

**NOTICE OF PONTIAC CITY COUNCIL MEETING**  
**April 27, 2021**  
**at 6:00 p.m.**

**THE MEETING WILL BE HELD ELECTRONICALLY**

The City Council of the City of Pontiac will hold a Formal Meeting on April 27, 2021 at 6:00 p.m. This meeting will be held electronically as allowed by the amended Open Meetings Act and in compliance with the City of Pontiac Electronic Meeting Policy. The agenda for the Formal Meeting is attached. The Pontiac City Council gives notice of the following:

1. **Procedures.** The meeting will be conducted on zoom.us.  
When: Apr 27, 2021 06:00 PM Eastern Time (US and Canada)  
Topic: 223rd Session of the 10th Pontiac City Council  
Please click the link below to join the webinar:  
<https://zoom.us/j/95589436275?pwd=OU9xMVcvWlUxZWdHcG1ORytLRmNiQT09>  
Passcode: 611360  
Or Telephone:  
Dial (for higher quality, dial a number based on your current location):  
US: 1 312 626 6799  
Webinar ID: 955 8943 6275  
Passcode: 611360

**The public may view the meeting electronically through**  
**<http://pontiac.mi.us/council/pontiactv/index.php>**

2. **Public Comment.** For individuals who desire to make a public comment, please log onto the meeting using the zoom meeting link above. When the City Council reaches the public comment portion of the meeting, please raise your hand if you wish to speak during public comment. When your name is called, please unmute yourself and you will be given three minutes to speak. If you are accessing the meeting by phone, the Council President will ask are there any members of the public who are joining the meeting by phone who would like to make a public comment. Public comments are limited to three (3) minutes.

3. **Persons with Disabilities.** Persons with disabilities may participate in the meeting through the methods set forth in paragraph 2. Individuals with disabilities requiring auxiliary aids or services in order to attend electronically should notify the Interim City Clerk, Garland Doyle at (248) 758-3200 or [clerk@pontiac.mi.us](mailto:clerk@pontiac.mi.us) at least 24 hours in advance of the meeting.

Dated 4-23-2021, 5:00 p.m.

Garland S. Doyle, Interim City Clerk

City of Pontiac

47450 Woodward Ave. Pontiac, MI 48342 Phone: (248) 758-3200

# PONTIAC CITY COUNCIL

**Kermit Williams, District 7**  
**President**  
**Randy Carter, District 4**  
**President Pro Tem**



**Patrice Waterman, District 1**  
**Megan Shramski, District 2**  
**Mary Pietila, District 3**  
**Gloria Miller, District 5**  
**Dr. Doris Taylor Burks, District 6**

*It is this Council's mission "To serve the citizens of Pontiac by committing to help provide an enhanced quality of life for its residents, fostering the vision of a family-friendly community that is a great place to live, work and play."*

Website: <http://pontiaccityclerk.com/city-council-meetings>

Garland S. Doyle, M.P.A.  
Interim City Clerk

## FORMAL MEETING

April 27, 2021

6:00 P.M.

223<sup>rd</sup> Session of the 10<sup>th</sup> Council

**Call to order**

**Invocation**

**Pledge of Allegiance**

**Roll Call**

**Authorization to Excuse Councilmembers**

**Approval of the Agenda**

**Approval of the Minutes**

1. April 20, 2021

**Subcommittee Reports**

2. Community Development- April 20, 2021
3. Finance- April 13, 2021

**Special Presentations (Presentations are limited to 10 minutes.)**

4. Pontiac Youth Recreation and Enrichment Center (PYREC) Report on Community Engagement: Visioning Sessions and Leadership Support to Save our Recreation and Enrichment Programming for Pontiac Youth  
Presentation Presenters: Mayor Waterman, Gavin McGuire, Boys and Girls Club of Southeastern Michigan, Robert Burch, PYREC, Tiffany Sula and Roderick Brown
5. PYREC Attorney Report on History of Lease versus Buy Option for 825 Golf Drive and Comparison Feasibility Study of Alternate Sites (The feasibility study was requested by City Council.)  
Presentation Presenters: Mayor Waterman, George Contis, Esq., Giarmarco, Mullins and Horton and Dan Ringo, Interim DPW Director

**Recognition Elected Officials**

**Agenda Address**

**Agenda Item**

**Information Technology (IT)**

6. Resolution to approve contract for new Ricoh Printers for 50<sup>th</sup> District Court, Ruth Peterson Senior Center, Bowens Senior Center and Pontiac Youth Recreation and Enrichment Center (PYREC)

**Public Comment**

**Mayor, Clerk and Council Closing Comments**

**Adjournment**

**#1**

**MINUTES**

**Official Proceedings  
Pontiac City Council  
222<sup>nd</sup> Session of the Tenth Council**

**Call to order**

A Study Session of the City Council of Pontiac, Michigan was called to order electronically, on Tuesday, April 20, 2021 at 6:02 p.m. by Council President Kermit Williams.

**Roll Call**

<b>Members Present</b>	<b>Attendance</b>	<b>Location</b>
Carter	Remotely	Lansing, Ingham County, MI
Miller	Remotely	Pontiac, Oakland County, MI
Pietila	Remotely	Pontiac, Oakland County, MI
Taylor-Burks	Remotely	Pontiac, Oakland County, MI
Shramski	Remotely	Pontiac, Oakland County, MI
Waterman	Remotely	Youngstown, OH
Williams	Remotely	Pontiac, Oakland County, MI

Mayor Waterman was present.  
Clerk announced a quorum.

**Amendments and Approval of Agenda**

21-94 **Motion to remove item #4 (resolution in support of Pontiac Transportation Museum) from the agenda and refer it to the appropriate subcommittee.** Moved by Councilperson Taylor-Burks and second by Councilperson Carter.

Ayes: Miller, Pietila, Shramski, Taylor-Burks, Waterman, Williams and Carter

No: None

**Motion Carried**

21-95 **Motion to remove item #11 ( resolution to approve instructions to Interim Clerk as recommended in the Finance Director and City Attorney’s Report on Alleged Diverted Election Funds from the Clerk’s Office) and item #12 ( City Clerk’s response to Nonfactual Report from the Finance Department regarding Alleged Diversion of Election Division Budget Funds) from the agenda.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Pietila, Shramski, Taylor-Burks, Waterman, Williams, Carter and Miller

No: None

**Motion Carried**

21-96 **Motion to move public comment and Closed Session at the end of the agenda.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Shramski, Taylor-Burks, Waterman, Williams, Carter, Miller and Pietila

No: None

**Motion Carried**

**Approval of the Amended Agenda**

21-97 **Motion to approve the amended Agenda.** Moved by Councilperson Waterman and second by Councilperson Shramski.

Ayes: Taylor-Burks, Waterman, Williams, Carter, Miller, Pietila and Shramski

No: None

**Motion Carried**

**Approval of Minutes**

21-98 **Approve meeting minutes for March 30, 2021.** Moved by Councilperson Miller and second by Councilperson Taylor-Burks.

Ayes: Waterman, Williams, Carter, Miller, Pietila, Shramski and Taylor-Burks

No: None

**Motion Carried**

**Suspend the Rules**

21-99 **Suspend the rules to vote on item #3.** Moved by Councilperson Waterman and second by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Williams, Carter, Miller, Pietila, Shramski, Taylor-Burks and Waterman

No: None

**Motion Carried**

**Resolutions**

**City Council**

21-100 **Resolution honoring Ester Jimenez.** Moved by Councilperson Waterman and second by Councilperson Pietila.

WHEREAS, it is the sense of this legislative body to pay proper tribute to individuals of remarkable character whose lives have been dedicated to uplifting, inspiring and empowering the community and whose lives exemplify the highest ideals of humanity; and,

WHEREAS, on July 18, 1978, Ester Jimenez vivacious, energetic and eager to work, commenced a profound and amazing career in public service and with the City of Pontiac which would ultimately span over four decades; and,

WHEREAS, as a consequence of having a wonderful personality, impeccable work ethic and integrity and despite being hired as a clerk typist, Ester Jimenez was afforded the distinct privilege of working in different roles and various departments throughout the City of Pontiac, including Finance, the Clerk's Office, Treasury and Human Resources; and,

WHEREAS, Ester Jimenez was always known to greet and meet everyone she encountered, regardless of race, religion, creed, or political affiliation, with a million dollar smile, pleasant words and was always prepared to provide assistance when necessary; and,

WHEREAS, Ester Jimenez is truly a rare gem whose authenticity is evidenced by her sincere enthusiasm and passion to help others; and,

WHEREAS, Ester Jimenez not only held the City of Pontiac in high regard, but holds spending time with family and the City of Pontiac retirees, near and dear to her heart; and,

WHEREAS, Ester Jimenez has also been an active and loyal member of St. Vincent De Paul Church and enjoys crocheting, sewing, cooking and playing bunco.

April 20, 2021 Study

NOW, THEREFORE BE IT RESOLVED, that we the members of the Pontiac City Council and on behalf of the citizens of Pontiac, recognize and honor with great pride and dignity, Ester Jimenez, for her over 43 years of outstanding service to the City of Pontiac and for of tremendous contributions of leadership, selflessness and commitment to the community. "Congratulations Ester Jimenez on your retirement."

Ayes: Carter, Miller, Pietila, Shramski, Taylor-Burks, Waterman and Williams

No: None

**Resolution Passed**

**Suspend the Rules**

21-101 **Motion to suspend the rules to vote on item #5.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Miller, Pietila, Shramski, Taylor-Burks, Waterman, Williams and Carter

No: None

**Motion Carried**

**Resolution**

**City Council**

21-102 **Resolution to approve a Charter Revision for the August 3, 2021 primary municipal election ballot.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

WHEREAS, the City of Pontiac, Michigan operates under a Home Rule Charter as provided by the Home Rule Cities provisions of state law (Public Act 279 of 1909, MCL 117.1 et. Seq. as amended [referred to as the Home Rule Cities Act]); and,

WHEREAS, MCL 117.18 specifies the procedures for revising Home Rule Charter and specifies that a legislative body by a 3/5 vote of the members elect may declare for a general revision of the Charter; and,

WHEREAS, MCL 117.18 further provides that if a 3/5 vote of the legislative body calls for a general revision of the Charter, the question of having a general charter revision shall be submitted to the electors for adoption or rejection at the next general or municipal election, or at a special election; and,

WHEREAS, in addition, MCL 117.18 states that in case the electors shall, by a majority vote, declare in favor of such a revision, a charter commission shall be elected consisting of nine (9) electors of the City having a residence of at least three (3) years in the municipality and that the legislative body may by a 3/5 vote of the members elect provide that the Charter Commission be selected at the same election at which the proposition to revise is submitted; and the selections shall be void if the proposition to revise is not adopted.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Pontiac declare that there is a need for a general revision if the Home Rule Charter of Pontiac, Michigan; and,

BE IT FURTHER RESOLVED, that the City Council, has determined for purposes of efficiency and fiscal responsibility, the Charter Commission consisting of nine (9) electors of the City of Pontiac having a residence of at least three (3) years in the municipality shall be selected at the general municipal election to be held on Tuesday, August 3, 2021;

BE IT FURTHER RESOLVED, THAT THE SELECTION OF THE Charter Commissioners shall be void if the proposition to revise is not adopted by a majority vote of the electors.

Ayes: Pietila, Shramski, Taylor-Burks, Waterman, Williams, Carter and Miller

No: None

**Resolution Passed**



April 20, 2021 Study

**Suspend the Rules**

21-103 **Suspend the rules to vote on item #6.** Moved by Councilperson Waterman and second by Councilperson Miller.

Ayes: Shramski, Taylor-Burks, Waterman, Williams, Carter and Miller

No: Pietila

**Motion Carried**

**Resolution**

**City Council**

21-104 **Resolution to have the Mayor fulfill the duties and obligations as head of the city administration.** Moved by Councilperson Waterman and second by Councilperson Miller.

WHEREAS, the planning commissions term has expired on June30th 2017; and the Mayor is to appoint new commissioners every 3 years; and the Mayor has yet to do so; and,

WHEREAS, the Medical Marihuana Commission is to be appointed by the Mayor; and the Mayor has yet to do so; and,

WHEREAS, on January 21st, 2020 the City Council voted 5-2 to approve Ordinance 20-30 to make an emergency ordinance to amend ordinance 23-63; and to have the planning commission issue a recommendation to the City Council; and the Mayor sits and directs the planning commission, and the Mayor has yet to do so; and,

WHEREAS, on June17th, 2020 the City Council voted 7-0 to approve are solution for the Mayor to engage Bonadio & Co, LLP and or any another accounting firm and pay the \$10,000 retainer for the services of a forensic audit; and the Mayor has yet to do so; and,

WHEREAS, on December 22nd, 2020 the City Council voted 4-1 to approve a resolution to remove Anthony Chubb, Esq., from Giamarco, Mullins and Horton, P.C. as the attorney assigned to appear at City Council Meetings; and the Mayor was to replace Anthony Chubb as the attorney assigned to Pontiac City Council meetings; and the Mayor has yet to do so; and,

WHEREAS, on March 9<sup>th</sup>, 2021 the City Council voted 6-0 to approve a resolution that the Pontiac City Council was to be provided with all logistical information regarding the Ottawa Towers closing including, the date, time, location, and closing documents; and the Mayor has Yet to provide the final closing documents; and

NOW, THEREFORE BE IT RESOLVED that the Pontiac City Council here by requests that the Mayor perform her duties and obligations above within 14 days from the date of this approved resolution and copy printed in the local paper.

Ayes: Taylor-Burks, Waterman, Williams, Carter, Miller and Shramski

No: None

**Resolution Passed**

Councilwoman Pietila left the meeting remotely, then returned remotely

**Suspend the Rules**

21-105 **Suspend the rules to vote on item #7.** Moved by Councilperson Taylor-Burks and second by Councilperson Pietila.

Ayes: Waterman, Williams, Carter, Miller, Pietila, Shramski and Taylor-Burks

No: Pietila

**Motion Carried**

**Resolution**

**Department of Public Works (DPW)**

April 20, 2021 Study

21-106            **Resolution to approve the RNA FM Snow and Landscape Service Extension Agreement from April 13, 2021 – April 13, 2022 not to exceed \$447,764.40.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

WHEREAS, RNA FM service over the last twelve months warrants a one-year extension of the initial agreement approved 4/1/2020.

NOW, THEREFORE, BE IT RESOLVED, The Pontiac City Council authorized the Mayor to extend the landscape and snow removal service agreement with RNA FM for 12 months beginning 4/13/2021 until 4/13/2022.

Ayes: Williams, Carter, Miller, Pietila, Shramski, Taylor-Burks and Waterman

No: None

**Resolution Passed**

**Suspend the Rules**

21-107            **Suspend the Rules to vote on item #9.** Moved by Councilperson Miller and second by Councilperson Waterman.

Ayes: Carter, Miller, Pietila, Shramski, Taylor-Burks, Waterman and Williams

No: None

**Motion Passed**

**Resolution**

**Mayor's Office**

21-108            **Resolution to approve the purchase of 825 Golf Dr. as the Designated Facility PYREC Operations.** Moved by Councilperson Miller and second by Councilperson Taylor-Burks.

Whereas, a certain Lease Agreement (with Purchase option) dated July 1, 2018 was entered into between Creative School Solutions Management, LLC as Landlord and the City of Pontiac as Tenant for the 3 year lease by the City of the premises commonly known as 825 Golf Road, and within which the City has operated its youth center (the "Lease") which Lease expires on June 30, 2021; and

Whereas, Section 13 of the Lease grants the City with two options to purchase 825 Golf Drive from the landlord; the first option period began April 1, 2019 and ended June 30, 2019 without the City exercising its option; and the second and final option period commenced January 1, 2021 and ends June 30, 2021 (the "Purchase Option"); and

Whereas, the City's purchase price of 825 Golf Drive during the second option period is \$2,850,000.00 per Section 13 of the Lease; and

Whereas, it is in the best interests of the City to maintain a youth center for the City's youth to safely and freely congregate and enjoy supervised physical activity; and

Whereas, the purchase of 825 Golf Drive is in the best interests of the City.

NOW THEREFORE, BE IT RESOLVED that the City Council does hereby Authorize the Mayor to submit the required Offer Notice, as set forth in Section 13 of the Lease, to authorize the office of the City Attorney to negotiate a purchase agreement with the landlord consistent with Section 13 of the Lease, and if due diligence reviews do not disclose any serious deficiencies to the building; to close on the purchase of 825 Golf Drive on or before June 30, 2021.

Ayes: Pietila

No: Miller, Shramski, Taylor-Burks, Waterman, Williams and Carter

**Resolution Failed**

**Suspend the Rules**

April 20, 2021 Study

21-109            **Suspend the rules to vote on item #10.** Moved by Councilperson Waterman and second by Councilperson Taylor-Burks.

Ayes: Pietila, Shramski, Taylor-Burks, Waterman, Williams, Carter and Miller

No: None

**Motion Carried**

#### **Resolution**

##### **Mayor's Office**

21-110            **Resolution to allocate a maximum of \$50,000 for a one-year contract for lobbying services related to the American Rescue Act and funding for Cities.** Moved by Councilperson Carter and second by Councilperson Pietila.

