	209,617	986,812
Capital Leases Payable	1,774	1,774	3,548
ETL1 Loan Payable	142,124	-	142,124
Total Current Liabilities	4,214,665	615,469	4,830,134
Noncurrent Liabilities:			
Compensated Absences Payable	171,182	166,710	337,892
General Obligation Bonds Payable	1,072,005	3,799,598	4,871,603
Revenue Bonds Payable	7,545,000	-	7,545,000
OWDA Loans Payable	6,240,250	31,245,367	37,485,617
Capital Leases Payable	582	581	1,163
ETL1 Loan Payable	105,514	-	105,514
Total Noncurrent Liabilities	15,134,533	35,212,256	50,346,789
Total Liabilities	19,349,198	35,827,725	55,176,923
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	18,530,127	14,580,177	33,110,304
Restricted for:			
Debt Service	1,304,490	-	1,304,490
Unrestricted	10,123,192	3,459,940	13,583,132
Total Net Assets	\$ 29,957,809	\$ 18,040,117	\$ 47,997,926

The notes to the financial statements are an integral part of this statement.

City of Avon Lake, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for Services	\$ 9,766,739	\$ 5,223,139	\$ 14,989,878
Miscellaneous	101,777	2	101,779
Total Operating Revenues	9,868,516	5,223,141	15,091,657
OPERATING EXPENSES			
Salaries	2,146,692	2,077,742	4,224,434
Purchased Services	3,435,870	1,510,561	4,946,431
Materials and Supplies	2,016,244	249,800	2,266,044
Depreciation	1,119,010	816,220	1,935,230
Other	4,528	3,564	8,092
Total Operating Expense	8,722,344	4,657,887	13,380,231
Operating Income (Loss)	1,146,172	565,254	1,711,426
NONOPERATING REVENUES (EXPENSES)			
Interest	97,675	29,632	127,307
Interest and Fiscal Charges	(1,070,502)	(490,744)	(1,561,246)
Intergovernmental	473,053	39,954	513,007
Income Taxes	-	258,615	258,615
Total Nonoperating Revenues (Expenses)	(499,774)	(162,543)	(662,317)
Capital Grants and Contributions	75,640	2,111,826	2,187,466
Transfers In	9,240	11,683	20,923
(Transfers Out)	-	(25,060)	(25,060)
Change in Net Assets	731,278	2,501,160	3,232,438
Net Assets - Beginning of Year, Restated	29,226,531	15,538,957	44,765,488
Net Assets - End of Year	\$ 29,957,809	\$ 18,040,117	\$ 47,997,926

The notes to the financial statements are an integral part of this statement.