Whereas, the City of Pontiac has been preliminarily allocated less than \$100 per resident of the intended local funding from the American Rescue Act; and

Whereas, the City of Pontiac, by act the previous Emergency Manager who committed the City to the status of sub-recipient to Oakland County for certain Community Development Block Grant funding, with that status now impacting the formula used to determine the need in the City; and

Whereas, the City of Pontiac is in substantial need of assistance from the American Rescue Act having been significantly affected by the economic effects of COVID-19 and continuing to realize those affects through loss of income tax revenue, closing of local businesses, increased unemployment, a pending eviction crisis, and general fund distress.

Now, Therefore Be It Resolved, that the City Council directs the amount of \$50,000 be appropriated from the general fund and allocated to an account directed by the City's Finance Director to be used for the contracting a government lobbyist to promote and assist the City in engaging all opportunity to benefit from funding sources, or other appropriations, in response to the devastating economic effects of the COVID-19 crisis. It is further directed that the Mayor is authorized to perform such tasks as are necessary to consider, review and contract an appropriately registered and experienced person or firm to perform this service.

Ayes: Taylor-Burks and Pietila

No: Shramski, Waterman, Williams, Carter and Miller

**Resolution Failed**

#### **Public Comments**

Nineteen (19) individuals submitted public comments read by the City Clerk

**Interim City Clerk Garland Doyle excused himself remotely from the meeting do to his involvement in the case of the Closed Session. Deputy Clerk Sheila Grandison remotely joined the meeting to record the minutes in the Closed Session.**

#### **Closed Session**

21-111            **Resolution from the City Attorney to request City Council go into Closed Session pursuant to MCL 15.268(e) to discuss specific pending litigation; specifically Rubicon Real Estate Holdings, LLC, and Family Rootz, LLC v. The City of Pontiac and Garland Doyle, Interim Pontiac City Clerk.** Moved by Councilperson Miller and second by Councilperson Waterman.

Whereas, Michigan Open Meetings Act Section B(h), MCL 15.268(h), allows a public body to go into closed session to consider material exempt from discussion or disclosure by state or federal statute; and  
Whereas, Michigan Freedom of information Act Section 13(g) exempts from disclosure records subject to the attorney-client privilege;

April 20, 2021 Study

Now, Therefore, Be It Resolved by the Pontiac City Council that it recess into closed session to discuss specific pending litigation; specifically Rubicon Real Estate Holdings, LLC, and Family Rootz, LLC v. The City of Pontiac and Garland Doyle, Interim Pontiac City Clerk, which is exempt from disclosure pursuant to MCL 15.243(1)(g).

Ayes: Taylor-Burks, Waterman, Williams, Carter, Miller, Pietila and Shramski

No: None

**Resolution Passed**

21-112 **Motion to come out of Closed Session.** Moved by Councilperson Pietila and second by Councilperson Taylor-Burks.

Ayes: Waterman, Williams, Carter, Miller, Pietila, Shramski and Taylor-Burks

No: None

**Motion Carried**

**Adjournment**

Council President Kermit Williams adjourned the meeting at 8:46 p.m.

\_\_\_\_\_  
SHEILA R GRANDISON  
DEPUTY CITY CLERK

DRAFT

**#2**

**SUBCOMMITTEE  
REPORT**

## **COMMUNITY DEVELOPMENT SUBCOMMITTEE**

**March 9, 2021**

Council Members: Chair Gloria Miller, Megan Shramski and President Kermit Williams  
Director of Economic Development: Linnette Phillips

**Start: 12:05 p.m.**

\*Properties with concerns and issues will be relayed to code enforcement. However, there is a standing meeting on Tuesday mornings, so if the information can be submitted every Monday to the Administration, it can be discussed during the Tuesday meetings.

### **Appropriations and Community Funded Projects-proposals for COP 5 proposed projects-submitted on April 9**

Appropriations are projects that can go into a subsequent year:

#### **Street Repair and Reconstruction**

The City has a project planned for FY- 2022 to perform asphalt pavement rehabilitation on the “major streets” that are in the worst condition. How will they determine the streets? If awarded funds, then from there, the City Engineer will determine the streets. The City is requesting \$8 million dollars to repair and reconstruct major and local streets.

#### **Transportation for Youth Seniors and Disabled Residents**

The City asked for \$177,220. This project is to follow-up a partnership with SMART Transportation. The project would provide transportation for youth, seniors and disabled residents, meet the needs for regularly scheduled pick-ups or drop-offs and provide transportation to the youth from the Youth Rec facility.

Seniors could get picked-up and dropped-off at doctor’s appointments along with disabled residents. Who is the supervisor with SMART? Madonna VanFaussen is who should be contacted. It was not submitted with a level of detail. In the past, SMART did not allow for people younger than 50 years of age to be transported. If children are to be transported, then full-background checks should be administered. You have to be cautious with children.

What was presented was just an overview of the proposed project. If the project moves forward and to the next level, then it will be more specific.

### **Community Project Funded Requests**

#### **City Hall:**

The City has requested \$6,252,574 in order to make capital improvements to City Hall.

#### **Ewalt Center**

Why didn't we ask for PYREC? PYREC is not owned by the City and was not owned by the City at the time the application was submitted. However, the request to purchase PYREC was placed on the agenda and Council is being asked to purchase the building. If the funds are given for Ewalt and PYREC is purchased, can the funds be transferred? Yes, you can re-program the funds as it is the same project. This is the first step of the process.

Appropriations and 3 proposed community projects. The first time the City took advantage of these. Mr. Johnson was extremely helpful. The second step is for them to review internally. They have been asking questions for updates. What are we interested in funding? The City has made improvements and contributed a lot to PYREC. An address had to be used, so the Ewalt address was provided. The feasibility study for Ewalt has not been completed. Council is being asked to purchase PYREC at the last minute, there are other properties owned by the cities.

Once Rep Lawrence gives feedback, then everyone will be notified.  
All projects to be done in FY 2022.

#### **Phoenix Center**

The City requested \$6,054,450 and has entered into a public/private partnership. However, the City is responsible for the plaza and Amphitheater.

### **CVT Grant Program Update**

As a means to provide support to food service business owners impacted by the Covid-19 pandemic. The City of Pontiac sought grant funding and was awarded \$122,951 in a combination of \$80,000 for cash reimbursement and \$42,951 in product for disbursement to restaurants, bars and cafes to expand outdoor dining. The program can cover expenses incurred back to October 1, 2020 to April 30, 2021, the date for business owners to either request product and/or reimbursements for products and services they may have incurred to expand outdoor dining. Awarded \$122,000 to expand outdoor dining. The City has 50 restaurants and bistros.

Businesses received a letter or e-mail and all were called. Five requests for reimbursements. More requests for product. To date, we there are product requests from 14 food service business owners. Igloos and Sanitation Stations will be awarded via lottery systems. The COP can purchase additional product with reimbursement funds if desired. The County to provide contact and discount information. The other items allow for the owners to receive at least one each of their request. Coordinating pick up with DPW from Fire Station No.2 on South Blvd.

Small Business Development Corporation (SBDC), helps with origination and finding funding.

### **Micah 6**

Acquired Webster Community Center and the project is projected to cost \$17 million dollars. Requesting an ETA, Eagle grant, CDBG funds, and an OPRA. What is it they are asking for? The County said no to CDBG funds. The OPRA and Brownfield applications have not been completed. A letter of support was crafted for 2 environmental projects. \$1million requested, Eagle offered of \$400,00 for clean-up, the administrator asking for support. The City through the County can support these types of projects. Some funding can be matched. Ms. Phillips will refer the applicant to another department. As this needs to go through Planning.

**Adjourned 1:12p.m**



**#3**

**SUBCOMMITTEE  
REPORT**

## FINANCE SUBCOMMITTEE MEETING

In attendance:

Council members: Chair Patrice Waterman, Council President Kermit Williams

Mayor: Deirdre Waterman

Finance Director: Darrin Carrington

**Start: 4:00 p.m.**

### NEW BUISNESS

In the process of compiling the recommended budget. Scheduled to be presented on May1st which falls on a Saturday, so Council will have it on that Friday. Administration to have a workshop with Council before. Last year, Council put language in the ordinance reflecting what documents are to be provided. Will have a discussion regarding some of the budget priorities as they prepare the recommended budge between now and the end of the month.

Reports provided reflect the City's financial activity for this fiscal year through January 2021.

1. Cash Summary by fund as of 01/31/2021
2. Comparative balance sheet for all funds as of 01/31/2021
3. Revenue and expenditure report by fund (summary) – 01/31/2021
4. Income Tax collections – month and fiscal year (totals) – 01/31/2021
5. Property tax collection report for the period ending 01/31/2021.

#### **Items of interest:**

- The total cash and investments (PNC and all the other institutions) in all funds for the City as of 01/31/2021 was \$34,96,343. The general fund portion of the total amount of cash in the bank (including investments) is \$15,775,306. This amount includes the accumulated general fund, fund balance as of 6/30/2020 (invested in various institutions). The decrease in the cash balance compared to the previous month cash balance of \$39,926,296 was \$4,929,953. This decrease in cash was as a result of operating expenditures in excess of operating revenues.

There are no concerns as there are funds to pay balances and for day-to-day operations.

#### **General Fund Balance review:**

Fund Balance as of 07/01/2020 \$15,865,428  
Phoenix Center Settlement Payment \$(1,400,000)  
Non-Spendable Fund Balance \$(33,879)  
Committed for Youth Center Purchase \$(3,200,000)  
Net Revenues Over Expenditures \$ 9,752,752  
Budgeted Unassigned Fund Balance as of 01/31,2021) \$20,984,301

Keep in mind, there are certain ebbs and flows. This reflects the overall fund balance of the City as we move thru the fiscal year. This reflects 7 months and until January 2021.

How much have we paid? Does it apply to what's due? COVID funding, money we have collected offset increased expenses, grants and revenues.

- **The general fund unassigned fund balance** as of 6/30/2020 was \$15,865,428. The current balance sheet as of 01/31/2021 is reporting an increase of unassigned fund balance of approximately \$5,118,873 to \$20,984,301. This increase is due to mainly to operating revenues in excess of expenditures including property taxes, income taxes and reimbursed covid 19 expenditures of \$3.23 Million. Of the total general fund balance, \$3.2 million is committed for the purchase of the Youth Center, and \$1,400,000 is assigned for the Phoenix Center settlement agreement. This balance will change as the City continues towards the end of its fiscal year of June 30th and if rollover amendments from the previous fiscal year are adopted, as they will need to be classified as assigned.

- **Income Tax Collections** current fiscal year vs prior fiscal year. Income taxes collected thru 01/31/2021 were \$9,063,488 compared to \$8,272,381 in 01/31/2020 an increase of \$ 791,107 or 9.56%. It should be noted that due to the COVID-19 pandemic, we are projecting that income tax collections this fiscal year will be offset by higher than normal refunds. This higher level of projected income tax refunds is tied largely to non-resident taxpayers working from home during the pandemic as opposed to their employers Pontiac based offices.

- **Income Tax Revenue**, no drop off of income tax collection due to covid. To note, any impact we expect to see maybe on the refunds. Significant amount of refunds due to taxpayers. Instead of working on site, working at home. Many companies have not adjusted the withholdings of their employees. A higher lever of refunds to impact the net revenues.

Increased economic activity and job growth. Tax division working to collect on delinquent taxpayers.

- **Property tax collections.** Look at what was collected as to what was billed. Less than 1.5 million. We still have the month of February at the rate of 90%. Historically it has been in the lower 80's. Property Tax collections as of 01/31/2021 shows a total amount of City millages, plus fees and penalties collected as \$12,893,048 vs \$14,280,474 billed, or approximately 90.28%.

Detailed Expenditures for the first seven months are largely tracking within budget as the City continues to prioritize operating financially responsibly. Noted below are accounts where we are currently tracking above budget:

#### **01-265 Building Maintenance**

101-265-809.001 Covid 19 Expenditures- Budget 0, Actual \$16,455

101-265-719.000 Workers Comp Budget \$3,715, actual \$9,294 250% of budget

101-265-702.00 Salaries Budget \$69,205, actual \$110,719; 160% of budget. Salaries need to be allocated.

101-265-702.004 Overtime Budget \$15,418, actual \$29,406; 191% of Budget. O/T needs to be allocated.

101-265-749.002 Tools & Supplies Budget \$5,000 actual \$3,594 71.88% of budget

#### **101-266 Attorney**

101-266-8040018 Legal Services General Budget \$50,000, actual \$97,087 194% of Budget

101-266-818.000 Special Council Services Budget \$5,000, actual \$46,690 934% of budget  
101-266-804.022 Michigan Tax Tribunal Budget \$1,500, actual \$8,684 579 % of budget  
101-266-804.023 Code Enforcement Budget \$6,500, actual \$ 8,787 135% of budget  
101-266-809.001 Covid 19 Budget \$5,000, actual \$4,455 89% of budget

### **101-870 Unemployment Compensation**

101-870-723.001 Unemployment Compensation- Budget \$10,000, actual \$17,886 179% of budget

### **Major Streets**

202-463-702.000 Salaries Budgeted Salaries \$181,786, actual \$123,993 68.2% of budget  
202-463-702.004 O/T Salaries Budgeted: \$7,291, actual \$11,144 152% of Budget  
202-463-721.000 Healthcare waiver Budgeted:0, actual \$6,403 100% of budget  
202-463-806.000 Engineering Serv Budgeted \$200,000, actual \$188,879 94% of Budget  
202-463-806.001 Stormwater Serv Budgeted \$300,000, actual \$354,464-118% of Budget  
202-463-818.006 Contractual Lawn Budgeted \$35,000, actual \$72,753-207.8% of Budget  
202-463-818.260 Contractual Patch Budgeted \$200,000, actual \$152,630-76% of budget

### **Local Streets**

203-443-974.009 Sidewalks Budgeted \$150,000 , actual \$100,000 66.67% budget

### **585 Parking Enterprise Fund**

585-564-931.001 Building Maint Budget \$225,000 actual \$217,990 ,97% of budget  
585-564-974.035 Phoenix Ctr Proj Budget \$7,000,000, actual \$7,082,471 101.17% of budget.  
(Ottawa towers earnest money \$7,000,000, and \$82,606 Auch

Some areas are tracking above what is budgeted. Some adjustments will be made to some figures.7 months in. Will stay within the budget.

The status of payment to the parliamentarian. A revised 1099 was provided. From an administrative side, to make sure everything is done properly. This is a black eye and will make matters real bad going into budget sessions.

### **City Clerk Office Invoices**

- All invoices have been paid. All issues have been resolved. The grant, the Clerk's office received was set to expire the end of 2020, but was extended until June 2021. Will ensure that we take advantage of the grant funds.

Questions about the marijuana ordinance and the newsletter, are questions beyond the Finance Director's scope. The financial component and his response and concerns were put on paper. There is nothing else additional from a financial perspective.

Will there be any additional hiccups in paying the Clerk's invoices? Will have to clarify with the City Attorney.

There are NO NEW POLICIES.

In the future, if there are issues, the issues need to be discussed at a subcommittee meeting and not during a Council meeting.

**The expenditure below is an error that needs to be corrected as it is not an expenditure of the Clerk. 101-255-804.026 Chubb, Anthony Giarmarco, Mullins & Horton, P.C. Marihuana Issures (January 2021) 2,640.00**

The change should be made. Not an expenditure of the Clerk and the Clerk is to put in writing the account that the credit should go to.

### **Sheriff's Budget**

#### **City of Pontiac - Oakland County Sheriff Traffic Unit**

New proposed unit would add 3 more Deputies

Responsibilities would include: code enforcement of moving vehicles, illegal parking, abandon vehicles and traffic crashes

Proposed cost is \$422,598 per year

Approximately an additional \$35,000 per month in expenses

Increase of the current contract by about 3% (current amount is \$12.25 million)

Some of the costs would be offset by revenue from citations and court fees

Working on estimates of revenue

A weigh master maybe an option to generate money. Finance Department can do a report. Have 2 already 1 from Sheriff's side and 1 from DPW

**Adjourned 4:56 p.m.**

**#4**

**SPECIAL  
PRESENTATION**



**BOYS & GIRLS CLUBS**  
OF SOUTHEASTERN MICHIGAN

PONTIAC YOUTH RECREATION & ENRICHMENT CENTER (PYREC)

# PYREC PRESENTATION

Presented by

Mayor Deirdre Waterman, Gavin McGuire (BGCSM Chief Operating Officer,)

Robert Burch (PYREC Assistant Manager) &

Tiffany Sula (BGCSM Program Director)

Rod Brown, BGCSM Senior VP of Strategy)

# PYREC 2021 Operational Recommendation

In consideration of a June PYREC decision point, the Boys & Girls Clubs of Southeastern Michigan and PYREC team recommends that the youth program services remain at the PYREC facility. This recommendation considered the continuity of youth services, health and wellbeing of families, community stakeholder and constituent interests and priorities, and fiscal responsibility/stewardship. Key considerations included:

1. **Youth Service Quality and Continuity** – A post June move would disrupt and eliminate services when they need them most, just as the Center is gaining momentum with youth and families.
2. **Youth and Family Health and Wellness** – Other proposed sites are not suitable from an environmental and indoor air quality standpoint w/o significant time delays and major capital investments.
3. **Community Constituents/stakeholder Interests and Priorities** - Maintain the continuity of services, support and improve the quality of youth program developments and service delivery.
4. **Fiscal Responsibility** – In the context of our programmatic mission and strategy, the PYREC presents the highest Return on Net Assets (RONA) in terms of facilities operations, program service delivery and scalability, capital investments and program/project implementation.



# PYREC Program Visioning Session

## • Purpose:

A vehicle to obtain community voice, feedback and support for PYREC activities and initiatives. Composition of the sessions included:

- Parents
- Funders
- Faith-Based Leaders
- Entrepreneurs
- Program Partners
- Nonprofit Leaders
- College Officials
- Grassroots Leaders

Session Dates: March 25<sup>th</sup> & April 8<sup>th</sup>



# Key Pontiac Stakeholders Present

- Teresa Rodgers, Senior Director, Pre-College Programs and Community Partnerships-Oakland University
- Ed Bahura, Pontiac Entrepreneur
- Nancy Swords, Deputy Director, Cranbrook Science Institute
- Pastor Tolbert, Trinity Missionary Baptist Church
- Jose Ybarra, Program Director, Pontiac Community Foundation
- Rosario Hull, Campus and Community Lead, Pontiac Engineering Center
- Kevin Sanders, Pastor-The Boulevard Church
- Kaino Phillips, CEO-President-Ascend Foundation
- Tom Bender, Regional Director, Metro Detroit YMCA

# Visioning Session Feedback

## What to **KEEP** at PYREC:

- Academic Support
- Current Programs & Partners
- Dance, Music, Performing Arts Content
- Sports (Leagues, Skill and Agility Camps
- Safety Protocols & Procedures & Meals

## What to **CREATE** at PYREC:

- Enhanced Parent Empowerment Programming
- Intergenerational Programs
- Digital Based Culture/Virtual Programs
- Entrepreneur/Financial Literacy Based Programs
- Community-Based Sites “Pop Ups” (i.e. School-Based Programs, Programs in Churches, etc.)

## **MOONSHOTS** for PYREC:

- Scholarships to all eligible Pontiac students to technical schools or traditional colleges.
- Entrepreneur/home-owner ready training for all Pontiac youth.
- Accessibility for all Pontiac youth (transportation, multiple centers, satellite sites.)
- Consistent Adult/Family programming



**BOYS & GIRLS CLUBS**  
OF SOUTHEASTERN MICHIGAN



April 19, 2021

To whom it my concern,

My name is Audrey Ngoro, I am 16 years old and I attended the Pontiac Youth Recreation Center. I have just started going in December 2020 but hold a special place for the program in my heart. The staff are so nice and they care for the kids. I feel comfortable with all of them and thy treat me and my little brother great. They make you feel like family there and like you belong. They listen to me and help me and my bother with our schoolwork. I see how happy the staff make all of the children at the club and the bonds that have been made.

All of the children that attend feel safe with the staff and have fun with them. My brother and I really like all the activities that are offered and the building. There is art which he never liked before we came here but enjoys the art projects now. There is also gym where my brother and most of the kids have the most fun and there are dance classes which a lot of the kids were skeptical at first but came to love it, including myself. I can't speak for everyone but me and my brother love coming here and hope it's not going anywhere.

Thank you,

Audrey Ngoro  
PYREC Member

4/20/21

Dear City of Pontiac Council Members,

It has come to my attention that our lease is almost done and that we have limited options if any to station the Pontiac Youth Recreation Enrichment Center and I am absolutely appalled by this. The (PYREC) is still very new, and has seen growth since it's opening, providing many activities and opportunities to improve in academic and self-development. At this time, I do not think it would be of best interest to let go of 825 Golf Drive. It has been the home of the PYREC for the last few years, as of right now it is best option for both the PYREC to stay there and the City financially. Please make the right decision for our youth, a disruption in the program is not and should not be an option.

Sincerely,

Charity Murph

(PYREC) Art instructor

and a City of Pontiac Resident



# City of Pontiac Youth Recreation & Enrichment

## Programs 2020-2021

<b>Enrichment Programming</b>	<b>Ages</b>	<b>Program Elements</b>
Educational Support/Learning Pods	5-17	<ul style="list-style-type: none"> <li>Daily 7:30am-6:00pm</li> <li>Licensed School Aged Child Care Program</li> <li>Instructional support for students in remote learning</li> <li>Resource for families of essential workers</li> <li>Breakfast, lunch &amp; Snack daily</li> <li>Recreation &amp; enrichment activities</li> </ul>
Dance	5-7, 8-11, 12-17	<ul style="list-style-type: none"> <li>Various forms of dance explored.</li> <li>Introductory to intermediate and advanced levels taught.</li> </ul>
Arts & Crafts	5-17	<ul style="list-style-type: none"> <li>Youth are introduced to a variety of projects and art forms that explore their creativity.</li> </ul>
Music: Beginning Band with Charity Music (Program Partner)	8-16	<ul style="list-style-type: none"> <li>Music exploration class that introduces youth to various instruments.</li> <li>Students learn the basics of playing wind, string, and percussion instruments.</li> <li>Student are taught the basics of reading music.</li> </ul>
Cranbrook STEM (Program Partner)	6-12	<ul style="list-style-type: none"> <li>Youth explore science, technology, engineering and math through hands on activities and experiments</li> </ul>
Chess Club	8-17	<ul style="list-style-type: none"> <li>Coming Spring 2021</li> </ul>
Girl Scouts (Program Partner)	5-14	<ul style="list-style-type: none"> <li>Enrichment &amp; Mentoring for Girls</li> </ul>
<b>Sports</b>	<b>Ages</b>	<b>Program Elements</b>
Basketball Skills Clinics	5-7, 8-10, 11-17	<ul style="list-style-type: none"> <li>Youth are taught the fundamentals of shooting, passing, and dribbling.</li> <li>Teamwork, sportsmanship, and fun is stressed.</li> </ul>
Sheriff PAL Soccer Clinics (Program Partner)	7-9, 10-13	<ul style="list-style-type: none"> <li>Youth are taught basic soccer fundamentals through drills and games.</li> </ul>
Youth Golf	8-16	<ul style="list-style-type: none"> <li>Coming Spring/Summer 2021</li> </ul>
Youth Soccer League	7-9, 10-12	<ul style="list-style-type: none"> <li>Coming Spring 2021</li> </ul>
T-Ball	5-7	<ul style="list-style-type: none"> <li>Coming Summer 2021</li> </ul>
YMCA Port Sports (Program Partner)	6-14	<ul style="list-style-type: none"> <li>Provides sports sampling and free play activities for youth</li> </ul>
<b>Community Engagement</b>		<ul style="list-style-type: none"> <li>PYREC Visioning Session was held to obtain feedback from community groups and stakeholders on March 25,2021</li> <li>Information and input from the session will be used to inform our program creation and implementation.</li> </ul>

April 19<sup>th</sup>, 2021

Dear City of Pontiac Council Members,

I was very heartbroken to hear that the PYREC Program might not have this building as a site. As a staff member, I feel that this is unjust to us and the families we serve. We have become an essential part of learning for these children. I have seen the impact we have made and we have heard so much positive feedback from the teachers of these students. In these tough times we have become a place for these children so they could have extra academic support and a place to motivate them to keep up with schoolwork. We have worked very hard to create a positive atmosphere, motivate them to keep up with work, and participate during their lessons. Please don't take this away from the families that we serve. Make the right decision to keep this place for them to have somewhere to go. In this community there are not a lot of places that provide the services we offer and it would be a shame to take this away from the youth of this community.

Sincerely,

Denise Valle



April 20, 2021

Pontiac City Council Member,

You don't know me, but my name is Da'Von Bass. I am 13 years old, and I attend PYREC. Why do I enjoy coming here every day? One word, the gym. The gym allows me to practice my basketball skills and get my energy out after doing schoolwork all morning. My mom and dad like me to come to the center because they know I will have help in doing my school assignments. Please vote on keeping PYREC open where they are now. My friends come here and some cool staff and other programs like the YMCA and PAL.

Thanks for listening,

Da'Von Bass

PYREC Member



**BOYS & GIRLS CLUBS**  
OF SOUTHEASTERN MICHIGAN

**Headquarters**  
28777 Halsted Road, Suite 100  
Farmington Hills, MI 48331-3560  
Phone: (248) 473-1400  
Fax: (248) 473-1450  
www.bgcsm.org

April 19, 2021

Dear City of Pontiac Council Leaders,

On behalf of the Boys & Girls Clubs of Southeastern Michigan, we are grateful for the opportunity to return to Pontiac in partnership with the City to serve youth and families. Although our launch was in the middle of one of the toughest pandemics experienced by the state of Michigan and the nation, we have been a part of some memorable experiences in support of the youth and families of Pontiac at PYREC. Key highlights include:

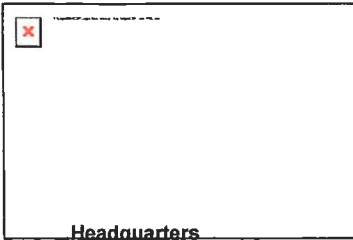
1. Academic support and tutorial assistance for students when the school system's status was virtual or hybrid.
2. Launching physical fitness and wellness activities to provide a physical and mental outlet for youth during such an intense academic virtual environment.
3. Developing safe sports activities (Basketball and Football Skills Camps) within COVID guidelines, mandates, and regulations.
4. Community Visioning Sessions (2) conducted with approximately 50 community stakeholders representing a variety of fields (Faith-based, parents, youth, entrepreneurs, nonprofit and corporate leaders).

With so many community partners engaged in our work at PYREC such as the YMCA, Oakland County Sheriff PAL, Cranbrook Institute of Science and GM Cares, there is no way that we will not continue to build momentum to grow and scale the program. As PYREC continues to make strong strides and solidify more partners, it will only increase as a major asset to the youth and families in Pontiac. A vote for the millage and the 825 Golf Drive location is a vote for our future. Thanks for your time and consideration.

Yours in Service,

Gavin McGuire  
Chief Operating Officer  
Boys & Girls Clubs of Southeastern Michigan

**GREAT FUTURES START HERE.**



**Headquarters**

26777 Halsted Road, Suite 100  
Farmington Hills, MI 48331-3560  
Phone: (248) 473-1400  
Fax: (248) 473-1450  
[www.bgcsm.org](http://www.bgcsm.org)

April 20, 2021

Dear Esteem Pontiac Council Members,

I serve as the Athletic Director for the Boys & Girls Clubs of Southeastern Michigan. I served at a football skills and agility drills clinic held at the PYREC Center on March 6<sup>th</sup>. Approximately 50 Pontiac youth participated in this event. I interacted with several area coaches and volunteers who were so passionate about working with and developing youth. I was so encouraged and inspired with what I saw that day.

I was saddened to learn that the work at PYREC can be coming to end soon. This will be a tremendous blow to the youth in the community who rely on the center for services and support. Please do the right thing to continue to provide the programming and enrichment activities needed for these kids to continue to grow and develop.

Thanks for Listening,

Greg Wilson,  
Boys & Girls Clubs of Southeastern Michigan

**GREAT FUTURES START HERE.**

April 20, 2021

Dear City of Pontiac Council Members,

I was shocked to hear that the Pontiac Youth program can potentially be gone with one decision, this would truly be devastating to the students coming to the Center each day. As the students participated in virtual school, our staff and the Center was their ray of hope. Some families needed us as a childcare option while they worked. Some families needed us to help their child to stay on track, including tutoring or to simply utilize our computers or WIFI access. This place has been an asset to the youth and the community.

The impact of closing this location and potentially interrupting program services is not worth the costs. Please process the implications that your decision will make long-term on the community, youth, and families of Pontiac.

Thank You,

Patricia Franks



April 19<sup>th</sup>, 2021

To Whom It May Concern,

My name is Thaddeus S Molnar and I am the Executive Director of the Oakland County Sheriff PAL Program, a 501(c)(3) nonprofit organization providing recreational, educational, and mentoring programming for kids and families in Oakland County. We have the distinct pleasure and privilege of writing this letter of support for the Pontiac Youth Recreation and Enrichment Center, as we wholeheartedly support this facility and the opportunities PYREC provides to the families of Pontiac.

Access to safe spaces, along with asset-driven youth programs are a necessity for the kids and families of Pontiac. Sheriff PAL recognizes the specific educational and socio-economic challenges in this community, which directly affect children's ability to learn, grow, and thrive in today's changing landscape. PYREC has been an integral part in providing these critical opportunities, both with city programs and partnerships with the many cause-driven youth organizations that continually utilize its beautiful classes, courts, and fields. Sheriff PAL considers the facility to be a large part of our mission, as well as a necessity for the many educational and recreational programs PAL and other organizations provide to the Pontiac Community.

Sheriff PAL sincerely asks Pontiac City Council and any other entity to please consider the purchase of this facility, not only for current Pontiac families, for also for future generations of Pontiac kids and parents. Our support for PYREC comes in the highest regard and should you have any questions or reservations, please don't hesitate to contact me at any time.

Sincerely,

A handwritten signature in black ink that reads "Thaddeus S Molnar".

Thaddeus S Molnar  
Executive Director  
Oakland County Sheriff PAL Program  
(248) 954-7251  
Tmolnar@sheriffpal.com

April 20<sup>th</sup>, 2021

Dear City of Pontiac Council:

I am writing this letter regarding youth programming staying and running out of 825 Golf Dr. My three children have attended the youth center for the last couple of years. Pre-pandemic they would attend the summer program and now they attend the morning sessions and basketball skills sessions. With me being a single mother, the youth center allows me to work and gives my kids opportunities that they have not had before.

My oldest child loves both the dance and music program and usually would not be able to attend a dance program with my work schedule. The two younger children par-take in the various sports programs such as soccer and basketball. The current youth center building is perfect in accommodating all programs with the ample amount of space to house program partners. Please consider keeping the youth programs at the Golf Dr. location. Parents like myself and my kids enjoy and count on this program.

Yes, youth program can run out of any location. But the Center is already a home to so many program partners, youth, and their families. Please do not take away memories that will be made here and opportunities for our community of Pontiac. The location at Golf Dr. can become a huge part of the Pontiac Community if you allow and support it.

Thank you for taking the time to listen to my request.

Mrs. Peterson

April 19, 2021

GM Pontiac Engineering Center is excited to continue support the Pontiac Youth and Recreation & Enrichment Center with volunteers to support cleanups as well as your year around STEM programming.

In the fall and winter of 2020, GM volunteers did a fall clean up on the grounds and garden area; cleared out weeds with Friends of the Pontiac Parks and put mulch in the playground; built picnic tables and cleaned out a couple of the classrooms. Our teams are excited to come back to the center and assist in other projects to make it the hub of all activities for Pontiac Youth. We look forward to providing more volunteers and working on increasing STEM based programs to benefit our local talent pipeline. At this time the best course of action is to continue programs at 825 Golf Drive so families do not see a disruption in activities and services they are counting on for the summer as well as year round. We look forward to seeing PYREC grow and expand.

Best Regards,



**Rosana G Hull**  
Campus and Community Relations Lead,  
Pontiac Engineering Center  
[rosana.g.hull@gm.com](mailto:rosana.g.hull@gm.com)  
tel: 248-978-9604



April 20, 2021

To the City of Pontiac Council Members:

My name is Taran Smith, and I am a registered nurse in the state of MI. I have worked as a home care nurse for T.O.N.E. home health care since 2016. I have been a resident of Pontiac since 2008 when I bought my home. I voted for the millage to have my tax money provide youth programming in the city of Pontiac. As an essential worker during the pandemic, I have been dependent on the PYREC programming to provide a safe place for my kids while I work.

They are very kind and helpful to my son who can be a challenge to keep on track and focused. Before PYREC reopened I tried leaving my son who is 8 years old home with my daughter who is 15 and focused on her grades to prepare for college. My son was difficult for her to handle and it was negatively affecting her grades. She was unable to get him to do his work. Since PYREC reopened for essential workers, they have made sure he does his work, and my daughter has been able to do her work and bring her grades back up. Please do not close this Center the city of Pontiac including my kids need it.

Thanks for your time,

Taran Smit, RN

2484992815

Please call with any questions





April 19, 2021

Dear City of Pontiac Council Members,

As the Program Director of the PYREC program, I would like to express my support for continuing the youth program services at 825 Golf Drive. During a tough COVID environment, we have served over 100 kids since we opened, and have done so safely due to the ample amount of building space. Not only have our youth been provided a safe place to attend but also meals, academic support, socialization, and recreational programs as well. Our program has truly been important to parents and youth of the Pontiac community, as schools were closed, and parents were working. It is critical to continue the support to Pontiac youth and families attending PYREC programming.