City of Avon Lake, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers and Users	\$ 9,718,926	\$ 5,011,660	\$ 14,730,586
Other Cash Receipts	101,777	2	101,779
Cash Payments to Employees for Services	(2,097,653)	(2,143,385)	(4,241,038)
Cash Payments for Goods and Services	(5,152,068)	(1,814,159)	(6,966,227)
Other Cash Payments	(4,528)	(3,564)	(8,092)
Net Cash Provided by Operating Activities	2,566,454	1,050,554	3,617,008
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Intergovernmental Revenue	380,774	-	380,774
Income Taxes	-	425,000	425,000
Advances In	800,000	-	800,000
Advances Out	-	(800,000)	(800,000)
Transfers In	9,240	11,683	20,923
Transfers Out	-	(25,060)	(25,060)
Net Cash Provided by (Used in) Noncapital Financing Activities	1,190,014	(388,377)	801,637
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from OWDA Loans	-	5,592,829	5,592,829
Proceeds from ETL1 Loan	585,327	-	585,327
Principal Paid on G.O. Bonds	(535,228)	(278,308)	(813,536)
Principal Paid on Revenue Bonds	(880,000)	-	(880,000)
Principal Paid on OWDA Loans	(726,557)	(293,364)	(1,019,921)
Principal Paid on ETL1 Loan	(337,689)	-	(337,689)
Principal Paid on Capital Leases Payable	(1,673)	(54,150)	(55,823)
Interest Payments	(1,046,451)	(492,599)	(1,539,050)
Payments for Capital Acquisitions	(1,459,583)	(7,734,330)	(9,193,913)
Special Assessments	-	36,994	36,994
Intergovernmental Revenue	900,000	39,954	939,954
Capital Grant	-	2,040,942	2,040,942
Net Cash Used in Capital and Related Financing Activities	(3,501,854)	(1,142,032)	(4,643,886)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	97,208	28,748	125,956
Net Cash Provided by Investing Activities	97,208	28,748	125,956
Net Increase (Decrease) in Cash and Cash Equivalents	351,822	(451,107)	(99,285)
Cash and Cash Equivalents - Beginning of Year	7,499,427	3,219,158	10,718,585
Cash and Cash Equivalents - End of Year	\$ 7,851,249	\$ 2,768,051	\$ 10,619,300
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 1,146,172	\$ 565,254	\$ 1,711,426
Adjustments:			
Depreciation	1,119,010	816,220	1,935,230
(Increase) Decrease in Assets:			
Accounts Receivable	(47,813)	(211,479)	(259,292)
Materials and Supplies Inventory	2,182	(2,663)	(481)
Prepaid Items	(1,723)	(2,918)	(4,641)
Increase (Decrease) in Liabilities:			
Accounts Payable	96,129	(54,913)	41,216
Contracts Payable	177,181	-	177,181
Accrued Wages	19,349	(17,006)	2,343
Compensated Absences Payable	17,629	(50,619)	(32,990)
Intergovernmental Payable	38,338	8,678	47,016
Net Cash Provided by Operating Activities	\$ 2,566,454	\$ 1,050,554	\$ 3,617,008

The notes to the financial statements are an integral part of this statement.

BY: Mrs. Fenderbosch

TEMP NO: 10110

ORDINANCE NO. 12-2013

AN ORDINANCE AUTHORIZING THE MAYOR TO SIGN A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF AVON LAKE AND THE CITY OF SHEFFIELD LAKE FOR PARTICIPATION IN A PROPANE GAS CONVERSION PROGRAM, AND DECLARING AN EMERGENCY.

WHEREAS, propane auto gas is an alternative clean fuel identified by the Clean Air Act of 1990 and the National Energy Policy of 1992 and 2005, and

WHEREAS, the City of Avon Lake and the City of Sheffield Lake wish to convert certain City owned vehicles to propane auto gas as an alternative clean fuel in an effort to save on fuel costs and to extend the life of city owned vehicles, and

WHEREAS, the City of Avon Lake and the City of Sheffield Lake wish to share a propane fueling station and convert certain vehicles owned by the City of Avon Lake and the City of Sheffield Lake from gasoline to a bi-fuel of gas and propane, and

WHEREAS, the City of Avon Lake has indicated it is willing to install a propane fueling station within its borders and make propane available to the converted vehicles owned by the City of Sheffield Lake, now therefore;

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF AVON LAKE,
STATE OF OHIO:

Section No. 1: That the Mayor of the City of Avon Lake is hereby authorized to sign the Memorandum of Understanding between the City of Avon Lake and the City of Sheffield Lake for participation in a propane gas conversion program, a copy of which is attached hereto.

Section No. 2: That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council and that all deliberations of this Council and any of its committees which resulted in such

formal actions, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section No: 3: That this ordinance is hereby declared to be an emergency measure, the emergency being the necessity of having a Memorandum of Understanding in place to meet the March 1, 2013 loan application deadline and further to move ahead with the project to convert City owned vehicles to alternative clean fuel to improve the environment and to save fuel costs, thus for the health, safety, and welfare of the residents of Avon Lake. Therefore, this ordinance shall be in full force and effect from and immediately after its passage and approval by the Mayor.