Not only are we a home to many Pontiac youth, but also to several Program Partners. Yes, we could find another home and make it ours but why start over when things are working well at our current location. PYREC has established valued partnerships and a network for our youth and families. I understand your concern of location, but trust that we will make youth programs accessible to all Pontiac youth and their families in some form by staying at 825 Golf Dr. I am urging you to please make the right decision on behalf of our kids and continue youth programs for the City of Pontiac at 825 Golf Dr.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read "Tiffany Sula".

Tiffany Sula  
Program Director  
Pontiac Youth Recreation and Enrichment Center

April 2021

Dear City of Pontiac Council Members,

I am a part of the staff team at PYREC and seeing the great impact that we have on all the kids attending it saddens me to know we could lose the program at 825 Golf Drive. Providing the kids with support in school and also with extra activities after classes is a great help to parents especially with the difficult times that have been going on with COVID. Maintaining this facility open benefits anyone in the community that needs and wants our support in helping their children during the school year if they are not able to. Make the right choice for the children involved in the program and let us keep helping them.

Sincerely,  
Virginia Herrera

**#5**

**SPECIAL  
PRESENTATION**



**City of Pontiac  
Youth Recreation Center  
Feasibility Study**

# Purpose of Feasibility

- The current Pontiac Youth Recreation Center (PYREC) is located at 825 Golf Drive.
- PYREC is **not owned** by the City of Pontiac.
- The city currently leases PYREC from Dr. Byerley.
- The **lease is up** August 2021.
- The city is in negotiations through its legal counsel with Dr. Byerley to purchase or extend the lease.
- City of Council **requested a feasibility study** of the David Ewalt Center to be performed.
- The **City owns the Ewalt Center** located on Perry St.
- The Department of Public Works conducted a site assessment of the Ewalt Center in 2016.
- The 2016 Ewalt Center assessment required **HAZMAT & air quality suits**
- The **2016 site assessments produced restoration quotes of over \$1.2m.**
- The city upon receipt of these quotes failed to address any of the work proposed.
- It is reasonably understood that the price/cost for the proposed work has significantly increased and the subsequent conditions worsened since 2016.
- **DPW is reviewing three additional buildings for possible sites for PYREC beside Ewalt**

# David Ewalt Center

- City of Council requested a feasibility study of the David Ewalt Center to be performed.
- The City owns the David Ewalt Center located on Perry St. within Pontiac.
- The Department of Public Works conducted **a site assessment of the Ewalt Center in 2016.**
- During the 2016 Ewalt Center site assessment, crews required **Hazardous Materials suits and air quality apparatuses to enter the building**
- **The 2016 site assessments produced restoration quotes of over \$2m from two local vendors.**
- The city upon receipt of these quotes failed to address any of the work proposed.
- It is reasonably understood that the **price/cost for the proposed work has significantly increased and the subsequent conditions worsened since 2016.**
- Ewalt Center would not be ready this year even with significant financial investment.
- **Very possible the site would need to be demolished.**



# Edison Perdue School

- The structural aspects of the building seem sound. None of the four walls have been compromised. The building is not in any danger or threat of collapsing under the weight of weather created events.
- **The building interior and building systems all have been severely compromised**
  - Roof
  - Electrical
  - Heating/boilers
  - walls
  - Plumbing
  - Environmental
  - Facility would not be ready without significant investment.
  - **Impossible for this year.**



# Crystal Lake

- City owned land
- There is a **\$1m fund available to build** a PYREC on this proposed site
- Site would need significant multi-discipline planning to get project completed
- Site would not be available before lease is up with 825 Golf Drive.





# PYREC

- Currently used as a Youth Rec
- **Site passed state and county inspections fall 2020**
- Although city currently leases it has maintained the facility and is aware of the building systems and operations
- With lease extension or purchase, PYREC activities and programs will not be interrupted.



# Summary and Conclusion

- It is humanly impossible that Ewalt, Perdue or Crystal Lake will be available and ready to assume operations for PYREC program and activities if the city **fails to purchase or extend its current lease agreement**
- The clear and present financial obligations that would be required to restore/open either Ewalt or Perdue from their current conditions make them untenable as options for the city to consider.
- Both Perdue and Ewalt have unknown environmental hazards and liabilities which exacerbate any restoration costs if restoration is possible.
- Demolition of both Ewalt and Perdue in their current state and the erecting of a new facilities on their sites may be better options for the city to pursue in the future. However, that does not address the immediate needs of PYREC for this fall and beyond
- It was determined during the **2016 Ewalt Center site assessment that over \$2m** in work was needed. The city upon receipt of these quotes failed to address any of the work proposed.
- It is reasonably understood that the price/cost for the proposed work has significantly increased and the subsequent conditions worsened since 2016.
- **Perdue school was estimated in November 2020 to require \$10m in repairs by Lee Contracting.**

**Thank you**

MEMORANDUM

**TO:** HONORABLE DEIRDRE WATERMAN, MAYOR  
MEMBERS OF PONTIAC CITY COUNCIL

**FROM:** GEORGE A. CONTIS, ESQ. / REAL ESTATE COUNSEL TO THE CITY OF PONTIAC  
GIARMARCO, MULLINS & HORTON, P.C.

**RE:** PYREC LEASE - OPTION TO PURCHASE

**DATE:** APRIL 1, 2021

---

Madame Mayor and Members of City Council:

In 2018 the City entered into a 3 year Lease Agreement ("Lease") with Creative Schools Management LLC ("Landlord") to rent 825 Golf Drive for the use and operation of the Pontiac Youth Recreation Center ("PYREC"). The Lease commenced on **July 1, 2018** and it expires **June 30, 2021**. Dr. Carl Byerly is the Landlord's principal. A copy of the Lease is attached to this memorandum for your reference.

Section 13 of the Lease grants the City with two options to purchase the PYREC facility. The first option period began April 1, 2019 and ended June 30, 2019 without the City exercising its option. The second and final option period commenced January 1, 2021 and ends June 30, 2021 (the "Purchase Option"). The City's purchase price of 825 Golf Drive during the second option period is **\$2,850,000.00**. Council's approval is required to exercise the option to purchase.

At the request of City Administration, several members of the City Attorney's Office reached out to and spoke with Dr. Byerly on no fewer than a half dozen occasions in late 2020 and early 2021, in efforts to secure a short-term or long term extension of the expiring PYREC Lease. Despite our good faith efforts, Dr. Byerly expressed no interest in an extension of the Lease; he appears poised to retire from the Landlord business and intends on selling 825 Golf Drive to third parties who have expressed a desire to redevelop the Property if the City does not exercise its option to purchase.

If Council takes no action to exercise the option to purchase PYREC Dr. Byerly will list 825 Golf Drive for sale with a broker later this month. We are aware of at least two parties who have expressed interest to Dr. Byerly in purchasing 825 Golf Drive and converting the facility to senior housing.

While it is unlikely that a third party sale of 825 Golf Drive can be negotiated and closed before June 30, 2021, the City's occupancy of PYREC cannot be guaranteed after June 30, 2021. More importantly, without purchasing the facility the City would be without a viable recreation center for its youth, as the conversion of other City owned or controlled facilities cannot be facilitated in time and the cost of a complete renovation of those facilities for a youth recreation center far exceed the cost of purchasing 825 Golf Drive.

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As a result of several recent discussions and confirming emails with Dr. Byerly, the City Attorney's Office has been able to secure a 21 day extension of the Exercise Notice Period (described and defined below).

Due to the notice requirements set forth in in Section 13 b. of the Lease (the "Exercise Notice"), the latest date that the City may provide its **Exercise Notice** to the Landlord is now **April 22, 2021**.

Should the City elect to exercise its option to purchase, following its timely delivery of its Exercise Notice, the following timeline and obligations are to be followed as modified by the above-referenced extension of the Exercise Notice period:

15 days after Exercise Notice	Landlord and City establish a commercial escrow with a title company of Landlord's choice.  Following the preparation of the Option Purchase Agreement (discussed below) the title company will issue a title insurance commitment insuring title to the PYREC Facility which will be marked-up for the benefit of the City at Closing..
15 days after Exercise Notice	Complete the good faith negotiation of the Option Purchase Agreement not later than this date. The Option Purchase Agreement shall include a 30 day inspection period for the City to conduct inspections, environmental testing or obtain surveys and require the City's Deposit of the sum of \$300,000.00 with the title company.
15 days after Exercise Notice	The \$300,000.00 Deposit must be tendered to the Title Company on or before this date. The Deposit is refundable until the 30 day inspection period expires.
45 days after Exercise Notice	All inspections of the PYREC facility are completed by this date and he City either terminates the Option Purchase Agreement or proceeds to purchase the PYREC Facility.
46 days after Exercise Notice the Closing Date is established (in all events closing occurs on or before June 30, 2021)	The closing on the purchase of the PYREC Facility is consummated. The Lease is terminated on the Closing Date.
On or before the Closing Date	Landlord and the City enter into an Easement and Maintenance Agreement to create parking and ingress / egress rights over 819 Golf Drive for the benefit of PYREC.

I would be happy to discuss the contents of this Memorandum at Council's next regularly scheduled meeting on Monday March 30.

**LEASE AGREEMENT  
(WITH PURCHASE OPTION)**

This Lease (hereinafter called the "Lease" or the "Agreement") is entered into as of the 1<sup>st</sup> day of July 2018, by and between Creative Schools Management, LLC located at 819 Golf Drive, Pontiac, MI (herein called "Lessor") and the City of Pontiac located at 47450 Woodward Ave., Pontiac, MI (herein called "Lessee"):

**WITNESSETH:** Lessor and Lessee agree as follows:

**THE LEASED PREMISES**

Subject to the terms of this Lease, during the Term, Lessor hereby does let and lease to Lessee the entire property known as **825 Golf Drive, Pontiac, MI 48341** (the "**Building**"), including, without limitation, the land and all improvements located thereon (along with the Building, the "**Premises**"). The definition of "Premises" also includes the use of the personal property items listed in the attached **Exhibit A**. Further, the leased Premises also includes the right of Lessee and its visitors to use the ingress/egress road which traverses the Adjacent Parcel (as defined below), and the entire parking lot servicing the Premises and the Adjacent Parcel. A drawing of the Premises, the Adjacent Parcel, the ingress/egress road, and the parking lot servicing the Premises and Adjacent Parcel is attached hereto as **Exhibit B**.

**OCCUPANCY**

Lessee is to have full and exclusive occupancy of the Premises (except to the extent the ingress/egress road and parking lot are shared with the Adjacent Premises). No other tenants will have any right to occupy the Premises (except to the extent the ingress/egress road and parking lot are shared with the Adjacent Premises)

**LESSEE'S UTILITIES / MAINTENANCE**

Lessee shall pay all charges for gas, water, sewer, electricity and heating service and all other utilities and services to the Premises (including monthly monitoring costs by ADT).

Lessee shall be responsible for maintenance, repair and replacement of the Building from the interior walls in, including custodial services, supplies, trash removal, a dumpster and disposal.

Lessee shall be responsible for contracting for maintenance of the lawn and landscaping of the leased Premises.

Lessee shall be responsible for snow and ice removal from the pavement, driveways, walkways and parking lots of the leased Premises, along with the shared ingress/egress road servicing the Premises and the Adjacent Parcel. Lessor grants to Lessee an easement over, on, and to the ingress/egress road for the purpose of complying with the maintenance requirements in this paragraph, and also for the purpose of permitting (but not requiring) Lessee to remove snow and ice from the parking lot at the Adjacent Parcel. Lessee's obligation to remove snow and ice from

the ingress/egress road shall cease if Lessor is no longer the owner of the Adjacent Parcel. If the Adjacent Parcel is leased to a third party tenant during the Term, that tenant shall have the obligation to remove snow and ice from the ingress/egress road and from the parking lot at the Adjacent Parcel.

Lessee shall be responsible for payment of regular, scheduled maintenance and minor repairs (\$2,000.00 or less per repair) of the HVAC/boiler units servicing the Building.

The foregoing, collectively, is referred to as Lessee's "Maintenance Obligations."

**LESSOR'S MAINTENANCE**

Except for the Maintenance Obligations, Lessor shall be responsible for the payment of all sums, and the maintenance, repair, and replacement of the Building and Premises, including, but not limited to the following:

Lessor shall be responsible for the payment of all costs to insure the Building and Premises (copies of policies and certificates shall be made available to Lessee).

Lessor shall be responsible for maintenance, repair, and replacement of the exterior walls of the Building, the roof, and any plumbing or utility lines servicing the Premises from the boundary of the Premises to the point of attachment on or in the Building.

Lessor shall be responsible for major repairs and replacement of the boiler unit servicing the Premises, if necessary.

**TERM**

The term of this Lease (the "Term") shall commence on **July 1, 2018** ("Commencement Date") and expire on **June 30, 2021** ("Expiration Date").

**USE**

The leased Premises are to be used and occupied for the purpose of operating a youth educational and recreational facility, and services and purposes reasonably ancillary thereto.

**1. Lessee's Obligations**

The Lessee hereby hires the leased Premises for the Term, and covenants:

**a. Rent**

**(1) Base Rent.** Commencing on the Commencement Date and continuing thereafter on or before the first day of each and every successive calendar month during the Term, Lessee shall pay to Lessor, in advance on the first day of each month, without further notice or demand and without offset, rebate, credit or

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deduction for any reason whatsoever, the monthly installments of rent as follows ("**Base Rent**"): \$26,000. Total of annual base rent is \$312,000.00.

Base Rent and all other Rent due hereunder shall be paid to Lessor, without deduction or offset, in lawful money of the United States of America. Lessee shall pay the first full month of Base Rent to Lessor upon the mutual execution of this Lease.

(2) **Additional Rent.** In addition to Base Rent, Lessee covenants and agrees to pay as "**Additional Rent**," and without deduction or offset, all other sums payable under this Lease which, for the avoidance of doubt, are: (i) the Maintenance Obligations, (ii) the Reimbursable Expenses (as defined below), (iii) any late fees or interest charges, and (iv) any alterations to the Premises, as permitted hereunder. Base Rent and Additional Rent are sometimes referred to collectively herein as "**Rent**." Unless otherwise provided herein, items of Additional Rent shall become due and payable within five (5) days following written demand from Lessor.

(3) **General.** If at any time payment of the monthly rental amount reserved under this Section is more than five (5) days past due, Lessee shall pay Lessor a late fee in the amount of ten percent (10%) of the amount past due. The parties agree that such a late fee represents a fair and reasonable estimate of the costs Lessor will incur by reason of a late payment. In the event that any monthly rental payment is more than ten (10) days past due, in addition to the late fee, Lessee shall pay Lessor interest on the unpaid amount at the rate of ten percent (10%) per annum commencing on the tenth (10th) day after such payment was due, until such payment is made. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies.

All checks shall be payable to "**Creative Schools Management, LLC**" and shall be mailed to:

**Dr. Carl Byerly**  
4759 Owasco Court  
Clarkston, MI 48348

- b. To use and occupy the leased Premises only for the purposes for which they are intended as per this Lease Agreement.
- c. To comply promptly, at Lessee's sole cost, with all lawful laws, orders, regulations, and ordinances of all municipal, county, state and federal authorities affecting the leased Premises and the cleanliness, safety, occupation, and use of same, including without limitation the Americans with Disabilities Act of 1990 42U.S.C. 12101-12213 (1991), as amended.
- d. To observe all reasonable regulations and requirements of insurance underwriters concerning the use and condition of the leased Premises tending to reduce fire



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hazards and insurance rates, and not permit nor allow any rubbish, waste material or products to accumulate on the Premises. In addition, Lessee shall not allow the leased Premises to be used for any improper, immoral, or unlawful purpose, nor shall Lessee cause, maintain or permit any nuisance in, on or about the leased Premises.

- e. Lessee shall keep the leased Premises in a clean, sanitary and safe condition at all times.
- f. If the nature of the Lessee's business requires licensure, Lessee shall keep in effect a valid license to operate the leased Premises for that purpose and provide Lessor with a current copy of the required license.
- g. By accepting delivery of the Premises, Lessee accepts the Premises as suitable for Lessee's intended use and as being in good and sanitary operating order, condition and repair, AS IS, and without representation or warranty by Lessor as to the condition, use or occupancy which may be made thereof (except as may be provided herein). Any exceptions to the foregoing must be by written agreement executed by Lessor and Lessee. Lessee acknowledges that neither Lessor nor any agent nor any employee of Lessor has made any representations, warranty, estimation or promise of any kind or nature whatsoever relating to the physical condition of the Premises, including, by way of example only, the fitness of the Premises for Lessee's intended use or the actual dimensions of the Premises and Lessee expressly warrants and represents that Lessee has relied solely on its own investigation and inspection of the Premises in its decision to enter into this Lease and let the Premises in an "AS-IS" condition.
- h. Lessee shall be liable for and shall pay directly to the taxing authority, prior to delinquency, all taxes levied against Lessee's personal property. If any alteration installed by Lessee or any of Lessee's personal property is assessed and taxed with the Premises, Lessee shall pay such taxes to Lessor within ten (10) days after delivery to Lessee of a statement.
- i. In connection with its operation of the Premises during the Term, Lessee shall:
  - a. Utilize the Premises for education and enrichment programming, whether produced by Lessee or by a third party ("Programming");
  - b. Ensure that the Premises offers Programming by or through an organization that is recognized as a school by the State of Michigan, Department of Education;
  - c. Offer Certificates of Completion for Programming produced by Lessee; and
  - d. Ensure that Programming is performed by instructors of appropriate training and qualification (and, where applicable, with certification as may be required by the State of Michigan, Department of Education).Except as set forth immediately above (or elsewhere in this Lease), Lessee shall have no particular obligations regarding the operation of the Premises.

2. Lessor's Obligations

The Lessor covenants that the Lessee, on payment of the Rent at the time and in the manner aforesaid and performing all the foregoing covenants, shall and may peacefully and quietly have, hold, and enjoy the leased Premises for the Term.

3. **Insurance and Indemnity**

a. **Indemnification/Liability:**

- (i) Lessee shall indemnify, defend (using counsel satisfactory to Lessor in its sole discretion) and hold harmless Lessor, and its affiliates, and their employees, managers, partners, officers, directors, contractors and agents from and against all claims, demands, liabilities, obligations, damages, penalties, causes of action, suits, judgments, and expenses (including attorneys' fees) arising from or related to (i) the occupancy, condition, operation or use of the leased Premises, (ii) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the leased Premises, (iii) use or misuse of any portions of the leased Premises by the Lessee or any of Lessee's respective agents, contractors, employees, visitors, and invitees, or (iv) Lessee's failure to perform its obligations under this Lease. The obligations of Lessee under this Section arising by reason of any occurrence taking place during the Term of this Lease shall survive any termination of this Lease.

Lessor shall indemnify, defend (using counsel satisfactory to Lessee in its sole discretion) and hold harmless Lessee, and its affiliates, and their employees, managers, partners, officers, directors, contractors and agents from and against all claims, demands, liabilities, obligations, damages, penalties, causes of action, suits, judgments, and expenses (including attorneys' fees) arising from or related to (i) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the leased Premises which is caused by Lessor or its agents (in whole or in part), or (ii) Lessor's failure to perform its obligations under this Lease. The obligations of Lessor under this Section arising by reason of any occurrence taking place during the Term of this Lease shall survive any termination of this Lease.

The Lessor will procure and keep in effect during the Term hereof commercial general liability insurance on an occurrence basis with limits of at least **Two Million Dollars (\$2,000,000.00) per occurrence**, with a **Two Million Dollar (\$2,000,000.00) annual general aggregate**. Such policy shall include coverage for bodily injury, property damage, Premises and operations, personal and advertising injury and contractual liability insurance that covers the indemnification obligations of this Lease.

b. **Commercial Property Insurance:**

Lessor shall procure and pay for commercial property insurance for protection against perils included within the standard form of "all-risks" fire and casualty insurance policy on the Building in an amount not less than one hundred percent (100%) of its full replacement value from time to time during the Term.

c. **Contents/Lessee Improvements:**

Lessee shall be responsible for securing any insurance it deems advisable on its personal property, Lessee improvements, or for business interruption, and Lessor shall have no liability with respect to any loss which might have been covered by such insurance.

4. **Alterations**

Lessee may make no alterations, additions, or improvements to the leased Premises without the Lessor's prior written consent (which shall be given promptly, and not unreasonably withheld); *provided*, however, that Lessor shall be permitted to maintain the Premises in conformance with the requirements of this Lease, and Lessee shall be permitted to make *de minimus* alterations, additions, or improvements to the Premises (less than \$5,000.00 per occurrence). Notwithstanding the foregoing, no structural changes to the Premises shall be made without the Lessor's prior written consent (which shall be given promptly, and not unreasonably withheld). All such alterations, additions and improvements shall be at the expense of the Lessee and Lessee hereby indemnifies and holds Lessor harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of any such alterations, additions or improvements. Upon vacation of the leased Premises, said improvements, additions and alterations shall, at Lessor's option, become the property of the Lessor. Lessee shall promptly remove all such alterations, additions and improvements required by Lessor to be removed and Lessee shall restore the Premises after such removal to substantially their condition prior to the time such alteration, addition or improvement was made. All furnishings and equipment which are not attached or affixed to the leased Premises made or placed by Lessee upon the leased Premises shall be the property of the Lessee, and the Lessee shall be permitted to remove the same at the end of the Term of this Lease, and Lessee agrees to repair any damage to the Premises or the Building incurred thereby.

If Lessor consents to Lessee's performance of any alteration or addition to the leased Premises ("Work"), Lessee shall ensure that the Work shall be made in accordance with all applicable laws, regulations and the building codes, in a good and workmanlike manner and in quality reasonably satisfactory to Lessor. In addition, prior to commencement of any Work, Lessee must submit to Lessor for approval, which approval Lessor may withhold in its sole and absolute discretion:

- (i) a complete set of plans and specifications prepared and sealed by a registered architect or engineer;
- (ii) a complete set of drawings and specifications for mechanical, electrical and plumbing systems; and

- (iii) a list of the contractors and subcontractors (together, "Contractors") who will perform the Work, together with proof of insurance and performance and labor bonds, in such amounts and with such carriers or sureties as Lessor may reasonably require.

Lessor's approval of the foregoing items (i) through (iii) shall create no responsibility or liability on the part of Lessor for their completeness, design sufficiency or compliance with all laws, rules and regulations of governmental agencies or authorities.

No person shall be entitled to any lien on the leased Premises because of any labor or material furnished to Lessee in connection with any alterations or improvements by Lessee, and nothing in this Lease shall be construed to constitute a consent by Lessor to the creation of any lien. If any lien is filed against the leased Premises as a result of a claim against Lessee for labor or material furnished to Lessee, Lessee shall cause the lien to be discharged of record within fifteen (15) days after filing, or notify the Lessor that there exists a good faith dispute concerning the lien for which Lessee is diligently pursuing resolution. If Lessee fails to cause the lien to be discharged within such time (or fails to notify Lessor of a good faith dispute), Lessor may, without the obligation to do so, payoff the lien and Lessee shall reimburse Lessor for all costs and expenses incurred by Lessor to pay and discharge such lien, including, but not limited to, reasonable attorney fees ("Lien Expense"). Lessee shall indemnify Lessor from any costs, including, but not limited to, reasonable attorney fees, in connection with any such lien.

In the event Lessee fails to reimburse Lessor within thirty (30) days after receipt of Lessor's demand for reimbursement for any Lien Expense incurred by Lessor with respect to any lien ("Delinquency Date"), Lessee shall be required to pay to Lessor, on the Delinquency Date and every thirty (30) days thereafter until Lessor receives such reimbursement, in addition to the amount of such Lien Expense, a late fee in the amount of five percent (5%) of the outstanding amount of the Lien Expense. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies.

5. **Eminent Domain**

If fifty percent (50%) or more of either the Premises is permanently taken for any public or quasi-public purpose by any lawful governmental power or authority, by exercise of the right of appropriation, inverse condemnation, condemnation or eminent domain, or sold to prevent such taking (each such event being referred to as a "Condemnation"), Lessor may, at its option, terminate this Lease as of the date title vests in the condemning party. If fifty percent (50%) or more of the Premises is taken and if the Premises remaining after such Condemnation, Lessee shall have the right to terminate this Lease as of the date title vests in the condemning party. If either party elects to terminate this Lease as provided herein, such election shall be made by written notice to the other party given within thirty (30) days after the nature and extent of such Condemnation have been finally determined. If neither Lessor nor Lessee elects to terminate this Lease to the extent permitted above, Lessor shall promptly restore the Premises, to the extent of any Condemnation award

received by Lessor, to substantially the same condition as existed prior to such Condemnation, allowing for the reasonable effects of such Condemnation, and a proportionate abatement shall be made to the Base Rent and all other sums owed hereunder corresponding to the time during which, and to the portion of the floor area of the Premises (adjusted for any increase thereto resulting from any reconstruction) of which, Lessee is deprived on account of such Condemnation and restoration, as reasonably determined by Lessor. Except as expressly provided in the immediately preceding sentence with respect to abatement of Base Rent, Lessee shall have no claim against Lessor for, and hereby releases Lessor and Lessor's agents from responsibility for and waives its entire claim of recovery for any cost, loss or expense suffered or incurred by Lessee as a result of any Condemnation, whether permanent or temporary, or the repair or restoration of the Premises following such Condemnation, including any cost, loss or expense resulting from any loss of use of the whole or any part of the Premises and/or any inconvenience or annoyance occasioned by such Condemnation, repair or restoration.

Lessor shall be entitled to any and all compensation, damages, income, rent, awards, or any interest therein whatsoever which may be paid or made in connection with any Condemnation, and Lessee shall have no claim against Lessor for the value of any unexpired term of this Lease or otherwise; provided, however, that Lessee shall be entitled to receive any award separately allocated by the condemning authority to Lessee for Lessee's relocation expenses or the value of Lessee's property (specifically excluding fixtures, alterations and other components of the Premises which under this Lease or by law are or at the expiration of the Term will become the property of Lessor), provided that such award does not reduce any award otherwise allocable or payable to Lessor.

6. **Taxes**

Any real property taxes assessed against the leased Premises shall be paid by Lessor; provided, however, that if the Premises loses its status as a school, and as a result, loses any favorable tax exemptions, the parties agree to split the cost of any increase in real property taxes (however, Lessee's contribution shall be capped at \$5,000.00 per year).

7. **Assignment and Subletting**

Lessee covenants that it will not assign, sell, mortgage or in any manner transfer or encumber this Lease or any interest herein, or sublet the leased Premises or any part or parts thereof or grant any concession or license or otherwise permit occupancy of all or any part thereof by others without in each case first obtaining the prior written consent of Lessor, which consent shall be given promptly and shall not be unreasonably withheld. The consent by Lessor to an assignment or subletting shall not in any way be construed to release Lessee from obtaining the express consent of the Lessor to any further assignment or subletting of any part of the leased Premises nor shall the collection of rent by Lessor from any assignee, sub-lessee or other occupant be deemed a waiver of this covenant or the acceptance of the assignee, sub-lessee or occupant as a lessee hereunder or a release of Lessee from the further performance by Lessee of the covenants in this Lease on Lessee's part to be performed. Whether or not Lessor consents to any proposed assignment or

sublease, Lessee shall pay Lessor's reasonable attorneys' fees and costs incurred by Lessor (not to exceed \$1000) in evaluating any proposed assignment or sublease within thirty (30) days after written request by Lessee. Notwithstanding the foregoing, Lessee shall be permitted to assign or sublet space at the Premises to such of its affiliates or partners as might be necessary in order to comply with requirements of Section 1(i).

Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any applicable law for Lessor to withhold consent to any proposed assignment or sublease where one or more of the following apply: The transferee intends to use the Premises for purposes which are not permitted under this Lease; the transferee is a governmental agency or an instrumentality thereof (other than the City of Pontiac, Michigan); or the transferee is not a party of sufficient financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the transfer on the date consent is requested.

For purposes of this Lease, an assignment shall also include (i) if Lessee is a partnership, the withdrawal or change, voluntary, involuntary or by operation of law, of fifty percent (50%) or more of the partners, or transfer of fifty percent (50%) or more of partnership interests, within a twelve (12)-month period, or the dissolution of the partnership without immediate reconstitution thereof, and (ii) if Lessee is a closely held corporation (*i.e.*, whose stock is not publicly held and not traded through an exchange or over the counter), (A) the dissolution, merger, consolidation or other reorganization of Lessee or (B) the sale or other transfer of an aggregate of fifty percent (50%) or more of the voting shares of Lessee (other than to immediate family members by reason of gift or death), within a twelve (12)-month period, or (C) a mortgage, hypothecation or pledge which results in a change in control of an aggregate of fifty percent (50%) or more of the voting shares of Lessee.

8. **Default**

The occurrence of any one or more of the following events (hereinafter referred to as "Events of Default") shall constitute a breach of this Lease by Lessee:

- a. if Lessee shall fail to pay rent or any other sum when and as the same becomes due and payable;
- b. if Lessee shall fail to perform or observe any other term hereof to be performed or observed by Lessee under this Lease;
- c. if Lessee shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated as insolvent or shall file a petition in any proceeding seeking any reorganization, arrangements, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or fail timely to contest or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties;

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- d. if this Lease or any estate of Lessee hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within thirty (30) days;
- e. if Lessee vacates, abandons or deserts the leased Premises or Lessee fails to fully occupy the leased Premises for more than thirty (30) consecutive days; or
- f. if there is a revocation, termination or other invalidation of any permit, license or authorization with respect to Lessee's use and/or occupancy of the leased Premises, including, but not limited to, certificates of occupancy, business licenses or charters.

Upon the occurrence of an Event of Default: (i) for an Event of Default under 8a, Lessor shall provide Lessee with written notice of said Event of Default, and Lessee shall have seven (7) days to cure same; (ii) for an Event of Default under 8a through 8f, Lessor shall provide Lessee with written notice of said Event of Default, and Lessee shall have thirty (30) days to cure same (unless a cure cannot reasonably be effectuated in 30 days, in which case the time to cure shall be extended for a reasonable amount of time; provided, however, that Lessee is diligently pursuing a cure).

9. **Remedies**

Upon the occurrence of an uncured Event of Default, in addition to any other remedies which may be available to Lessor, Lessor may, at his option, after providing to Lessee any notice required under Michigan Law, do one or more of the following:

- a. Terminate this Lease and, upon such termination, this Lease shall come to an end and expire upon Lessor's termination, but Lessee shall remain liable for any damages Lessor may incur by reason of any default of the Lessee to comply with the terms and conditions of this Lease; and/or
- b. Either with or without terminating this Lease, Lessor may immediately or at any time after the uncured Event of Default or after the date upon which this Lease shall expire, reenter the leased Premises or any part thereof, without notice, either by summary proceedings or by any other applicable action or proceeding, (without being liable to indictment, prosecution or damages therefore), and may repossess the leased Premises and remove any and all of Lessee's property and effects from the leased Premises; and/or
- c. Either with or without terminating this Lease, Lessor may relet the whole or any part of the leased Premises from time to time, either in the name of Lessor or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the expiration of this Lease, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as Lessor, in its sole discretion, may determine. In the event of any such reletting, Lessor shall not be liable for the failure to collect any rental due upon any such reletting, and no

such failure shall operate to relieve Lessee of any liability under this Lease or otherwise to affect any such liability; and Lessor may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the leased Premises as Lessor, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Lessee of any liability under this Lease or otherwise affecting such liability; provided, however, that Lessor shall, at all times, make a commercially reasonable effort to mitigate its damages; and/or

- d. Accelerate all Rent due for the balance of the Term of this Lease and declare the same to be immediately due and payable; and/or
- e. Lessor shall have the right to recover all amounts payable by Lessee hereunder as they become due and all other damages incurred by Lessor as a result of an uncured Event of Default including, without limitation, attorney's fees and costs; and/or
- f. Lessor may exercise any other right or remedy available at law or in equity.

**10. Controlling Law; No Other Lease or Representatives**

This Lease shall be governed by the laws of the State of Michigan. There are no understandings, Leases, representations, or warranties, expressed or implied, other than those set forth in a written addendum or supplement executed simultaneously herewith, or as herein set forth fully or incorporated by specific reference, respecting this Lease or any real or personal property leased hereunder.

**11. Non-Waiver; Modifications**

No waiver of any provision of this Lease, or a breach thereof, shall be construed as a continuing waiver, nor shall it constitute a waiver of any other provision or breach. The acceptance of part (but not all) of a rent installment(s) due Lessor hereunder shall not constitute a waiver of default hereunder for nonpayment of rent. The acceptance of all or part of a rent installment(s) due Lessor hereunder shall not constitute a waiver of any other type of default hereunder. No modification, alteration and/or amendment of this Lease shall be binding upon the other party hereto, unless the same shall be reduced to writing and signed by the party against whom it is sought to be enforced.