PASSED: 2/11/13

Martin E. Donnell
President of Council

POSTED: 2/15/13

2/12/13
Approved

ATTEST: Barbara Dopp
Clerk of Council

Margaret J. Zilka
Mayor

I, Barbara Dopp, Clerk of Council of the City of Avon Lake, do hereby certify that the foregoing is a true and accurate copy of Ordinance/Resolution No. 12-2013 passed on the 11th day of February 2013 by said Council.

Barbara Dopp
Clerk of Council

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF AVON LAKE, OHIO
AND
THE CITY OF SHEFFIELD LAKE, OHIO
FOR
PARTICIPATION IN A PROPANE GAS CONVERSION
PROGRAM**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made as of _____, 2013, by and between the CITY OF AVON LAKE, OHIO, a political subdivision of the State of Ohio ("Avon Lake") as duly authorized by Ordinance No. _____ passed by the Council of Avon Lake, and the CITY OF SHEFFIELD LAKE, OHIO, a political subdivision of the State of Ohio ("Sheffield Lake") as duly authorized by Ordinance No. _____ passed by the Council of Sheffield Lake. (Avon Lake and Sheffield Lake are hereinafter sometimes jointly referred to as the "Parties" and individually as a "Party.")

RECITALS

A. The Ohio Department of Development has created the Local Government Innovation Fund ("LGIF") to offer communities financial assistance in the form of loans (the "Loan Program") to create more efficient and effective service delivery within their areas. Projects are designed to facilitate improved business environments and promote community attraction with their plans for efficiency, collaboration and shared services. It is anticipated that partnering communities will save money and provide more efficient services to their constituents with assistance from this program. Award amounts for applicants with collaborative partners are limited to \$100,000 per applicant and \$100,000 for each collaborative partner, up to \$500,000. Each borrower must provide a local match investment equal to at least 10 percent of the project's

total eligible costs or the percentage indicated in the loan agreement, whichever is greater. The local match includes financial or in-kind contributions made by the borrower directly and/or by third party project partners with which the borrower has entered into a binding agreement for purposes of completing the project. Eligible in-kind local match investments are contributions of services and assets that are necessary to implement the project. The local match requirement is satisfied by eligible financial or in-kind contributions made during the two-year period prior to the date the State Controlling Board approves an award to the eligible project.

B. The Parties desire to share a propane fueling station and to convert vehicles owned by the Parties from gasoline to a bi-fuel of gasoline and propane. To assist them in accomplishing that objective the Parties also desire to participate in the Loan Program.

C. Avon Lake has indicated that it is willing to install a propane fueling station within its borders and to make propane available to the converted vehicles owned by Sheffield Lake.

D. The Parties desire that Avon Lake take the lead in advertising for bids for such conversion and in applying for loans pursuant to the Loan Program.

NOW, THEREFORE, in consideration of the mutual covenants, promises, conditions and terms of this MOU to be kept and performed, the Parties agree as follows.

SECTION 1: RECITALS.

The above Recitals are hereby agreed to by the Parties as accurate, and are incorporated herein as though fully rewritten.

SECTION 2: LOAN APPLICATION.

The Parties hereby authorize Avon Lake to complete and submit applications for individual loans to the Parties pursuant to the Loan Program. The Parties understand that any

loans awarded will be to the separate Parties, and that no Party will be obligated on the loan made to the other Party.

SECTION 3: CONVERSION OF VEHICLES.

The Parties hereto shall submit the following number of their vehicles for conversion from gasoline to propane in accordance with the following time schedule:

<u>Party</u>	<u>No. of Vehicles</u>	<u>Time</u>
Avon Lake	5	2013
Avon Lake	3	2014
Sheffield Lake	0	2013
Sheffield Lake	3	2014

Avon Lake shall prepare the bid specifications for such conversion and shall advertise for such bids. The cost and expense of preparing the bid specifications and advertising for bids shall be paid equally by the Parties. Each Party shall enter into a separate contract with the successful bidder for the conversion of its vehicles.