**12. Notices**

Whenever under this Lease provision is made for notice of any kind, unless otherwise expressly herein provided, it shall be in writing and shall be served personally, sent by registered or certified mail, with postage prepaid, or sent by Federal Express or other similar next business day air courier. Notice shall be deemed given upon personal delivery or one (1) business day following deposit with an air courier to the address of Lessor or Lessee, as the case may be, as stated below, or such other address as either of



the parties may subsequently designate in writing by notice to the other party in the manner required herein:

To the Lessor at:

**Dr. Carl Byerly**  
4759 Owasco Court  
Clarkston, MI 48348

To the Lessee at: **The Premises**

With a required copy to:

**Paul A. Thursam, Esq.**  
**Giannarco, Mullins & Horton, P.C.**  
101 W. Big Beaver Rd., Suite 1000  
Troy, MI 48084

13. **Purchase Option**

Lessor hereby grants Lessee an option to purchase the Premises (the "**Purchase Option**") during the periods commencing as of April 1, 2019 and ending on June 30, 2019, and commencing as of January 1, 2021 and ending on June 30, 2021 (each an "**Option Period**"), on the terms and conditions set forth herein.

a. **Consideration.** The consideration for the Purchase Option will be the execution of this Lease. The parties expressly acknowledge and agree that such consideration is of significant value and that, based upon such adequate consideration, the Purchase Option is valid and fully enforceable.

b. **Limitation on Option/Exercise of Option to Purchase.** The Purchase Option shall be valid only if, at the time of exercise of the Purchase Option and as of the Close of Escrow (defined below), Lessee is not then in default under the Lease (following any applicable notice and cure period). If such condition is met (or expressly waived by Lessor), Lessee may, subject to the provisions of this Section, purchase the Premises by delivering to Lessor not more than two hundred seventy (270) days and not less than ninety (90) days advance written notice prior to the date selected by Lessee for the purchase of the Premises of the election to purchase ("**Exercise Notice**") in accordance with the notice provisions set forth herein. For clarity, the date selected by Lessee for the purchase of the Premises must occur during the Option Period.

c. **Purchase Price.** The purchase price for the Premises under the Purchase Option dated April 1, 2019 and ending on June 30, 2019 is \$3,150,000.00 The purchase price for the Premises under the Purchase Option dated January 1, 2021 and ending on June 30, 2021 is \$2,850,000.00 (each a "**Purchase Price**", as applicable). The Purchase Price will be paid, in full, in cash at Close of Escrow (as hereafter defined).

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d. Escrow. Within thirty (30) days of the Exercise Notice, the parties will open escrow with the commercial escrow office of Lessor's choice ("**Escrow Holder**"). Lessor and Lessee will execute and deliver to Escrow Holder, in a timely manner, all escrow instructions and other documents reasonably necessary to consummate the transaction contemplated by the exercise of this Purchase Option.

e. Title. On the Closing, Lessor will convey title to the Premises together with all appurtenances, easements, development rights, contract rights, permits, tangible and intangible property relating to the Premises, mineral, oil, gas and other hydrocarbon substances on, in or under the land, and all air and water rights, beneficial easements, and rights of way pertaining thereto by good and sufficient Warranty deed, along with a bill of sale in the form and containing warranties in accordance with the customs in the County in which the Premises is located (the "**County**"), free and clear of all liens and encumbrances (except as waived by Lessee), but otherwise in its AS IS, WHERE IS, condition. Current real property taxes shall be prorated on a due date basis as of midnight on the date of Closing, as though said taxes were paid in advance.

f. Costs and Expenses. Any costs incurred through Escrow shall be allocated to Lessor or Lessee hereunder in the manner customary in the County. Lessor shall be responsible for payment of any transfer taxes, and for the cost of the title policy, conveying title to the Premises in the condition required in the Option Purchase Agreement (defined below) which, at a minimum, shall include: (i) a policy amount not less than the Purchase Price, and (ii) a policy delivered without standard exceptions (except as may be waived by Lessee).

g. Close of Escrow. For purposes of this Agreement, "**Closing**" and "**Close of Escrow**" will be defined as the date that the deed conveying title to the Premises is delivered to Lessee.

h. Execution of Option Purchase Agreement. Within thirty (30) days after the Exercise Notice, Lessor and Lessee shall negotiate in good faith and enter into a purchase agreement completed in accordance with this Section ("**Option Purchase Agreement**"). The amount of deposit shall be Three Hundred Thousand Dollars (\$300,000.00). The Option Purchase Agreement shall permit Lessee, within a 45-day period, to conduct due diligence of the Premises, title, environmental, survey, and any other matters customary for the purchase of real property, and the deposit shall be refundable to Lessee until the time for due diligence investigation expires.

i. Termination of Lease on Close of Escrow. After the delivery of the Exercise Notice, this Lease will continue in full force and effect until the Close of Escrow, and on the Close of Escrow, this Lease will terminate and the parties will be released from all future liabilities and obligations accruing under this Lease, except those which, by the provisions of this Lease, expressly survive the expiration or termination of the Term. Notwithstanding anything to the contrary contained in this Lease or the definitive purchase agreement, if the Close of Escrow is not consummated for any reason, including

default by Lessee, this Lease will remain in full force and effect. If the Close of Escrow is not consummated on account of a default by Lessee hereunder or under the Option Purchase Agreement, then for the avoidance of doubt, Lessee's right to the applicable Purchase Option shall automatically extinguish.

j. Memorandum of Option. Lessee shall be permitted, at its expense, to prepare and record with the appropriate Register of Deeds office a Memorandum of Option memorializing the agreements of the parties set forth in this Section. Any such recording shall not reference the Purchase Price.

k. Easement and Parking. Lessor is the owner of the immediately adjacent parcel, 819 Golf Drive (the "Adjacent Parcel"). As part of the consummation of the Purchase Option, Lessor and Lessee agree to execute an Easement and Maintenance Agreement that will provide, among other terms: (i) that Lessee shall be granted a perpetual, non-exclusive easement over the ingress/egress servicing the Premises, and the cost of maintaining the easement shall be shared by the Lessee and the owner of the Adjacent Parcel; and (ii) the creation of an perpetual, non-exclusive easement over and on the parking lot shared by the Premises and the Adjacent Parcel, which easement shall permit the visitors of both parcels to park anywhere on the parking lot (but maintenance shall not be shared; the parcels shall be responsible for the maintenance and repair of their respective portions of the parking lot). The Easement and Maintenance Agreement shall be recorded at Lessee's expense at the Close of Escrow. Lessor shall not sell, assign, or otherwise transfer any ownership in or to the Adjacent Parcel unless and until the Easement and Maintenance Agreement shall be prepared and recorded.

14. Damage / Destruction

If the Premises is damaged in whole or part by fire or other insured casualty, Lessor will give Lessee notice of the time which will be needed to repair such damage, as determined by Lessor in its sole discretion, and the election (if any) which Lessor has made according to this Section. Such notice will be given no later than the forty-fifth (45th) day (the "**Notice Date**") after the fire or other insured casualty.

a. If the Premises is damaged in whole or part by fire or other insured casualty to an extent which may be repaired within ninety (90) days after the commencement of repair, as determined by Lessor, Lessor will repair the damage to the extent of available insurance proceeds. In that event this Lease will continue in full force and effect except that Base Rent will be abated on a pro rata basis from the date of the fire or other insured casualty until the date of the substantial completion of such repairs (the "**Repair Period**") in proportion to the rentable square footage of the Premises which Lessee is unable to use during the Repair Period. There will be a similar abatement in the event the Building is not repaired to substantially the same condition as before the damage. Notwithstanding the foregoing, Lessor shall not be obligated to repair any damage which occurs within the last twenty-four (24) months of the Term, and if Lessor so elects not to repair, this Lease shall terminate on the Notice Date; provided, however, that Lessee shall automatically be granted a Purchase Option exercisable within seven

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(7) days of receiving written notice of Lessor's election not to repair.

b. If the Premises is damaged in whole or part by fire or other insured casualty to an extent which may not be repaired within ninety (90) days after the commencement of repair with available insurance proceeds, but which may be repaired within one hundred eighty (180) days after the commencement of repair with available insurance proceeds, as determined by Lessor, then, at Lessor's option, Lessor may repair such damage to the Premises. If Lessor elects to repair such damage, Base Rent will be abated during the Repair Period in proportion to the rentable square footage of the Premises which Lessee is unable to use during the Repair Period. There will be a similar abatement in the event the Building is not repaired to substantially the same condition as before the damage. If Lessor does not elect to repair such damage, this Lease will terminate on the Notice Date.

e. If the Premises is damaged in whole or part by fire or other insured casualty to an extent which cannot be repaired within one hundred eighty (180) days after the commencement of repair with available insurance proceeds, as determined by Lessor, then Lessor may cancel this Lease as of the date of such damage by written notice given to Lessee on or before the Notice Date. If the Premises is damaged in whole or part by fire or other insured casualty to an extent which cannot be repaired within one hundred eighty (180) days after the commencement of repair, as determined by Lessor, then Lessee may cancel this Lease as of the date of such damage by written notice given to Lessor within ten (10) days after Lessor's delivery of a notice that the repairs cannot be made within such one hundred eighty 180 days. If neither Lessor nor Lessee so elects to cancel this Lease, Lessor will repair the Premises, and Base Rent will be abated during the Repair Period in proportion to the rentable square footage of the Premises which Lessee is unable to use during the Repair Period. There will be a similar abatement in the event the Building is not repaired to substantially the same condition as before the damage.

d. Notwithstanding the provisions of subsections (a), (b) or (c) above, (i) if the proceeds of insurance are insufficient to pay for the repair of any damage to the Premises, or if the Premises is damaged in whole or in part by an uninsured casualty, Lessor will have the option to repair such damage or terminate this Lease as of the date of such casualty by written notice to Lessee on or before the Notice Date; and (ii) if any such damage by fire or other casualty is the result of the willful misconduct, negligence or wrongful failure to act of Lessee or Lessee Parties, there will be no abatement of Base Rent as otherwise provided for in this Section, and Lessee shall pay, at Lessee's sole cost and expense, to Lessor upon demand, the difference between the cost of repairing the damage and the insurance proceeds received by Lessor, and Lessee shall not have any right to terminate this Lease. Lessor shall be deemed to have complied with the requirements of this Section as to the time of completion of repairs so long as Lessor makes diligent effort to complete the repairs in a reasonable amount of time. Lessor shall not be liable to Lessee or its employees, agents, contractors, invitees or customers for loss or damage to merchandise, tenant improvements, fixtures, automobiles, furniture, equipment, computers, files or other property located at the Premises (expect

for Lessor's indemnification obligations set forth in Section 3). Lessee shall repair or replace all of Lessee's property and any Alterations at Lessee's sole cost and expense to the extent of insurance proceeds. Lessee acknowledges that it is Lessee's sole responsibility to obtain adequate insurance coverage to compensate Lessee for damage to Lessee's property and Alterations.

15. **Successors and Assigns**

This Lease and each of the covenants, conditions, and Leases contained herein shall be binding upon each of the parties and upon their respective successors, representatives and assigns, subject to the provisions as to assignment, and the benefits shall inure to each of the parties and to their respective permitted successors, representatives and assigns.

16. **No Representations**

Lessee acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of Lessor regarding the condition of the improvements on the Premises. This Lease is not made in reliance upon any representation whatsoever, except as may be provided herein.

17. **Security Deposit**

The Lessor herewith acknowledges the receipt of 1 month of rent (\$25,000.00), which he is to retain as security for the faithful performance of all of the covenants, conditions, and terms of this Lease, but in no event shall the Lessor be obliged to apply the same upon rents or other charges in arrears or upon damages for the Lessee's failure to perform said covenants, conditions, and terms; the Lessor may so apply the security at his option; and the Lessor's right to the possession of the Premises for non-payment of rent or for any other reason shall not in any event be affected by reason of the fact that the Lessor holds this security. The said sum, if not applied toward payment of rent in arrears or toward the payment of damages suffered by the Lessor by reason of the Lessee's breach of the covenants, conditions, and Leases of this Lease, is to be returned to the Lessee when this Lease is terminated, according to the terms, but in no event is the said security to be returned until the Lessee has vacated the Premises and delivered possession to the Lessor. In the event that the Lessor repossesses himself of the leased Premises because of the Lessee's default or because of the Lessee's failure to carry out the covenant, conditions, and terms of this Lease, the Lessor may apply the said security upon all damages suffered to the date of said repossession and may retain the said security to apply upon such damages as may be suffered or shall accrue thereafter by reason of the Lessee's default or breach. The Lessor shall not be obliged to keep the said security as a separate fund, but may mix the said security with its own funds nor shall Lessor be required to obtain or account for any interest on said funds.

18. **Headings**

The headings of this Lease are for purposes of reference only and shall not limit or define

the meaning of any provisions of this Lease.

19. **Hazardous Materials**

- a. Lessee shall be fully responsible, at its own expense, for compliance with all laws and/or regulations governing the handling of Hazardous Materials or other substances used or stored on the Premises in connection with Lessee's business conducted therein. All hazardous or potentially Hazardous Materials shall be stored in proper containers and shall be further protected against spills by secondary containment facilities. Lessee shall not spill, introduce, discharge or bury any Hazardous Materials, substance or contaminant of any kind in, on, or under the Premises or any portion thereof or any adjacent Premises or into the ambient air. Lessee shall not permit the discharge of any Hazardous Materials into the sanitary or storm sewer or water system serving the Premises or any adjacent Premises or into any municipal or other governmental water system or storm and/or sanitary sewer system. Lessee shall employ all appropriate safeguards and procedures necessary or appropriate to protect such systems from contamination. Lessee shall undertake, at its expense, any necessary and/or appropriate cleanup process in connection with any breach of the foregoing covenants, and without limiting Lessee's other indemnity or insurance obligations under this Lease. Lessee shall indemnify and hold harmless Lessor from and against all liability whether direct, indirect, consequential or otherwise, arising from any incident or occurrence on or about the Premises or any adjacent Premises pertaining to Hazardous Materials which results from the acts or omissions of Lessee, its agents, employees or invitees, during the Term hereof. The obligations of Lessee under this section shall survive the termination of this Lease.
- b. "Hazardous Materials" shall include, without limitation, any chemical or other material which is or may become injurious to the public health, safety or welfare, or to the environment, flammable explosives, petroleum fractions, pesticides, radioactive materials, regulated substances, hazardous or toxic substances, contaminating pollutants or related or similar materials, including by way of example, substances or materials defined by any federal, state or local environmental law, ordinance, rule or regulation, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, and Rodenticide Act or the Michigan Environmental Response Act, and the regulations adopted and publications promulgated pursuant thereto, all as amended.

20. **Asbestos**

Lessee understands and agrees that it is Lessee's obligation to comply with those portions of Michigan's Asbestos in Educational Facilities Act ("AEFA"), the Federal Asbestos Hazard Emergency Response Act ("AHERA"), the Federal Occupational Safety and

Health Act ("OSHA") and the Michigan Occupational Safety and Health Act ("MIOSHA") which apply to it, including any and all regulations promulgated thereunder regulating asbestos-containing materials in any fashion whatsoever (collectively, the "Asbestos Regulations") with respect to the leased Premises. All obligations of Lessee under the Asbestos Regulations shall be performed by asbestos abatement contractors or such other persons as are trained and licensed to inspect, evaluate and abate asbestos-containing materials, or those materials that are suspected or presumed to contain asbestos. Lessee hereby indemnifies, defends and holds Lessor harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of Lessee's failure to comply with this Section and/or the Asbestos Regulations. Lessor represents and warrants that, as of the date of this Lease, the Building is in compliance with the Asbestos Regulations. Lessor hereby indemnifies, defends and holds Lessee harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of Lessor's breach of the foregoing sentence.

21. **Signs**

Lessee has permission to erect an exterior sign on the property of the leased Premises advertising the Lessee's intended use. The size, type, design, legend, and location must be in compliance with all applicable laws and restrictions of record, including but not limited to, all applicable city ordinances. Lessee hereby acknowledges and agrees to maintain, at Lessee's sole cost and expense, any sign erected by Lessee pursuant to this Section in good repair and working order at all times. In addition, Lessee hereby agrees to indemnify, defend and hold Lessor harmless (using counsel of Lessor's choice) from and against any cost, expense, claim or liability, including reasonable attorneys' fees, arising from or related to any sign erected by Lessee on the leased Premises or the maintenance thereof.

22. **Lessor's Cure**

All covenants, terms and conditions to be performed by Lessee under any of the terms of this Lease shall be at its sole cost and expense and without any abatement of rent. If Lessee shall fail to pay any sum of money, other than the payment of Rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Lessor may, but shall not be obligated so to do, and without waiving or releasing Lessee from any obligations of Lessee, make any such payment or perform any such other act on Lessee's part to be made or performed as in this Lease provided. Lessee shall reimburse all sums so paid by Lessor and all necessary incidental costs related thereto ("Reimbursable Expenses") within fifteen (15) days of receipt of written notice from Lessor ("Delinquency Date") of the amount due. In the event Lessee fails to reimburse Lessor after receipt of Lessor's demand for Reimbursable Expenses, Lessee shall be required to pay to Lessor, on the Delinquency Date and every thirty (30) days thereafter until Lessor receives such reimbursement, in addition to the amount of such costs, a late fee in the amount of ten percent (10%) of the outstanding amount of the cost. Acceptance of the late fee or interest under this Section shall in no event constitute a

waiver of Lessee's default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies.

All Reimbursable Expenses shall be deemed Additional Rent, and Lessor shall have (in addition to any other right or remedy of Lessor) the same rights and remedies in the event of the nonpayment thereof by Lessee as in the case of default by Lessee in the payment of rent.