SECTION 4: FUELING STATION.

Not later than December 31, 2013, Avon Lake shall install within its borders, at a location selected by Avon Lake (the "Station"), the equipment necessary to dispense propane for the converted vehicles. Avon Lake shall permit Sheffield Lake to purchase propane at the Station. The cost charged by Avon Lake shall be equal to Avon Lake's cost for such propane plus a reasonable amount to cover the cost of operating the Station.

SECTION 5: MISCELLANEOUS.

5.1 Assignment. Except as herein specifically set forth, neither Party shall assign, delegate or transfer its rights or obligations under or its interest in this MOU without the written consent of the other Party.

5.2 Notices. All notices required or permitted to be given hereunder shall be in writing, and shall be deemed duly delivered, received and given: (i) upon personal delivery to the address set forth below, or to such other address designated by prior written notice to the other Party; or (ii) one (1) business day following delivery to an overnight courier guaranteeing next business day delivery to the address set forth below, or to such other address designated by prior written notice to the other Party; or (iii) immediately upon the next business day after confirmation of facsimile receipt at the fax number set forth below or to such other fax number designated by written notice to the other Party. The address of the Parties for the purpose hereof shall respectively be:

For Avon Lake: City of Avon Lake
 150 Avon Belden Road
 Avon Lake, Ohio 44012
 Attention: Mayor
 Fax No. (440) 930-4107

For Sheffield Lake: City of Sheffield Lake
 609 Harris Road
 Sheffield Lake, Ohio 44054
 Attention: Mayor
 Fax No. (440) 949-5169

5.3 Entire MOU; Amendments. This MOU constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes any previous agreements or understandings. This MOU may be amended only by a written instrument signed by both Parties.

5.4 No Waiver. No term or condition of this MOU may be waived except by an instrument duly executed by the waiving Party. No delay or failure by a Party in exercising any of its rights, remedies, powers or privileges under this MOU and no custom, practice or course of dealing between the Parties or any other person shall be deemed a waiver by such Party of any such rights, remedies, powers or privileges, even if such delay or failure is continuous or repeated. No single or partial exercise of any right, remedy, power or privilege shall preclude any other or further exercise thereof by any such Party or the exercise of any other right, remedy, power or privilege by such Party, including, without limitation, the right of such Party subsequently to demand strict compliance with the terms and conditions of this MOU.

5.5 Governing Law. The validity, effect, construction, performance and enforcement of this MOU and the rights and obligations of the Parties hereunder shall be governed in all respects by the laws of the State of Ohio without reference to conflicts of law. Venue for the resolution of any disputes between the Parties regarding this MOU shall be within the courts of the State of Ohio.

5.6 Counterparts. This MOU may be executed in one or more counterparts. All counterparts so executed shall constitute one agreement, binding on all parties, even though all Parties are not signatory to the same counterpart. This MOU, and any document executed in connection with this MOU, shall be deemed executed and delivered upon each Party's delivery of executed signature pages thereof by facsimile or by attachment to an e-mail message with the same effect as delivery of the originals.

5.7 Severability. If all or any portion of any provision of this MOU as applied to a Party or to any circumstance shall be ruled by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent

permissible by law) that provision or the remaining portions of that provision as applied to a Party or circumstance or any other provision of this MOU or the validity or enforceability of this MOU as a whole, all of which shall be enforced to the greatest extent permitted by law.

EXECUTED by the Parties as of the date first above written.

CITY OF AVON LAKE, OHIO

By: _____
Gregory Zilka, Mayor

CITY OF SHEFFIELD LAKE, OHIO

By: _____
Dennis Bring, Mayor

Approved as to form:

Abraham Lieberman, Law Director, Avon Lake

David M. Graves, Law Director, Sheffield Lake

February 11, 2013

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