23. **Lessor's Rights and Non-liability**

- Lessor shall have the right from time to time, with at least 24-hours notice to Lessee, to inspect the leased Premises to confirm Lessee's compliance with this Lease.
- Lessor shall not be responsible or liable to Lessee for:
  - any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining parcels; or
  - any loss or damage resulting to Lessee or its property from theft or a failure of the security systems, if any, in the structures or improvements on the leased Premises; or
  - or any damage or loss of property within the leased Premises from any cause other than solely by reason of the willful acts or omissions of Lessor or its agents, or Lessor's default under this Lease beyond any applicable cure period, and no such occurrence shall be deemed to be an actual or constructive eviction from the leased Premises or result in an abatement of rents.

If Lessor shall fail to perform any covenant, term or condition of this Lease upon Lessor's part to be performed, Lessee shall give Lessor notice of such default and ten (10) days in which to cure such default; provided, if such cure cannot be reasonably completed within such 10-day period, then Lessor shall have such additional time as necessary to cure so long as Lessor commences to cure within such 10-day period and diligent prosecutes such cure to completion. If as a consequence of such default, Lessee shall recover a money judgment against Lessor, such judgment shall be satisfied only against the right, title and interest of Lessor in the leased Premises and out of rents or other income from the leased Premises by Lessor, or out of the consideration received by Lessor from the sale or other disposition of all or any part of Lessor's right, title and interest in the leased Premises, and Lessor shall not be liable for any deficiency. Under no circumstances shall any present or future partner of Lessor (if Lessor is a partnership), future member or manager in Lessor (if Lessor is a limited liability company), affiliate of Lessor, or trustee or beneficiary (if Lessor or any partner or member of Lessor is a trust) (collectively, "Lessor Parties"), have any liability for the performance of Lessor's obligations under this Lease. Notwithstanding any contrary provision herein, neither Lessor nor the Lessor Parties shall be liable under any circumstances for injury or damage to, or interference with Lessee's business, or consequential damages, including, but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring; provided, however, that the foregoing limitation shall not apply to Lessor's indemnification obligations herein.



24. **Transfer of Leased Premises by Lessor Prohibited**

As long as Lessee's Purchase Options (or any one of them) remain outstanding, Lessor shall have no right to sell, assign, or otherwise transfer its interest in the Premises without Lessee's consent. If such a sale, assignment, or transfer is permitted by Lessee, Lessor shall automatically be relieved of any obligations or liabilities on the part of Lessor accruing from and after the date of such transfer and Lessee covenants and agrees to recognize the transferee as the Lessor under this Lease. Under no circumstances will Lessee permit a sale, assignment, or transfer of any interest in the Premises unless Lessee's Purchase Options as described herein are preserved.

25. **Subordination and Non-Disturbance**

This Lease and the rights of the Lessee hereunder are hereby made subject to and subordinate to all mortgages now or hereafter placed upon the leased Premises. Lessee covenants and agrees to execute and deliver on demand an instrument or instruments subordinating this Lease to the lien of any such mortgage or mortgages. In addition, Lessee agrees that, upon the request of Lessor or any mortgagee of Lessor, Lessee shall execute a commercially reasonable estoppel certificate on demand in form satisfactory to Lessor or any mortgagee of Lessor. Further, Lessee agrees to attorn to Lessor's lender in the event of a foreclosure. In exchange for Lessee's subordination and attornment as provided in this Section, Lessor agrees (on its behalf and on behalf of its lender) that Lessee's possession of the Premises under this Lease and Lessee's rights and privileges thereunder shall not be diminished or interfered with by Lessor's lender, and Lessee's occupancy of the Premises shall not be disturbed by Lessor's lender during the Term of the Lease or any extensions or renewals thereof. Both Lessee and Lessor agree that they will cooperate in executing a commercially reasonable Subordination and Non-Disturbance Agreement at the request of Lessor's lender.

26. **Attorneys' Fees**

If either party hereto fails to perform any of its obligations under this Lease or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Lease, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys' fees and disbursements.

27. **Holdover**

Lessee shall surrender the Premises to Lessor upon the expiration or earlier termination of this Lease in good order and condition, reasonable wear and tear excepted, and otherwise in compliance with the terms of this Lease. Any holding over after the expiration of the Term, without the express written consent of Lessor, shall constitute an

Event of Default and, without limiting Lessor's remedies provided in this Lease, such holding over shall be construed to be a tenancy at sufferance, at a rental rate equal to one hundred fifty percent (150%) of the Base Rent last due in this Lease, plus Additional Rent, and shall otherwise be on the terms and conditions herein specified, so far as applicable; provided, however, that in no event shall any renewal or expansion option, option to purchase, or other similar right or option contained in this Lease be deemed applicable to any such tenancy at sufferance. If the Premises are not surrendered at the end of the Term or sooner termination of this Lease, Lessee shall indemnify, defend and hold Lessor harmless from and against any and all loss, direct or indirect damages or liability resulting from delay by Lessee in so surrendering the Premises including, without limitation, any loss or liability resulting from any claim against Lessor made by any succeeding tenant or prospective tenant founded on or resulting from such delay and losses to Lessor due to lost opportunities to lease any portion of the Premises to any such succeeding tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

28. Jury Waiver

LESSOR AND LESSEE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO THIS LEASE.

29. Brokers

Lessor and Lessee each represents and warrants to the other that neither it nor its officers or agents nor anyone acting on its behalf has dealt with any real estate broker in the negotiating or making of this Lease, and each party agrees to indemnify and hold harmless the other from any claim or claims, and costs and expenses, including attorneys' fees, incurred by the indemnified party in conjunction with any such claim or claims of any other broker or brokers to a commission in connection with this Lease as a result of the actions of the indemnifying party.

30. Financial Statements

Within ten (10) days after Lessor's request, Lessee shall deliver to Lessor the then current financial statements of Lessee (including interim periods following the end of the last fiscal year for which annual statements are available, if such statements are prepared), prepared or compiled by a certified public accountant, including a balance sheet and profit and loss statement for the most recent prior year.

31. Mortgagee Protection

If, in connection with obtaining financing for the Premises or any portion thereof, Lessor's lender or investor shall request reasonable, *de minimus* modifications to this Lease, Lessee shall not unreasonably withhold, delay or defer its consent to such modifications, provided that such modifications do not adversely affect Lessee's rights or increase Lessee's obligations under this Lease. Lessee shall give to any trust deed or mortgage holder ("**Holder**") at the same time as it is given to Lessor, a copy of any notice of default given to Lessor, provided that, prior to such notice, Lessee has been notified, in writing (by way of notice of assignment of rents and leases, or otherwise) of the address of such Holder. Lessee further agrees that if Lessor shall have failed to cure such default within the time provided for in this Lease, then the Holder shall have an additional twenty (20) days after expiration of such period, or after receipt of such notice from Lessee, whichever shall last occur within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such twenty (20) days, any Holder has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated.

32. **Construction**

This Lease shall be construed and interpreted in accordance with the laws of the State where the Premises is located. No rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Lease, including the Exhibits attached hereto. All captions in this Lease are for reference only and shall not be used in the interpretation of this Lease. Whenever required by the context of this Lease, the singular shall include the plural, the masculine shall include the feminine, and vice versa. If any provision of this Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. Neither this Lease, nor any memorandum, affidavit or other writing with respect thereto, shall be recorded by Lessee or by any one acting through, under or on behalf of Lessee, and the recording thereof in violation of this provision shall make this Lease null and void at Lessor's election.

33. **Counterparts**

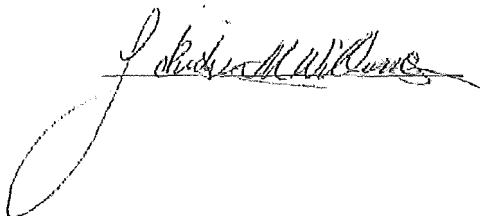
This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. This Lease may be executed by Lessor or Lessee and delivered to the other party in PDF, facsimile or similar electronic format shall be binding on the party delivering the executed document with the same force and effect as the delivery of a printed copy of the document with an original ink signature.

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[SIGNATURE PAGE FOLLOWS]

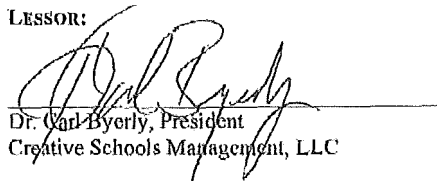
In witness whereof, the parties hereto have executed this Lease the day and year first written above.

IN THE PRESENCE OF:



A handwritten signature in cursive script, appearing to read "J. Keith Williams", written over a horizontal line.

LESSOR:



A handwritten signature in cursive script, appearing to read "Dr. Carl Byerly", written over a horizontal line.

Dr. Carl Byerly, President  
Creative Schools Management, LLC

IN THE PRESENCE OF:

\_\_\_\_\_

LESSEE:

\_\_\_\_\_  
City of Pontiac  
Mayor

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In witness whereof, the parties hereto have executed this Lease the day and year first written above.

IN THE PRESENCE OF:

LESSOR:

\_\_\_\_\_

\_\_\_\_\_

Dr. Carl Byerly, President  
Creative Schools Management, LLC

IN THE PRESENCE OF:

LESSEE:

*Shirley R. Alfred*  
\_\_\_\_\_

*Deirdre Waterman*  
\_\_\_\_\_

City of Pontiac  
Mayor

**EXHIBIT A**

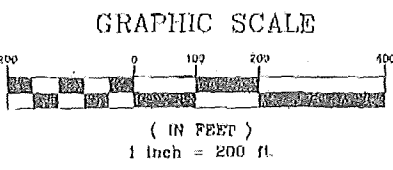
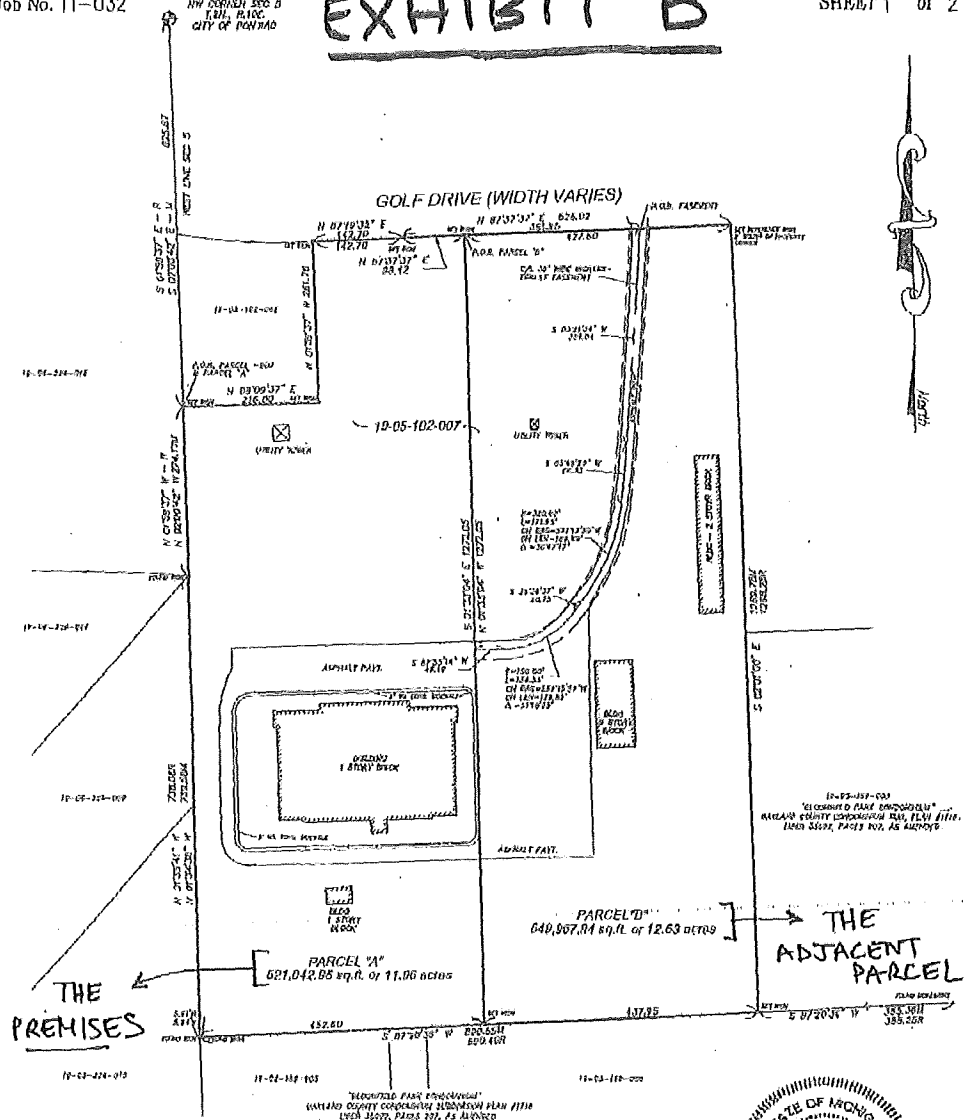
1. Principal Office - Conference Table with 4 padded chairs and 4 wooden chairs
2. Tech Room - 3 wood tables
3. Front Office - Steel Desk with 2 wood chairs and file cabinet
4. Gym - 2 Vending Machines and 2 glass display cases; sound system; scoreboard
5. Front office - Wood desk and 3 chairs
6. Front Office - 2 wood tables and 2 wood chairs
7. Front Office - Wood Table, 4 wood chairs, moon table 7 tall cabinet
8. Front East Classroom - 10 Rectangular Wood tables (4 belong to JIA) and 70 small elementary plastic chairs
9. Room 18 - 3 file cabinets, 2 teacher desks, & 5 student desks
10. Room 106 -
  - A. 35 Elementary Desk / Chair combo units
  - B. 22 Elementary Blue plastic chairs
  - C. 26 Elementary Gray small hard plastic chairs
  - D. 10 Middle School Hard Plastic chairs
  - E. 15 Upper Elem. Adjustable desks
  - F. 2 science lab tables
  - G. 3 Steel Office Desks
  - H. 2 Middle School Desk / Chair combo units
  - I. 3 File Cabinets
  - J. 2 Wooden Classroom Tables
11. Choir Room - 2 Pianos, Choir risers (4 sections) 12 music stands
12. Band Room - 1 Piano and Music storage cabinet
13. Dance Room - Ballet Bars (4 sets) and File cabinet
14. Fireplace Room - 4 large book shelves, 2 wooden office desks, 4 wood chairs & 1 wood table
15. Room 210 - Wooden teacher desk and 4 moon shaped tables
16. Room 208 - 17 Middle School desk / chair combo units, teacher's desk & file cabinet
17. Room 209 - 12 Middle School Chairs (peach color) & wooden teacher desk
18. Room 206 - (25 Middle School desk / chair combo units belong to JIA) , Adult wood desks and file cabinet
19. Room 207 - 5 wood science tables
20. Room 205 - 11 Middle School desk / chair combo units
21. Room 203 - Wood Table
22. Room 201 - (computer lab) 7 computer tables (assorted) (2 belong to JIA) & 20 chairs
23. Teacher's lounge - refrigerator, 4 wood tables, microwave 7 20 chairs
24. Kitchen - 2 commercial gas stoves, etc.?

Job No. 11-032

NEW CORNER SET TO  
 TRAIL, PLAT  
 CITY OF RICHMOND

# EXHIBIT B

SHEET 1 of 2





Job No. 11-032

LEGAL DESCRIPTIONS

SHEET 2 of 2

LEGAL DESCRIPTION PARCEL 18-05-102-007

PART OF THE NORTHWEST 1/4 OF SECTION 6, T.2N, R.10E, CITY OF PONTIAC, OAKLAND COUNTY MICHIGAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 6, SAID POINT BEING S02°00'42"E (RECORDED AS S01°00'37"E), 825.87 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 6; THENCE N89°09'37"E, 218.00 FEET; THENCE N01°59'37"W, 281.78 FEET; THENCE N87°10'32"E, 142.70 FEET; THENCE N87°17'37"E, 528.02 FEET; THENCE S02°01'00"E, 1289.78 FEET (RECORDED AS 1208.28 FEET), TO A POINT ON THE NORTH LINE OF "BLOOMFIELD PARK CONDOMINIUM" OAKLAND COUNTY CONDOMINIUM PLAN NO. 1718 AS RECORDED IN LIBER 35092, PAGE 207 OAKLAND COUNTY RECORDS, AS AMENDED; THENCE S87°00'30"W ALONG THE NORTH OF SAID "BLOOMFIELD PARK CONDOMINIUM", 890.85 FEET (RECORDED AS 890.40 FEET) TO A POINT, SAID POINT BEING 8.81 FEET (RECORDED AS 8.81 FEET) FROM THE WEST LINE OF SAID SECTION 6; THENCE N01°04'33"W, 739.59 FEET (RECORDED AS N01°04'17"W, 718.89 FEET) TO A POINT ON THE WEST LINE OF SAID SECTION 6; THENCE N02°00'42"W ALONG SAID WEST LINE, 274.17 FEET (RECORDED AS N01°09'37"W) TO THE POINT OF BEGINNING, CONTAINING 24.89 ACRES AND SUBJECT TO EASEMENTS AND RIGHTS OF WAY OF RECORD.

LEGAL DESCRIPTION PARCEL "A" - THE PREMISES

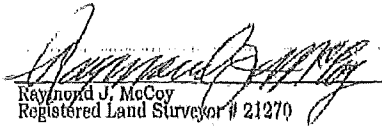
PART OF THE NORTHWEST 1/4 OF SECTION 6, T.2N, R.10E, CITY OF PONTIAC, OAKLAND COUNTY MICHIGAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE WEST LINE OF SAID SECTION 6, SAID POINT BEING S02°00'42"E (RECORDED AS S01°00'37"E), 825.87 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 6; THENCE N89°09'37"E, 218.00 FEET; THENCE N01°59'37"W, 281.78 FEET; THENCE N87°10'32"E, 142.70 FEET; THENCE N87°17'37"E, 528.02 FEET; THENCE S01°03'04"E, 1272.03 FEET, TO A POINT ON THE NORTH LINE OF "BLOOMFIELD PARK CONDOMINIUM" OAKLAND COUNTY CONDOMINIUM PLAN NO. 1718 AS RECORDED IN LIBER 35092, PAGE 207 OAKLAND COUNTY RECORDS, AS AMENDED; THENCE S87°00'30"W ALONG THE NORTH OF SAID "BLOOMFIELD PARK CONDOMINIUM", 458.00 FEET TO A POINT, SAID POINT BEING 8.81 FEET (RECORDED AS 8.78 FEET) FROM THE WEST LINE OF SAID SECTION 6; THENCE N01°04'33"W, 739.59 FEET (RECORDED AS N01°04'17"W, 718.89 FEET) TO A POINT ON THE WEST LINE OF SAID SECTION 6; THENCE N02°00'42"W ALONG SAID WEST LINE, 274.17 FEET (RECORDED AS N01°09'37"W) TO THE POINT OF BEGINNING, CONTAINING 11.88 ACRES AND SUBJECT TO EASEMENTS AND RIGHTS OF WAY OF RECORD.

LEGAL DESCRIPTION PARCEL "B" - THE ADJACENT PARCEL

PART OF THE NORTHWEST 1/4 OF SECTION 6, T.2N, R.10E, CITY OF PONTIAC, OAKLAND COUNTY MICHIGAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT LOCATED S02°00'42"E (RECORDED AS S01°00'37"E), 825.87 AND N89°09'37"E, 218.00 FEET AND N01°59'37"W, 281.78 FEET AND N87°10'32"E, 142.70 FEET AND N87°17'37"E, 528.02 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 6; THENCE CONTINUING N87°17'37"E, 427.80; THENCE S02°01'00"E, 1289.78 FEET (RECORDED AS 1288.28 FEET), TO A POINT ON THE NORTH LINE OF "BLOOMFIELD PARK CONDOMINIUM" OAKLAND COUNTY CONDOMINIUM PLAN NO. 1718 AS RECORDED IN LIBER 35092, PAGE 207 OAKLAND COUNTY RECORDS, AS AMENDED; THENCE S87°00'30"W ALONG THE NORTH OF SAID "BLOOMFIELD PARK CONDOMINIUM", 437.95 FEET; THENCE N01°03'04"W, 1272.03 FEET TO THE POINT OF BEGINNING, CONTAINING 12.83 ACRES AND SUBJECT TO EASEMENTS AND RIGHTS OF WAY OF RECORD.

LEGAL DESCRIPTION 30' WIDE INGRESS-EGRESS EASEMENT

PART OF THE NORTHWEST 1/4 OF SECTION 6, T.2N, R.10E, CITY OF PONTIAC, OAKLAND COUNTY MICHIGAN, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT LOCATED S02°00'42"E (RECORDED AS S01°00'37"E), 825.87 AND N89°09'37"E, 218.00 FEET AND N01°59'37"W, 281.78 FEET AND N87°10'32"E, 142.70 FEET AND N87°17'37"E, 528.02 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 6; THENCE S01°03'04"W, 1282.04; THENCE S02°00'20"W, 88.33 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 171.85 FEET, SAID CURVE HAVING A RADIUS OF 380.00 FEET, A CENTRAL ANGLE OF 30°47'17", AND A CHORD BEARING S21°12'59"W, 188.89 FEET; THENCE S39°09'37"W, 20.89 FEET TO A POINT OF CURVE; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT 134.33 FEET, SAID CURVE HAVING A RADIUS OF 150.00 FEET, A CENTRAL ANGLE OF 51°10'30", AND A CHORD BEARING S68°15'37"W, 129.89 FEET; THENCE S87°05'16"W, 46.19 FEET TO THE POINT OF ENDING.

  
Raymond J. McCoy  
Registered Land Surveyor # 21270



**#6**

# **RESOLUTION**



# CITY OF PONTIAC

## OFFICIAL MEMORANDUM

*Executive Branch*

---

**TO:** Council President and Members of the City Council Information Technology

**FROM:** Department

**THRU:** Office of Mayor Deirdre Waterman

**DATE:** April 6, 2021

**RE:** Ricoh Printers Contract for 50th District Court, Bowen Senior Center, Ruth Peterson Senior Center and Youth Recreation and Enrichment Center

**Problem:**

1. 50th District Court, Senior Centers, and Pontiac Youth Recreation and Enrichment Center have 12-year old Ricoh printers that are in constant need of repair.
2. Replacement parts are no longer available for the printers.
3. Departments have become reliant on desktop printers' because they cannot trust the reliability of the old Ricoh printers'.
4. Cost of printing to the smaller printers are four times more than the cost of printing to a Ricoh and printing is six times slower.

**Solution:**

1. Replace existing Ricohs with new models.
2. Use desktop printers only as a backup for the new Ricohs to save costs.
3. Do not replace existing desktop printers when they breakdown.

**Costs:**

1. We currently pay around \$1,476 a month. This includes what we pay for toner and maintenance on the old Ricohs and the cost of toners for the current desktop printers.
2. We will pay \$945.12 a month total to lease eight new Ricoh printers plus \$490.20 service costs (toner and on-site service) for a total of \$1,435.32 per month.
3. For \$40.68 less per month, we can get eight new Ricohs.
4. Ricoh has a contact that will buy our current fleet.
5. The lease is for 60 months. At the end of the 60 months, the city owns the new Ricohs.

**Capabilities of new Ricoh printers that we currently do not have:**

1. New Ricohs print 60 pages per minute.
2. You can scan directly from the printer to your home or shared drive.
3. Scan to USB flash drive.
4. Full 10.1" color touchscreen operation panel.
5. Besides staples, there is a staple less finishing feature. Some models will have a booklet maker and saddle stitching.
6. Scan to USB flash drive.
7. Wireless connectivity so you are not restricted to locations with a network port.
8. Mobile printing and scanning from tablets or smartphones.

**Conclusion:**

*Whereas, 50th District Court, Bowen Senior Center, Ruth Peterson Senior Center and Pontiac Youth Recreation and Enrichment Center utilize Ricoh printers that are 12 years old; and*

*Whereas, Maintenance for these outdated printers' costs approximately \$1,476 per month; and*

*Whereas, the current vendor can replace these printers with new printers on a lease for \$1,435.32 per month, including maintenance; and*

*Whereas, at the end of the 60-month lease the City will own the printers;*

*Now Therefore, Be It Resolved that the Pontiac City Council approves the lease and maintenance of the new Ricoh printers at a rate of \$1,435.32 per month for a period of 60 months, and authorizes the Mayor to execute contracts necessary to complete the transaction.*



Hi and Welcome



The following presentation is about the old printers in the Courthouse and how they can be replaced with better and more reliable Ricoh printers



## The Courthouse Existing Ricoh Printers

- The existing printers are 12 years old
- Ricoh does not have replacement parts for printers
- Frequent jammed papers or offline errors when printing or faxing
- The monthly cost of maintenance is more expensive than the new printers' monthly cost



## The Courthouse Existing Ricoh Printers

Departments have become reliant on desktop printers because they cannot trust that the reliability of the old Ricohs

Cost of printing to the smaller printers are four times more than the cost of printing to a Ricoh and six times slower

The Courthouse staff will end up saving money, down time, and frustration when it comes to printing and faxing documents



# The New Ricohs

- The new printers are much faster and more reliable
- They include many features which will help staff to work faster
- New Ricohs print 60 pages per minute
- You can scan directly from the printer to your home or shared drive
- Full 10.1" color touchscreen operation panel
- Besides staples, there is a stapleless finishing feature. Some models will have a booklet maker and saddlestitching



# The New Ricohs

## Additional Features

- Scan to USB flash drive
- Wireless connectivity so you are not restricted to locations with a network port
- Mobile printing and scanning from tablets or smartphones
- The Courthouse staff will end up saving money, down time and frustration when it comes to printing and faxing documents

# The New Ricohs

## Cost

- 60 months Lease of \$473.77 per month per unit
- Gold Service - includes Parts, Labor, Toner and Staples, (excludes paper)
  - Cost of B&W copies \$0.0058 per page
  - Cost of Color copies \$ 0.045 per page



Thank you for your time



Created By: Kelvin Lester | Phone: (248)-882-4991 | Email: kelvin.lester@ricoh-usa.com

### Your Configured Ricoh MP 5055



\*Note: The image is a photo realistic illustration of your selected configuration.

#### DIMENSIONS

WIDTH	DEPTH	HEIGHT
<b>45.30in</b>	<b>27.00in</b>	<b>47.60in</b>
(1,151mm)	(686mm)	(1,209mm)

Actual dimensions may vary. These are approximate only.

#### POWER CONSUMPTION (MAIN UNIT)

110-120V, 60Hz, 12A - the required wall outlet is a NEMA 5-15R (receptacle)

Additional power requirements may apply.

Please read each option's description copy to see if additional power sources are needed.

#### Your Chosen Options

- MP 5055
- Paper Feed Unit PB3220
- One-Bin Tray BN3110
- Hybrid Finisher SR3210
- Bridge Unit BU3070
- Fax Option Type M29
- ESP XG-PCS-15D



### Main Unit

Main Unit		
Item/Description	Item #	Power Requirements
MP 5055	417766	110-120V, 60Hz, 12A - the required wall outlet is a NEMA 5-15R (receptacle)

### Paper Tray & Optional Accessories

Item/Description	Item #	Power Requirements
Paper Feed Unit PB3220	417268	N/A

### Output & Finishing Options

Internal		
Item/Description	Item #	Power Requirements
One-Bin Tray BN3110	417585	N/A
External		
Item/Description	Item #	Power Requirements
Hybrid Finisher SR3210	417483	N/A
Bridge Unit BU3070	417587	N/A

### Fax Options


Item/Description	Item #	Power Requirements
Fax Option Type M29	418501	N/A

### Security & Miscellaneous Accessories


Item/Description	Item #	Power Requirements
ESP XG-PC5-15D	006428MIU	N/A



**Main Unit**

Main Unit		
Item/Description	Item #	Thumbnail
<p><b>MP 5055</b></p> <ul style="list-style-type: none"> <li>• Output Speed (Letter): 50-ppm</li> <li>• Recommended Monthly Volume: 15,000 impressions/month</li> <li>• Maximum Monthly Volume: 50,000 impressions/month</li> <li>• Power Requirements: 110-120V, 60Hz, 12A - the required wall outlet is a NEMA 5-15R (receptacle)</li> <li>• Weight: 168.6 lbs. (76.5 kg)</li> <li>• Dimensions include SPDF:</li> <li>• W x D x H (inches): 23.1 x 26.9 x 37.9</li> <li>• W x D x H (mm): 586.74 x 683.26 x 962.66</li> </ul>	417766	

**Paper Tray & Optional Accessories**

Item/Description	Item #	Thumbnail
<p><b>Paper Feed Unit PB3220</b></p> <p>Provides an additional 1,100 sheets.</p> <p>Paper sizes up to 11" x 17".</p> <p>Paper weights up to 80 lb. Bond/166 lb. Index (300 g/m<sup>2</sup>).</p> <p>Weight: 48.5 lbs. (22 kg)</p> <p>W x D x H (inches): 23.1 x 27 x 9.7</p> <p>W x D x H (mm): 586.74 x 685.8 x 246.38</p> <p>Note: Paper Feed Unit PB3220 cannot be installed with Paper Feed Unit PB3250, Caster Table Type M3, LCIT PB3260, Cabinet Type F, or any related options.</p>	417268	

**Output & Finishing Options**

Internal		
Item/Description	Item #	Thumbnail

**One-Bin Tray BN3110**

Provides an additional output tray above the standard Internal Tray or optional Bridge Unit/Internal Finisher.

Holds 125 sheets.

Allows users to separate print/fax output from copy.

Supports paper sizes up to 11" x 17".

Weight: 3.1 lbs. (1.4 kg)

W x D x H (inches): 17.5 x 17.7 x 5.9

W x D x H (mm): 444.5 x 449.58 x 149.86

417585



## External

Item/Description

Item #

Thumbnail

**Hybrid Finisher SR3210**

1,000-Sheet Hybrid Finisher.

For offices that produce collated and stapled sets of documents, the SR3210 helps shorten production time. It offers 50-sheet, multi-position stapling, mixed-size stapling, optional hole-punching, and shift-sort collating, as well as a staple-less binding capability of up to 5 sheets.

Supports paper sizes up to 11" x 17".

Weight: 60 lbs. (27 kg)

W x D x H (inches): 22.2 x 24.4 x 37.8

W x D x H (mm): 563.88 x 619.76 x 960.12

## Note:

1. Bridge Unit BU3070 or Internal Multi-fold Unit FD3000 must be installed to add this option.
2. One of the following Paper Feed Units must be selected to add this finisher: Paper Feed Unit PB3220, LCIT PB3260, or Cabinet Type F.
3. Finisher SR3210 cannot be installed with Paper Feed Unit PB3250, Caster Table Type M3, Internal Finisher SR3130, Finisher SR3230, Booklet Finisher SR3220, Booklet Finisher SR3240, or any related options.

417483

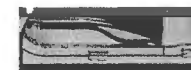
**Bridge Unit BU3070**

A required accessory if the main unit is configured with an external finisher and not with the Internal Multi-Fold Unit FD3000. The Bridge Unit transports pages from the standard exit area into a Finisher for inline stapling or hole-punching.

## Note:

This option or Internal Multi-fold Unit FD3000 must be installed when adding the following items: Finisher SR3210, Finisher SR3230, Booklet Finisher SR3220, or Booklet Finisher SR3240.

417587



## Fax Options

Item/Description

Item #

Thumbnail

### Fax Option Type M29

Installation required to enable fax services: 33.6 kbps, approximately 2 second transmission speed, standard JBIG, and standard 320 pages memory. Includes standard Internet Fax (T.37), LAN Fax, IP-Fax (T.38), Fax Forwarding to Email, and Paperless Fax function.

418601

#### Fax Destination

Enter fax destination with the Numb

► Destination

912015551234

Tone

Pause

### Security & Miscellaneous Accessories

Item/Description

Item #

Thumbnail

#### ESP XG-PCS-15D

Designed to provide a higher level of noise filtering and surge protection for devices that employ more sensitive and complex electronic components.

Our Advanced Technical Support (ATS) recommends the use of power protection products to minimize potential electrical interference with products.

006428MIU





Ricoh is committed to creating value for our customers through the production of top quality products, services and solutions that directly meet the needs of today's communication intensive business environments. As a result, we offer a range of Multifunction products with advanced scanning and printing software options that help boost productivity and improve workflow by enhancing the user experience. Visit [Ricoh-USA.com](http://Ricoh-USA.com) for more information.

We offer a variety of services and solutions to meet diverse and challenging business needs. To find out more information, visit [solutions.ricoh-usa.com](http://solutions.ricoh-usa.com)

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**RICOH**  
imagine. change.



Quote Document for

CITY OF PONTIAC

Date: March 24,2021

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<u>Quantity</u>	<u>Item Description</u>	<u>Ext Selling Price</u>
4	RICOH MP5055SP CONFIGURABLE PTO MODEL RICOH MP5055SP BRANDING SET PAPER FEED UNIT PB3220 1 BIN TRAY BN3110 FINISHER SR3210 BRIDGE UNIT BU3070 FAX OPTION TYPE M29	
4	TS NETWORK & SCAN CONNECT - SEG4	
28	TS-TRAINING ON-GOING TRAINING POOL OF HOURS GOOD FOR 60 MONTHS	
		<b>60 month Lease of \$472.54 per month</b>

---

Technology Service

60 Month Service Term

<u>Quantity</u>	<u>Description</u>	<u>Ext Rate</u>
4	RICOH MP5055SP CONFIGURABLE PTO MODEL	<b>\$0.00</b>
	<i>Includes</i> 0 B&W copies per Quarter per unit overages at \$0.0058 per page 0 color copies per Quarter per unit overages at \$ 0.0000 per page GOLD - includes Parts, Labor, Toner and Staples, excludes Paper	Per Quarter

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Rev. 04/13	<b>Quote Number</b> 29129421	<b>Expires on</b> April 30,2021
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